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STANDARD CHARTERED PLC

渣打集團有限公司

(Incorporated as a public limited company in England and Wales with limited liability)

(Registered Number: 966425)

(Stock Code: 02888)

Interim Management Statement First Quarter 2022 Results

Performance highlights

All figures are presented on an underlying basis and comparisons are made to 2021 on a reported currency basis, unless otherwise stated. A reconciliation of restructuring and other items excluded from underlying results is set out on pages 28-32.

Bill Winters, Group Chief Executive, said:

"Our first quarter performance was strong despite the volatile macro environment. Our profit before tax grew 4% year on year, with strong underlying business momentum. I am also pleased by the early progress we have made against the five strategic actions we outlined in February and we are on track to deliver 10% return on tangible equity by 2024, if not earlier."

Update on strategic actions

- **CCIB: drive improved returns:** Income RoRWA up 1.1%pts to 6.4%; \$6bn of \$22bn targeted RWA optimisation initiatives executed
- **CPBB: transform profitability:** Added 98k mass retail partnership clients
- **Seize China opportunity:** China-ASEAN corridor network income up 35% YoY
- **Cost discipline to create operational leverage:** \$72m of gross structural cost savings delivered
- **Substantial shareholder distributions:** \$750m share buy-back ~80% completed to date
- Refocusing resources in the AME region into existing and new markets which have the greatest scale and growth potential
- Sustainability: Enhanced roadmap providing further clarity on how we will achieve net zero in our financed emissions by 2050

Selected information concerning 1Q'22 financial performance

- Return on tangible equity of 11.1%, up 30bps year-on-year
- **Income** up 9% to \$4.3bn, or 11% YoY at constant currency (ccy); up 9% at ccy excluding debit valuation adjustment (DVA)
 - Net interest income up 10% at ccy
 - Financial Markets up \$0.4bn or 27%, at ccy and excluding DVA
 - Continued positive momentum in Transaction Banking with income up 6% at ccy
 - Wealth Management down \$0.1bn or 17% at ccy, with the largest market, Hong Kong, down 26% at ccy
 - Net interest margin up 10bps QoQ to 1.29%, due to the impact of the structural hedge programme and rising interest rates
- **Expenses** increased 6% YoY to \$2.6bn, or up 8% at ccy
 - Higher performance related pay accruals and increased investment spend in strategic initiatives and in Ventures
 - Positive 1% income-to-cost jaws at ccy and excluding DVA
- **Credit impairment** charge of \$200m, up \$180m YoY; down \$3m QoQ
 - Includes \$160m relating to China CRE exposures and \$107m for the Sri Lanka sovereign rating downgrade to Stage 3.
 - Total management overlays down \$104m QoQ to \$239m; COVID-19 overlay \$153m and China CRE overlay \$86m
 - High-risk assets are down slightly in 1Q'22, the seventh consecutive quarter of improvement
- **Underlying profit before tax** up 5% at ccy to \$1.5bn; statutory profit before tax up 7% at ccy to \$1.5bn
- **Tax** charge of \$313m: underlying effective tax rate of 21.1% down 1.1%pts due to a change in the geographic mix of profits

- The Group's **balance sheet** remains strong, liquid and well diversified
 - Customer loans and advances down \$3bn or 1% since 31.12.21; up \$4bn excluding impact of RWA optimisation initiatives and FX
 - Advances-to-deposit ratio 60.0% (31.12.21: 59.1%); liquidity coverage ratio 140% (31.12.21:143%)
- **Risk-weighted assets (RWA)** of \$261bn down \$10bn since 31.12.21
 - Credit risk RWA down \$9bn: \$6bn adverse regulatory changes offset by \$6bn CCIB optimisation actions, \$7bn other efficiency actions
 - Market risk RWA down \$1.5bn to \$23bn; no change to Operational risk RWA
- The Group remains strongly capitalised and highly liquid
 - CET1 ratio 13.9% (31.12.21 14.1%): Profits and lower RWAs offset by 100bps of regulatory changes and share buy-back programme
- **Earnings per share** increased 1.3 cents or 4% to 34.8 cents

Outlook

The start to 2022 has been strong and recent geopolitical events have strengthened the outlook for rates albeit making the outlook for the pace of economic recovery less predictable. Consequently for FY'22:

- Income growth is expected to slightly exceed the previously guided 5-7% range
- Operating expenses are expected to be slightly higher than the previously guided \$10.7bn as a consequence of the impact of the higher income growth expectations on performance related pay; we continue to expect to deliver positive income-to-cost jaws
- Credit impairment is expected to start to normalise towards the medium-term loan-loss rate range of 30-35bps
- We intend to operate dynamically within the full CET1 13-14% target range

We are on track to deliver 10% return on tangible equity by 2024, if not earlier.

Statement of results

	1Q'22 \$million	1Q'21 \$million	Change ¹ %
Underlying performance			
Operating income	4,274	3,929	9
Operating expenses (including UK bank levy)	(2,636)	(2,494)	(6)
Credit impairment	(200)	(20)	nm
Other impairment	(1)	(16)	94
Profit from associates and joint ventures	63	47	34
Profit before taxation	1,500	1,446	4
Profit/(loss) attributable to ordinary shareholders ²	1,060	1,053	1
Return on ordinary shareholders' tangible equity (%)	11.1	10.8	30bps
Cost to income ratio (excluding bank levy) (%)	61.7	63.5	180bps
Statutory performance			
Operating income	4,292	3,939	9
Operating expenses	(2,665)	(2,528)	(5)
Credit impairment	(197)	(17)	nm
Goodwill impairment	-	-	nm
Other impairment	(6)	(28)	79
Profit from associates and joint ventures	68	47	45
Profit before taxation	1,492	1,413	6
Taxation	(313)	(314)	-
Profit for the period	1,179	1,099	7
Profit/(loss) attributable to parent company shareholders	1,176	1,092	8
Profit/(loss) attributable to ordinary shareholders ²	1,055	1,027	3
Return on ordinary shareholders' tangible equity (%)	11.1	10.6	50bps
Cost to income ratio (including bank levy) (%)	62.1	64.2	210bps
Balance sheet and capital			
Total assets	839,117	804,903	4
Total equity	51,840	52,275	(1)
Average tangible equity attributable to ordinary shareholders ²	38,614	39,464	(2)
Loans and advances to customers	295,785	292,084	1
Customer accounts	456,404	441,684	3
Risk weighted assets	260,833	276,670	(6)
Total capital	55,036	58,531	(6)
Total capital (%)	21.1	21.2	(10)bps
Common Equity Tier 1	36,296	38,711	(6)
Common Equity Tier 1 ratio (%)	13.9	14.0	(10)bps
Net Interest Margin (%) (adjusted)	1.29	1.22	7bps
Advances-to-deposits ratio (%) ³	60.0	62.7	(2.7)
Liquidity coverage ratio (%)	140	150	(10)
UK leverage ratio (%)	4.4	5.1	(70)bps
Information per ordinary share			
Earnings per share – underlying ⁴	Cents 34.8	Cents 33.5	Cents 1.3
– statutory ⁴	34.6	32.6	2.0
Net asset value per share ⁵	1,460	1,433	27
Tangible net asset value per share ⁵	1,276	1,270	6
Number of ordinary shares at period end (millions)	2,993	3,118	(4)

1 Variance is better/(worse) other than assets, liabilities and risk-weighted assets. Change is percentage points difference between two points rather than percentage change for total capital ratio (%), common equity tier 1 ratio (%), net interest margin (%), advances-to-deposits ratio (%), liquidity coverage ratio (%), UK leverage ratio (%). Change is cents difference between two points rather than percentage change for earnings per share, net asset value per share and tangible net asset value per share

2 Profit/(loss) attributable to ordinary shareholders is after the deduction of dividends payable to the holders of non-cumulative redeemable preference shares and Additional Tier 1 securities classified as equity

3 When calculating this ratio, total loans and advances to customers excludes reverse repurchase agreements and other similar secured lending, excludes approved balances held with central banks, confirmed as repayable at the point of stress and includes loans and advances to customers held at fair value through profit and loss. Total customer accounts include customer accounts held at fair value through profit or loss

4 Represents the underlying or statutory earnings divided by the basic weighted average number of shares

5 Calculated on period end net asset value, tangible net asset value and number of shares

Table of contents

Performance highlights	1
Statement of results	3
Group Chief Financial Officer's review	5
Supplementary financial information	14
Underlying versus statutory results reconciliations	28
Risk review	33
Capital review	38
Financial statements	43
Other supplementary financial information	48

Unless another currency is specified, the word 'dollar' or symbol '\$' in this document means US dollar and the word 'cent' or symbol 'c' means one-hundredth of one US dollar.

The information within this report is unaudited.

Unless the context requires, within this document, 'China' refers to the People's Republic of China and, for the purposes of this document only, excludes Hong Kong Special Administrative Region (Hong Kong), Macau Special Administrative Region (Macau) and Taiwan. 'Korea' or 'South Korea' refers to the Republic of Korea. Asia includes Australia, Bangladesh, Brunei, Cambodia, Mainland China, Hong Kong, India, Indonesia, Japan, Korea, Laos, Macau, Malaysia, Myanmar, Nepal, Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam; Africa & Middle East (AME) includes Angola, Bahrain, Botswana, Cameroon, Cote d'Ivoire, Egypt, The Gambia, Ghana, Iraq, Jordan, Kenya, Lebanon, Mauritius, Nigeria, Oman, Pakistan, Qatar, Saudi Arabia, Sierra Leone, South Africa, Tanzania, the United Arab Emirates (UAE), Uganda, Zambia and Zimbabwe; and Europe & Americas (EA) includes Argentina, Brazil, Colombia, Falkland Islands, France, Germany, Ireland, Jersey, Poland, Sweden, Turkey, the UK and the US.

Within the tables in this report, blank spaces indicate that the number is not disclosed, dashes indicate that the number is zero and nm stands for not meaningful.

Standard Chartered PLC is incorporated in England and Wales with limited liability. Standard Chartered PLC is headquartered in London. The Group's head office provides guidance on governance and regulatory standards. Standard Chartered PLC stock codes are: LSE STAN.LN and HKSE 02888.

Group Chief Financial Officer's review

The Group delivered a strong performance in the first quarter of 2022

Summary of financial performance

	1Q'22 \$million	1Q'21 \$million	Change %	Constant currency change ¹ %	4Q'21 \$million	Change %	Constant currency change ¹ %
Net interest income	1,790	1,662	8	10	1,697	5	6
Other income	2,484	2,267	10	11	1,633	52	53
Underlying operating income	4,274	3,929	9	11	3,330	28	29
Other operating expenses	(2,636)	(2,494)	(6)	(8)	(2,595)	(2)	(2)
UK bank levy	-	-	nm ³	nm ³	(94)	100	100
Underlying operating expenses	(2,636)	(2,494)	(6)	(8)	(2,689)	2	2
Underlying operating profit before impairment and taxation	1,638	1,435	14	16	641	156	159
Credit impairment	(200)	(20)	nm ³	nm ³	(203)	1	1
Other impairment	(1)	(16)	94	93	(295)	100	100
Profit from associates and joint ventures	63	47	34	37	(4)	nm ³	nm ³
Underlying profit before taxation	1,500	1,446	4	5	139	nm ³	nm ³
Restructuring	(8)	(33)	76	75	(285)	97	97
Other items	-	-	nm ³	nm ³	(62)	100	100
Statutory profit/(loss) before taxation	1,492	1,413	6	7	(208)	nm ³	nm ³
Taxation	(313)	(314)	-	(3)	(174)	(80)	(79)
Profit/(loss) for the period	1,179	1,099	7	8	(382)	nm ³	nm ³
Net interest margin (%) ²	1.29	1.22	7		1.19	10	
Underlying return on tangible equity (%) ²	11.1	10.8	30		(1.8)	1,290	
Underlying earnings per share (cents)	34.8	33.5	4		(5.7)	nm ³	

1 Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods

2 Change is the basis points (bps) difference between the two periods rather than the percentage change

3 Not meaningful

Statutory financial performance summary

	1Q'22 \$million	1Q'21 \$million	Change %	Constant currency change ¹ %	4Q'21 \$million	Change %	Constant currency change ¹ %
Net interest income	1,788	1,658	8	10	1,696	5	6
Other income	2,504	2,281	10	12	1,613	55	56
Statutory operating income	4,292	3,939	9	11	3,309	30	30
Statutory operating expenses	(2,665)	(2,528)	(5)	(8)	(3,056)	13	12
Statutory operating profit before impairment and taxation	1,627	1,411	15	17	253	nm ³	nm ³
Credit impairment	(197)	(17)	nm ³	nm ³	(197)	-	(1)
Other impairment	(6)	(28)	79	79	(273)	98	98
Profit from associates and joint ventures	68	47	45	37	9	nm ³	nm ³
Statutory profit/(loss) before taxation	1,492	1,413	6	7	(208)	nm ³	nm ³
Taxation	(313)	(314)	-	(3)	(174)	(80)	(79)
Profit/(loss) for the period	1,179	1,099	7	8	(382)	nm ³	nm ³
Statutory return on tangible equity (%) ²	11.1	10.6	50		(4.6)	1,570	
Statutory earnings per share (cents)	34.6	32.6	6		(14.9)	nm ³	

1 Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods

2 Change is the basis points (bps) difference between the two periods rather than the percentage change

3 Not meaningful

The Group delivered a strong performance in the first quarter of 2022, in volatile and challenging market conditions, with underlying profit before tax increasing 5 per cent on a constant currency basis. Income grew 9 per cent on a constant currency basis excluding positive movements in Debit Valuation Adjustment (DVA), with a record performance in Financial Markets, particularly in Macro Trading, partly offset by lower Wealth Management, reflecting less favourable market conditions compared to a record performance last year. Rising interest rates and increased hedging balances within Treasury led to the net interest margin increasing 10 basis points in the quarter, while RWA optimisation actions were the primary driver of a 1 per cent quarter-on-quarter reduction in loans and advances to customers. Expenses increased 8 per cent at constant currency, mainly due to inflation and performance related pay accruals, with underlying cost efficiencies funding increased investment spend. Credit impairment charges were equivalent to an annualised loan loss rate of 24 basis points. The Group remains well capitalised and highly liquid with a CET1 ratio of 13.9 per cent, at the top end of the 13 to 14 per cent target range, an advances-to-deposits ratio of 60 per cent and a liquidity coverage ratio of 140 per cent.

Group Chief Financial Officer's review continued

All commentary that follows is on an underlying basis and comparisons are made to the equivalent period in 2021 on a reported currency basis, unless otherwise stated.

- Operating income increased 9 per cent, or 11 per cent on a constant currency basis, and was up 9 per cent on a constant currency basis and excluding an \$85 million increase in DVA. A record Financial Markets performance and an expansion in the net interest margin was partly offset by lower Wealth Management income
- Net interest income increased 8 per cent, with the net interest margin increasing 6 per cent or 7 basis points, due to rising interest rates and increased hedging balances within Treasury, and a 2 per cent increase in average interest earning assets
- Other income increased 10 per cent, but was up 6 per cent excluding the positive impact of movements in DVA, with a strong Financial Markets performance including record Macro Trading income partially offset by lower Wealth Management income and reduced realisation gains within Treasury
- Operating expenses were up 6 per cent or up 8 per cent on a constant currency basis, reflecting both an increase in and a normalisation of the phasing of performance-related pay accruals. Increased investment spend into transformational digital initiatives including Ventures was primarily funded by cost efficiency actions. The Group generated 1 per cent positive income-to-cost jaws at constant currency excluding DVA while the cost-to-income ratio excluding DVA and the UK bank levy was flat at 63 per cent
- Credit impairment increased by \$180 million to \$200 million and was broadly in-line with charges in the prior quarter. There was an \$81 million release in Stage 1 and 2 impairments reflecting the impact of a \$104 million release in management overlays, primarily relating to COVID-19. Impairment of Stage 3 assets was a \$281 million charge including a \$107 million impact from a sovereign ratings downgrade of Sri Lanka into stage 3, and a \$160 million charge on China Commercial Real Estate exposures
- Other impairment was a \$1 million charge, a \$15 million reduction with the non-repeat of impairments relating to the aviation lease portfolio
- Profit from associates and joint ventures increased 34 per cent to \$63 million due to increased profits at China Bohai Bank
- Charges relating to restructuring and other items decreased \$25 million to \$8 million
- Taxation was \$313 million on a statutory basis, with an underlying year-to-date effective tax rate of 21.1 per cent compared to the prior year rate of 22.2 per cent reflecting a change in the geographic mix of profits
- Underlying return on tangible equity increased by 30 basis points to 11.1 per cent due to higher profits and lower tangible equity reflecting shareholder distributions including share buy-backs, and adverse movements in reserves due to movements in interest rates and FX

Group Chief Financial Officer's review continued

Operating income by product

	1Q'22 \$million	1Q'21 \$million	Change %	Constant currency change ¹ %	4Q'21 \$million	Change %	Constant currency change ¹ %
Transaction Banking	740	713	4	6	730	1	2
Trade & Working capital ^{2,3}	362	347	4	6	348	4	5
Cash Management	378	366	3	5	382	(1)	(1)
Financial Markets ³	1,723	1,308	32	34	1,012	70	72
Macro Trading	940	672	40	42	433	117	121
Credit Markets ³	460	429	7	9	361	27	28
Credit Trading	110	131	(16)	(15)	60	83	83
Financing Solutions & Issuance ³	350	298	17	20	301	16	17
Structured Finance ³	94	100	(6)	(5)	104	(10)	(10)
Financing & Securities Services	144	107	35	41	97	48	48
DVA	85	-	nm ⁴	nm ⁴	17	nm ⁴	nm ⁴
Lending & Portfolio Management ^{2,3}	146	173	(16)	(14)	184	(21)	(20)
Wealth Management	530	646	(18)	(17)	466	14	14
Retail Products	849	849	-	3	835	2	2
CCPL & other unsecured lending	305	320	(5)	(3)	316	(3)	(3)
Deposits	248	233	6	10	213	16	18
Mortgage & Auto	247	247	-	3	261	(5)	(5)
Other Retail Products	49	49	-	2	45	9	11
Treasury	317	257	23	26	155	105	107
Other ³	(31)	(17)	(82)	(43)	(52)	40	31
Total underlying operating income	4,274	3,929	9	11	3,330	28	29

1 Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods

2 Following a reorganisation, there has been a reclassification of balances from Lending & Portfolio Management into Trade & Working capital including prior period numbers. Prior periods have been re-presented and there is no change in the total income

3 Income related to Group Special Asset Management, the Group's specialist recovery unit previously reported in Other products has been allocated to the relevant products. Prior periods have been re-presented and there is no change in total income

4 Not meaningful

Transaction Banking income increased 4 per cent. Trade & Working Capital increased 4 per cent due to double-digit growth in balances partly offset by margin compression. The margin compression reflects greater distribution activities and a shift in product mix towards lower margin but more RWA efficient products. Cash Management income increased 3 per cent with strong balance sheet and fee income growth partly offset by margin compression.

Financial Markets income increased 32 per cent and was up 25 per cent excluding positive movements in DVA. Macro Trading enjoyed a record quarter with Commodity income more than doubling, benefitting particularly from volatility in energy prices. FX and Rates income also delivered double-digit growth on the back of increased client flows. Credit Markets income increased 7 per cent with Financing Solutions & Issuance benefitting from strong performance in Project & Export Finance and Leveraged Structured Solutions partly offset by subdued activity in Capital Markets while Credit Trading was down 16 per cent, negatively impacted by widening credit spreads. Structured Finance income declined 6 per cent due to lower Aviation Finance income, while Financing & Security Services income increased 35 per cent including \$94 million of gains on mark-to-market liabilities which are expected to reverse once funding spreads normalise.

Lending and Portfolio Management income decreased 16 per cent as RWA optimisation actions led to loan sale losses and lower balances.

Wealth Management income declined 18 per cent in comparison to a record performance in the first quarter of 2021, as market conditions became more volatile reducing transaction volumes, as well as from the impact of COVID-19 restrictions in particular in Hong Kong and China, resulting in a number of branch closures which negatively impacted face-to-face sales. Bancassurance income was up 9 per cent on the back of strong growth in Singapore. Excluding Bancassurance, Wealth Management income was down 26 per cent with reduced income from Managed Investments and Treasury products.

Retail Products income was flat on a reported basis and increased 3 per cent on a constant currency basis. Deposit income increased 6 per cent and 10 per cent on a constant currency basis due to higher margins, increased volumes and improved liability mix. On a constant currency basis, Mortgages & Auto income grew 3 per cent on the back of increased volumes. Credit Cards & Personal Loans income decreased 5 per cent reflecting lower fee income in Hong Kong.

Treasury income increased 23 per cent with net interest income more than doubling, benefitting from an increase in hedged balances and an increased return on assets as interest rates rose in several markets, partly offset by a \$68 million reduction in realisation gains.

Group Chief Financial Officer's review continued

Profit before tax by client segment and geographic region

	1Q'22 \$million	1Q'21 \$million	Change %	Constant currency change ² %	4Q'21 \$million	Change %	Constant currency change ² %
Corporate, Commercial & Institutional Banking ¹	1,099	885	24	26	435	153	154
Consumer, Private & Business Banking ¹	372	500	(26)	(25)	80	nm ³	nm ³
Ventures ¹	(77)	(39)	(97)	(100)	(76)	(1)	(1)
Central & other items (segment) ¹	106	100	6	8	(300)	135	136
Underlying profit before taxation	1,500	1,446	4	5	139	nm ³	nm ³
Asia	907	1,234	(26)	(25)	(50)	nm ³	nm ³
Africa & Middle East	302	190	59	66	159	90	89
Europe & Americas	512	233	120	121	146	nm ³	nm ³
Central & other items (region)	(221)	(211)	(5)	(7)	(116)	(91)	(79)
Underlying profit before taxation	1,500	1,446	4	5	139	nm ³	nm ³

1 Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior periods have been restated

2 Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods

3 Not meaningful

As part of the ongoing execution of its refreshed strategy, the Group has expanded and reorganised its reporting structure with the creation of a third client segment, Ventures, effective on 1 January 2022. Ventures is a consolidation of SC Ventures and its related entities as well as the Group's two majority-owned digital banks Mox in Hong Kong and Trust in Singapore, reported alongside the current client segments; Corporate, Commercial & Institutional Banking (CCIB) serving larger companies and institutions and Consumer, Private & Business Banking (CPBB) serving individual and business banking clients. There is no change to the regional reporting structure.

Corporate, Commercial & Institutional Banking income increased 19 per cent, or 15 per cent excluding DVA, with Financial Markets income up 32 per cent. Profits grew 24 per cent with increased income partly offset by 3 per cent higher expenses and \$175 million increase in credit impairment charges.

Consumer, Private & Business Banking profit declined 26 per cent, with income down 7 per cent due to an 18 per cent reduction in Wealth Management as well as a 3 per cent increase in Expenses, while credit impairments were 28 per cent lower.

Ventures loss doubled to \$77 million, reflecting the Group's continued investment in transformational digital initiatives with a doubling of expenses.

Central & other items (segment) profit increased 6 per cent to \$106 million with income increasing 17 per cent reflecting higher Treasury income and an increased profit share from China Bohai Bank. This was partly offset by a 20 per cent increase in expenses and a \$15 million net increase in impairments due to the sovereign ratings downgrade of Sri Lanka.

Asia profits decreased 26 per cent with credit impairments increasing by \$227 million and a 6 per cent increase in expenses. Income was down 1 per cent but up 1 per cent on a constant currency basis excluding movements in DVA, with higher Financial Markets income offset by lower Wealth Management and a non-repeat of realisation gains in Treasury.

Africa & Middle East profits increased 59 per cent as income increased 12 per cent or 16 per cent on a constant currency basis. Expenses increased 5 per cent on a constant currency basis while impairments were a \$46 million net release in the quarter.

Europe & Americas profit more than doubled as income grew 56 per cent, or 47 per cent excluding positive movements in DVA, due to strong Financial Markets and Treasury performance. Expenses increased 4 per cent while there was a lower credit impairment release.

Central & other items (region) recorded a loss of \$221 million, with expenses 11 per cent higher and a non-repeat of prior year other impairment relating to the aviation lease portfolio.

Group Chief Financial Officer's review continued

Adjusted net interest income and margin

	1Q'22 \$million	1Q'21 \$million	Change ¹ %	4Q'21 \$million	Change ¹ %
Adjusted net interest income ²	1,809	1,670	8	1,689	7
Average interest-earning assets	569,220	556,331	2	565,719	1
Average interest-bearing liabilities	529,966	509,625	4	522,996	1
Gross yield (%) ³	1.92	1.85	7	1.78	14
Rate paid (%) ³	0.68	0.69	(1)	0.65	3
Net yield (%) ³	1.24	1.16	8	1.13	11
Net interest margin (%) ^{3,4}	1.29	1.22	7	1.19	10

1 Variance is better/(worse) other than assets and liabilities which is increase/(decrease)

2 Adjusted net interest income is statutory net interest income less funding costs for the trading book and financial guarantee fees on interest-earning assets

3 Change is the basis points (bps) difference between the two periods rather than the percentage change

4 Adjusted net interest income divided by average interest-earning assets, annualised

Adjusted net interest income increased 8 per cent driven by a 6 per cent increase in the net interest margin which averaged 129 basis points in the quarter, increasing 7 basis points year-on-year and 10 basis points compared to 4Q'21:

- Average interest-earning assets increased 1 per cent in the quarter. Gross yields increased 14 basis points compared with the prior quarter due to an increase in hedged balances within Treasury and the impact of rising interest rates on customer loan pricing and on Treasury portfolio yields
- Average interest-bearing liabilities increased 1 per cent in the quarter. The rate paid on liabilities increased 3 basis points compared with the average in the prior quarter reflecting the impact of interest rate movements and a slight change in the liability mix

Group Chief Financial Officer's review continued

Credit risk summary

Income Statement

	1Q'22 \$million	1Q'21 \$million	Change ¹ %	4Q'21 \$million	Change ¹ %
Total credit impairment charge/(release)	200	20	900	203	(1)
Of which stage 1 and 2	(81)	(35)	131	153	(153)
Of which stage 3	281	55	411	50	462

1 Variance is increase/(decrease) comparing current reporting period to prior reporting periods

Balance sheet

	31.03.22 \$million	31.12.21 \$million	Change ¹ %	31.03.21 \$million	Change ¹ %
Gross loans and advances to customers ²	301,066	304,122	(1)	298,297	1
Of which stage 1	280,021	279,178	-	270,367	4
Of which stage 2	13,823	16,849	(18)	19,212	(28)
Of which stage 3	7,222	8,095	(11)	8,718	(17)
Expected credit loss provisions	(5,281)	(5,654)	(7)	(6,213)	(15)
Of which stage 1	(475)	(473)	-	(486)	(2)
Of which stage 2	(430)	(524)	(18)	(683)	(37)
Of which stage 3	(4,376)	(4,657)	(6)	(5,044)	(13)
Net loans and advances to customers	295,785	298,468	(1)	292,084	1
Of which stage 1	279,546	278,705	-	269,881	4
Of which stage 2	13,393	16,325	(18)	18,529	(28)
Of which stage 3	2,846	3,438	(17)	3,674	(23)
Cover ratio of stage 3 before/after collateral (%) ³	61 / 78	58 / 75	3 / 3	58 / 77	3 / 1
Credit grade 12 accounts (\$million)	988	1,730	(43)	2,197	(55)
Early alerts (\$million)	6,653	5,534	20	9,779	(32)
Investment grade corporate exposures (%) ³	69	69	-	62	7

1 Variance is increase/(decrease) comparing current reporting period to prior reporting periods

2 Includes reverse repurchase agreements and other similar secured lending held at amortised cost of \$12,571 million at 31 March 2022, \$7,331 million at 31 December 2021 and \$3,197 million at 31 March 2021

3 Change is the percentage points difference between the two points rather than the percentage change

Asset quality remained resilient in the first quarter, with an improvement in a number of underlying credit metrics. However, the Group continues to remain alert to the challenging external environment including the continued impact of COVID-19 in key markets, idiosyncratic pressures in the China commercial real estate sector, commodity price volatility and the impact of the Russia/Ukraine military conflict which in part contributed to both commodity price volatility and the accelerated trajectory of inflation and interest rate rises across our footprint.

Credit impairment was a \$200 million charge in the quarter, a \$180 million increase and represents an annualised loan loss rate of 24 basis points which is below the Group's medium-term guidance of 30-35 basis points.

The \$81 million release in stage 1 and 2 impairment reflects a \$104 million release from management overlays, \$4 million of which was in stage 3, primarily relating to a reduction in the COVID-19 element of the overlay. Management overlays totals \$239 million as at 31 March 2022, with the COVID-19 element totalling \$153 million and \$86 million relating to the China Commercial Real Estate sector.

Stage 3 impairments of \$281 million includes \$160 million relating to China Commercial Real Estate exposures and \$107 million relating to the sovereign ratings downgrade of Sri Lanka, partly offset by lower charge-offs in Consumer, Private and Business Banking.

Gross stage 3 loans and advances to customers of \$7.2 billion were 11 per cent lower compared to 31 December 2021 primarily due to repayments, loan sales, client upgrades and write-offs partly offset by the sovereign ratings downgrade of Sri Lankan exposures as Sri Lanka suspended external debt payments. These credit-impaired loans represented 2.4 per cent of gross loans and advances, a decrease of 26 basis points compared to 31 December 2021.

Group Chief Financial Officer's review continued

The Stage 3 cover ratio of 61 per cent increased 3 percentage points compared with the position as at 31 December 2021, and the cover ratio post collateral of 78 per cent also increased by 3 percentage points, with both ratios increasing due to loan sales, increased repayments and additional stage 3 provisions.

Credit grade 12 balances have decreased 43 per cent since 31 December 2021 reflecting the impact of the sovereign ratings downgrade of Sri Lanka into stage 3 and client upgrades out of credit grade 12.

Early Alert accounts of \$6.7 billion have increased by \$1.1 billion since 31 December 2021, primarily in the China Commercial Real Estate and Commodity Traders sectors. The Group is continuing to monitor its exposures in the Commercial Real Estate, Commodity Traders, Metals & Mining and Oil & Gas sectors particularly carefully, given the unusual stresses caused by the effects of COVID-19 and commodity price volatility. Rising commodity prices have, however, eased credit pressure for certain other sectors.

The proportion of investment grade corporate exposures has remained stable since 31 December 2021 at 69 per cent.

Restructuring, goodwill impairment and other items

	1Q'22			1Q'21			4Q'21		
	Restructuring \$million	Goodwill Impairment \$million	Other items \$million	Restructuring \$million	Goodwill Impairment \$million	Other items \$million	Restructuring \$million	Goodwill Impairment \$million	Other items \$million
Operating income	18	-	-	10	-	-	(21)	-	-
Operating expenses	(29)	-	-	(34)	-	-	(305)	-	(62)
Credit impairment	3	-	-	3	-	-	6	-	-
Other impairment	(5)	-	-	(12)	-	-	22	-	-
Profit from associates and joint ventures	5	-	-	-	-	-	13	-	-
Loss before taxation	(8)	-	-	(33)	-	-	(285)	-	(62)

The Group's statutory performance is adjusted for profits or losses of a capital nature, amounts consequent to investment transactions driven by strategic intent, other infrequent and/or exceptional transactions that are significant or material in the context of the Group's normal business earnings for the period and items which management and investors would ordinarily identify separately when assessing underlying performance period-by-period.

Restructuring charges of \$8 million primarily reflect expenses relating to redundancies partly offset by income from the Principal Finance and Ship Leasing portfolios.

The Group has announced the exit of seven markets in the AME region and will focus solely on the CCIB segment in two more. The results from the markets and businesses being exited will be reported in restructuring from 2Q'22 onwards.

Balance sheet and liquidity

	31.03.22 \$million	31.12.21 \$million	Change %	31.03.21 \$million	Change ¹ %
Assets					
Loans and advances to banks	35,638	44,383	(20)	48,016	(26)
Loans and advances to customers	295,785	298,468	(1)	292,084	1
Other assets	507,694	484,967	5	464,803	9
Total assets	839,117	827,818	1	804,903	4
Liabilities					
Deposits by banks	28,930	30,041	(4)	30,521	(5)
Customer accounts	456,404	474,570	(4)	441,684	3
Other liabilities	301,943	270,571	12	280,423	8
Total liabilities	787,277	775,182	2	752,628	5
Equity	51,840	52,636	(2)	52,275	(1)
Total equity and liabilities	839,117	827,818	1	804,903	4
Advances-to-deposits ratio (%) ²	60.0%	59.1%		62.7%	
Liquidity coverage ratio (%)	140%	143%		150%	

1 Variance is increase/(decrease) comparing current reporting period to prior reporting periods

2 The Group now excludes \$11,970 million held with central banks (31.12.21: \$15,168 million, 31.03.21: \$15,996 million) that has been confirmed as repayable at the point of stress

Group Chief Financial Officer's review continued

The Group's balance sheet remains strong, liquid and well diversified:

- Loans and advances to banks were 20 per cent or \$9 billion lower from 31 December 2021 to \$36 billion due to a reduction in Treasury loans and Financial Institutions Trade loans
- Loans and advances to customers decreased 1 per cent from 31 December 2021 to \$296 billion reflecting the risk-weighted asset optimisation actions undertaken by CCIB in the quarter. Excluding the impact of these actions and adverse foreign exchange movements, loans and advances increased by \$4 billion in the quarter, primarily from an increase in Trade balances
- Customer accounts of \$456 billion decreased 4 per cent from 31 December 2021 due to client activities and management action resulting in the rolling off of certain non-operational deposits
- Other assets increased 5 per cent in the first quarter of 2022 with increased derivative balances, unsettled trade balances and investment securities. Other liabilities increased 12 per cent from increased derivative liabilities, cash collateral liabilities and unsettled trade liabilities

The advances-to-deposits ratio increased to 60.0 per cent from 59.1 per cent at 31 December 2021 reflecting the outflow of customer accounts in the quarter. The point-in-time liquidity coverage ratio decreased 3 percentage points to 140 per cent and remains well above the minimum regulatory requirement of 100 per cent.

Risk-weighted assets

	31.03.22 \$million	31.12.21 \$million	Change ¹ %	31.03.21 \$million	Change ¹ %
By risk type					
Credit risk	210,637	219,588	(4)	226,789	(7)
Operational risk	27,177	27,116	-	27,116	-
Market risk	23,019	24,529	(6)	22,765	1
Total RWAs	260,833	271,233	(4)	276,670	(6)

1 Variance is increase/(decrease) comparing current reporting period to prior reporting periods

Total risk-weighted assets (RWAs) decreased 4 per cent or \$10.4 billion from 31 December 2021 to \$260.8 billion, including the impact of \$5.8 billion incremental RWA from regulatory changes and adjustments and the cessation of software relief. Excluding the impact of regulatory changes, RWAs decreased by 6 per cent or \$16.2 billion in the quarter:

- Credit risk RWA decreased by \$9.0 billion in the first quarter to \$210.6 billion with the \$5.8 billion increase from regulatory changes and underlying asset growth more than offset by a \$6 billion reduction in the CCIB low-returning portfolio targeted for optimisation, \$6.5 billion from other RWA efficiency actions, \$4.9 billion positive credit migration and favourable movements in FX
- Operational risk RWA was flat at \$27.1 billion
- Market risk RWA decreased by \$1.5 billion to \$23 billion reflecting reduced standardised specific interest rate risk positions

Capital base and ratios

	31.03.22 \$million	31.12.21 \$million	Change ¹ %	31.03.21 \$million	Change ¹ %
CET1 capital	36,296	38,362	(5)	38,711	(6)
Additional Tier 1 capital (AT1)	5,235	6,791	(23)	6,293	(17)
Tier 1 capital	41,531	45,153	(8)	45,004	(8)
Tier 2 capital	13,505	12,491	8	13,527	-
Total capital	55,036	57,644	(5)	58,531	(6)
CET1 capital ratio (%) ²	13.9	14.1	(0.2)	14.0	(0.1)
Total capital ratio (%) ²	21.1	21.3	(0.2)	21.2	(0.1)
UK leverage ratio (%) ²	4.4	4.9	(0.5)	5.1	(0.7)

1 Variance is increase/(decrease) comparing current reporting period to prior reporting periods

2 Change is percentage points difference between two points rather than percentage change

The Group's CET1 ratio of 13.9 per cent was 23 basis points lower than at 31 December 2021, but 48 basis points above the CET1 ratio at 1 January 2022, when regulatory changes which reduced the Group's CET1 ratio came into force. The underlying 48 basis points increase reflects approximately 110 basis points uplift from the impact of RWA optimisation actions and profit accretion during the quarter despite funding a \$750 million share buyback. The CET1 ratio remains 3.8 percentage points above the Group's latest regulatory minimum of 10.1 per cent and at the top of the 13-14 per cent medium-term target range.

Group Chief Financial Officer's review continued

The regulatory changes which came into force on 1 January 2022, include the cessation of software relief, the impact from the IRB model repair programme and the introduction of standardised rules for counterparty credit risk on derivatives and other instruments (SA-CCR). In aggregate, these regulatory changes resulted in a decrease in the CET1 ratio of 70 basis points by reducing CET1 capital by \$1.1 billion and increasing RWAs by \$5.8 billion.

The CET1 ratio was reduced by 30 basis points from a reduction in reserves mainly relating to a reversal of prior year unrealised gains on debt securities as a result of higher market yields and movements in FX reducing both the translation reserve and RWAs.

The Group is part way through the \$750 million share buyback programme it announced on 17 February 2022, and by 31 March 2022 had spent \$433 million purchasing 64 million ordinary shares, reducing the share count by approximately 2 per cent. Even though the share buyback was still ongoing on 31 March 2022, the entire \$750 million is deducted from CET1 in the period, reducing the ratio by 27 basis points.

The Group is accruing a provisional interim 2022 ordinary share dividend over the first half of the year which is calculated formulaically at one third of the ordinary dividend paid in 2021 or 4 cents a share. Half of this amount was accrued in the first quarter and combined with payments due to AT1 and preference shareholders reduced the CET1 ratio by 6 basis points.

The above CET1 ratio headwinds were predominately offset by 69 basis points uplift from an underlying reduction in RWAs, including the benefit of CCIB and other RWA efficiency actions, and 43 basis points from profit accretion in the quarter.

The Group's UK leverage ratio of 4.4 per cent is 50 basis points lower than the 4.9 per cent ratio as at 31 December 2021. This reflects lower Tier 1 capital from the reduction in both CET1 capital and a call of \$1 billion of AT1 balances as well as increased leverage exposures driven by asset growth. The Group's leverage ratio remains significantly above its minimum requirement of 3.7 per cent.

Outlook

The start to 2022 has been strong and recent geopolitical events have strengthened the outlook for rates albeit making the outlook for the pace of economic recovery less predictable. Consequently for FY'22:

- Income growth to slightly exceed the previously guided 5-7% range
- Operating expenses are expected to be slightly higher than the previously guided constant-currency \$10.7bn as a consequence of the impact of the higher income growth expectations on performance related pay; we continue to expect to deliver positive income-to-cost jaws
- Credit impairment is expected to start to normalise towards the medium-term loan-loss rate range of 30-35 basis points
- We intend to operate dynamically within the full CET1 13-14% target range

We are on track to deliver 10% return on tangible equity by 2024, if not earlier.

Andy Halford
Group Chief Financial Officer
28 April 2022

Supplementary financial information

Underlying performance by client segment

	1Q'22				
	Corporate, Commercial & Institutional Banking \$million	Consumer, Private & Business Banking \$million	Ventures \$million	Central & other items \$million	Total \$million
Operating income	2,572	1,423	1	278	4,274
External	2,449	1,327	1	497	4,274
Inter-segment	123	96	-	(219)	-
Operating expenses	(1,326)	(1,017)	(72)	(221)	(2,636)
Operating profit/(loss) before impairment losses and taxation	1,246	406	(71)	57	1,638
Credit impairment	(147)	(34)	(3)	(16)	(200)
Other impairment	-	-	-	(1)	(1)
Profit from associates and joint ventures	-	-	(3)	66	63
Underlying profit/(loss) before taxation	1,099	372	(77)	106	1,500
Restructuring	(2)	(7)	-	1	(8)
Statutory profit/(loss) before taxation	1,097	365	(77)	107	1,492
Total assets	420,168	138,063	1,115	279,771	839,117
Of which: loans and advances to customers ²	200,625	135,333	115	27,979	364,052
loans and advances to customers	135,704	135,279	115	24,687	295,785
loans held at fair value through profit or loss	64,921	54	-	3,292	68,267
Total liabilities	489,720	182,197	693	114,667	787,277
Of which: customer accounts ²	329,206	177,953	621	10,277	518,057
Risk-weighted assets	156,753	53,463	876	49,741	260,833
Underlying return on tangible equity (%)	14.0	14.4	nm ³	0.9	11.1
Cost to income ratio (excluding bank levy) (%)	51.6	71.5	nm ³	79.5	61.7

	1Q'21 (Restated) ¹				
	Corporate, Commercial & Institutional Banking ¹ \$million	Consumer, Private & Business Banking ¹ \$million	Ventures ¹ \$million	Central & other items ¹ \$million	Total \$million
Operating income	2,161	1,533	(2)	237	3,929
External	2,057	1,428	(2)	446	3,929
Inter-segment	104	105	-	(209)	-
Operating expenses	(1,288)	(986)	(36)	(184)	(2,494)
Operating profit/(loss) before impairment losses and taxation	873	547	(38)	53	1,435
Credit impairment	28	(47)	-	(1)	(20)
Other impairment	(16)	-	-	-	(16)
Profit from associates and joint ventures	-	-	(1)	48	47
Underlying profit/(loss) before taxation	885	500	(39)	100	1,446
Restructuring	1	(9)	-	(25)	(33)
Statutory profit/(loss) before taxation	886	491	(39)	75	1,413
Total assets	388,719	135,259	563	280,362	804,903
Of which: loans and advances to customers ²	192,953	132,602	-	21,620	347,175
loans and advances to customers	137,984	132,486	-	21,614	292,084
loans held at fair value through profit or loss	54,969	116	-	6	55,091
Total liabilities	488,661	178,183	722	85,062	752,628
Of which: customer accounts ²	317,934	173,821	689	8,503	500,947
Risk-weighted assets	168,425	56,137	454	51,654	276,670
Underlying return on tangible equity (%)	11.1	18.9	nm ³	2.4	10.8
Cost to income ratio (excluding bank levy) (%)	59.6	64.3	nm ³	77.6	63.5

1 Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior period has been restated

2 Loans and advances to customers includes FVTPL and customer accounts includes FVTPL and repurchase agreements

3 Not meaningful

Supplementary financial information continued

Corporate, Commercial & Institutional Banking¹

	1Q'22 \$million	1Q'21 \$million	Change ⁵ %	Constant currency change ^{4,5} %	4Q'21 \$million	Change ⁵ %	Constant currency change ^{4,5} %
Operating income	2,572	2,161	19	21	1,889	36	37
Transaction Banking	714	692	3	5	704	1	2
Trade & Working Capital ^{2,3}	346	335	3	5	333	4	5
Cash Management	368	357	3	5	371	(1)	(1)
Financial Markets	1,723	1,308	32	34	1,012	70	72
Macro Trading	940	672	40	42	433	117	121
Credit Markets ³	460	429	7	9	361	27	28
Credit Trading	110	131	(16)	(15)	60	83	83
Financing Solutions & Issuance ³	350	298	17	20	301	16	17
Structured Finance	94	100	(6)	(5)	104	(10)	(10)
Financing & Securities Services ³	144	107	35	41	97	48	48
DVA	85	-	nm ⁹	nm ⁹	17	nm ⁹	nm ⁹
Lending & Portfolio Management ^{2,3}	138	163	(15)	(14)	175	(21)	(21)
Retail Products	-	-	nm ⁹	nm ⁹	1	(100)	nm ⁹
Other Retail Products ³	-	-	nm ⁹	nm ⁹	1	(100)	nm ⁹
Other	(3)	(2)	(50)	-	(3)	-	-
Operating expenses	(1,326)	(1,288)	(3)	(5)	(1,392)	5	4
Operating profit before impairment losses and taxation	1,246	873	43	46	497	151	153
Credit impairment	(147)	28	nm ⁹	nm ⁹	(68)	(116)	(125)
Other impairment	-	(16)	100	100	6	(100)	(100)
Underlying profit before taxation	1,099	885	24	26	435	153	154
Restructuring	(2)	1	nm ⁹	(200)	(44)	95	95
Statutory profit before taxation	1,097	886	24	26	391	181	179
Total assets	420,168	388,719	8	8	405,778	4	4
Of which: loans and advances to customers ⁶	200,625	192,953	4	5	208,729	(4)	(3)
Total liabilities	489,720	488,661	-	1	481,397	2	2
Of which: customer accounts ⁶	329,206	317,934	4	5	351,696	(6)	(6)
Risk-weighted assets	156,753	168,425	(7)	nm ⁹	163,197	(4)	nm ⁹
Underlying return on risk-weighted assets (%) ⁷	2.7	2.1	60bps	nm ⁹	1.1	160bps	nm ⁹
Underlying return on tangible equity (%) ⁷	14.0	11.1	290bps	nm ⁹	5.5	850bps	nm ⁹
Cost to income ratio (%) ⁸	51.6	59.6	8.0	8.2	73.7	22.1	22.2

- 1 Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior period has been restated
- 2 Following a reorganisation, there has been a reclassification of balances from Lending & Portfolio Management into Trade & Working capital including prior period numbers. Prior periods have been re-presented and there is no change in the total income
- 3 Income related to Group Special Asset Management, the Group's specialist recovery unit previously reported in Other products has been allocated to the relevant products. Prior periods have been re-presented and there is no change in total income
- 4 Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods
- 5 Variance is better/(worse) other than risk-weighted assets, assets and liabilities which is increase/(decrease)
- 6 Loans and advances to customers includes FVTPL and customer accounts includes FVTPL and repurchase agreements
- 7 Change is the basis points (bps) difference between the two periods rather than the percentage change
- 8 Change is the percentage points difference between the two periods rather than the percentage change
- 9 Not meaningful

Performance highlights

- Underlying profit before tax of \$1,099 million was up 24 per cent driven mainly by higher income, partially offset by higher expenses and credit impairment
- Underlying operating income of \$2,572 million was up 19 per cent (up 15 per cent excluding a positive DVA) primarily as a result of a very strong performance in Financial Markets, mainly from Macro Trading on the back of heightened volatility and rising commodities prices
- Higher credit impairment primarily from charges on China Commercial Real Estate exposures and the sovereign ratings downgrade of Sri Lanka, partially offset by recoveries and the \$62 million release of management overlays
- Risk-weighted assets down \$6 billion since 31 December 2021, mainly as a result of optimisation initiatives, partly offset by 1st January 2022 regulatory impacts
- RoTE increased to 14.0 per cent from 11.1 per cent

Supplementary financial information continued

Consumer, Private & Business Banking¹

	1Q'22 \$million	1Q'21 \$million	Change ⁴ %	Constant currency change ^{3,4} %	4Q'21 \$million	Change ⁴ %	Constant currency change ^{3,4} %
Operating income	1,423	1,533	(7)	(5)	1,333	7	7
Transaction Banking	26	21	24	24	26	-	4
Trade & Working Capital ²	16	12	33	33	15	7	7
Cash Management	10	9	11	11	11	(9)	-
Lending & Portfolio Management ²	8	10	(20)	(20)	9	(11)	-
Wealth Management	530	646	(18)	(17)	466	14	14
Retail Products	848	851	-	2	832	2	3
CCPL & other unsecured lending	304	320	(5)	(3)	314	(3)	(3)
Deposits	249	234	6	10	214	16	17
Mortgage & Auto	247	247	-	3	261	(5)	(5)
Other Retail Products	48	50	(4)	(2)	43	12	12
Other	11	5	120	120	-	nm ⁸	nm ⁸
Operating expenses	(1,017)	(986)	(3)	(5)	(1,137)	11	10
Operating profit before impairment losses and taxation	406	547	(26)	(25)	196	107	108
Credit impairment	(34)	(47)	28	24	(116)	71	70
Other impairment	-	-	nm ⁸	nm ⁸	-	nm ⁸	nm ⁸
Underlying profit before taxation	372	500	(26)	(25)	80	nm ⁸	nm ⁸
Restructuring	(7)	(9)	22	22	(203)	97	96
Statutory profit before taxation	365	491	(26)	(25)	(123)	nm ⁸	nm ⁸
Total assets	138,063	135,259	2	5	139,364	(1)	-
Of which: loans and advances to customers ⁵	135,333	132,602	2	5	136,477	(1)	-
Total liabilities	182,197	178,183	2	4	182,210	-	1
Of which: customer accounts ⁵	177,953	173,821	2	4	178,088	-	1
Risk-weighted assets	53,463	56,137	(5)	nm ⁸	51,232	4	nm ⁸
Underlying return on risk-weighted assets (%) ⁶	2.8	3.6	(80)bps	nm ⁸	0.6	220bps	nm ⁸
Underlying return on tangible equity (%) ⁶	14.4	18.9	(450)bps	nm ⁸	3.2	1,120bps	nm ⁸
Cost to income ratio (%) ⁷	71.5	64.3	(7.2)	(7.3)	85.3	13.8	13.8

1 Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior period has been restated

2 Following a reorganisation, there has been a reclassification of balances from Lending & Portfolio Management into Trade & Working capital including prior period numbers. Prior periods have been re-presented and there is no change in the total income

3 Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods

4 Variance is better/(worse) other than risk-weighted assets, assets and liabilities which is increase/(decrease)

5 Loans and advances to customers includes FVTPL and customer accounts includes FVTPL and repurchase agreements

6 Change is the basis points (bps) difference between the two periods rather than the percentage change

7 Change is the percentage points difference between the two periods rather than the percentage change

8 Not meaningful

Performance highlights

- Underlying profit before tax of \$372 million was down 26 per cent mainly driven by lower income and higher expenses, partially offset by lower credit impairment
- Underlying operating income of \$1,423 million was down 7 per cent (down 5 per cent on a constant currency basis) as the macroeconomic environment in some of our key markets impacted the performance of Wealth Management. This was partially offset by a 6 per cent increase in Retail Deposit income, due to higher margins, increased volumes and improved liability mix
- RoTE decreased from 18.9 per cent to 14.4 per cent

Supplementary financial information continued

Ventures¹

	1Q'22 \$million	1Q'21 \$million	Change ³ %	Constant currency change ^{2,3} %	4Q'21 \$million	Change ³ %	Constant currency change ^{2,3} %
Operating income	1	(2)	150	100	4	(75)	(100)
Retail Products	1	(2)	150	150	2	(50)	(50)
CCPL & other unsecured lending	1	-	nm ⁷	nm ⁷	2	(50)	(50)
Deposits	(1)	(1)	-	-	(1)	-	-
Other Retail Products	1	(1)	200	200	1	-	-
Other	-	-	nm ⁷	nm ⁷	2	(100)	(150)
Operating expenses	(72)	(36)	(100)	(100)	(75)	4	5
Operating loss before impairment losses and taxation	(71)	(38)	(87)	(89)	(71)	-	-
Credit impairment	(3)	-	nm ⁷	nm ⁷	(2)	(50)	(50)
Loss from associates and joint ventures	(3)	(1)	(200)	(200)	(3)	-	-
Underlying loss before taxation	(77)	(39)	(97)	(100)	(76)	(1)	(1)
Restructuring	-	-	nm ⁷	nm ⁷	(3)	100	100
Statutory loss before taxation	(77)	(39)	(97)	(100)	(79)	3	3
Total assets	1,115	563	98	112	1,098	2	9
Of which: loans and advances to customers ⁴	115	-	nm ⁷	nm ⁷	88	31	31
Total liabilities	693	722	(4)	(2)	766	(10)	(8)
Of which: customer accounts ⁴	621	689	(10)	(9)	689	(10)	(9)
Risk-weighted assets	876	454	93	nm ⁷	761	15	nm ⁷
Underlying return on risk-weighted assets (%) ⁵	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷
Underlying return on tangible equity (%) ⁵	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷
Cost to income ratio (%) ⁶	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷	nm ⁷

1 Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior period has been restated

2 Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods

3 Variance is better/(worse) other than risk-weighted assets, assets and liabilities which is increase/(decrease)

4 Loans and advances to customers includes FVTPL and customer accounts includes FVTPL and repurchase agreements

5 Change is the basis points (bps) difference between the two periods rather than the percentage change

6 Change is the percentage points difference between the two periods rather than the percentage change

7 Not meaningful

Performance highlights

- Underlying loss before tax of \$77 million was up 97 per cent, driven mainly by higher expenses as we continue to invest in new and existing Ventures
- Customer loans and advances were up 31 per cent since 31 December 2021 due to customer growth, higher utilisation rates and additional credit products being launched.
- Risk-weighted assets increased 15 per cent since 31 December 2021, mainly due to increased minority strategic investments

Supplementary financial information continued

Central & other items (segment)¹

	1Q'22 \$million	1Q'21 \$million	Change ³ %	Constant currency change ^{2,3} %	4Q'21 \$million	Change ³ %	Constant currency change ^{2,3} %
Operating income	278	237	17	22	104	167	161
Treasury	317	257	23	26	155	105	107
Other	(39)	(20)	(95)	(60)	(51)	24	15
Operating expenses	(221)	(184)	(20)	(27)	(85)	(160)	(145)
Operating profit before impairment losses and taxation	57	53	8	7	19	200	nm ⁷
Credit impairment	(16)	(1)	nm ⁷	nm ⁷	(17)	6	12
Other impairment	(1)	-	nm ⁷	nm ⁷	(301)	100	100
Profit from associates and joint ventures	66	48	38	40	(1)	nm ⁷	nm ⁷
Underlying profit/(loss) before taxation	106	100	6	8	(300)	135	136
Restructuring	1	(25)	104	104	(35)	103	103
Other items	-	-	nm ⁷	nm ⁷	(62)	100	100
Statutory profit/(loss) before taxation	107	75	43	45	(397)	127	128
Total assets	279,771	280,362	-	2	281,578	(1)	1
Of which: loans and advances to customers ⁴	27,979	21,620	29	31	24,409	15	16
Total liabilities	114,667	85,062	35	36	110,809	3	4
Of which: customer accounts ⁴	10,277	8,503	21	24	11,982	(14)	(12)
Risk-weighted assets	49,741	51,654	(4)	nm ⁷	56,043	(11)	nm ⁷
Underlying return on risk-weighted assets (%) ⁵	0.8	0.8	-	nm ⁷	(2.2)	300bps	nm ⁷
Underlying return on tangible equity (%) ⁵	0.9	2.4	(150)bps	nm ⁷	(24.1)	nm ⁷	nm ⁷
Cost to income ratio (%) (excluding UK bank levy) ⁶	79.5	77.6	(1.9)	(2.9)	8.7	(70.8)	(82.5)

1 Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior period has been restated

2 Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods

3 Variance is better/(worse) other than risk-weighted assets, assets and liabilities which is increase/(decrease)

4 Loans and advances to customers includes FVTPL and customer accounts includes FVTPL and repurchase agreements

5 Change is the basis points (bps) difference between the two periods rather than the percentage change

6 Change is the percentage points difference between the two periods rather than the percentage change

7 Not meaningful

Performance highlights

- Underlying profit before tax of \$106 million was up \$6 million primarily from higher operating income from Treasury and a higher profit share from our associate China Bohai Bank, mostly offset by an increase in performance related pay accruals
- Underlying operating income from Treasury was up \$60 million, mainly driven by improved net interest income from structural and short-term hedges and higher interest on assets repricing as rates rise, partially offset by lower realisation opportunities
- Treasury risk-weighted assets down \$6 billion since 31 December 2021, due to management actions, mostly portfolio optimisation and the purchase of credit insurance for higher risk weighted central bank cash balances

Supplementary financial information continued

Underlying performance by region

	1Q'22				
	Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	Total \$million
Operating income	2,797	659	857	(39)	4,274
Operating expenses	(1,671)	(403)	(381)	(181)	(2,636)
Operating profit/(loss) before impairment losses and taxation	1,126	256	476	(220)	1,638
Credit impairment	(285)	46	36	3	(200)
Other impairment	-	-	-	(1)	(1)
Profit from associates and joint ventures	66	-	-	(3)	63
Underlying profit/(loss) before taxation	907	302	512	(221)	1,500
Restructuring	(9)	1	3	(3)	(8)
Statutory profit/(loss) before taxation	898	303	515	(224)	1,492
Total assets	475,917	55,458	298,207	9,535	839,117
Of which: loans and advances to customers ¹	263,871	26,175	74,006	-	364,052
loans and advances to customers	240,809	24,606	30,370	-	295,785
loans held at fair value through profit or loss	23,062	1,569	43,636	-	68,267
Total liabilities	424,264	43,287	252,035	67,691	787,277
Of which: customer accounts ¹	334,813	34,705	148,539	-	518,057
Risk-weighted assets	163,447	45,154	49,619	2,613	260,833
Underlying return on risk-weighted assets (%) ²	2.1	2.6	4.1	nm ⁴	2.2
Underlying return on tangible equity (%) ²	11.3	13.2	21.0	nm ⁴	11.1
Cost to income ratio (%) ³	59.7	61.2	44.5	nm ⁴	61.7

	1Q'21				
	Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	Total \$million
Operating income	2,817	590	550	(28)	3,929
Operating expenses	(1,572)	(393)	(366)	(163)	(2,494)
Operating profit/(loss) before impairment losses and taxation	1,245	197	184	(191)	1,435
Credit impairment	(58)	(7)	47	(2)	(20)
Other impairment	-	-	2	(18)	(16)
Profit from associates and joint ventures	47	-	-	-	47
Underlying profit/(loss) before taxation	1,234	190	233	(211)	1,446
Restructuring	(5)	(1)	(19)	(8)	(33)
Statutory profit/(loss) before taxation	1,229	189	214	(219)	1,413
Total assets	468,748	57,618	269,560	8,977	804,903
Of which: loans and advances to customers ¹	247,424	28,548	71,203	-	347,175
loans and advances to customers	235,572	27,110	29,402	-	292,084
loans held at fair value through profit or loss	11,852	1,438	41,801	-	55,091
Total liabilities	418,288	39,102	224,097	71,141	752,628
Of which: customer accounts ¹	334,908	31,465	134,574	-	500,947
Risk-weighted assets	178,541	50,640	49,848	(2,359)	276,670
Underlying return on risk-weighted assets (%) ²	2.8	1.5	1.9	nm ⁴	2.1
Underlying return on tangible equity (%) ²	15.1	7.9	10.0	nm ⁴	10.8
Cost to income ratio (%) ³	55.8	66.6	66.5	nm ⁴	63.5

1 Loans and advances to customers includes FVTPL and customer accounts includes FVTPL and repurchase agreements

2 Change is the basis points (bps) difference between the two periods rather than the percentage change

3 Change is the percentage points difference between the two periods rather than the percentage change

4 Not meaningful

Supplementary financial information continued

Asia¹

	1Q'22 \$million	1Q'21 \$million	Change ² %	Constant currency change ^{1,2} %	4Q'21 \$million	Change ² %	Constant currency change ^{1,2} %
Operating income	2,797	2,817	(1)	1	2,356	19	19
Operating expenses	(1,671)	(1,572)	(6)	(8)	(1,814)	8	8
Operating profit before impairment losses and taxation	1,126	1,245	(10)	(8)	542	108	109
Credit impairment	(285)	(58)	nm ⁶	nm ⁶	(303)	6	5
Other impairment	-	-	nm ⁶	nm ⁶	(283)	100	100
Profit from associates and joint ventures	66	47	40	40	(6)	nm ⁶	nm ⁶
Underlying profit/(loss) before taxation	907	1,234	(26)	(25)	(50)	nm ⁶	nm ⁶
Restructuring	(9)	(5)	(80)	(80)	(223)	96	96
Other items	-	-	nm ⁶	nm ⁶	-	nm ⁶	nm ⁶
Statutory profit/(loss) before taxation	898	1,229	(27)	(26)	(273)	nm ⁶	nm ⁶
Total assets	475,917	468,748	2	3	483,950	(2)	(1)
Of which: loans and advances to customers ³	263,871	247,424	7	9	265,744	(1)	-
Total liabilities	424,264	418,288	1	3	434,200	(2)	(2)
Of which: customer accounts ³	334,813	334,908	-	1	355,792	(6)	(5)
Risk-weighted assets	163,447	178,541	(8)	nm ⁶	170,381	(4)	nm ⁶
Underlying return on risk-weighted assets (%) ⁴	2.1	2.8	(70)bps	nm ⁶	(0.1)	220bps	nm ⁶
Underlying return on tangible equity (%) ⁴	11.3	15.1	(380)bps	nm ⁶	(0.3)	1,160bps	nm ⁶
Cost to income ratio (%) ⁵	59.7	55.8	(3.9)	(4.0)	77.0	17.3	17.4

1 Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods

2 Variance is better/(worse) other than risk-weighted assets, assets and liabilities which is increase/(decrease)

3 Loans and advances to customers includes FVTPL and customer accounts includes FVTPL and repurchase agreements

4 Change is the basis points (bps) difference between the two periods rather than the percentage change

5 Change is the percentage points difference between the two periods rather than the percentage change

6 Not meaningful

Performance highlights

- Underlying profit before tax of \$907 million was down 26 per cent, primarily from higher credit impairment from the sovereign ratings downgrade of Sri Lanka and charges on China Commercial Real Estate exposures
- Underlying operating income of \$2,797 million was down 1 per cent (up 1 per cent on a constant currency). A very strong Financial Markets performance was entirely offset by lower Wealth Management income as market conditions became more volatile reducing transaction volumes, as well as from the impact of COVID-19 restrictions in Greater China and North Asia, in particular in Hong Kong and China, resulting in a number of branch closures which negatively impacted face-to-face sales
- Loans and advances to customers were down 1 per cent (flat on a constant currency) and customer accounts down 6 per cent since 31 December 2021
- Risk-weighted assets were down \$7 billion since 31 December 2021 as we continue to focus on RWA optimisation
- RoTE decreased from 15.1 per cent to 11.3 per cent

Supplementary financial information continued

Africa & Middle East

	1Q'22 \$million	1Q'21 \$million	Change ² %	Constant currency change ^{1,2} %	4Q'21 \$million	Change ² %	Constant currency change ^{1,2} %
Operating income	659	590	12	16	539	22	25
Operating expenses	(403)	(393)	(3)	(5)	(407)	1	(1)
Operating profit before impairment losses and taxation	256	197	30	38	132	94	97
Credit impairment	46	(7)	nm ⁶	nm ⁶	27	70	59
Other impairment	-	-	nm ⁶	nm ⁶	-	nm ⁶	(100)
Underlying profit before taxation	302	190	59	66	159	90	89
Restructuring	1	(1)	200	200	(15)	107	106
Statutory profit before taxation	303	189	60	67	144	110	110
Total assets	55,458	57,618	(4)	(1)	57,405	(3)	(3)
Of which: loans and advances to customers ³	26,175	28,548	(8)	(6)	27,600	(5)	(5)
Total liabilities	43,287	39,102	11	14	41,260	5	5
Of which: customer accounts ³	34,705	31,465	10	14	34,701	-	-
Risk-weighted assets	45,154	50,640	(11)	nm ⁶	48,852	(8)	nm ⁶
Underlying return on risk-weighted assets (%) ⁴	2.6	1.5	110bps	nm ⁶	1.3	130bps	nm ⁶
Underlying return on tangible equity (%) ⁴	13.2	7.9	530bps	nm ⁶	6.6	660bps	nm ⁶
Cost to income ratio (%) ⁵	61.2	66.6	5.4	6.2	75.5	14.3	14.2

1 Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods

2 Variance is better/(worse) other than risk-weighted assets, assets and liabilities which is increase/(decrease)

3 Loans and advances to customers includes FVTPL and customer accounts includes FVTPL and repurchase agreements

4 Change is the basis points (bps) difference between the two periods rather than the percentage change

5 Change is the percentage points difference between the two periods rather than the percentage change

6 Not meaningful

Performance highlights

- Underlying profit before tax of \$302 million was 59 per cent higher, mainly driven by a 12 per cent increase in income and a credit impairment release
- Underlying operating income of \$659 million was 12 per cent higher (up 16 per cent on a constant currency basis), mainly due to a strong performance in Financial Markets, particularly in Macro Trading and broad-based growth across most other products
- Loans and advances to customers were down 5 per cent and customer accounts were flat since 31 December 2021
- Risk-weighted assets were down \$4 billion since 31 December 2021
- RoTE increased from 7.9 per cent to 13.2 per cent

Supplementary financial information continued

Europe & Americas

	1Q'22 \$million	1Q'21 \$million	Change ² %	Constant currency change ^{1,2} %	4Q'21 \$million	Change ² %	Constant currency change ^{1,2} %
Operating income	857	550	56	58	496	73	73
Operating expenses	(381)	(366)	(4)	(6)	(410)	7	6
Operating profit before impairment losses and taxation	476	184	159	162	86	nm ⁶	nm ⁶
Credit impairment	36	47	(23)	(25)	71	(49)	(49)
Other impairment	-	2	(100)	(100)	(11)	100	100
Underlying profit before taxation	512	233	120	121	146	nm ⁶	nm ⁶
Restructuring	3	(19)	116	116	(22)	114	115
Statutory profit before taxation	515	214	141	142	124	nm ⁶	nm ⁶
Total assets	298,207	269,560	11	11	277,008	8	8
Of which: loans and advances to customers ³	74,006	71,203	4	5	76,359	(3)	(3)
Total liabilities	252,035	224,097	12	13	233,915	8	8
Of which: customer accounts ³	148,539	134,574	10	11	151,962	(2)	(2)
Risk-weighted assets	49,619	49,848	-	nm ⁶	50,283	(1)	nm ⁶
Underlying return on risk-weighted assets (%) ⁴	4.1	1.9	220bps	nm ⁶	1.1	300bps	nm ⁶
Underlying return on tangible equity (%) ⁴	21.0	10.0	1,100bps	nm ⁶	5.9	1,510bps	nm ⁶
Cost to income ratio (%) ⁵	44.5	66.5	22.0	21.9	82.7	38.2	37.5

1 Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods

2 Variance is better/(worse) other than risk-weighted assets, assets and liabilities which is increase/(decrease)

3 Loans and advances to customers includes FVTPL and customer accounts includes FVTPL and repurchase agreements

4 Change is the basis points (bps) difference between the two periods rather than the percentage change

5 Change is the percentage points difference between the two periods rather than the percentage change

6 Not meaningful

Performance highlights

- Underlying profit before tax of \$512 million more than doubled, predominantly driven by increased income
- Underlying operating income of \$857 million was up 56 per cent and up 47 per cent excluding a positive debit valuation adjustment. Income growth was driven by Financial Markets, mainly in Macro Trading
- RoTE more than doubled from 10.0 per cent to 21.0 per cent

Supplementary financial information continued

Central & other items (region)

	1Q'22 \$million	1Q'21 \$million	Change ² %	Constant currency change ^{1,2} %	4Q'21 \$million	Change ² %	Constant currency change ^{1,2} %
Operating income	(39)	(28)	(39)	(25)	(61)	36	33
Operating expenses	(181)	(163)	(11)	(17)	(58)	nm ⁵	(178)
Operating loss before impairment losses and taxation	(220)	(191)	(15)	(18)	(119)	(85)	(76)
Credit impairment	3	(2)	nm ⁵	nm ⁵	2	50	nm ⁵
Other impairment	(1)	(18)	94	94	(1)	-	-
Profit from associates and joint ventures	(3)	-	nm ⁵	(200)	2	nm ⁵	nm ⁵
Underlying loss before taxation	(221)	(211)	(5)	(7)	(116)	(91)	(79)
Restructuring	(3)	(8)	63	57	(25)	88	88
Goodwill impairment	-	-	nm ⁵	nm ⁵	-	nm ⁵	nm ⁵
Other items	-	-	nm ⁵	nm ⁵	(62)	100	100
Statutory loss before taxation	(224)	(219)	(2)	(5)	(203)	(10)	(6)
Total assets	9,535	8,977	6	7	9,455	1	2
Total liabilities	67,691	71,141	(5)	(5)	65,807	3	2
Risk-weighted assets	2,613	(2,359)	nm	nm ⁵	1,717	52	nm ⁵
Underlying return on risk-weighted assets (%) ³	nm ⁵	nm ⁵	nm ⁵	nm ⁵	nm ⁵	nm ⁵	nm ⁵
Underlying return on tangible equity (%) ³	nm ⁵	nm ⁵	nm ⁵	nm ⁵	nm ⁵	nm ⁵	nm ⁵
Cost to income ratio (%) (excluding UK bank levy) ⁴	nm ⁵	nm ⁵	nm ⁵	nm ⁵	nm ⁵	nm ⁵	nm ⁵

1 Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods

2 Variance is better/(worse) other than risk-weighted assets, assets and liabilities which is increase/(decrease)

3 Change is the basis points (bps) difference between the two periods rather than the percentage change

4 Change is the percentage points difference between the two periods rather than the percentage change

5 Not meaningful

Performance highlights

- Underlying loss before tax of \$221 million increased by \$10 million due to an increase in performance related pay accruals, partially offset by non-repeat of prior year aircraft lease impairments

Supplementary financial information continued

Underlying performance by key market

	1Q'22									
	Hong Kong \$million	Korea \$million	China \$million	Taiwan \$million	Singapore \$million	India \$million	Indonesia \$million	UAE \$million	UK \$million	US \$million
Operating income	854	324	293	126	456	352	63	166	520	270
Operating expenses	(501)	(180)	(199)	(88)	(254)	(181)	(43)	(88)	(175)	(148)
Operating profit before impairment losses and taxation	353	144	94	38	202	171	20	78	345	122
Credit impairment	(209)	(1)	(48)	(8)	15	4	2	11	6	(1)
Other impairment	-	-	-	-	-	-	-	-	-	-
Profit from associates and joint ventures	-	-	66	-	-	-	-	-	-	-
Underlying profit before taxation	144	143	112	30	217	175	22	89	351	121
Total assets employed	172,053	67,222	37,814	23,379	91,483	29,128	5,141	19,155	220,546	61,415
Of which: loans and advances to customers ¹	84,902	48,609	17,955	11,561	53,569	16,551	2,334	8,377	50,250	19,534
Total liabilities employed	160,099	58,248	33,918	21,986	92,828	21,252	3,988	16,805	159,270	76,831
Of which: customer accounts ¹	130,882	46,541	26,294	19,263	68,922	15,006	2,765	13,012	101,299	37,559
Underlying return on tangible equity (%)	6.6	18.0	10.3	12.3	18.3	16.2	13.6	15.7	21.8	17.5
Cost to income ratio (%)	58.7	55.6	67.9	69.8	55.7	51.4	68.3	53.0	33.7	54.8

	1Q'21									
	Hong Kong \$million	Korea \$million	China \$million	Taiwan \$million	Singapore \$million	India \$million	Indonesia \$million	UAE \$million	UK \$million	US \$million
Operating income	949	284	301	137	457	312	62	137	297	192
Operating expenses	(475)	(185)	(172)	(82)	(238)	(167)	(42)	(92)	(174)	(140)
Operating profit before impairment losses and taxation	474	99	129	55	219	145	20	45	123	52
Credit impairment	(26)	13	(1)	2	35	(34)	(11)	(2)	33	15
Other impairment	-	-	-	-	-	-	-	-	2	-
Profit from associates and joint ventures	-	-	47	-	-	-	-	-	-	-
Underlying profit before taxation	448	112	175	57	254	111	9	43	158	67
Total assets employed	173,384	66,241	39,410	23,208	88,630	29,872	4,912	19,891	183,074	70,427
Of which: loans and advances to customers ¹	83,293	42,453	18,364	11,306	54,863	14,875	2,331	9,962	48,339	18,327
Total liabilities employed	162,760	57,624	35,088	21,094	85,059	21,849	3,508	13,374	142,130	69,128
Of which: customer accounts ¹	135,436	46,191	25,614	19,525	64,030	16,059	2,477	10,352	87,044	39,342
Underlying return on tangible equity (%)	21.5	11.7	16.6	22.5	20.3	8.7	4.6	7.3	10.1	10.0
Cost to income ratio (%)	50.1	65.1	57.1	59.9	52.1	53.5	67.7	67.2	58.6	72.9

¹ Loans and advances to customers includes FVTPL and customer accounts includes FVTPL and repurchase agreements

Supplementary financial information continued

Quarterly underlying operating income by product

	1Q'22 \$million	4Q'21 \$million	3Q'21 \$million	2Q'21 \$million	1Q'21 \$million	4Q'20 \$million	3Q'20 \$million	2Q'20 \$million
Transaction Banking	740	730	734	709	713	707	721	780
Trade & Working capital ^{1,2}	362	348	389	363	347	304	311	289
Cash Management	378	382	345	346	366	403	410	491
Financial Markets	1,723	1,012	1,311	1,268	1,308	949	1,178	1,226
Macro Trading	940	433	540	571	672	435	517	756
Credit Markets ²	460	357	510	465	430	404	458	470
Credit Trading	110	60	144	102	131	119	129	181
Financing Solutions & Issuance ²	350	297	366	363	299	285	329	289
Structured Finance	94	104	159	128	100	102	101	88
Financing & Securities Services ²	144	101	103	105	106	77	124	113
DVA	85	17	(1)	(1)	-	(69)	(22)	(201)
Lending & Portfolio Management ^{1,2}	146	184	214	188	173	168	178	176
Wealth Management	530	466	559	554	646	442	572	440
Retail Products	849	835	828	846	849	848	859	913
CCPL & other unsecured lending	305	316	316	320	320	303	309	295
Deposits	248	213	205	209	233	271	301	413
Mortgage & Auto	247	261	260	268	247	234	211	169
Other Retail Products	49	45	47	49	49	40	38	36
Treasury	317	155	149	137	257	92	40	178
Other ²	(31)	(52)	(30)	(13)	(17)	(7)	(29)	7
Total underlying operating income	4,274	3,330	3,765	3,689	3,929	3,199	3,519	3,720

1 Following a reorganisation, there has been a reclassification of balances from Lending & Portfolio Management into Trade & Working capital including prior period numbers. Prior periods have been re-presented and there is no change in the total income

2 Income related to Group Special Asset Management, the Group's specialist recovery unit previously reported in Other products has been allocated to the relevant products. Prior periods have been re-presented and there is no change in total income.

Supplementary financial information continued

Earnings per ordinary share

	1Q'22 \$million	1Q'21 \$million	Change %	4Q'21 \$million	Change %
Profit/(loss) for the period attributable to equity holders	1,179	1,099	7	(382)	nm ¹
Non-controlling interest	(3)	(7)	57	20	nm ¹
Dividend payable on preference shares and AT1 classified as equity	(121)	(65)	(86)	(95)	(27)
Profit/(loss) for the period attributable to ordinary shareholders	1,055	1,027	3	(457)	nm ¹
Items normalised:					
Regulatory fine	-	-	nm ¹	62	nm ¹
Restructuring	8	33	(76)	285	(97)
Tax on normalised items	(3)	(7)	57	(65)	95
Underlying profit/(loss)	1,060	1,053	1	(175)	nm ¹
Basic - Weighted average number of shares (millions)	3,047	3,146	nm ¹	3,062	nm ¹
Diluted - Weighted average number of shares (millions)	3,098	3,200	nm ¹	3,097	nm ¹
Basic earnings per ordinary share (cents) ²	34.6	32.6	2.0	(14.9)	49.5
Diluted earnings per ordinary share (cents) ²	34.1	32.1	2.0	(14.8)	48.9
Underlying basic earnings per ordinary share (cents) ²	34.8	33.5	1.3	(5.7)	40.5
Underlying diluted earnings per ordinary share (cents) ²	34.2	32.9	1.3	(5.7)	39.9

1 Not meaningful

2 Change is the percentage points difference between the two periods rather than the percentage change

Supplementary financial information continued

Return on Tangible Equity

	1Q'22 \$million	1Q'21 \$million	Change %	4Q'21 \$million	Change %
Average parent company shareholders' equity	45,595	46,026	(1)	46,338	(2)
Less Preference share premium	(1,494)	(1,494)	-	(1,494)	-
Less Average intangible assets	(5,487)	(5,068)	(8)	(5,409)	(1)
Average Ordinary Shareholders' Tangible Equity	38,614	39,464	(2)	39,435	(2)
Profit/(loss) for the period attributable to equity holders	1,179	1,099	7	(382)	nm ¹
Non-controlling interests	(3)	(7)	57	20	nm ¹
Dividend payable on preference shares and AT1 classified as equity	(121)	(65)	(86)	(95)	(27)
Profit/(loss) for the period attributable to ordinary shareholders	1,055	1,027	3	(457)	nm ¹
Items normalised:					
Regulatory fine	-	-	-	62	nm ¹
Restructuring	8	33	(76)	285	(97)
Tax on normalised items	(3)	(7)	57	(65)	95
Underlying profit for the period attributable to ordinary shareholders	1,060	1,053	1	(175)	nm ¹
Underlying Return on Tangible Equity	11.1%	10.8%	30bps	(1.8)%	1,290bps
Statutory Return on Tangible Equity	11.1%	10.6%	50bps	(4.6)%	1,570bps

1 Not meaningful

Net Tangible Asset Value per Share

	31.03.22 \$million	31.03.21 \$million	Change %	31.12.21 \$million	Change %
Parent company shareholders' equity	45,178	46,166	(2)	46,011	(2)
Less Preference share premium	(1,494)	(1,494)	-	(1,494)	-
Less Intangible assets	(5,502)	(5,072)	(8)	(5,471)	(1)
Net shareholders tangible equity	38,182	39,600	(4)	39,046	(2)
Ordinary shares in issue, excluding own shares (millions)	2,993	3,118	(4)	3,057	(2)
Net Tangible Asset Value per share (cents) ¹	1,276	1,270	6	1,277	(1)

1 Change is cents difference between the two periods rather than the percentage change

Underlying versus statutory results reconciliations

Reconciliations between underlying and statutory results are set out in the tables below:

Operating income by client segment

	1Q'22				Total \$million
	Corporate, Commercial & Institutional Banking \$million	Consumer, Private & Business Banking \$million	Ventures \$million	Central & other items \$million	
Underlying operating income	2,572	1,423	1	278	4,274
Restructuring	18	-	-	-	18
Statutory operating income	2,590	1,423	1	278	4,292

	1Q'21(Restated) ¹				Total \$million
	Corporate, Commercial & Institutional Banking ¹ \$million	Consumer, Private & Business Banking ¹ \$million	Ventures ¹ \$million	Central & other items ¹ \$million	
Underlying operating income	2,161	1,533	(2)	237	3,929
Restructuring	10	-	-	-	10
Statutory operating income	2,171	1,533	(2)	237	3,939

¹ Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior periods have been restated.

Operating income by region

	1Q'22				Total \$million
	Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	
Underlying operating income	2,797	659	857	(39)	4,274
Restructuring	7	1	-	10	18
Statutory operating income	2,804	660	857	(29)	4,292

	1Q'21				Total \$million
	Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	
Underlying operating income	2,817	590	550	(28)	3,929
Restructuring	10	1	-	(1)	10
Statutory operating income	2,827	591	550	(29)	3,939

Underlying versus statutory results reconciliations continued

Profit before taxation (PBT)

	1Q'22		
	Underlying \$million	Restructuring \$million	Statutory \$million
Operating income	4,274	18	4,292
Operating expenses	(2,636)	(29)	(2,665)
Operating profit/(loss) before impairment losses and taxation	1,638	(11)	1,627
Credit impairment	(200)	3	(197)
Other impairment	(1)	(5)	(6)
Profit from associates and joint ventures	63	5	68
Profit/(loss) before taxation	1,500	(8)	1,492

	1Q'21		
	Underlying \$million	Restructuring \$million	Statutory \$million
Operating income	3,929	10	3,939
Operating expenses	(2,494)	(34)	(2,528)
Operating profit/(loss) before impairment losses and taxation	1,435	(24)	1,411
Credit impairment	(20)	3	(17)
Other impairment	(16)	(12)	(28)
Profit from associates and joint ventures	47	-	47
Profit/(loss) before taxation	1,446	(33)	1,413

Underlying versus statutory results reconciliations continued

Profit before taxation (PBT) by client segment

	1Q'22				
	Corporate, Commercial & Institutional Banking \$million	Consumer, Private & Business Banking \$million	Ventures \$million	Central & other items \$million	Total \$million
Operating income	2,572	1,423	1	278	4,274
External	2,449	1,327	1	497	4,274
Inter-segment	123	96	-	(219)	-
Operating expenses	(1,326)	(1,017)	(72)	(221)	(2,636)
Operating profit/(loss) before impairment losses and taxation	1,246	406	(71)	57	1,638
Credit impairment	(147)	(34)	(3)	(16)	(200)
Other impairment	-	-	-	(1)	(1)
Profit from associates and joint ventures	-	-	(3)	66	63
Underlying profit/(loss) before taxation	1,099	372	(77)	106	1,500
Restructuring	(2)	(7)	-	1	(8)
Statutory profit/(loss) before taxation	1,097	365	(77)	107	1,492

	1Q'21 (Restated) ¹				
	Corporate, Commercial & Institutional Banking ¹ \$million	Consumer, Private & Business Banking ¹ \$million	Ventures \$million	Central & other items ¹ \$million	Total \$million
Operating income	2,161	1,533	(2)	237	3,929
External	2,057	1,428	(2)	446	3,929
Inter-segment	104	105	-	(209)	-
Operating expenses	(1,288)	(986)	(36)	(184)	(2,494)
Operating profit/(loss) before impairment losses and taxation	873	547	(38)	53	1,435
Credit impairment	28	(47)	-	(1)	(20)
Other impairment	(16)	-	-	-	(16)
Profit from associates and joint ventures	-	-	(1)	48	47
Underlying profit/(loss) before taxation	885	500	(39)	100	1,446
Restructuring	1	(9)	-	(25)	(33)
Statutory profit/(loss) before taxation	886	491	(39)	75	1,413

1 Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior periods have been restated.

Underlying versus statutory results reconciliations continued

Profit before taxation (PBT) by region

	1Q'22				
	Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	Total \$million
Operating income	2,797	659	857	(39)	4,274
Operating expenses	(1,671)	(403)	(381)	(181)	(2,636)
Operating profit/(loss) before impairment losses and taxation	1,126	256	476	(220)	1,638
Credit impairment	(285)	46	36	3	(200)
Other impairment	-	-	-	(1)	(1)
Profit from associates and joint ventures	66	-	-	(3)	63
Underlying profit/(loss) before taxation	907	302	512	(221)	1,500
Restructuring	(9)	1	3	(3)	(8)
Statutory profit/(loss) before taxation	898	303	515	(224)	1,492

	1Q'21				
	Asia \$million	Africa & Middle East \$million	Europe & Americas \$million	Central & other items \$million	Total \$million
Operating income	2,817	590	550	(28)	3,929
Operating expenses	(1,572)	(393)	(366)	(163)	(2,494)
Operating profit/(loss) before impairment losses and taxation	1,245	197	184	(191)	1,435
Credit impairment	(58)	(7)	47	(2)	(20)
Other impairment	-	-	2	(18)	(16)
Profit from associates and joint ventures	47	-	-	-	47
Underlying profit/(loss) before taxation	1,234	190	233	(211)	1,446
Restructuring	(5)	(1)	(19)	(8)	(33)
Statutory profit/(loss) before taxation	1,229	189	214	(219)	1,413

Underlying versus statutory results reconciliations continued

Return on tangible equity (RoTE)

	1Q'22				
	Corporate, Commercial & Institutional Banking %	Consumer, Private & Business Banking %	Ventures %	Central & Other Items %	Total %
Underlying RoTE	14.0	14.4	nm	0.9	11.1
Restructuring					
Of which: Income	0.3	-	-	-	0.2
Of which: Expenses	(0.3)	(0.4)	-	(0.3)	(0.3)
Of which: Credit impairment	0.1	-	-	-	-
Of which: Other impairment	(0.1)	-	-	0.1	(0.1)
Of which: Profit from associates and joint ventures	-	-	-	0.3	0.1
Tax on normalised items	-	0.2	-	(0.1)	0.1
Statutory RoTE	14.0	14.2	nm	0.9	11.1

	1Q'21 (Restated) ¹				
	Corporate, Commercial & Institutional Banking ¹ %	Consumer, Private & Business Banking ¹ %	Ventures ¹ %	Central & Other Items %	Total %
Underlying RoTE	11.1	18.9	nm	2.4	10.8
Restructuring					
Of which: Income	0.2	-	-	-	0.1
Of which: Expenses	(0.2)	(0.5)	-	(0.7)	(0.3)
Of which: Credit impairment	0.1	-	-	-	-
Of which: Other impairment	-	-	-	(0.7)	(0.1)
Of which: Profit from associates and joint ventures	-	-	-	-	-
Tax on normalised items	(0.1)	0.1	-	0.3	0.1
Statutory RoTE	11.1	18.5	nm	1.3	10.6

1 Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior periods have been restated

Earnings per ordinary share (EPS)

	1Q'22			
	Underlying \$ million	Restructuring \$ million	Tax on normalised items \$ million	Statutory \$ million
Profit for the year attributable to ordinary shareholders	1,060	(8)	3	1,055
Basic - Weighted average number of shares (millions)	3,047			3,047
Basic earnings per ordinary share (cents)	34.8			34.6

	1Q'21			
	Underlying \$ million	Restructuring \$ million	Tax on normalised items \$ million	Statutory \$ million
Profit for the year attributable to ordinary shareholders	1,053	(33)	7	1,027
Basic - Weighted average number of shares (millions)	3,146			3,146
Basic earnings per ordinary share (cents)	33.5			32.6

Risk review

Credit quality by client segment

31.03.22

	Customers							
	Banks \$million	Corporate, Commercial & Institutional Banking \$million	Consumer, Private & Business Banking \$million	Ventures \$million	Central & other items \$million	Customer Total \$million	Undrawn commitments \$million	Financial Guarantees \$million
Amortised cost								
Stage 1	35,099	122,176	133,011	102	24,732	280,021	152,081	55,256
- Strong	22,977	77,241	128,362	101	24,685	230,389	134,497	37,448
- Satisfactory	12,122	44,935	4,649	1	47	49,632	17,584	17,808
Stage 2	369	11,697	2,081	18	27	13,823	8,195	2,726
- Strong	182	1,709	1,442	16	-	3,167	2,608	465
- Satisfactory	160	9,055	302	1	-	9,358	4,794	1,826
- Higher risk	27	933	337	1	27	1,298	793	435
Of which (stage 2):								
- Less than 30 days past due	-	329	288	1	-	618	-	-
- More than 30 days past due	-	137	337	1	-	475	-	-
Stage 3, credit-impaired financial assets	240	5,668	1,554	-	-	7,222	7	721
Gross balance ¹	35,708	139,541	136,646	120	24,759	301,066	160,283	58,703
Stage 1	(9)	(100)	(374)	(1)	-	(475)	(36)	(10)
- Strong	(3)	(54)	(266)	(1)	-	(321)	(22)	(4)
- Satisfactory	(6)	(46)	(108)	-	-	(154)	(14)	(6)
Stage 2	(5)	(273)	(153)	(3)	(1)	(430)	(47)	(20)
- Strong	(1)	(22)	(87)	(3)	-	(112)	(11)	(2)
- Satisfactory	(4)	(209)	(29)	-	-	(238)	(33)	(9)
- Higher risk	-	(42)	(37)	-	(1)	(80)	(3)	(9)
Of which (stage 2):								
- Less than 30 days past due	-	(9)	(29)	-	-	(38)	-	-
- More than 30 days past due	-	-	(37)	-	-	(37)	-	-
Stage 3, credit-impaired financial assets	(56)	(3,599)	(777)	-	-	(4,376)	(5)	(202)
Total credit impairment	(70)	(3,972)	(1,304)	(4)	(1)	(5,281)	(88)	(232)
Net carrying value	35,638	135,569	135,342	116	24,758	295,785		
Stage 1	0.0%	0.1%	0.3%	1.0%	0.0%	0.2%	0.0%	0.0%
- Strong	0.0%	0.1%	0.2%	1.0%	0.0%	0.1%	0.0%	0.0%
- Satisfactory	0.0%	0.1%	2.3%	0.0%	0.0%	0.3%	0.1%	0.0%
Stage 2	1.4%	2.3%	7.4%	16.7%	3.7%	3.1%	0.6%	0.7%
- Strong	0.5%	1.3%	6.0%	18.8%	0.0%	3.5%	0.4%	0.4%
- Satisfactory	2.5%	2.3%	9.6%	0.0%	0.0%	2.5%	0.7%	0.5%
- Higher risk	0.0%	4.5%	11.0%	0.0%	3.7%	6.2%	0.4%	2.1%
Of which (stage 2):								
- Less than 30 days past due	0.0%	2.7%	10.1%	0.0%	0.0%	6.1%	0.0%	0.0%
- More than 30 days past due	0.0%	0.0%	11.0%	0.0%	0.0%	7.8%	0.0%	0.0%
Stage 3, credit-impaired financial assets (S3)	23.3%	63.5%	50.0%	0.0%	0.0%	60.6%	71.4%	28.0%
Cover ratio	0.2%	2.8%	1.0%	3.3%	0.0%	1.8%	0.1%	0.4%
Fair value through profit or loss								
Performing	26,481	64,921	54	-	3,292	68,267	-	-
- Strong	22,940	51,441	54	-	3,290	54,785	-	-
- Satisfactory	3,541	13,421	-	-	2	13,423	-	-
- Higher risk	-	59	-	-	-	59	-	-
Defaulted (CG13-14)	-	-	-	-	-	-	-	-
Gross balance (FVTPL) ²	26,481	64,921	54	-	3,292	68,267	-	-
Net carrying value (incl FVTPL)	62,119	200,490	135,396	116	28,050	364,052	-	-

1 Loans and advances includes reverse repurchase agreements and other similar secured lending of \$12,571 million under Customers and of \$2,038 million under Banks, held at amortised cost

2 Loans and advances includes reverse repurchase agreements and other similar secured lending of \$59,298 million under Customers and of \$22,096 million under Banks, held at fair value through profit or loss

Risk review continued

31.12.21 (Restated) ¹								
	Customers						Undrawn commitments \$million	Financial Guarantees \$million
	Banks \$million	Corporate, Commercial & Institutional Banking \$million	Consumer, Private & Business Banking ¹ \$million	Ventures ¹ \$million	Central & other items \$million	Customer Total \$million		
Amortised cost								
Stage 1	43,776	122,368	134,289	82	22,439	279,178	149,530	54,923
- Strong	30,813	77,826	129,486	82	22,333	229,727	132,274	37,418
- Satisfactory	12,963	44,542	4,803	-	106	49,451	17,256	17,505
Stage 2	580	14,818	1,912	9	110	16,849	8,993	2,813
- Strong	126	2,366	1,253	-	-	3,619	2,786	714
- Satisfactory	105	11,180	308	-	-	11,488	5,235	1,546
- Higher risk	349	1,272	351	9	110	1,742	972	553
Of which (stage 2):								
- Less than 30 days past due	-	77	308	-	-	385	-	-
- More than 30 days past due	-	49	360	-	-	409	-	-
Stage 3, credit-impaired financial assets	54	6,520	1,575	-	-	8,095	-	799
Gross balance ²	44,410	143,706	137,776	91	22,549	304,122	158,523	58,535
Stage 1	(12)	(103)	(369)	(1)	-	(473)	(42)	(15)
- Strong	(4)	(58)	(282)	(1)	-	(341)	(23)	(5)
- Satisfactory	(8)	(45)	(87)	-	-	(132)	(19)	(10)
Stage 2	(4)	(341)	(181)	(2)	-	(524)	(60)	(22)
- Strong	(2)	(62)	(104)	-	-	(166)	(6)	(1)
- Satisfactory	(2)	(179)	(32)	-	-	(211)	(46)	(9)
- Higher risk	-	(100)	(45)	(2)	-	(147)	(8)	(12)
Of which (stage 2):								
- Less than 30 days past due	-	(2)	(32)	-	-	(34)	-	-
- More than 30 days past due	-	(3)	(47)	-	-	(50)	-	-
Stage 3, credit-impaired financial assets	(11)	(3,861)	(796)	-	-	(4,657)	-	(207)
Total credit impairment	(27)	(4,305)	(1,346)	(3)	-	(5,654)	(102)	(244)
Net carrying value	44,383	139,401	136,430	88	22,549	298,468	-	-
Stage 1	0.0%	0.1%	0.3%	1.2%	0.0%	0.2%	0.0%	0.0%
- Strong	0.0%	0.1%	0.2%	1.2%	0.0%	0.1%	0.0%	0.0%
- Satisfactory	0.1%	0.1%	1.8%	0.0%	0.0%	0.3%	0.1%	0.1%
Stage 2	0.7%	2.3%	9.5%	22.2%	0.0%	3.1%	0.7%	0.8%
- Strong	1.6%	2.6%	8.3%	0.0%	0.0%	4.6%	0.2%	0.1%
- Satisfactory	1.9%	1.6%	10.4%	0.0%	0.0%	1.8%	0.9%	0.6%
- Higher risk	0.0%	7.9%	12.8%	22.2%	0.0%	8.4%	0.8%	2.2%
Of which (stage 2):								
- Less than 30 days past due	0.0%	2.6%	10.4%	0.0%	0.0%	8.8%	0.0%	0.0%
- More than 30 days past due	0.0%	6.1%	13.1%	0.0%	0.0%	12.2%	0.0%	0.0%
Stage 3, credit-impaired financial assets (S3)	20.4%	59.2%	50.5%	0.0%	0.0%	57.5%	0.0%	25.9%
Cover ratio	0.1%	3.0%	1.0%	3.3%	0.0%	1.9%	0.1%	0.4%
Fair value through profit or loss								
Performing	22,574	69,356	67	-	1,774	71,197	-	-
- Strong	20,132	53,756	67	-	1,772	55,595	-	-
- Satisfactory	2,442	15,600	-	-	2	15,602	-	-
- Higher risk	-	-	-	-	-	-	-	-
Defaulted (CG13-14)	-	38	-	-	-	38	-	-
Gross balance (FVTPL) ³	22,574	69,394	67	-	1,774	71,235	-	-
Net carrying value (incl FVTPL)	66,957	208,795	136,497	88	24,323	369,703	-	-

1 Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior period has been restated.

2 Loans and advances includes reverse repurchase agreements and other similar secured lending of \$7,331 million under Customers and of \$1,079 million under Banks, held at amortised cost

3 Loans and advances includes reverse repurchase agreements and other similar secured lending of \$61,282 million under Customers and of \$18,727 million under Banks, held at fair value through profit or loss

Risk review continued

Credit impairment charge

	1Q'22			1Q'21 (Restated) ^{1,2}		
	Stage 1 & 2 \$million	Stage 3 \$million	Total \$million	Stage 1 & 2 \$million	Stage 3 \$million	Total \$million
Ongoing business portfolio						
Corporate, Commercial & Institutional Banking ²	(77)	224	147	(27)	(1)	(28)
Consumer, Private & Business Banking ²	8	26	34	(10)	57	47
Ventures ¹	3	-	3	-	-	-
Central & other items	(15)	31	16	2	(1)	1
Credit impairment charge	(81)	281	200	(35)	55	20
Restructuring business portfolio						
Others	(2)	(1)	(3)	(1)	(2)	(3)
Credit impairment charge	(2)	(1)	(3)	(1)	(2)	(3)
Total credit impairment charge	(83)	280	197	(36)	53	17

1 Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior period has been restated.

2 Following the Group's change in organisational structure in 2021, certain clients have been moved between the two new client segments, Corporate, Commercial & Institutional Banking and Consumer, Private & Business Banking. Prior period has been restated

COVID-19 relief measures

Segment ¹	Total		Asia		Africa & Middle East	
	Outstanding \$million	% of portfolio ²	Outstanding \$million	% of portfolio ²	Outstanding \$million	% of portfolio ²
Credit card & Personal loans	162	1.1%	24	0.2%	138	7.5%
Mortgages & Auto	88	0.1%	79	0.1%	9	0.3%
Business Banking	103	1.0%	103	1.0%		
Total Consumer, Private & Business Banking at 31 March 2022	353	0.3%	206	0.2%	147	2.9%
Total Consumer, Private & Business Banking at 31 December 2021	1,182	0.9%	1,029	0.9%	153	3.1%

1 Outstanding relief balance for Corporate, Commercial and Institutional Banking are less than \$100 million (31 December 2021: \$511 million) at Q1 2022 and \$nil (31 December 2021: \$nil) for Ventures³

2 Percentage of portfolio represents the outstanding amount as a percentage of the gross loans and advances to customers by product and segment

3 Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate segment in 2022

Risk review continued

Vulnerable sectors

Maximum Exposure

31.03.22							
Amortised Cost	Maximum on Balance Sheet Exposure (net of credit impairment) \$million	Collateral \$million	Net On Balance Sheet Exposure \$million	Undrawn Commitments (net of credit impairment) \$million	Financial Guarantees (net of credit impairment) \$million	Net Off Balance Sheet Exposure \$million	Total On & Off Balance Sheet Net Exposure \$million
Industry:							
Aviation ¹	3,254	1,816	1,438	1,451	504	1,955	3,393
Commodity Traders	9,834	306	9,528	2,990	7,306	10,296	19,824
Metals & Mining	3,936	380	3,556	3,453	935	4,388	7,944
Commercial Real Estate	18,447	6,893	11,554	6,122	246	6,368	17,922
Hotels & Tourism	2,153	664	1,489	1,396	134	1,530	3,019
Oil & Gas	7,180	927	6,253	7,518	6,275	13,793	20,046
Total	44,804	10,986	33,818	22,930	15,400	38,330	72,148
Total Corporate, Commercial & Institutional Banking	135,569	23,619	111,950	97,273	50,954	148,227	260,177
Total Group	331,423	138,088	193,335	160,194	58,472	218,666	412,001

31.12.21							
Amortised Cost	Maximum On Balance Sheet Exposure (net of credit impairment) \$million	Collateral \$million	Net On Balance Sheet Exposure \$million	Undrawn Commitments (net of credit impairment) \$million	Financial Guarantees (net of credit impairment) \$million	Net Off Balance Sheet Exposure \$million	Total On & Off Balance Sheet Net Exposure \$million
Industry:							
Aviation ¹	3,458	2,033	1,425	1,914	431	2,345	3,770
Commodity Traders	8,732	262	8,470	2,434	6,832	9,266	17,736
Metals & Mining	3,616	450	3,166	3,387	637	4,024	7,190
Commercial Real Estate	19,847	7,290	12,557	7,192	291	7,483	20,040
Hotels & Tourism	2,390	789	1,601	1,363	121	1,484	3,085
Oil & Gas	6,826	1,029	5,797	8,842	6,013	14,855	20,652
Total	44,869	11,853	33,016	25,132	14,325	39,457	72,473
Total Corporate, Commercial & Institutional Banking	139,401	26,294	113,107	96,406	49,666	146,072	259,179
Total Group	342,851	138,564	204,287	158,421	58,291	216,712	420,999

1 In addition to the aviation sector loan exposures, the Group owns \$3.0 billion (31 December 2021: \$3.1 billion) of aircraft under operating leases.

Risk review continued

Loans and advances by stage

31.03.22												
Amortised Cost	Stage 1			Stage 2			Stage 3			Total		
	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million
Industry:												
Aviation	1,572	(4)	1,568	1,531	(8)	1,523	213	(50)	163	3,316	(62)	3,254
Commodity Traders	9,602	(6)	9,596	192	(5)	187	628	(576)	52	10,422	(587)	9,835
Metals & Mining	3,484	(3)	3,481	379	(16)	363	215	(123)	92	4,078	(142)	3,936
Commercial Real Estate	16,240	(14)	16,226	1,981	(96)	1,885	766	(431)	335	18,987	(541)	18,446
Hotels & Tourism	1,421	(2)	1,419	648	(7)	641	159	(66)	93	2,228	(75)	2,153
Oil & Gas	6,112	(6)	6,106	855	(23)	832	475	(233)	242	7,442	(262)	7,180
Total	38,431	(35)	38,396	5,586	(155)	5,431	2,456	(1,479)	977	46,473	(1,669)	44,804
Total Corporate, Commercial & Institutional Banking	122,176	(100)	122,076	11,697	(273)	11,424	5,668	(3,599)	2,069	139,541	(3,972)	135,569
Total Group	315,120	(484)	314,636	14,192	(435)	13,757	7,462	(4,432)	3,030	336,774	(5,351)	331,423

31.12.21												
Amortised Cost	Stage 1			Stage 2			Stage 3			Total		
	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million	Gross Balance \$million	Total Credit Impairment \$million	Net Carrying Amount \$million
Industry:												
Aviation	1,120	-	1,120	2,174	(11)	2,163	239	(64)	175	3,533	(75)	3,458
Commodity Traders	8,482	(4)	8,478	195	(5)	190	713	(649)	64	9,390	(658)	8,732
Metals & Mining	3,083	(1)	3,082	450	(17)	433	219	(118)	101	3,752	(136)	3,616
Commercial Real Estate	17,680	(43)	17,637	1,787	(75)	1,712	833	(335)	498	20,300	(453)	19,847
Hotels & Tourism	1,562	(1)	1,561	722	(9)	713	182	(66)	116	2,466	(76)	2,390
Oil & Gas	4,999	(5)	4,994	1,595	(34)	1,561	486	(215)	271	7,080	(254)	6,826
Total	36,926	(54)	36,872	6,923	(151)	6,772	2,672	(1,447)	1,225	46,521	(1,652)	44,869
Total Corporate, Commercial & Institutional Banking	122,368	(103)	122,265	14,818	(341)	14,477	6,520	(3,861)	2,659	143,706	(4,305)	139,401
Total Group	322,954	(485)	322,469	17,429	(528)	16,901	8,149	(4,668)	3,481	348,532	(5,681)	342,851

Capital review

Capital ratios

	31.03.22	31.12.21	Change ⁴	31.03.21	Change ⁴
CET1	13.9%	14.1%	(0.2)	14.0%	(0.1)
Tier 1 capital	15.9%	16.6%	(0.7)	16.3%	(0.4)
Total capital	21.1%	21.3%	(0.2)	21.2%	(0.1)

CRD Capital base¹

	31.03.22 \$million	31.12.21 \$million	Change ⁵ %	31.03.21 \$million	Change ⁵ %
CET1 instruments and reserves					
Capital instruments and the related share premium accounts	5,496	5,528	(1)	5,545	(1)
Of which: share premium accounts	3,989	3,989	-	3,989	-
Retained earnings ²	26,472	24,968	6	26,062	2
Accumulated other comprehensive income (and other reserves)	10,625	11,805	(10)	12,175	(13)
Non-controlling interests (amount allowed in consolidated CET1)	221	201	10	193	15
Independently reviewed interim and year-end profits	1,184	2,346	(50)	1,091	9
Foreseeable dividends	(524)	(493)	6	(573)	(9)
CET1 capital before regulatory adjustments	43,474	44,355	(2)	44,493	(2)
CET1 regulatory adjustments					
Additional value adjustments (prudential valuation adjustments)	(672)	(665)	1	(641)	5
Intangible assets (net of related tax liability) ³	(5,430)	(4,392)	24	(4,041)	34
Deferred tax assets that rely on future profitability (excludes those arising from temporary differences)	(157)	(150)	5	(146)	8
Fair value reserves related to net losses on cash flow hedges	238	34	600	7	3,300
Deduction of amounts resulting from the calculation of excess expected loss	(773)	(580)	33	(819)	(6)
Net gains on liabilities at fair value resulting from changes in own credit risk	(92)	15	(713)	59	(256)
Defined-benefit pension fund assets	(173)	(159)	9	(54)	220
Fair value gains arising from the institution's own credit risk related to derivative liabilities	(27)	(60)	(55)	(48)	(44)
Exposure amounts which could qualify for risk weighting of 1,250%	(92)	(36)	156	(99)	(7)
Total regulatory adjustments to CET1	(7,178)	(5,993)	20	(5,782)	24
CET1 capital	36,296	38,362	(5)	38,711	(6)
Additional Tier 1 capital (AT1) instruments	5,255	6,811	(23)	6,313	(17)
AT1 regulatory adjustments	(20)	(20)	-	(20)	-
Tier 1 capital	41,531	45,153	(8)	45,004	(8)
Tier 2 capital instruments	13,535	12,521	8	13,557	-
Tier 2 regulatory adjustments	(30)	(30)	-	(30)	-
Tier 2 capital	13,505	12,491	8	13,527	-
Total capital	55,036	57,644	(5)	58,531	(6)
Total risk-weighted assets (unaudited)	260,833	271,233	(4)	276,670	(6)

1 CRD capital is prepared on the regulatory scope of consolidation

2 Retained earnings includes IFRS9 capital relief (transitional) of \$133 million, including dynamic relief of \$28 million

3 Increase in Intangible assets fully deducted, resulting from exclusion of software relief not available from 1 January 2022

4 Change is the percentage point difference between the two periods, rather than percentage change

5 Variance is increase/(decrease) comparing current reporting period to prior reporting periods

Capital review continued

Movement in total capital

	3 months ended 31.03.22 \$million	12 months ended 31.12.21 \$million
CET1 at 1 January	38,362	38,779
Ordinary shares issued in the period and share premium	-	-
Share buy-back	(753)	(506)
Profit for the period	1,184	2,346
Foreseeable dividends deducted from CET1	(524)	(493)
Difference between dividends paid and foreseeable dividends	372	(303)
Movement in goodwill and other intangible assets	(1,038)	(118)
Foreign currency translation differences	(313)	(652)
Non-controlling interests	20	21
Movement in eligible other comprehensive income	(651)	(306)
Deferred tax assets that rely on future profitability	(7)	(12)
Decrease/(increase) in excess expected loss	(193)	121
Additional value adjustments (prudential valuation adjustment)	(7)	(175)
IFRS 9 transitional impact on regulatory reserves including day one	(119)	(142)
Exposure amounts which could qualify for risk weighting	(56)	(10)
Fair value gains arising from the institution's own Credit Risk related to derivative liabilities	33	(12)
Other	(14)	(176)
CET1 at 31 March/31 December	36,296	38,362
AT1 at 1 January	6,791	5,612
Net issuances (redemptions)	(999)	1,736
Foreign currency translation difference	-	(2)
Excess on AT1 grandfathered limit (ineligible)	(557)	(555)
AT1 at 31 March/31 December	5,235	6,791
Tier 2 capital at 1 January	12,491	12,657
Regulatory amortisation	764	(1,035)
Net issuances (redemptions)	(298)	573
Foreign currency translation difference	51	(181)
Tier 2 ineligible minority interest	(60)	(81)
Recognition of ineligible AT1	557	555
Other	-	3
Tier 2 capital at 31 March/31 December	13,505	12,491
Total capital at 31 March/31 December	55,036	57,644

Capital review continued

Risk-weighted assets by business

	31.03.22			
	Credit risk \$million	Operational risk \$million	Market risk \$million	Total risk \$million
Corporate, Commercial & Institutional Banking	120,626	17,038	19,089	156,753
Consumer, Private & Business Banking	44,824	8,639	-	53,463
Ventures	870	6	-	876
Central & other items	44,317	1,494	3,930	49,741
Total risk-weighted assets	210,637	27,177	23,019	260,833

	31.12.21			
	Credit risk \$million	Operational risk \$million	Market risk \$million	Total risk \$million
Corporate, Commercial & Institutional Banking ^{1,2}	125,813	16,595	20,789	163,197
Consumer, Private & Business Banking ¹	42,731	8,501	-	51,232
Ventures ¹	756	5	-	761
Central & other items ¹	50,288	2,015	3,740	56,043
Total risk-weighted assets	219,588	27,116	24,529	271,233

1 Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior periods have been restated.

2 Following the Group's change in organisational structure in 2021, certain clients have been moved between the two new client segments, Corporate, Commercial & Institutional Banking and Consumer, Private & Business Banking. Prior period has been restated.

	31.03.21			
	Credit risk \$million	Operational risk \$million	Market risk \$million	Total risk \$million
Corporate, Commercial & Institutional Banking ^{1,2}	129,190	16,595	22,640	168,425
Consumer, Private & Business Banking ^{1,2}	47,636	8,501	-	56,137
Ventures ¹	449	5	-	454
Central & other items ¹	49,514	2,015	125	51,654
Total risk-weighted assets	226,789	27,116	22,765	276,670

1 Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior periods have been restated.

2 Following the Group's change in organisational structure in 2021, certain clients have been moved between the two new client segments, Corporate, Commercial & Institutional Banking and Consumer, Private & Business Banking. Prior period has been restated.

Risk-weighted assets by geographic region

	31.03.22 \$million	31.12.21 \$million	Change ¹ %	31.03.21 \$million	Change ¹ %
ASIA	163,447	170,381	(4)	178,541	(8)
Africa & Middle East	45,154	48,852	(8)	50,640	(11)
Europe & Americas	49,619	50,283	(1)	49,848	-
Central & other items	2,613	1,717	52	(2,359)	(211)
Total risk-weighted assets	260,833	271,233	(4)	276,670	(6)

1 Variance is increase/(decrease) comparing current reporting period to prior reporting periods

Capital review continued

Movement in risk-weighted assets

	Credit risk				Total \$million	Operational risk \$million	Market risk \$million	Total risk \$million
	Commercial, Corporate & Institutional Banking ¹ \$million	Consumer, Private & Business Banking ¹ \$million	Ventures ¹ \$million	Central & other items ¹ \$million				
31 December 2020	127,581	44,755	289	47,816	220,441	26,800	21,593	268,834
Assets growth mix	2,269	3,612	467	3,894	10,242	-	-	10,242
Asset quality	(1,537)	(662)	-	13	(2,186)	-	-	(2,186)
Risk-weighted assets efficiencies	(415)	(30)	-	(657)	(1,102)	-	-	(1,102)
Model, methodology and policy changes	-	(3,701)	-	-	(3,701)	-	2,065	(1,636)
Acquisitions/Disposals	-	-	-	-	-	-	-	-
Foreign currency translation	(2,085)	(1,243)	-	(1,106)	(4,434)	-	-	(4,434)
Other, non-credit risk movements	-	-	-	328	328	316	871	1,515
31 December 2021	125,813	42,731	756	50,288	219,588	27,116	24,529	271,233
Assets growth mix	(3,772)	(263)	114	(4,073)	(7,994)	-	-	(7,994)
Asset quality	(4,967)	46	-	(15)	(4,936)	-	-	(4,936)
Risk-weighted assets efficiencies	-	-	-	-	-	-	-	-
Model, methodology and policy changes	4,097	2,713	-	41	6,851	-	(400)	6,451
Acquisitions/Disposals	-	-	-	-	-	-	-	-
Foreign currency translation	(931)	(403)	-	(919)	(2,253)	-	-	(2,253)
Other, non-credit risk movements	386	-	-	(1,005)	(619)	61	(1,110)	(1,668)
31 March 2022	120,626	44,824	870	44,317	210,637	27,177	23,019	260,833

1 Following the increased strategic importance and reporting of Ventures to management, this has been established as a separate operating segment in 2022. Prior periods have been restated.

Capital review continued

UK leverage ratio

	31.03.22 \$million	31.12.21 \$million	Change ² %	31.03.21 \$million	Change ² %
Tier 1 capital (transitional)	41,531	45,153	(8)	45,004	(8)
Additional Tier 1 capital subject to phase out	-	(557)	(100)	(557)	(100)
Tier 1 capital (end point)	41,531	44,596	(7)	44,447	(7)
Derivative financial instruments	62,360	52,445	19	59,872	4
Derivative cash collateral	11,307	9,217	23	9,860	15
Securities financing transactions (SFTs)	96,002	88,418	9	69,560	38
Loans and advances and other assets	669,448	677,738	(1)	665,611	1
Total on-balance sheet assets	839,117	827,818	1	804,903	4
Regulatory consolidation adjustments ¹	(61,820)	(63,704)	(3)	(65,121)	(5)
Derivatives adjustments					
Derivatives netting	(35,936)	(34,819)	3	(38,602)	(7)
Adjustments to cash collateral	(9,070)	(17,867)	(49)	(18,260)	(50)
Net written credit protection	1,712	1,534	12	1,999	(14)
Potential future exposure on derivatives	44,305	50,857	(13)	47,527	(7)
Total derivatives adjustments	1,011	(295)	(443)	(7,336)	(114)
Counterparty risk leverage exposure measure for SFTs	20,152	13,724	47	9,505	112
Off-balance sheet items	144,398	139,505	4	129,403	12
Regulatory deductions from Tier 1 capital	(7,031)	(5,908)	19	(5,710)	23
UK leverage exposure (end point)	935,827	911,140	3	865,644	8
UK leverage ratio (end point) ²	4.4%	4.9%	(0.5)	5.1%	(0.7)
UK leverage exposure quarterly average	927,282	897,992	3	864,008	7
UK leverage ratio quarterly average ²	4.6%	5.0%	(0.4)	5.1%	(0.5)
Countercyclical leverage ratio buffer ²	0.1%	0.1%	-	0.1%	-
G-SII additional leverage ratio buffer ²	0.4%	0.4%	-	0.4%	-

1 Includes adjustment for qualifying central bank claims

2 Change is the percentage point difference two periods, rather than percentage change

Financial statements

Condensed consolidated interim income statement

For the three months ended 31 March 2022

	3 months ended 31.03.22 \$million	3 months ended 31.03.21 \$million
Interest income	2,693	2,532
Interest expense	(905)	(874)
Net interest income	1,788	1,658
Fees and commission income	1,093	1,181
Fees and commission expense	(179)	(168)
Net fee and commission income	914	1,013
Net trading income	1,451	999
Other operating income	139	269
Operating income	4,292	3,939
Staff costs	(1,914)	(1,826)
Premises costs	(92)	(89)
General administrative expenses	(355)	(320)
Depreciation and amortisation	(304)	(293)
Operating expenses	(2,665)	(2,528)
Operating profit before impairment losses and taxation	1,627	1,411
Credit impairment	(197)	(17)
Goodwill, property, plant and equipment and other impairment	(6)	(28)
Profit from associates and joint ventures	68	47
Profit before taxation	1,492	1,413
Taxation	(313)	(314)
Profit for the period	1,179	1,099
Profit attributable to:		
Non-controlling interests	3	7
Parent company shareholders	1,176	1,092
Profit for the period	1,179	1,099
	cents	cents
Earnings per share:		
Basic earnings per ordinary share	34.6	32.6
Diluted earnings per ordinary share	34.1	32.1

Financial statements continued

Condensed consolidated interim statement of comprehensive income

For the three months ended 31 March 2022

	3 months ended 31.03.22 \$million	3 months ended 31.03.21 \$million
Profit for the period	1,179	1,099
Other comprehensive income		
Items that will not be reclassified to income statement:	137	177
Own credit gains/(losses) on financial liabilities designated at fair value through profit or loss	128	(9)
Equity instruments at fair value through other comprehensive income	-	117
Actuarial gains on retirement benefit obligations	35	79
Taxation relating to components of other comprehensive income	(26)	(10)
Items that may be reclassified subsequently to income statement:	(1,345)	(632)
Exchange differences on translation of foreign operations:		
Net losses taken to equity	(540)	(414)
Net gains on net investment hedges	212	119
Share of other comprehensive loss from associates and joint ventures	(82)	(4)
Debt instruments at fair value through other comprehensive income		
Net valuation losses taken to equity	(748)	(303)
Reclassified to income statement	(31)	(126)
Net impact of expected credit losses	(15)	2
Cash flow hedges:		
Net (losses)/gains taken to equity	(248)	37
Reclassified to income statement	8	15
Taxation relating to components of other comprehensive income	99	42
Other comprehensive income for the period, net of taxation	(1,208)	(455)
Total comprehensive income for the period	(29)	644
Total comprehensive income attributable to:		
Non-controlling interests	(13)	9
Parent company shareholders	(16)	635
Total comprehensive income for the period	(29)	644

Financial statements continued

Condensed consolidated interim balance sheet

As at 31 March 2022

	31.03.22 \$million	31.12.21 \$million
Assets		
Cash and balances at central banks	69,580	72,663
Financial assets held at fair value through profit or loss	126,535	129,121
Derivative financial instruments	62,360	52,445
Loans and advances to banks	35,638	44,383
Loans and advances to customers	295,785	298,468
Investment securities	169,119	163,437
Other assets	62,820	49,932
Current tax assets	639	766
Prepayments and accrued income	2,156	2,176
Interests in associates and joint ventures	2,150	2,147
Goodwill and intangible assets	5,502	5,471
Property, plant and equipment	5,460	5,616
Deferred tax assets	864	859
Assets classified as held for sale	509	334
Total assets	839,117	827,818
Liabilities		
Deposits by banks	28,930	30,041
Customer accounts	456,404	474,570
Repurchase agreements and other similar secured borrowing	3,400	3,260
Financial liabilities held at fair value through profit or loss	86,893	85,197
Derivative financial instruments	63,278	53,399
Debt securities in issue	63,496	61,293
Other liabilities	63,765	44,314
Current tax liabilities	414	348
Accruals and deferred income	3,725	4,651
Subordinated liabilities and other borrowed funds	15,610	16,646
Deferred tax liabilities	763	800
Provisions for liabilities and charges	420	453
Retirement benefit obligations	179	210
Total liabilities	787,277	775,182
Equity		
Share capital and share premium account	6,990	7,022
Other reserves	10,625	11,805
Retained earnings	27,562	27,184
Total parent company shareholders' equity	45,177	46,011
Other equity instruments	6,254	6,254
Total equity excluding non-controlling interests	51,431	52,265
Non-controlling interests	409	371
Total equity	51,840	52,636
Total equity and liabilities	839,117	827,818

Financial statements continued

Condensed consolidated statement of changes in equity

For the three months ended 31 March 2022

	Ordinary share capital and share premium account \$million	Preference share capital and share premium account \$million	Capital and merger reserves ¹ \$million	Own credit adjustment reserve \$million	Fair value through other comprehensive income reserve – debt \$million	Fair value through other comprehensive income reserve – equity \$million	Cash flow hedge reserve \$million	Translation reserve \$million	Retained earnings \$million	Parent company shareholders' equity \$million	Other equity instruments \$million	Non-controlling interests \$million	Total \$million
As at 01 January 2021	5,564	1,494	17,207	(52)	529	148	(52)	(5,092)	26,140	45,886	4,518	325	50,729
Profit/(loss) for the period	-	-	-	-	-	-	-	-	2,315	2,315	-	(2)	2,313
Other comprehensive income/(loss)	-	-	-	37	(426)	101	18	(662)	175 ²	(757)	-	(15)	(772)
Distributions	-	-	-	-	-	-	-	-	-	-	-	(31)	(31)
Other equity instruments issued, net of expenses	-	-	-	-	-	-	-	-	-	-	2,728	-	2,728
Redemption of other equity instruments	-	-	-	-	-	-	-	-	(51)	(51)	(992)	-	(1,043)
Treasury shares purchased	-	-	-	-	-	-	-	-	(242)	(242)	-	-	(242)
Treasury shares issued	-	-	-	-	-	-	-	-	7	7	-	-	7
Share option expenses	-	-	-	-	-	-	-	-	147	147	-	-	147
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(374)	(374)	-	-	(374)
Dividends on preference shares and AT1 securities	-	-	-	-	-	-	-	-	(410)	(410)	-	-	(410)
Share buy-back ^{3,4}	(39)	-	39	-	-	-	-	-	(506)	(506)	-	-	(506)
Other movements	3	-	-	-	-	-	-	10	(17) ⁵	(4)	-	94 ⁶	90
As at 31 December 2021	5,528	1,494	17,246	(15)	103	249	(34)	(5,744)	27,184	46,011	6,254	371	52,636
Profit for the period	-	-	-	-	-	-	-	-	1,176	1,176	-	3	1,179
Other comprehensive income/(loss)	-	-	-	107	(814)	12	(204)	(313)	20 ²	(1,192)	-	(16)	(1,208)
Distributions	-	-	-	-	-	-	-	-	-	-	-	(2)	(2)
Share option expenses	-	-	-	-	-	-	-	-	58	58	-	-	58
Dividends on preference shares and AT1 securities	-	-	-	-	-	-	-	-	(121)	(121)	-	-	(121)
Share buy-back ⁷	(32)	-	32	-	-	-	-	-	(753)	(753)	-	-	(753)
Other movements	-	-	-	-	-	-	-	-	(2) ⁸	(2)	-	53 ⁹	51
As at 31 March 2022	5,496	1,494	17,278	92	(711)	261	(238)	(6,057)	27,562	45,177	6,254	409	51,840

1 Includes capital reserve of \$5 million, capital redemption reserve of \$162 million and merger reserve of \$17,111 million

2 Comprises actuarial gain, net of taxation on Group defined benefit schemes

3 On 25 February 2021, the Group announced the buy-back programme for a share buy-back of its ordinary shares of \$0.50 each. Nominal value of share purchases was \$19 million, and the total consideration paid was \$255 million (including \$2 million of fees and stamp duty). The total number of shares purchased was 37,148,399 representing 1.18 per cent of the ordinary shares in issue. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account

4 On 3 August 2021, the Group announced the buy-back programme for a share buy-back of its ordinary shares of \$0.50 each. Nominal value of share purchases was \$20 million, and the total consideration paid was \$251 million (including \$1 million of fees and stamp duty). The total number of shares purchased was 39,914,763 representing 1.28 per cent of the ordinary shares in issue. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account

5 Movement related to Translation adjustment and AT1 Securities charges

6 Movements related to non-controlling interest from Mox Bank Limited (\$21 million), Trust Bank Singapore Ltd (\$70 million) and Zodia Markets Holdings Ltd (\$3 million)

7 On 18th February 2022, the Group announced the buy-back programme (\$750 million) for a share buy-back of its ordinary shares of \$0.50 each. As at Q1 2022 the buyback is ongoing but the total number of shares purchased was 63,908,272 representing 2.08% per cent of the ordinary shares in issue. The total consideration paid for the buyback till 31st March 2022, was \$433 million (including \$2.5 million of fees and stamp duty), and a further \$320 million relating to irrevocable obligation to buy back shares under the current buy-back programme has been recognised. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account

8 Movement related to AT1 Securities charges

9 Movements related to non-controlling interest from Mox Bank Limited (\$29 million), Trust Bank Singapore Ltd (\$24 million)

Financial statements continued

Basis of preparation

This statement covers the results of Standard Chartered PLC together with its subsidiaries and equity accounted interest in associates and jointly controlled entities (the Group) for the three months ended 31 March 2022. The financial information on which this statement is based, and the data set out in the appendix to this statement, are unaudited and have been prepared in accordance with the Group's accounting policies. The Group's significant accounting policies are described in the Annual Report 2021, which have been prepared in accordance with UK-adopted international accounting standards and International Financial Reporting Standards (IFRS) as adopted by the European Union (EU IFRS) and in conformity with the requirements of the Companies Act 2006. There are no significant differences between UK-adopted international accounting standards and EU IFRS. The Group's Annual Report 2022 will continue to be prepared in accordance with these frameworks.

The interim financial information does not constitute a full or condensed set of financial statements under IAS 34 'Interim Financial Reporting' as contained in UK-adopted international accounting standards or EU IFRS. The interim financial information has been prepared in accordance with the recognition and measurement principles, but not the disclosure requirements under UK-adopted international accounting standards and EU IFRS.

The information in this document does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2021, which contained an unqualified audit report under Section 495 of the Companies Act 2006 (which did not make any statements under Section 498 of the Companies Act 2006) have been delivered to the Registrar of Companies in accordance with Section 441 of the Companies Act 2006.

Going concern

The Directors assessed the Group's ability to continue as a going concern, including a review of the Group's forecasts, the impact of COVID 19, macroeconomic conditions and geopolitical headwinds, and confirm they are satisfied that the Group has adequate resources to continue in business for a period of twelve months from 28 April 2022. For this reason, the Group continues to adopt the going concern basis of accounting for preparing the interim financial information.

Other supplementary financial information

Average balance sheets and yields

Average assets

	3 months ended 31.03.22				
	Average non-interest earning balance \$million	Average interest earning balance \$million	Interest income \$million	Gross yield interest earning balance %	Gross yield total balance %
Cash and balances at central banks	24,377	55,336	40	0.29	0.20
Gross loans and advances to banks	27,908	44,546	155	1.41	0.87
Gross loans and advances to customers	64,134	307,108	1,888	2.49	2.06
Impairment provisions against loans and advances to banks and customers	-	(5,697)	-	-	-
Investment securities	33,811	167,927	610	1.47	1.23
Property, plant and equipment and intangible assets	8,689	-	-	-	-
Prepayments, accrued income and other assets	119,626	-	-	-	-
Investment associates and joint ventures	2,201	-	-	-	-
Total average assets	280,746	569,220	2,693	1.92	1.28

	3 months ended 31.12.21				
	Average non-interest earning balance \$million	Average interest earning balance \$million	Interest income \$million	Gross yield interest earning balance %	Gross yield total balance %
Cash and balances at central banks	25,591	51,923	23	0.18	0.12
Gross loans and advances to banks	18,842	45,544	121	1.05	0.75
Gross loans and advances to customers	62,368	309,420	1,853	2.38	1.98
Impairment provisions against loans and advances to banks and customers	-	(4,942)	-	-	-
Investment securities	33,746	163,774	544	1.32	1.09
Property, plant and equipment and intangible assets	8,730	-	-	-	-
Prepayments, accrued income and other assets	113,787	-	-	-	-
Investment associates and joint ventures	2,428	-	-	-	-
Total average assets	265,492	565,719	2,541	1.78	1.21

	3 months ended 31.03.21				
	Average non-interest earning balance \$million	Average interest earning balance \$million	Interest income \$million	Gross yield interest earning balance %	Gross yield total balance %
Cash and balances at central banks	21,459	53,521	19	0.14	0.10
Gross loans and advances to banks	23,919	52,248	148	1.15	0.79
Gross loans and advances to customers	50,958	299,535	1,845	2.50	2.13
Impairment provisions against loans and advances to banks and customers	-	(6,654)	-	-	-
Investment securities	31,704	157,681	520	1.34	1.11
Property, plant and equipment and intangible assets	9,120	-	-	-	-
Prepayments, accrued income and other assets	117,035	-	-	-	-
Investment associates and joint ventures	2,213	-	-	-	-
Total average assets	256,408	556,331	2,532	1.85	1.26

Other supplementary financial information continued

Average liabilities

	3 months ended 31.03.22				
	Average non-interest bearing balance \$million	Average interest bearing balance \$million	Interest expense \$million	Rate paid bearing balance %	Rate paid total balance %
Deposits by banks	17,492	28,865	38	0.53	0.33
Customer accounts:					
Current accounts and savings deposits	55,118	272,366	238	0.35	0.29
Time and other deposits	66,052	149,785	365	0.99	0.69
Debt securities in issue	6,331	61,990	138	0.90	0.82
Accruals, deferred income and other liabilities	127,208	1,075	12	4.53	0.04
Subordinated liabilities and other borrowed funds	-	15,885	114	2.91	2.91
Non-controlling interests	391	-	-	-	-
Shareholders' funds	52,011	-	-	-	-
	324,603	529,966	905	0.69	0.43
Adjustment for Financial Markets funding costs			(41)		
Financial guarantee fees on interest earning assets			20		
Total average liabilities and shareholders' funds	324,603	529,966	884	0.68	0.42

	3 months ended 31.12.21				
	Average non-interest bearing balance \$million	Average interest bearing balance \$million	Interest expense \$million	Rate paid bearing balance %	Rate paid total balance %
Deposits by banks	16,682	29,990	32	0.42	0.27
Customer accounts:					
Current accounts and savings deposits	54,567	270,504	242	0.35	0.30
Time and other deposits	61,228	148,323	300	0.80	0.57
Debt securities in issue	6,143	56,550	141	0.99	0.89
Accruals, deferred income and other liabilities	116,572	1,104	13	4.67	0.04
Subordinated liabilities and other borrowed funds	-	16,525	119	2.86	2.86
Non-controlling interests	284	-	-	-	-
Shareholders' funds	50,365	-	-	-	-
	305,841	522,996	847	0.64	0.41
Adjustment for Financial Markets funding costs			(20)		
Financial guarantee fees on interest earning assets			26		
Total average liabilities and shareholders' funds	305,841	522,996	853	0.65	0.41

Other supplementary financial information continued

3 months ended 31.03.21

	Average non-interest bearing balance \$million	Average interest bearing balance \$million	Interest expense \$million	Rate paid bearing balance %	Rate paid total balance %
Deposits by banks	16,816	31,562	27	0.35	0.23
Customer accounts:					
Current accounts and savings deposits	48,825	252,807	186	0.30	0.25
Time and other deposits	53,391	148,789	375	1.02	0.75
Debt securities in issue	5,967	59,388	151	1.03	0.94
Accruals, deferred income and other liabilities	122,026	1,081	13	4.88	0.04
Subordinated liabilities and other borrowed funds	-	15,998	122	3.09	3.09
Non-controlling interests	338	-	-	-	-
Shareholders' funds	51,163	-	-	-	-
	298,526	509,625	874	0.70	0.44
Adjustment for Financial Markets funding costs			(35)		
Financial guarantee fees on interest earning assets			23		
Total average liabilities and shareholders' funds	298,526	509,625	862	0.69	0.43

Other supplementary financial information continued

Important Notice – Forward-looking statements

This document may contain 'forward-looking statements' that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as 'may', 'could', 'will', 'expect', 'intend', 'estimate', 'anticipate', 'believe', 'plan', 'seek', 'continue' or other words of similar meaning.

By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

Recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements. There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. The factors that could cause actual results to differ materially from those described in the forward-looking statements include (but are not limited to): changes in global, political, economic, business, competitive; market forces or condition; future exchange and interest rates; changes in environmental, social or physical risks; legislative, regulatory and policy developments; the development of standards and interpretations; the ability of the Group to mitigate the impact of climate change effectively; risks arising out of health crisis and pandemics, changes in tax rates, future business combinations or dispositions; and other factors specific to the Group. Any forward-looking statement contained in this document is based on past or current trends and/or activities of the Group and should not be taken as a representation that such trends or activities will continue in the future.

No statement in this document is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Group. Each forward-looking statement speaks only as of the date of the particular statement. Except as required by any applicable laws or regulations, the Group expressly disclaims any obligation to revise or update any forward-looking statement contained within this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

Please refer to the Group's 2021 Annual Report for a discussion of certain risks and factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

Financial instruments

Nothing in this document shall constitute, in any jurisdiction, an offer or solicitation to sell or purchase any securities or other financial instruments, nor shall it constitute a recommendation or advice in respect of any securities or other financial instruments or any other matter.

Caution regarding climate and environment related information

Some of the climate and environment related information in this document is subject to certain limitations, and therefore the reader should treat the information provided, as well as conclusions, projections and assumptions drawn from such information, with caution. The information may be limited due to a number of factors, which include (but are not limited to): a lack of reliable data; a lack of standardisation of data; and future uncertainty. The information includes externally sourced data that may not have been verified. Furthermore, some of the data, models and methodologies used to create the information is subject to adjustment which is beyond our control, and the information is subject to change without notice.

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HKSE Stock code: 02888

By Order of the Board
Scott Corrigan
Interim Group Company Secretary

Hong Kong, 28 April 2022

As at the date of this announcement, the Board of Directors of Standard Chartered PLC comprises:

Chairman:

José María Viñals Iñiguez

Executive Directors:

William Thomas Winters, CBE and Andrew Nigel Halford

Independent Non-Executive Directors:

David Philbrick Conner; Byron Elmer Grote; Christine Mary Hodgson, CBE (Senior Independent Director); Gay Huey Evans, CBE; Naguib Kheraj (Deputy Chairman); Maria da Conceicao das Neves Calha Ramos; Philip George Rivett; David Tang; Carlson Tong and Jasmine Mary Whitbread