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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

Third Quarter 2024 Results

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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.

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: HKSE 02888 and LSE STAN.LN.

Standard Chartered PLC – Results for the third quarter ended 30 September 2024

All figures are presented on an underlying basis and comparisons are made to 2023 on a reported currency basis, unless otherwise stated. A reconciliation of restructuring and other items excluded from underlying results is set out on page 22.

Bill Winters, Group Chief Executive, said:

"We have delivered a strong performance in the third quarter with profit before tax up 41%, driven by a record quarter in Wealth Solutions and strong growth in our Global Markets business.

We are doubling investment in our consistently fast-growing and high-returning wealth management business, and we will continue to reshape our mass retail business to focus on developing our pipeline of future affluent and international banking clients. In our CIB business, we are taking actions to focus on larger global clients who rely on our unique cross-border capabilities.

These actions will further simplify our business and help us to generate higher quality growth and improve our RoTE over the medium term. We are increasing both our 2026 RoTE target from 12% to approaching 13%, and our shareholder distribution target from at least \$5bn to at least \$8bn from 2024 to 2026."

Selected information on Q3'24 financial performance with comparisons to Q3'23 unless otherwise stated

- Operating income up 11% to \$4.9bn, up 12% at constant currency (ccy)
 - Net interest income (NII) up 9% at ccy to \$2.6bn, partly due to the short-term hedge roll-off; Non NII up 15% at ccy to \$2.3bn
 - Wealth Solutions up 32% at ccy, with broad-based growth across products and supported by continued strong momentum in leading indicators of net new sales and affluent new to bank clients
 - Global Markets up 16% at ccy, with strong performance in flow income and episodic income
- Operating expenses up 3% to \$2.9bn, up 2% at ccy driven by inflation and business growth, partly offset by efficiency saves
- Credit impairment charge of \$178m includes \$177m from Wealth & Retail Banking (WRB) which was up quarter-on-quarter primarily due to a \$21m overlay relating to Korea eCommerce platform, and a \$10m net recovery in Corporate & Investment Banking (CIB)
 - High risk assets of \$8.3bn broadly flat quarter-on-quarter
 - Loan-loss rate (LLR) of 21bps, down 16bps on prior year and up 9bps on prior quarter
- Underlying profit before tax of \$1.8bn, up 41% at ccy; reported profit before tax of \$1.7bn, up 180% at ccy
- Balance sheet remains strong, liquid and well diversified
 - Loans and advances to customers of \$287bn, up \$11bn or 4% since 30.6.24; down \$1bn on an underlying basis with continued growth in CIB offset by mortgage headwinds in WRB
 - Customer deposits of \$478bn, up \$10bn or 2% since 30.6.24; growth in WRB Term Deposits
- Risk-weighted assets (RWA) of \$249bn, up \$7bn or 3% since 30.6.24; market risk up \$3bn and \$3bn from FX and others
- The Group remains strongly capitalised:
 - Common equity tier 1 ratio 14.2% (30.6.24: 14.6%), above 13-14% target range, post the 62bps full impact of the \$1.5 billion share buyback announced in July 2024
- Tangible net asset value per share of \$15.09, up 65 cents since 30.6.24
- Return on Tangible Equity (RoTE) of 10.8%, up 4%pts

Standard Chartered PLC – Results for the third quarter ended 30 September 2024

Taking further actions to deliver sustainably higher returns

- Double investment in wealth management for affluent clients:
 - We are already a leading wealth manager across Asia, Africa and the Middle East, with a distinctive, fast-growing and high-returning international affluent franchise. We have decided to step up our planned investment into this business to accelerate income growth and returns
 - In WRB, we will invest around \$1.5bn over five years in relationship managers and investment advisers, wealth solutions, and enhanced advisory, cross-border and digital capabilities. This represents a doubling of investment relative to our prior plans
 - The incremental investment will be funded by reshaping our mass retail business to focus on building a strong pipeline of future affluent and international banking clients
 - The impact of this reshaping will vary across our network. We will continue to review single-product lending relationships and portfolios which no longer meet our strategic objectives, in order to prioritise higher growth and higher-returning assets
 - We are exploring the opportunity to sell all or part of a small number of businesses where the strategic rationale is not sufficiently compelling, enabling us to focus our resources on the cross-border needs of our CIB and affluent WRB clients
 - We expect these actions to take effect over the next 18-24 months
 - We are confident that our increased investment and greater concentration will help us to outperform the market in terms of asset gathering and income growth over the medium term, enabling us to sustain double-digit income growth in Wealth Solutions
- Sharpen focus on cross-border needs of corporate and investment banking clients:
 - In CIB, we will continue to sharpen our focus on serving the cross-border needs of our larger global corporate and financial institution clients who require transaction and securities services, financing, risk management, and sector advisory expertise across Asia, Africa and the Middle East
 - This will include concentrating our efforts on serving the complex needs of fewer client groups where we have the most distinctive offering, and we will reduce the number of clients whose needs do not play directly to our strengths
 - We are targeting to increase income from financial institution clients to around 60 per cent of CIB over the medium-term, and to increase the percentage of cross-border (network) income to around 70 per cent
- Our leading sustainability business will continue to be an integral part of our client offering across both CIB and WRB, and for the Group as a whole

Guidance

We are upgrading our 2024 income guidance while all other 2024 points of guidance remain unchanged:

- Operating income to increase towards 10% in 2024 at ccy, excluding the two notable items

We are also revising our 2025 and 2026 guidance as follows, while all other guidance remains unchanged:

- Operating income to increase 5-7% CAGR in 2023-2026 at ccy; 2025 growth expected to be below the 5-7% range at ccy
- Positive income-to-cost jaws in each year at ccy, excluding the two notable items
- Basel 3.1 day-1 impact now expected to be close to neutral
- Plan to return at least \$8bn to shareholders cumulative 2024-2026, increased from previous guidance for at least \$5bn
- RoTE increasing steadily from 10%, approaching 13% in 2026 and to progress thereafter

Statement of results

	3 months ended 30.09.24 \$million	3 months ended 30.09.23 \$million	Change ¹ %
Underlying performance			
Operating income	4,904	4,403	11
Operating expenses (including UK bank levy)	(2,840)	(2,770)	(3)
Credit impairment	(178)	(294)	39
Other impairment	(92)	(26)	nm
Profit from associates and joint ventures	13	3	nm
Profit before taxation	1,807	1,316	37
Profit attributable to ordinary shareholders ²	1,005	644	56
Return on ordinary shareholders' tangible equity (%)	10.8	7.0	380bps
Cost to income ratio (excluding bank levy) (%)	58.2	62.9	470bps
Reported performance⁷			
Operating income	4,950	4,523	9
Operating expenses	(2,971)	(2,870)	(4)
Credit impairment	(178)	(292)	39
Goodwill & other impairment	(88)	(734)	88
Profit from associates and joint ventures	9	6	50
Profit before taxation	1,722	633	172
Taxation	(575)	(494)	(16)
Profit for the period	1,147	139	nm
Profit attributable to parent company shareholders	1,150	145	nm
Profit/(loss) attributable to ordinary shareholders ²	931	(35)	nm
Return on ordinary shareholders' tangible equity (%)	10.0	(0.4)	1,040bps
Cost to income ratio (including bank levy) (%)	60.0	63.5	350bps
Net interest margin (%) (adjusted) ⁶	1.95	1.63	32bps
	30.09.24 \$million	30.09.23 \$million	Change ¹ %
Balance sheet and capital			
Total assets	872,173	825,833	6
Total equity	52,736	48,356	9
Average tangible equity attributable to ordinary shareholders ²	37,151	35,693	4
Loans and advances to customers	287,257	281,009	2
Customer accounts	478,140	453,157	6
Risk weighted assets	248,924	241,506	3
Total capital	53,658	51,112	5
Total capital (%)	21.6	21.2	40bps
Common Equity Tier 1	35,425	33,569	6
Common Equity Tier 1 ratio (%)	14.2	13.9	30bps
Advances-to-deposits ratio (%) ³	52.7	54.5	(18)
Liquidity coverage ratio (%)	143	156	(13)
Leverage ratio (%)	4.7	4.7	0bps
	3 months ended 30.09.24 Cents	3 months ended 30.09.23 Cents	Change ⁸ Cents
Information per ordinary share			
Earnings per share – underlying ⁴	39.8	23.2	16.6
– reported ⁴	36.8	(13)	38.1
Net asset value per share ⁵	1,762	1,504	258
Tangible net asset value per share ⁵	1,509	1,283	226
Number of ordinary shares at period end (millions)	2,484	2,725	(9)

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 (%), leverage ratio (%), cost-to-income ratio (%) and return on ordinary shareholders' tangible equity (%)

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 reported earnings divided by the basic weighted average number of shares. Results represent three months ended the reporting period

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

6 Net interest margin is calculated as adjusted net interest income divided by average interest-earning assets, annualised

7 Reported performance/results within this interim financial report means amounts reported under UK-adopted IAS and EU IFRS. In prior periods Reported performance/ results were described as Statutory performance/results

8 Change is cents difference between the two periods for earnings per share, net asset value per share and tangible net asset value per share. Number of ordinary shares at period end is percentage difference between the two periods

Group Chief Financial Officer's review

The Group delivered a strong performance in the third quarter of 2024

Summary of financial performance

	Q3'24 \$million	Q3'23 \$million	Change %	Constant currency change ¹ %	Q2'24 \$million	Change %	Constant currency change ¹ %	YTD'24 \$million	YTD'23 \$million	Change %	Constant currency change ¹ %
Underlying net interest income	2,606	2,388	9	9	2,560	2	1	7,585	7,165	6	7
Underlying non NII	2,298	2,015	14	15	2,246	2	1	7,277	6,189	18	19
Underlying operating income	4,904	4,403	11	12	4,806	2	1	14,862	13,354	11	13
Other operating expenses	(2,852)	(2,770)	(3)	(2)	(2,887)	1	3	(8,525)	(8,271)	(3)	(4)
UK bank levy	12	-	nm	nm	-	nm	nm	12	(3)	nm	nm
Underlying operating expenses	(2,840)	(2,770)	(3)	(2)	(2,887)	2	3	(8,513)	(8,274)	(3)	(4)
Underlying operating profit before impairment and taxation	2,064	1,633	26	28	1,919	8	8	6,349	5,080	25	26
Credit impairment	(178)	(294)	39	42	(73)	(144)	(133)	(427)	(466)	8	8
Other impairment	(92)	(26)	nm	nm	(83)	(11)	(6)	(235)	(89)	(164)	(150)
Profit from associates and joint ventures	13	3	nm	nm	65	(80)	(80)	77	97	(21)	(21)
Underlying profit before taxation	1,807	1,316	37	41	1,828	(1)	-	5,764	4,622	25	26
Restructuring	(91)	(7)	nm	nm	(95)	4	6	(241)	49	nm	nm
Goodwill & other impairment ⁴	-	(697)	100	100	-	nm	nm	-	(697)	100	100
DVA	5	21	(76)	(76)	22	(77)	(77)	(21)	(18)	(17)	(17)
Other items ³	1	-	nm	nm	(177)	101	101	(288)	-	nm	nm
Reported profit before taxation	1,722	633	172	180	1,578	9	10	5,214	3,956	32	34
Taxation	(575)	(494)	(16)	(18)	(604)	5	6	(1,698)	(1,432)	(19)	(22)
Profit for the period	1,147	139	nm	nm	974	18	20	3,516	2,524	39	40
Net interest margin (%) ²	1.95	1.63	32		1.93	2		1.88	1.66	22	
Underlying return on tangible equity (%) ²	10.8	7.0	380		12.9	(210)		12.9	10.4	250	
Underlying earnings per share (cents)	39.8	23.2	72		45.5	(13)		138.5	98.4	41	

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. Other items include \$100 million charge relating to Korea equity linked securities (ELS) portfolio, loss of \$174 million primarily relating to recycling of FX translation losses from reserves into P&L on the sale of Zimbabwe and \$15 million loss on the Aviation business disposal
4. Goodwill and other impairment include nil (Q3'23: \$697 million) impairment charge relating to the Group's investment in its associate China Bohai Bank (Bohai)

Group Chief Financial Officer's review continued

Reported financial performance summary

	Q3'24 \$million	Q3'23 \$million	Change %	Constant currency change ¹ %	Q2'24 \$million	Change %	Constant currency change ¹ %	YTD'24 \$million	YTD'23 \$million	Change %	Constant currency change ¹ %
Net interest income	1,482	1,925	(23)	(23)	1,603	(8)	(8)	4,657	5,909	(21)	(20)
Non NII	3,468	2,598	33	33	3,058	13	12	10,084	7,741	30	32
Reported operating income	4,950	4,523	9	9	4,661	6	5	14,741	13,650	8	9
Reported operating expenses	(2,971)	(2,870)	(4)	(3)	(3,059)	3	5	(9,027)	(8,538)	(6)	(7)
Reported operating profit before impairment and taxation	1,979	1,653	20	21	1,602	24	24	5,714	5,112	12	13
Credit impairment	(178)	(292)	39	42	(75)	(137)	(127)	(418)	(453)	8	7
Goodwill & other impairment	(88)	(734)	88	88	(87)	(1)	1	(235)	(811)	71	71
Profit from associates and joint ventures	9	6	50	50	138	(93)	(93)	153	108	42	42
Reported profit before taxation	1,722	633	172	180	1,578	9	10	5,214	3,956	32	34
Taxation	(575)	(494)	(16)	(18)	(604)	5	6	(1,698)	(1,432)	(19)	(22)
Profit for the period	1,147	139	nm	nm	974	18	20	3,516	2,524	39	40
Reported return on tangible equity (%) ²	10.0	(0.4)	1,040		10.4	(40)		11.3	7.8	350	
Reported earnings per share (cents)	36.8	(13)	nm		36.7	-		120.2	74.9	60	

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

All commentary that follows is on an underlying basis and comparisons are made to the equivalent period in 2023 on a constant currency basis, unless otherwise stated.

The Group delivered a strong performance in the third quarter of 2024 with underlying operating income of \$4.9 billion, the best third quarter since 2015, and up 12 per cent. Underlying net interest income (NII) was up 9 per cent at constant currency as the Group benefitted from the roll-off of short-term hedges and improved mix from Treasury activities. Underlying non net interest income (Non NII) increased 15 per cent driven by a record quarter in Wealth Solutions and strong performance in Global Markets with double digit growth in both flow and episodic income. Operating expenses grew 2 per cent resulting in positive income-to-cost jaws of 9 per cent. The credit impairment charge of \$178 million was equivalent to an annualised loan-loss rate of 21 basis points. This resulted in an underlying profit before tax of \$1.8 billion, up 41 per cent.

The Group remains well capitalised and highly liquid with a diverse and stable deposit base. The liquidity coverage ratio of 143 per cent reflects disciplined asset and liability management. The common equity tier 1 (CET1) ratio of 14.2 per cent is above the top of the Group's target range post the 62 basis points full impact of the \$1.5 billion share buyback announced in July 2024.

- Underlying operating income of \$4.9 billion was up 12 per cent driven by a record performance in Wealth Solutions, double-digit growth in Global Markets from product expansion and increased client demand, and the roll-off of short-term hedges within Treasury
- Underlying NII increased 9 per cent, benefitting from the roll-off of short-term hedges of \$123 million and improved mix from Treasury activities, partly offset by an accounting asymmetry resulting from Treasury management of FX positions and elevated deposit passthrough rates in Corporate & Investment Banking (CIB)
- Underlying non NII increased 15 per cent. This was driven by a record performance in Wealth Solutions with broad-based growth across products and markets, and a strong performance in Global Markets with double-digit growth in both flow and episodic income. Excluding two notable items of \$12 million relating to a hyperinflationary accounting adjustment in Ghana and revaluation of FX positions in Egypt, underlying non NII increased 14 per cent
- Underlying operating expenses increased 2 per cent. This growth reflected the impact of inflation and the Group's continued investment into business growth initiatives including Wealth and Retail Banking (WRB) relationship managers and CIB capabilities partly offset by efficiency saves. The Group generated 9 per cent positive income-to-cost jaws in the quarter
- Credit impairment was a charge of \$178 million. The \$177 million charge in WRB was higher than normalised levels primarily due to a \$21 million overlay relating to Korea eCommerce platforms. CIB benefitted from further recoveries, partly offset by \$34 million overlay for clients who have exposures to the Hong Kong commercial real estate sector. There was a \$16 million charge in Ventures, mainly from Mox, albeit delinquency rates have improved

Group Chief Financial Officer's review continued

- Other impairment charges of \$92 million include a charge of \$68 million related to the write-off of software assets with no impact on capital ratios
- Profit from associates and joint ventures increased \$10 million to \$13 million, reflecting change in profits at China Bohai Bank (Bohai)
- Restructuring, DVA and Other items charges totalled \$85 million. Restructuring of \$91 million reflects the impact of actions to transform the organisation to improve productivity, partly offset by gains on the remaining Principal Finance portfolio. Movements in Debit Valuation Adjustment (DVA) were a positive \$5 million
- Taxation was \$0.6 billion on a reported basis with an underlying year-to-date effective tax rate of 30.8 per cent, broadly flat on the prior year reflecting deferred tax not recognised for UK losses, US tax adjustments and a change in the geographic mix of profits. The full year 2024 underlying effective tax rate (ETR) is expected to be around this level and the statutory tax rate is expected to be a few percentage points higher than the underlying ETR for this year, and trend downwards in future years
- Underlying return on tangible equity (RoTE) increased by 380 basis points to 10.8 per cent reflecting the increase in profits

Operating income by product

	Q3'24 \$million	Q3'23 \$million	Change %	Constant currency change ¹ %	Q2'24 \$million	Change %	Constant currency change ¹ %	YTD'24 \$million	YTD'23 \$million	Change %	Constant currency change ¹ %
Transaction Services	1,585	1,667	(5)	(5)	1,605	(1)	(2)	4,805	4,859	(1)	-
Payments and Liquidity	1,112	1,196	(7)	(7)	1,139	(2)	(3)	3,412	3,438	(1)	(1)
Securities & Prime Services	156	138	13	15	153	2	2	450	410	10	11
Trade & Working Capital	317	333	(5)	(6)	313	1	-	943	1,011	(7)	(5)
Global Banking	475	447	6	7	488	(3)	(3)	1,435	1,305	10	12
Lending & Financial Solutions	407	393	4	4	422	(4)	(4)	1,243	1,142	9	10
Capital Markets & Advisory	68	54	26	29	66	3	2	192	163	18	19
Global Markets	840	716	17	16	796	6	6	2,677	2,515	6	8
Macro Trading	683	595	15	13	631	8	8	2,198	2,157	2	3
Credit Trading	174	122	43	43	165	5	7	506	359	41	45
Valuation & Other Adj	(17)	(1)	nm	nm	-	nm	nm	(27)	(1)	nm	nm
Wealth Solutions	694	526	32	32	618	12	12	1,928	1,532	26	28
Investment Products	507	364	39	40	444	14	13	1,375	1,059	30	32
Bancassurance	187	162	15	16	174	7	7	553	473	17	18
CCPL & Other Unsecured Lending	312	297	5	6	298	5	4	897	873	3	5
Deposits	946	953	(1)	(1)	908	4	3	2,762	2,637	5	5
Mortgages & Other Secured Lending	100	69	45	47	124	(19)	(21)	327	343	(5)	(2)
Treasury	(2)	(274)	99	101	(30)	93	130	11	(667)	102	102
Other	(46)	2	nm	nm	(1)	nm	nm	20	(43)	147	159
Total underlying operating income	4,904	4,403	11	12	4,806	2	1	14,862	13,354	11	13

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

The operating income by product commentary that follows is on an underlying basis and comparisons are made to the equivalent period in 2023 on a constant currency basis, unless otherwise stated.

Transaction Services income decreased 5 per cent as the impact of margin compression more than offset volume growth across Payments and Liquidity, and Trade & Working Capital. Securities & Prime Services income was up 15 per cent mainly driven by higher custody, funds and prime brokerage fees and higher margins.

Global Banking income increased 7 per cent as Lending & Financial Solutions grew 4 per cent mostly from strong pipeline execution which led to higher origination volumes. Capital Markets & Advisory income was up 29 per cent.

Global Markets income increased 16 per cent with double-digit growth in both flow and episodic income. Episodic growth was mainly driven by higher Rates income. Flow grew mostly from increased FX volumes and Credit Trading.

Wealth Solutions income was up 32 per cent with broad-based growth across all products supported by new and innovative product launches, increased investment in Affluent Relationship Managers and continued strong new to bank onboarding levels. Wealth net new sales of \$5 billion in the quarter were up 13 per cent year-on-year.

CCPL & Other Unsecured Lending income was up 6 per cent with volume growth in both Personal Loans and Credit Cards.

Group Chief Financial Officer's review continued

Deposits income decreased 1 per cent as the impact of higher Time Deposit volumes was more than offset by lower margins. Passthrough rates remained largely stable.

Mortgages & Other Secured Lending income was up 47 per cent or \$31 million primarily from higher margins as the cost of funding reduced, particularly with lower HIBOR rates, albeit partly offset by lower mortgage volumes.

Treasury income increased by \$272 million to a loss of \$2 million benefitting from the roll-off of the short-term hedge and repricing of structural hedges, partly offset by a \$2 million loss on revaluation of FX positions in Egypt.

Other products loss of \$46 million includes higher funding costs of non-financial assets partly offset by \$14 million relating to a hyperinflationary accounting adjustment in Ghana.

Profit before tax by client segment

	Q3'24 \$million	Q3'23 \$million	Change %	Constant currency change ¹ %	Q2'24 \$million	Change %	Constant currency change ¹ %	YTD'24 \$million	YTD'23 \$million	Change %	Constant currency change ¹ %
Corporate & Investment Banking	1,365	1,255	9	9	1,362	-	-	4,366	4,170	5	6
Wealth & Retail Banking	742	669	11	11	678	9	10	2,149	2,042	5	6
Ventures	(99)	(117)	15	15	(87)	(14)	(13)	(298)	(275)	(8)	(8)
Central & other items	(201)	(491)	59	65	(125)	(61)	(56)	(453)	(1,315)	66	66
Underlying profit before taxation	1,807	1,316	37	41	1,828	(1)	-	5,764	4,622	25	26

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

The client segment commentary that follows is on an underlying basis and comparisons are made to the equivalent period in 2023 on a constant currency basis, unless otherwise stated.

Corporate & Investment Banking (CIB) profit increased 9 per cent. Income grew 2 per cent with Global Markets up 16 per cent from double-digit growth in both flow and episodic income, and Global Banking up 7 per cent from higher origination volumes and pipeline execution. This was partly offset by Transaction Services which was down 5 per cent due to margin compression from higher passthrough rates. Expenses were 6 per cent higher, while credit impairment was a net release of \$10 million. Other impairment of \$57 million primarily related to the write-off of software assets.

Wealth & Retail Banking (WRB) profit increased 11 per cent. Income increased 11 per cent, with Wealth Solutions up 32 per cent from broad-based growth across products, partly offset by lower Deposits income due to lower margins. Expenses increased 4 per cent while credit impairment was \$62 million higher, but broadly in-line with recent run-rates excluding a \$21 million overlay relating to Korea eCommerce platforms and removal of a \$13 million post model adjustment relating to Singapore credit cards.

Ventures loss decreased by \$18 million to \$99 million. Income increased by \$8 million to \$43 million with Digital Banks income of \$39 million up 44 per cent. Expenses increased by \$10 million whilst there was an impairment charge of \$16 million primarily from Mox, albeit delinquency rates have improved.

Central & other items (C&O) recorded a loss of \$201 million, which was 65 per cent lower than the prior year. Treasury income was up \$281 million from the prior year largely driven by benefits from the roll-off of the short-term hedge and repricing of structural hedges, and a \$2 million loss on revaluation of FX positions in Egypt. Other products income was down \$52 million to a loss of \$65 million driven by higher funding costs of non-financial assets coupled with non-repeat of FX gains made in the prior year, partly offset by \$14 million relating to a hyperinflationary accounting adjustment in Ghana. Expenses, which include UK Bank levy, central corporate costs and recharges, decreased by \$71 million while there was a credit impairment release of \$5 million mostly from sovereign-related portfolio movements. Associate income increased by \$18 million reflecting change in profits at Bohai.

Adjusted net interest income and margin

	Q3'24 \$million	Q3'23 \$million	Change ¹ %	Q2'24 \$million	Change ¹ %	YTD'24 \$million	YTD'23 \$million	Change ¹ %
Adjusted net interest income ²	2,606	2,380	10	2,562	2	7,597	7,151	6
Average interest-earning assets	532,459	579,713	(8)	533,869	-	539,984	577,351	(6)
Average interest-bearing liabilities	540,691	548,297	(1)	538,054	-	538,643	541,171	-
Gross yield (%) ³	5.22	5.06	16	5.32	(10)	5.24	4.68	56
Rate paid (%) ³	3.22	3.63	(41)	3.36	(14)	3.37	3.23	14
Net yield (%) ³	2.00	1.43	57	1.96	4	1.87	1.45	42
Net interest margin (%) ^{3,4}	1.95	1.63	32	1.93	2	1.88	1.66	22

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

2 Adjusted net interest income is reported net interest income less funding costs for the trading book, financial guarantee fees and others 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

Group Chief Financial Officer's review continued

Adjusted net interest income was up 10 per cent driven by an increase in the net interest margin which averaged 195 basis points in the quarter, increasing 32 basis points year-on-year and 2 basis points compared to the prior quarter. The benefit from the roll-off of the short-term hedges and improved yield on structural hedges was partly offset by lower asset volumes and an accounting asymmetry resulting from Treasury management of FX positions.

- Average interest-earning assets were down by \$1.4 billion in the quarter primarily due to a reduction in underlying loans and advances to customers driven by a decline in mortgages. Gross yields decreased 10 basis points compared to the prior quarter due to the impact of lower interest rate on customer loan pricing and Treasury portfolio yields partly offset by the benefit from roll-off of the short-term hedges
- Average interest-bearing liabilities were up by \$2.6 billion on the prior quarter mostly from growth in WRB deposits. The rate paid on liabilities decreased 14 basis points compared with the average in the prior quarter reflecting an increase in the trading book funding cost adjustment partly offset by increase in Treasury accounting asymmetry

Credit risk summary

Income Statement (Underlying view)

	Q3'24 \$million	Q3'23 \$million	Change ¹ %	Q2'24 \$million	Change ¹ %	YTD'24 \$million	YTD'23 \$million	Change ¹ %
Total credit impairment charge/(release)	178	294	(39)	73	144	427	466	(8)
Of which stage 1 and 2 ²	126	101	25	12	nm	199	134	49
Of which stage 3 ²	52	193	(73)	61	(15)	228	332	(31)

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

2 Refer to Credit Impairment charge table in Risk review section (page 27) for reconciliation from underlying to reported credit impairment

Balance sheet

	30.09.24 \$million	30.06.24 \$million	Change ¹ %	31.12.23 \$million	Change ¹ %	30.09.23 \$million	Change ¹ %
Gross loans and advances to customers²	292,394	280,893	4	292,145	-	286,531	2
Of which stage 1	275,490	264,249	4	273,692	1	266,590	3
Of which stage 2	10,369	10,005	4	11,225	(8)	12,431	(17)
Of which stage 3	6,535	6,639	(2)	7,228	(10)	7,510	(13)
Expected credit loss provisions	(5,137)	(4,997)	3	(5,170)	(1)	(5,522)	(7)
Of which stage 1	(496)	(480)	3	(430)	15	(458)	8
Of which stage 2	(390)	(362)	8	(420)	(7)	(440)	(11)
Of which stage 3	(4,251)	(4,155)	2	(4,320)	(2)	(4,624)	(8)
Net loans and advances to customers	287,257	275,896	4	286,975	-	281,009	2
Of which stage 1	274,994	263,769	4	273,262	1	266,132	3
Of which stage 2	9,979	9,643	3	10,805	(8)	11,991	(17)
Of which stage 3	2,284	2,484	(8)	2,908	(21)	2,886	(21)
Cover ratio of stage 3 before/after collateral (%) ³	65 / 81	63 / 82	2 / (1)	60 / 76	5 / 5	62 / 79	3 / 2
Credit grade 12 accounts (\$million)	943	964	(2)	2,155	(56)	1,132	(17)
Early alerts (\$million)	5,100	5,044	1	5,512	(7)	5,403	(6)
Investment grade corporate exposures (%) ³	74	74	-	73	1	74	-

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 \$8,955 million at 30 September 2024, \$7,788 million at 30 June 2024, \$13,996 million at 31 December 2023 and \$10,267 million at 30 September 2023

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

Group Chief Financial Officer's review continued

Asset quality remained resilient in the third quarter, with an improvement in a number of underlying credit metrics.

The Group continues to actively manage the credit portfolio while remaining alert to changes in the external environment, including increased geopolitical tensions, which has led to idiosyncratic stress in a select number of geographies and industry sectors.

The credit impairment charge of \$178 million in the quarter was down \$116 million year-on-year, representing an annualised loan loss rate of 21 basis points. The \$177 million charge in WRB was higher than normalised levels primarily due to a \$21 million overlay relating to Korea eCommerce platforms. There was a \$16 million charge in Ventures, down \$14 million year-on-year as delinquency rates have improved in Mox. CIB was a net release of \$10 million benefitting from further recoveries, partly offset by \$34 million overlay for clients who have exposures to the Hong Kong commercial real estate (CRE) sector and a \$24 million overlay for economic uncertainty in Bangladesh. Also included is a China CRE sector charge of \$6 million as additional stage 3 provisions were offset by \$15 million in management overlay releases primarily as a result of repayments. The management overlay now totals \$71 million, and the Group has provided \$1.2 billion in total in relation to the China CRE sector.

Gross stage 3 loans and advances to customers of \$6.5 billion were 2 per cent lower compared with 30 June 2024 as repayments, client upgrades, reduction in exposures and write-offs more than offset new inflows. Credit-impaired loans represent 2.2 per cent of gross loans and advances, broadly flat on the prior quarter.

The stage 3 cover ratio of 65 per cent increased 2 percentage points compared with the position at 30 June 2024 due to the decrease in gross stage 3 loans. The cover ratio post collateral of 81 per cent was broadly stable.

Credit grade 12 balances of \$0.9 billion and Early alert accounts of \$5.1 billion remained broadly stable quarter-on-quarter.

The proportion of investment grade corporate exposures was flat at 74 per cent quarter-on-quarter.

Restructuring, goodwill impairment and other items

	Q3'24				Q3'23				Q2'24			
	Restructuring \$million	Goodwill & other Impairment \$million	DVA \$million	Other items \$million	Restructuring \$million	Goodwill & other Impairment ¹ \$million	DVA \$million	Other items \$million	Restructuring \$million	Goodwill & other Impairment \$million	DVA \$million	Other items \$million
Operating income	40	-	5	1	99	-	21	-	10	-	22	(177)
Operating expenses	(131)	-	-	-	(100)	-	-	-	(172)	-	-	-
Credit impairment	-	-	-	-	2	-	-	-	(2)	-	-	-
Other impairment	4	-	-	-	(11)	(697)	-	-	(4)	-	-	-
Profit from associates and joint ventures	(4)	-	-	-	3	-	-	-	73	-	-	-
Profit/(loss) before taxation	(91)	-	5	1	(7)	(697)	21	-	(95)	-	22	(177)

1 Goodwill and other impairment include \$697 million impairment charge relating to the Group's investment in its associate China Bohai Bank (Bohai).

The Group's reported 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 \$91 million reflect the impact of actions to transform the organisation to improve productivity, primarily additional redundancy charges and technology related costs partly offset by profits on the remaining Principal Finance portfolio.

Movements in DVA were positive \$5 million, driven by the widening of the Group's asset swap spreads.

Group Chief Financial Officer's review continued

Balance sheet and liquidity

	30.09.24 \$million	30.06.24 \$million	Change ¹ %	31.12.23 \$million	Change ¹ %	30.09.23 \$million	Change %
Assets							
Loans and advances to banks	47,512	45,231	5	44,977	6	46,111	3
Loans and advances to customers	287,257	275,896	4	286,975	-	281,009	2
Other assets	537,404	514,300	4	490,892	9	498,713	8
Total assets	872,173	835,427	4	822,844	6	825,833	6
Liabilities							
Deposits by banks	32,172	28,087	15	28,030	15	29,744	8
Customer accounts	478,140	468,157	2	469,418	2	453,157	6
Other liabilities	309,125	287,856	7	275,043	12	294,576	5
Total liabilities	819,437	784,100	5	772,491	6	777,477	5
Equity	52,736	51,327	3	50,353	5	48,356	9
Total equity and liabilities	872,173	835,427	4	822,844	6	825,833	6
Advances-to-deposits ratio (%)²	52.7%	52.6%		53.3%		54.5%	
Liquidity coverage ratio (%)	143%	148%		145%		156%	

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

2 The Group excludes \$20,534 million held with central banks (30.06.24: \$18,419 million, 31.12.23: \$20,710 million, 30.09.23: \$21,241 million) that has been confirmed as repayable at the point of stress. Advances exclude reverse repurchase agreement and other similar secured lending of \$8,955 million (30.06.24: \$7,788 million, 31.12.23: \$13,996 million, 30.09.23: \$10,267 million) and include loans and advances to customers held at fair value through profit or loss of \$6,093 million (30.06.24: \$6,877 million, 31.12.23: \$7,212 million, 30.09.23: \$5,935 million). Deposits include customer accounts held at fair value through profit or loss of \$22,344 million (30.06.24: \$19,850 million, 31.12.23: \$17,248 million, 30.09.23: \$15,930 million)

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

- Loans and advances (L&A) to customers increased by \$11 billion or 4 per cent from 30 June 2024 to \$287 billion. This was driven by a \$3 billion increase from Treasury and securities-based lending and a \$8 billion increase from currency translation. Excluding these items L&A were down a net \$1 billion on an underlying basis, from an increase in Trade which was more than offset by a decline in mortgages. Year-to-date L&A were up 2 per cent on an underlying basis mostly from an increase in CIB partly offset by a decline in mortgages
- Customer accounts of \$478 billion increased by \$10 billion or 2 per cent from 30 June 2024 and were up 1 per cent on an underlying basis excluding the impact of currency translation. This was primarily driven by an increase in WRB Time Deposits from affluent clients
- Other assets increased by \$23 billion or 4 per cent from 30 June 2024 with increases in financial assets held at fair value through profit or loss, primarily in relation to the trading book, derivatives and unsettled trade balances partly offset by a decrease in investment securities. Other liabilities increased 7 per cent with an increase in derivative liabilities, repurchase agreements, unsettled trade liabilities partly offset by a decrease in financial liabilities held at fair value through profit or loss

The advances-to-deposits ratio was broadly flat at 52.7 per cent since 30 June 2024. The point-in-time liquidity coverage ratio decreased 5 percentage points in the quarter to 143 per cent and remains well above the minimum regulatory requirement.

Risk-weighted assets

	30.09.24 \$million	30.06.24 \$million	Change ¹ %	31.12.23 \$million	Change ¹ %	30.09.23 \$million	Change ¹ %
By risk type							
Credit risk	188,844	185,004	2	191,423	(1)	188,294	0
Operational risk	29,479	29,479	-	27,861	6	27,861	6
Market risk	30,601	27,443	12	24,867	23	25,351	21
Total RWAs	248,924	241,926	3	244,151	2	241,506	3

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

Total risk-weighted assets (RWAs) of \$248.9 billion increased \$7.0 billion or 3 per cent since 30 June 2024.

- Credit Risk RWA increased by \$3.8 billion to \$188.8 billion mostly driven by a \$3.4 billion increase from currency translation
- Operational Risk RWA were flat in quarter
- Market Risk RWA increased \$3.2 billion to \$30.6 billion as RWA were deployed to help clients capture market opportunities

Group Chief Financial Officer's review continued

Capital base and ratios

	30.09.24 \$million	30.06.24 \$million	Change ¹ %	31.12.23 \$million	Change ¹ %	30.09.23 \$million	Change ¹ %
CET1 capital	35,425	35,418	0.0	34,314	3.2	33,569	5.5
Additional Tier 1 capital (AT1)	6,507	6,484	0.4	5,492	18.5	5,492	18.5
Tier 1 capital	41,932	41,902	0.1	39,806	5.3	39,061	7.4
Tier 2 capital	11,726	11,667	0.5	11,935	(1.8)	12,051	(2.7)
Total capital	53,658	53,569	0.2	51,741	3.7	51,112	5.0
CET1 capital ratio(%)²	14.2	14.6	(0.4)	14.1	0.1	13.9	0.3
Total capital ratio(%)²	21.6	22.1	(0.5)	21.2	0.4	21.2	0.4
Leverage ratio (%)²	4.7	4.8	(0.1)	4.7	-	4.7	-

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

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

The Group's CET1 ratio of 14.2 per cent was 41 basis points lower than as at 30 June 2024 and remains 3.7 percentage points above the Group's latest regulatory minimum of 10.6 per cent. Underlying profit accretion was partly offset by shareholder distributions.

There was 48 basis points of CET1 accretion from underlying profits, and a further 19 basis points uplift primarily from fair value gains on other comprehensive income, FX and regulatory capital adjustments. This was partly offset by 21 basis points from an increase in RWAs.

The Group is part way through the \$1.5 billion share buyback programme which it announced on 30 July 2024, and by 30 September 2024 had spent \$603 million purchasing 61 million ordinary shares, reducing the share count by approximately 2 per cent. Even though the share buyback was still ongoing on 30 September 2024, the entire \$1.5 billion is deducted from CET1 in the period, reducing the CET1 ratio by 62 basis points. Including the \$1 billion buyback that was announced on 23 February 2024 and completed on 25 June 2024, the Group has purchased 174 million shares during the year to 30 September, reducing the share count by approximately 7 per cent.

The Group is accruing a foreseeable dividend in respect of the final 2024 ordinary share dividend in the third quarter. This is not an indication of the Group's final 2024 ordinary share dividend, which will be proposed by the Board at the presentation of the 2024 full year results. The increase in the foreseeable dividend for ordinary dividend and AT1 coupons reduced the CET1 ratio by 25 basis points.

The Group's UK leverage ratio of 4.7 per cent decreased 11 basis points from 30 June 2024 and remains significantly above its minimum requirement of 3.8 per cent.

Guidance

We are upgrading our 2024 income guidance while all other 2024 points of guidance remain unchanged:

- Operating income to increase towards 10 per cent in 2024 at constant currency, excluding the two notable items

We are also revising our 2025 and 2026 guidance as follows, while all other guidance remains unchanged:

- Operating income to increase 5-7 per cent CAGR in 2023-2026 at constant currency; 2025 growth expected to be below the 5-7 per cent range at constant currency
- Positive income-to-cost jaws in each year at constant currency, excluding the two notables
- Basel 3.1 day-1 impact now expected to be close to neutral
- Plan to return at least \$8 billion to shareholders cumulative 2024-2026, increased from previous guidance for at least \$5 billion
- RoTE increasing steadily from 10 per cent, approaching 13 per cent in 2026 and to progress thereafter

Diego De Giorgi

Group Chief Financial Officer

30 October 2024

Supplementary financial information

Underlying performance by client segment

	Q3'24				
	Corporate & Investment Banking \$million	Wealth & Retail Banking \$million	Ventures \$million	Central & other items \$million	Total \$million
Operating income	2,887	2,040	43	(66)	4,904
External	2,546	858	43	1,457	4,904
Inter-segment	341	1,182	-	(1,523)	-
Operating expenses	(1,475)	(1,108)	(119)	(138)	(2,840)
Operating profit/(loss) before impairment losses and taxation	1,412	932	(76)	(204)	2,064
Credit impairment	10	(177)	(16)	5	(178)
Other impairment	(57)	(13)	(2)	(20)	(92)
Profit from associates and joint ventures	-	-	(5)	18	13
Underlying profit/(loss) before taxation	1,365	742	(99)	(201)	1,807
Restructuring	(36)	(41)	1	(15)	(91)
DVA	5	-	-	-	5
Other Items	-	-	-	1	1
Reported profit/(loss) before taxation	1,334	701	(98)	(215)	1,722
Total assets	479,357	125,964	6,045	260,807	872,173
Of which: loans and advances to customers ¹	190,034	122,657	1,230	26,100	340,021
loans and advances to customers	137,278	122,649	1,230	26,100	287,257
loans held at fair value through profit or loss	52,756	8	-	-	52,764
Total liabilities	488,355	218,857	4,972	107,253	819,437
Of which: customer accounts ¹	315,270	214,402	4,702	5,647	540,021
Risk-weighted assets	153,278	53,822	2,195	39,629	248,924
Income return on risk-weighted assets (%)	7.6	15.3	7.9	(0.7)	7.9
Underlying return on tangible equity (%)	18.5	28.9	nm	(27.7)	10.8
Cost to income ratio (excluding bank levy) (%)	51.1	54.3	nm	nm	58.2

	Q3'23				
	Corporate & Investment Banking \$million	Wealth & Retail Banking \$million	Ventures \$million	Central & other items \$million	Total \$million
Operating income	2,814	1,849	35	(295)	4,403
External	2,084	1,003	35	1,281	4,403
Inter-segment	730	846	-	(1,576)	-
Operating expenses	(1,387)	(1,065)	(109)	(209)	(2,770)
Operating profit/(loss) before impairment losses and taxation	1,427	784	(74)	(504)	1,633
Credit impairment	(159)	(115)	(30)	10	(294)
Other impairment	(13)	-	(9)	(4)	(26)
Profit from associates and joint ventures	-	-	(4)	7	3
Underlying profit/(loss) before taxation	1,255	669	(117)	(491)	1,316
Restructuring	11	(17)	-	(1)	(7)
Goodwill & other impairment	-	-	-	(697)	(697)
DVA	21	-	-	-	21
Reported profit/(loss) before taxation	1,287	652	(117)	(1,189)	633
Total assets	395,938	126,714	3,398	299,783	825,833
Of which: loans and advances to customers ¹	177,542	124,178	1,014	26,686	329,420
loans and advances to customers	129,147	124,162	1,014	26,686	281,009
loans held at fair value through profit or loss	48,395	16	-	-	48,411
Total liabilities	471,272	190,925	2,581	112,699	777,477
Of which: customer accounts ¹	319,785	186,131	2,316	7,590	515,822
Risk-weighted assets	143,386	50,365	1,786	45,969	241,506
Income return on risk-weighted assets (%)	7.8	14.5	8.3	(2.4)	7.1
Underlying return on tangible equity (%)	17.9	27.2	nm	(38.5)	7.0
Cost to income ratio (excluding bank levy) (%)	49.3	57.6	nm	nm	62.9

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

Supplementary financial information continued

Corporate & Investment Banking

	Q3'24 \$million	Q3'23 \$million	Change ² %	Constant currency change ^{1,2} %	Q2'24 \$million	Change ² %	Constant currency change ^{1,2} %	YTD'24 \$million	YTD'23 \$million	Change ² %	Constant currency change ^{1,2} %
Operating income	2,887	2,814	3	2	2,876	-	-	8,878	8,637	3	4
Transaction Services	1,572	1,654	(5)	(5)	1,593	(1)	(2)	4,768	4,823	(1)	-
Payments and Liquidity	1,112	1,196	(7)	(7)	1,139	(2)	(3)	3,412	3,438	(1)	(1)
Securities & Prime Services	156	138	13	15	153	2	2	450	410	10	11
Trade & Working Capital	304	320	(5)	(6)	301	1	-	906	975	(7)	(5)
Global Banking	475	447	6	7	488	(3)	(3)	1,435	1,305	10	12
Lending & Financial Solutions	407	393	4	4	422	(4)	(4)	1,243	1,142	9	10
Capital Market & Advisory	68	54	26	29	66	3	2	192	163	18	19
Global Markets	840	716	17	16	796	6	6	2,677	2,515	6	8
Macro Trading	683	595	15	13	631	8	8	2,198	2,157	2	3
Credit Trading	174	122	43	43	165	5	7	506	359	41	45
Valuation & Other Adj	(17)	(1)	nm	nm	-	nm	nm	(27)	(1)	nm	nm
Deposits	1	-	nm	nm	-	nm	nm	1	1	-	-
Other	(1)	(3)	67	50	(1)	-	-	(3)	(7)	57	57
Operating expenses	(1,475)	(1,387)	(6)	(6)	(1,498)	2	2	(4,396)	(4,205)	(5)	(6)
Operating profit before impairment losses and taxation	1,412	1,427	(1)	(1)	1,378	2	3	4,482	4,432	1	2
Credit impairment	10	(159)	106	107	35	(71)	(66)	45	(228)	120	119
Other impairment	(57)	(13)	nm	nm	(51)	(12)	(12)	(161)	(34)	nm	nm
Underlying profit before taxation	1,365	1,255	9	9	1,362	-	-	4,366	4,170	5	6
Restructuring	(36)	11	nm	nm	(48)	25	10	(95)	84	nm	nm
DVA	5	21	(76)	(76)	22	(77)	(77)	(21)	(18)	(17)	(17)
Reported profit before taxation	1,334	1,287	4	2	1,336	-	-	4,250	4,236	-	1
Total assets	479,357	395,938	21	20	443,442	8	7	479,357	395,938	21	20
Of which: loans and advances to customers ³	190,034	177,542	7	6	190,298	-	(2)	190,034	177,542	7	6
Total liabilities	488,355	471,272	4	3	467,875	4	3	488,355	471,272	4	3
Of which: customer accounts ³	315,270	319,785	(1)	(2)	315,767	-	(1)	315,270	319,785	(1)	(2)
Risk-weighted assets	153,278	143,386	7	nm	149,133	3	nm	153,278	143,386	7	nm
Income return on risk-weighted assets (%) ⁴	7.6	7.8	(20)bps	nm	7.7	(10)bps	nm	7.9	7.9	-	nm
Underlying return on tangible equity (%) ⁴	18.5	17.9	60bps	nm	18.9	(40)bps	nm	20.1	19.8	30bps	nm
Cost to income ratio (%) ⁵	51.1	49.3	(1.8)	(1.9)	52.1	1.0	1.2	49.5	48.5	(1.0)	(0.8)

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), except for 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

Supplementary financial information continued

Performance highlights

- Underlying profit before tax of \$1,365 million was up 9 per cent at constant currency (ccy) driven by higher income and lower credit impairment, partly offset by higher operating expenses
- Underlying operating income of \$2,887 million was up 2 per cent at ccy primarily driven by strong performance in Global Markets and Global Banking. Global Markets was up 16 per cent from double-digit growth in both flow and episodic income, and Global Banking was up 7 per cent from higher origination volumes and pipeline execution. Transaction services was down 5 per cent, driven by lower margins across Payments & Liquidity and Trade & Working Capital products. Securities & Prime Services income was up 15 per cent mainly driven by higher custody, funds and prime brokerage fees and higher margins
- Underlying operating expenses increased 6 per cent at ccy reflecting inflation and investment in business growth initiatives
- Credit impairment was a net release of \$10 million due to benign level of impairment driven by releases partly offset by \$34 million overlay for clients who have exposures to the Hong Kong commercial real estate sector, and a \$24 million overlay for economic uncertainty in Bangladesh. Other impairment charge primarily related to the write-off of software assets
- Risk-weighted assets (RWA) of \$153 billion were up \$4 billion since 30 June 2024. This was mostly driven by \$1.7 billion from currency translation and \$3 billion market risk RWA

Supplementary financial information continued

Wealth & Retail Banking

	Q3'24 \$million	Q3'23 \$million	Change ² %	Constant currency change ¹² %	Q2'24 \$million	Change ² %	Constant currency change ¹² %	YTD'24 \$million	YTD'23 \$million	Change ² %	Constant currency change ¹² %
Operating income	2,040	1,849	10	11	1,955	4	4	5,912	5,405	9	10
Transaction Services	13	13	-	8	12	8	8	37	36	3	6
Trade & Working Capital	13	13	-	8	12	8	8	37	36	3	6
Wealth Solutions	693	526	32	32	618	12	12	1,927	1,532	26	27
Investment Products	506	364	39	40	444	14	13	1,374	1,059	30	32
Bancassurance	187	162	15	16	174	7	7	553	473	17	18
CCPL & Other Unsecured Lending	281	270	4	5	270	4	3	811	809	-	2
Deposits	950	967	(2)	(2)	917	4	3	2,784	2,670	4	5
Mortgages & Other Secured Lending	100	69	45	47	124	(19)	(21)	327	343	(5)	(2)
Other	3	4	(25)	25	14	(79)	(64)	26	15	73	80
Operating expenses	(1,108)	(1,065)	(4)	(4)	(1,109)	-	1	(3,264)	(3,140)	(4)	(5)
Operating profit before impairment losses and taxation	932	784	19	19	846	10	10	2,648	2,265	17	17
Credit impairment	(177)	(115)	(54)	(54)	(146)	(21)	(20)	(459)	(223)	(106)	(109)
Other impairment	(13)	-	nm	nm	(22)	41	50	(40)	-	nm	nm
Underlying profit before taxation	742	669	11	11	678	9	10	2,149	2,042	5	6
Restructuring	(41)	(17)	(141)	(139)	(32)	(28)	(39)	(92)	(33)	(179)	(157)
Other items ³	-	-	nm	nm	-	nm	nm	(100)	-	nm	nm
Reported profit before taxation	701	652	8	8	646	9	9	1,957	2,009	(3)	(2)
Total assets	125,964	126,714	(1)	(4)	122,846	3	(1)	125,964	126,714	(1)	(4)
Of which: loans and advances to customers	122,657	124,178	(1)	(4)	120,277	2	(1)	122,657	124,178	(1)	(4)
Total liabilities	218,857	190,925	15	12	208,565	5	3	218,857	190,925	15	12
Of which: customer accounts	214,402	186,131	15	13	204,154	5	3	214,402	186,131	15	13
Risk-weighted assets	53,822	50,365	7	nm	52,459	3	nm	53,822	50,365	7	nm
Income return on risk-weighted assets (%) ⁴	15.3	14.5	80bps	nm	14.9	40bps	nm	15.0	14.2	80bps	nm
Underlying return on tangible equity (%) ⁴	28.9	27.2	170bps	nm	26.8	210bps	nm	28.2	27.8	40bps	nm
Cost to income ratio (%) ⁵	54.3	57.6	3.3	3.2	56.7	2.4	2.6	55.2	58.1	2.9	2.6

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), except for risk-weighted assets, assets and liabilities which is increase/(decrease)

3 Other items include \$100m charge relating to Korea ELS

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

Supplementary financial information continued

Performance highlights

- Underlying profit before tax of \$742 million was up 11 per cent at constant currency (ccy) mainly driven by higher income partly offset by higher operating expenses and credit impairment
- Underlying operating income of \$2,040 million was up 11 per cent at ccy, driven primarily by Wealth Solutions, up 32 per cent. Growth in Wealth Solutions was broad-based across markets and products, driven by continued momentum in Affluent new-to-bank onboarding and net new money. Mortgage income increased by 47 per cent benefiting from lower funding costs as HIBOR reduced. CCPL & Other Unsecured Lending income also increased by 5 per cent due to higher volumes driven by Partnership led growth. Deposits income dropped by 2 per cent as the impact of higher Time Deposit volumes was more than offset by lower margins. Passthrough rates remained largely stable
- Underlying operating expenses increased 4 per cent at ccy, mainly from inflation and investment in business growth initiatives including strategic hiring of Affluent relationship managers
- Credit impairment charge of \$177 million up \$54 million, mainly from normal flows coupled with an overlay of \$21 million related to Korea eCommerce platforms

Supplementary financial information continued

Ventures

	Q3'24 \$million	Q3'23 \$million	Change ² %	Constant currency change ¹² %	Q2'24 \$million	Change ² %	Constant currency change ¹² %	YTD'24 \$million	YTD'23 \$million	Change ² %	Constant currency change ¹² %
Operating income	43	35	23	17	48	(10)	(14)	123	124	(1)	(2)
Of which: SCV	4	8	(50)	(67)	15	(73)	(82)	22	62	(65)	(66)
Of which: Digital Banks ⁵	39	27	44	44	33	18	22	101	62	63	63
Wealth Solutions	1	-	nm	nm	-	nm	nm	1	-	nm	nm
CCPL & Other Unsecured Lending	31	27	15	14	28	11	14	86	64	34	34
Deposits	(5)	(14)	64	64	(9)	44	44	(23)	(34)	32	32
Treasury	(1)	8	(113)	(111)	2	(150)	nm	2	20	(90)	(91)
Other	17	14	21	23	27	(37)	(45)	57	74	(23)	(22)
Operating expenses	(119)	(109)	(9)	(8)	(117)	(2)	-	(349)	(320)	(9)	(9)
Operating Loss before impairment losses and taxation	(76)	(74)	(3)	(4)	(69)	(10)	(10)	(226)	(196)	(15)	(16)
Credit impairment	(16)	(30)	47	50	(15)	(7)	-	(59)	(53)	(11)	(9)
Other impairment	(2)	(9)	78	75	-	nm	nm	(2)	(9)	78	78
Profit from associates and joint ventures	(5)	(4)	(25)	(25)	(3)	(67)	(67)	(11)	(17)	35	35
Underlying loss before taxation	(99)	(117)	15	15	(87)	(14)	(13)	(298)	(275)	(8)	(8)
Restructuring	1	-	nm	nm	(1)	nm	nm	-	(1)	100	100
Reported loss before taxation	(98)	(117)	16	15	(88)	(11)	(13)	(298)	(276)	(8)	(8)
Total assets	6,045	3,398	78	79	5,280	14	15	6,045	3,398	78	79
Of which: loans and advances to customers	1,230	1,014	21	19	1,110	11	8	1,230	1,014	21	19
Total liabilities	4,972	2,581	93	87	4,347	14	11	4,972	2,581	93	87
Of which: customer accounts	4,702	2,316	103	96	4,046	16	12	4,702	2,316	103	96
Risk-weighted assets	2,195	1,786	23	nm	2,129	3	nm	2,195	1,786	23	nm
Income return on risk-weighted assets (%) ³	7.9	8.3	(40)bps	nm	9.1	(120)bps	nm	8.1	11.2	(310)bps	nm
Underlying return on tangible equity (%) ³	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm
Cost to income ratio (%) ⁴	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm

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), except for 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 Digital Banks income includes Mox and Trust bank

Performance highlights

- Underlying loss before tax decreased by \$18 million to \$99 million reflecting Group's ongoing commitment to investing in transformational digital initiatives. Income increased by 17 per cent at ccy to \$43 million mostly from Digital Banks' which was up 44 per cent. This was due to strong growth in customer numbers and volumes in both Digital Banks, Mox and Trust
- Operating expenses increased by 8 per cent due to inflation and investment in business growth initiatives
- Credit impairment decreased from \$30 million to \$16 million primarily from charges in Mox albeit delinquency rates have improved

Supplementary financial information continued

Central & other items

	Q3'24 \$million	Q3'23 \$million	Change ² %	Constant currency change ¹² %	Q2'24 \$million	Change ² %	Constant currency change ¹² %	YTD'24 \$million	YTD'23 \$million	Change ² %	Constant currency change ¹² %
Operating income	(66)	(295)	78	80	(73)	10	(24)	(51)	(812)	94	94
Treasury	(1)	(282)	100	101	(32)	97	136	9	(687)	101	101
Other	(65)	(13)	nm	(154)	(41)	(59)	(69)	(60)	(125)	52	50
Operating expenses	(138)	(209)	34	43	(163)	15	31	(504)	(609)	17	17
Operating (loss)/profit before impairment losses and taxation	(204)	(504)	60	65	(236)	14	19	(555)	(1,421)	61	61
Credit impairment	5	10	(50)	(50)	53	(91)	(92)	46	38	21	16
Other impairment	(20)	(4)	nm	nm	(10)	(100)	(90)	(32)	(46)	30	33
Profit from associates and joint ventures	18	7	157	157	68	(74)	(74)	88	114	(23)	(23)
Underlying (loss)/profit before taxation	(201)	(491)	59	65	(125)	(61)	(56)	(453)	(1,315)	66	66
Restructuring	(15)	(1)	nm	-	(14)	(7)	87	(54)	(1)	nm	nm
Goodwill & other impairment ⁶	-	(697)	100	100	-	nm	nm	-	(697)	100	100
Other items	1	-	nm	nm	(177)	101	101	(188)	-	nm	nm
Reported (loss)/profit before taxation	(215)	(1,189)	82	85	(316)	32	42	(695)	(2,013)	65	66
Total assets	260,807	299,783	(13)	(15)	263,859	(1)	(3)	260,807	299,783	(13)	(15)
Of which: loans and advances to customers ³	26,100	26,686	(2)	(7)	24,022	9	4	26,100	26,686	(2)	(7)
Total liabilities	107,253	112,699	(5)	(5)	103,313	4	3	107,253	112,699	(5)	(5)
Of which: customer accounts ³	5,647	7,590	(26)	(26)	8,295	(32)	(32)	5,647	7,590	(26)	(26)
Risk-weighted assets	39,629	45,969	(14)	nm	38,205	4	nm	39,629	45,969	(14)	nm
Income return on risk-weighted assets (%) ⁴	(0.7)	(2.4)	170bps	nm	(0.7)	-	nm	(0.2)	(2.2)	200bps	nm
Underlying return on tangible equity (%) ⁴	(27.7)	(38.5)	1,080bps	nm	(17.1)	(1,060)bps	nm	(20.6)	(29.8)	920bps	nm
Cost to income ratio (%) (excluding UK bank levy) ⁵	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm	nm

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), except for 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 Goodwill and other impairment include \$697 million impairment charge relating to the Group's investment in its associate China Bohai Bank (Bohai)

Performance highlights

- Underlying Q3'24 loss before tax of \$201 million improved by 65 per cent compared to prior period loss, due to a lower operating loss, lower operating expenses and an increase in income from Associates, partly offset by a write-off of software assets
- Underlying operating loss reduced by \$229 million to \$66 million year-on-year. Treasury income increased by \$281 million mainly from the roll-off of short-term hedges and upward repricing of structural hedges. Other income decreased by \$52 million due to higher funding costs of non-financial assets coupled with non-repeat of FX gains made in Q3'23

Supplementary financial information continued

Underlying performance by key geography

	Q3'24										
	Hong Kong \$million	Korea \$million	China \$million	Taiwan \$million	Singapore \$million	India \$million	UAE \$million	UK \$million	US \$million	Other \$million	Group \$million
Operating income	1,257	225	354	151	678	348	201	66	348	1,276	4,904
Operating expenses	(515)	(173)	(216)	(85)	(332)	(217)	(104)	(209)	(178)	(811)	(2,840)
Operating profit/(loss) before impairment losses and taxation	742	52	138	66	346	131	97	(143)	170	465	2,064
Credit impairment	(81)	(29)	(37)	(9)	(9)	(14)	18	4	2	(23)	(178)
Other impairment	(40)	-	(12)	(4)	(22)	(23)	(17)	(9)	(14)	49	(92)
Profit from associates and joint ventures	-	-	15	-	-	-	-	(1)	-	(1)	13
Underlying profit/(loss) before taxation	621	23	104	53	315	94	98	(149)	158	490	1,807
Total assets employed	216,815	50,389	46,544	22,881	114,511	37,112	20,971	164,735	75,528	122,687	872,173
Of which: loans and advances to customers ¹	87,200	28,152	15,467	11,991	65,474	14,184	7,521	29,173	27,901	52,958	340,021
Total liabilities employed	200,908	41,725	38,111	19,771	114,754	28,108	17,346	119,851	61,927	176,936	819,437
Of which: customer accounts ¹	161,553	32,063	28,228	17,722	89,424	20,006	14,557	82,013	30,586	63,869	540,021

	Q3'23										
	Hong Kong \$million	Korea \$million	China \$million	Taiwan \$million	Singapore \$million	India \$million	UAE \$million	UK \$million	US \$million	Other \$million	Group \$million
Operating income	1,067	275	291	144	635	309	191	19	211	1,261	4,403
Operating expenses	(475)	(181)	(222)	(82)	(295)	(242)	(99)	(226)	(160)	(788)	(2,770)
Operating profit/(loss) before impairment losses and taxation	592	94	69	62	340	67	92	(207)	51	473	1,633
Credit impairment	(203)	(21)	(45)	(1)	(24)	(9)	12	13	2	(18)	(294)
Other impairment	(1)	-	(1)	(1)	(2)	(1)	-	(4)	7	(23)	(26)
Profit from associates and joint ventures	-	-	9	-	-	-	-	-	-	(6)	3
Underlying profit/(loss) before taxation	388	73	32	60	314	57	104	(198)	60	426	1,316
Total assets employed	180,633	58,751	43,936	22,147	97,981	34,788	20,835	160,936	90,525	115,301	825,833
Of which: loans and advances to customers ¹	85,199	32,395	16,590	11,003	60,754	14,686	7,692	25,722	27,546	47,833	329,420
Total liabilities employed	173,346	49,874	36,085	20,349	106,455	27,014	18,711	102,747	82,705	160,191	777,477
Of which: customer accounts ¹	144,629	37,368	29,342	17,890	78,878	19,399	14,064	70,088	46,170	57,994	515,822

	Q2'24										
	Hong Kong \$million	Korea \$million	China \$million	Taiwan \$million	Singapore \$million	India \$million	UAE \$million	UK \$million	US \$million	Other \$million	Group \$million
Operating income	1,158	260	342	140	632	320	211	53	341	1,349	4,806
Operating expenses	(518)	(176)	(228)	(84)	(320)	(220)	(111)	(247)	(176)	(807)	(2,887)
Operating profit/(loss) before impairment losses and taxation	640	84	114	56	312	100	100	(194)	165	542	1,919
Credit impairment	(54)	(13)	(42)	(9)	(24)	4	1	8	(2)	58	(73)
Other impairment	-	(1)	-	-	-	-	-	20	4	(106)	(83)
Profit from associates and joint ventures	-	-	70	-	-	-	-	(2)	-	(3)	65
Underlying profit/(loss) before taxation	586	70	142	47	288	104	101	(168)	167	491	1,828
Total assets employed	202,878	51,017	45,451	21,180	105,312	36,752	27,218	155,831	75,001	114,787	835,427
Of which: loans and advances to customers ¹	84,272	26,970	16,798	11,002	60,791	15,479	8,934	32,609	25,405	53,447	335,707
Total liabilities employed	191,631	42,224	36,588	19,000	110,318	28,004	20,411	106,861	66,564	162,499	784,100
Of which: customer accounts ¹	160,948	32,323	27,081	16,983	86,049	20,661	14,935	79,545	33,920	59,817	532,262

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

	Q3'24 \$million	Q2'24 \$million	Q1'24 \$million	Q4'23 \$million	Q3'23 \$million	Q2'23 \$million	Q1'23 \$million	Q4'22 \$million
Transaction Services	1,585	1,605	1,615	1,659	1,667	1,620	1,572	1,416
Payments and Liquidity	1,112	1,139	1,161	1,207	1,196	1,148	1,094	962
Securities & Prime Services	156	153	141	140	138	131	141	126
Trade & Working Capital	317	313	313	312	333	341	337	328
Global Banking	475	488	472	400	447	447	411	400
Lending & Financial Solutions	407	422	414	358	393	396	353	366
Capital Market & Advisory	68	66	58	42	54	51	58	34
Global Markets	840	796	1,041	534	716	877	922	662
Macro Trading	683	631	884	463	595	776	786	536
Credit Trading	174	165	167	92	122	116	121	123
Valuation & Other Adj	(17)	-	(10)	(21)	(1)	(15)	15	3
Wealth Solutions	694	618	616	412	526	495	511	358
Investment Products	507	444	424	298	364	343	352	266
Bancassurance	187	174	192	114	162	152	159	92
CCPL & Other Unsecured Lending	312	298	287	288	297	286	290	294
Deposits	946	908	908	933	953	881	803	833
Mortgages & Other Secured Lending	100	124	103	57	69	113	161	55
Treasury	(2)	(30)	43	(235)	(274)	(160)	(233)	(173)
Other	(46)	(1)	67	(24)	2	(4)	(41)	(80)
Total underlying operating income	4,904	4,806	5,152	4,024	4,403	4,555	4,396	3,765

Earnings per ordinary share

	Q3'24 \$million	Q3'23 \$million	Change %	Q2'24 \$million	Change %	YTD'24 \$million	YTD'23 \$million	Change %
Profit for the period attributable to equity holders	1,147	139	nm	974	18	3,516	2,524	39
Non-controlling interest	3	6	(50)	1	200	12	9	33
Dividend payable on preference shares and AT1 classified as equity	(219)	(180)	(22)	(29)	nm	(428)	(423)	(1)
Profit/(loss) for the period attributable to ordinary shareholders	931	(35)	nm	946	(2)	3,100	2,110	47
Items normalised:								
Restructuring	91	7	nm	95	(4)	241	(49)	nm
Goodwill and other impairment ³	-	697	nm	-	nm	-	697	nm
DVA	(5)	(21)	76	(22)	77	21	18	17
Net (gains)/losses on sale of businesses	(1)	-	nm	177	nm	188	-	nm
Other items ¹	-	-	nm	-	nm	100	-	nm
Tax on normalised items	(11)	(4)	(175)	(22)	50	(78)	(4)	nm
Underlying profit	1,005	644	56	1,174	(14)	3,572	2,772	29
Basic - Weighted average number of shares (millions)	2,527	2,772	(9)	2,578	(2)	2,579	2,816	nm
Diluted - Weighted average number of shares (millions)	2,595	2,837	(9)	2,645	(2)	2,644	2,880	nm
Basic earnings per ordinary share (cents)²	36.8	(1.3)	38.1	36.7	0.1	120.2	74.9	45.3
Diluted earnings per ordinary share (cents)²	35.9	(1.2)	37.1	35.8	0.1	117.2	73.3	43.9
Underlying basic earnings per ordinary share (cents)²	39.8	23.2	16.6	45.5	(5.7)	138.5	98.4	40.1
Underlying diluted earnings per ordinary share (cents)²	38.7	22.7	16.0	44.4	(5.7)	135.1	96.3	38.8

1 Other items include \$100m provision relating to Korea ELS

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

3 Goodwill and other impairment include nil (Q3'23: \$697 million) impairment charge relating to the Group's investment in its associate China Bohai Bank (Bohai)

Supplementary financial information continued

Return on Tangible Equity

	Q3'24 \$million	Q3'23 \$million	Change %	Q2'24 \$million	Change %	YTD'24 \$million	YTD'23 \$million	Change %
Average parent company Shareholders' Equity	44,836	43,135	4	44,171	2	44,417	43,580	2
Less Preference share premium	(1,494)	(1,494)	-	(1,494)	-	(1,494)	(1,494)	-
Less Average intangible assets	(6,191)	(5,948)	(4)	(6,128)	(1)	(6,187)	(5,907)	(5)
Average Ordinary Shareholders' Tangible Equity	37,151	35,693	4	36,549	2	36,736	36,179	2
Profit for the period attributable to equity holders	1,147	139	nm	974	18	3,516	2,524	39
Non-controlling interests	3	6	(50)	1	200	12	9	33
Dividend payable on preference shares and AT1 classified as equity	(219)	(180)	(22)	(29)	nm	(428)	(423)	(1)
Profit/(loss) for the period attributable to ordinary shareholders	931	(35)	nm	946	(2)	3,100	2,110	47
Items normalised:								
Restructuring	91	7	nm	95	(4)	241	(49)	nm
Goodwill and other impairment ²	-	697	nm	-	nm	-	697	nm
Net (gains) / losses on sale of businesses	(1)	-	nm	177	nm	188	-	nm
Ventures FVOCI unrealised gains/(losses) net of tax	3	(11)	nm	(3)	nm	(12)	32	nm
DVA	(5)	(21)	76	(22)	77	21	18	17
Other items ¹	-	-	nm	-	nm	100	-	nm
Tax on normalised items	(11)	(4)	(175)	(22)	50	(78)	(4)	nm
Underlying profit for the period attributable to ordinary shareholders	1,008	633	59	1,171	(14)	3,560	2,804	27
Underlying return on tangible equity	10.8%	7.0%	380bps	12.9%	(210)bps	12.9%	10.4%	250bps
Reported return on tangible equity	10.0%	(0.4)%	1,040bps	10.4%	(40)bps	11.3%	7.8%	350bps

1 Other items include \$100m provision relating to Korea ELS

2 Goodwill and other impairment include nil (Q3'23: \$697 million) impairment charge relating to the Group's investment in its associate China Bohai Bank (Bohai)

Net Tangible Asset Value per Share

	30.09.24 \$million	30.09.23 \$million	Change %	30.06.24 \$million	Change %	31.12.23 \$million	Change %
Parent company shareholders' equity	45,259	42,466	7	44,413	2	44,445	2
Less Preference share premium	(1,494)	(1,494)	-	(1,494)	-	(1,494)	-
Less Intangible assets	(6,279)	(5,997)	(5)	(6,103)	(3)	(6,214)	(1)
Net shareholders tangible equity	37,486	34,975	7	36,816	2	36,737	2
Ordinary shares in issue, excluding own shares (millions)	2,484	2,725	(9)	2,550	(3)	2,637	(6)
Net tangible asset value per share (cents)¹	1,509	1,283	226	1,444	65	1,393	116

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

Underlying versus reported results reconciliations

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

Operating income by client segment

	Q3'24				
	Corporate & Investment Banking \$million	Wealth & Retail Banking \$million	Ventures \$million	Central & other items \$million	Total \$million
Underlying operating income	2,887	2,040	43	(66)	4,904
Restructuring	37	6	–	(3)	40
DVA	5	–	–	–	5
Other items	–	–	–	1	1
Reported operating income	2,929	2,046	43	(68)	4,950

	Q3'23				
	Corporate & Investment Banking \$million	Wealth & Retail Banking \$million	Ventures \$million	Central & other items \$million	Total \$million
Underlying operating income	2,814	1,849	35	(295)	4,403
Restructuring	77	10	–	12	99
DVA	21	–	–	–	21
Reported operating income	2,912	1,859	35	(283)	4,523

Net interest income and Other income

	Q3'24				Q3'23			
	Underlying \$million	Restructuring \$million	Adjustment for Trading book funding cost and Others \$million	Reported \$million	Underlying \$million	Restructuring \$million	Adjustment for Trading book funding cost and Others \$million	Reported \$million
Net interest income	2,606	–	(1,124)	1,482	2,388	(8)	(455)	1,925
Non NII	2,298	46	1,124	3,468	2,015	128	455	2,598
Total income	4,904	46	–	4,950	4,403	120	–	4,523

Profit before taxation (PBT)

	Q3'24						
	Underlying \$million	Restructuring \$million	Net gain on businesses disposed/ held for sale \$million	Goodwill & other impairment \$million	Other Items \$million	DVA \$million	Reported \$million
Operating income	4,904	40	1	–	–	5	4,950
Operating expenses	(2,840)	(131)	–	–	–	–	(2,971)
Operating profit/(loss) before impairment losses and taxation	2,064	(91)	1	–	–	5	1,979
Credit impairment	(178)	–	–	–	–	–	(178)
Other impairment	(92)	4	–	–	–	–	(88)
Profit from associates and joint ventures	13	(4)	–	–	–	–	9
Profit/(loss) before taxation	1,807	(91)	1	–	–	5	1,722

Underlying versus reported results reconciliations continued

	Q3'23						
	Underlying \$million	Restructuring \$million	Net gain on businesses disposed/ held for sale \$million	Goodwill & other impairment ¹ \$million	Other items \$million	DVA \$million	Reported \$million
Operating income	4,403	99	–	–	–	21	4,523
Operating expenses	(2,770)	(100)	–	–	–	–	(2,870)
Operating profit/(loss) before impairment losses and taxation	1,633	(1)	–	–	–	21	1,653
Credit impairment	(294)	2	–	–	–	–	(292)
Other impairment	(26)	(11)	–	(697)	–	–	(734)
Profit from associates and joint ventures	3	3	–	–	–	–	6
Profit/(loss) before taxation	1,316	(7)	–	(697)	–	21	633

1 Goodwill and other impairment include \$697 million impairment charge relating to the Group's investment in its associate China Bohai Bank (Bohai).

Profit before taxation (PBT) by client segment

	Q3'24				
	Corporate & Investment Banking \$million	Wealth & Retail Banking \$million	Ventures \$million	Central & other items \$million	Total \$million
Operating income	2,887	2,040	43	(66)	4,904
External	2,546	858	43	1,457	4,904
Inter-segment	341	1,182	–	(1,523)	–
Operating expenses	(1,475)	(1,108)	(119)	(138)	(2,840)
Operating profit/(loss) before impairment losses and taxation	1,412	932	(76)	(204)	2,064
Credit impairment	10	(177)	(16)	5	(178)
Other impairment	(57)	(13)	(2)	(20)	(92)
Profit from associates and joint ventures	–	–	(5)	18	13
Underlying profit/(loss) before taxation	1,365	742	(99)	(201)	1,807
Restructuring	(36)	(41)	1	(15)	(91)
DVA	5	–	–	–	5
Other items	–	–	–	1	1
Reported profit/(loss) before taxation	1,334	701	(98)	(215)	1,722

	Q3'23				
	Corporate & Investment Banking \$million	Wealth & Retail Banking \$million	Ventures \$million	Central & other items \$million	Total \$million
Operating income	2,814	1,849	35	(295)	4,403
External	2,084	1,003	35	1,281	4,403
Inter-segment	730	846	–	(1,576)	–
Operating expenses	(1,387)	(1,065)	(109)	(209)	(2,770)
Operating profit/(loss) before impairment losses and taxation	1,427	784	(74)	(504)	1,633
Credit impairment	(159)	(115)	(30)	10	(294)
Other impairment	(13)	–	(9)	(4)	(26)
Profit from associates and joint ventures	–	–	(4)	7	3
Underlying profit/(loss) before taxation	1,255	669	(117)	(491)	1,316
Restructuring	11	(17)	–	(1)	(7)
Goodwill & other impairment ¹	–	–	–	(697)	(697)
DVA	21	–	–	–	21
Reported profit/(loss) before taxation	1,287	652	(117)	(1,189)	633

1 Goodwill and other impairment include \$697 million impairment charge relating to the Group's investment in its associate China Bohai Bank (Bohai).

Underlying versus reported results reconciliations continued

Earnings per ordinary share (EPS)

	Q3'24						Reported \$ million
	Underlying \$ million	Restructuring \$ million	DVA \$ million	Net loss on sale of business \$ million	Goodwill and other impairment \$ million	Tax on normalised items \$ million	
Profit for the year attributable to ordinary shareholders	1,005	(91)	5	1	–	11	931
Basic - Weighted average number of shares (millions)	2,527						2,527
Basic earnings per ordinary share (cents)	39.8						36.8

	Q3'23						Reported \$ million
	Underlying \$ million	Restructuring \$ million	DVA \$ million	Net gain on sale of business \$ million	Goodwill and other impairment ¹ \$ million	Tax on normalised items \$ million	
Profit for the year attributable to ordinary shareholders	644	(7)	21	–	(697)	4	(35)
Basic - Weighted average number of shares (millions)	2,772						2,772
Basic earnings per ordinary share (cents)	23.2						(1.3)

1 Goodwill and other impairment include \$697 million impairment charge relating to the Group's investment in its associate China Bohai Bank (Bohai).

Risk review

Credit quality by client segment

30.09.24

	Customers							
	Banks \$million	Corporate & Investment Banking \$million	Wealth & Retail Banking \$million	Ventures \$million	Central & other items \$million	Customer Total \$million	Undrawn commitments \$million	Financial Guarantees \$million
Amortised cost								
Stage 1	46,848	127,001	120,300	1,226	26,963	275,490	178,181	85,923
- Strong	34,336	86,852	114,735	1,211	26,464	229,262	162,700	56,132
- Satisfactory	12,512	40,149	5,565	15	499	46,228	15,481	29,791
Stage 2	610	8,251	1,992	47	79	10,369	4,438	1,587
- Strong	280	1,073	1,431	31	-	2,535	996	339
- Satisfactory	201	6,443	194	6	-	6,643	3,137	1,078
- Higher risk	129	735	367	10	79	1,191	305	170
Of which (stage 2):								
- Less than 30 days past due	-	262	194	6	-	462	-	-
- More than 30 days past due	3	105	367	10	-	482	-	-
Stage 3, credit-impaired financial assets	64	4,891	1,603	10	31	6,535	6	651
Gross balance¹	47,522	140,143	123,895	1,283	27,073	292,394	182,625	88,161
Stage 1	(7)	(94)	(379)	(23)	-	(496)	(50)	(16)
- Strong	(5)	(29)	(297)	(22)	-	(348)	(31)	(5)
- Satisfactory	(2)	(65)	(82)	(1)	-	(148)	(19)	(11)
Stage 2	(1)	(229)	(141)	(20)	-	(390)	(47)	(8)
- Strong	-	(70)	(64)	(15)	-	(149)	(6)	-
- Satisfactory	(1)	(112)	(31)	(3)	-	(146)	(29)	(3)
- Higher risk	-	(47)	(46)	(2)	-	(95)	(12)	(5)
Of which (stage 2):								
- Less than 30 days past due	-	(4)	(31)	(3)	-	(38)	-	-
- More than 30 days past due	-	(1)	(46)	(2)	-	(49)	-	-
Stage 3, credit-impaired financial assets	(2)	(3,491)	(751)	(9)	-	(4,251)	-	(122)
Total credit impairment	(10)	(3,814)	(1,271)	(52)	-	(5,137)	(97)	(146)
Net carrying value	47,512	136,329	122,624	1,231	27,073	287,257		
Stage 1	0.0%	0.1%	0.3%	1.9%	0.0%	0.2%	0.0%	0.0%
- Strong	0.0%	0.0%	0.3%	1.8%	0.0%	0.2%	0.0%	0.0%
- Satisfactory	0.0%	0.2%	1.5%	6.7%	0.0%	0.3%	0.1%	0.0%
Stage 2	0.2%	2.8%	7.1%	42.6%	0.0%	3.8%	1.1%	0.5%
- Strong	0.0%	6.5%	4.5%	48.4%	0.0%	5.9%	0.6%	0.0%
- Satisfactory	0.5%	1.7%	16.0%	50.0%	0.0%	2.2%	0.9%	0.3%
- Higher risk	0.0%	6.4%	12.5%	20.0%	0.0%	8.0%	3.9%	2.9%
Of which (stage 2):								
- Less than 30 days past due	0.0%	1.5%	16.0%	50.0%	0.0%	8.2%	0.0%	0.0%
- More than 30 days past due	0.0%	1.0%	12.5%	20.0%	0.0%	10.2%	0.0%	0.0%
Stage 3, credit-impaired financial assets (S3)	3.1%	71.4%	46.8%	90.0%	0.0%	65.0%	0.0%	18.7%
- Stage 3 Collateral	-	445	625	-	-	1,070	-	35
- Stage 3 Cover ratio (after collateral)	3.1%	80.5%	85.8%	90.0%	0.0%	81.4%	0.0%	24.1%
Cover ratio	0.0%	2.7%	1.0%	4.1%	0.0%	1.8%	0.1%	0.2%
Fair value through profit or loss								
Performing	44,281	52,736	8	-	-	52,744	-	-
- Strong	39,065	34,299	6	-	-	34,305	-	-
- Satisfactory	5,198	18,360	2	-	-	18,362	-	-
- Higher risk	18	77	-	-	-	77	-	-
Defaulted (CG13-14)	-	20	-	-	-	20	-	-
Gross balance (FVTPL) ²	44,281	52,756	8	-	-	52,764	-	-
Net carrying value (incl FVTPL)	91,793	189,085	122,632	1,231	27,073	340,021	-	-

1 Loans and advances includes reverse repurchase agreements and other similar secured lending of \$8,955 million under Customers and of \$3,538 million under Banks, held at amortised cost

2 Loans and advances includes reverse repurchase agreements and other similar secured lending of \$46,671 million under Customers and of \$41,392 million under Banks, held at fair value through profit or loss

Risk review continued

30.06.24

	Customers							
	Banks \$million	Corporate & Investment Banking \$million	Wealth & Retail Banking \$million	Ventures \$million	Central & other items \$million	Customer Total \$million	Undrawn commitments \$million	Financial Guarantees \$million
Amortised cost								
Stage 1	44,793	121,272	118,064	1,103	23,810	264,249	173,625	83,957
- Strong	35,029	83,625	112,547	1,088	23,424	220,684	158,620	56,826
- Satisfactory	9,764	37,647	5,517	15	386	43,565	15,005	27,131
Stage 2	392	7,980	1,848	48	129	10,005	4,935	1,423
- Strong	173	1,129	1,333	32	-	2,494	1,768	303
- Satisfactory	161	6,074	172	5	-	6,251	2,953	912
- Higher risk	58	777	343	11	129	1,260	214	208
Of which (stage 2):								
- Less than 30 days past due	-	228	172	5	-	405	-	-
- More than 30 days past due	3	7	343	11	-	361	-	-
Stage 3, credit-impaired financial assets	57	5,048	1,518	9	64	6,639	8	714
Gross balance¹	45,242	134,300	121,430	1,160	24,003	280,893	178,568	86,094
Stage 1	(4)	(110)	(350)	(20)	-	(480)	(46)	(12)
- Strong	(2)	(70)	(274)	(19)	-	(363)	(30)	(3)
- Satisfactory	(2)	(40)	(76)	(1)	-	(117)	(16)	(9)
Stage 2	(3)	(206)	(134)	(22)	-	(362)	(47)	(6)
- Strong	(2)	(15)	(49)	(16)	-	(80)	(9)	(1)
- Satisfactory	(1)	(144)	(27)	(3)	-	(174)	(26)	(2)
- Higher risk	-	(47)	(58)	(3)	-	(108)	(12)	(3)
Of which (stage 2):								
- Less than 30 days past due	-	(15)	(27)	(3)	-	(45)	-	-
- More than 30 days past due	-	-	(58)	(3)	-	(61)	-	-
Stage 3, credit-impaired financial assets	(4)	(3,449)	(697)	(9)	-	(4,155)	-	(142)
Total credit impairment	(11)	(3,765)	(1,181)	(51)	-	(4,997)	(93)	(160)
Net carrying value	45,231	130,535	120,249	1,109	24,003	275,896	-	-
Stage 1	0.0%	0.1%	0.3%	1.8%	0.0%	0.2%	0.0%	0.0%
- Strong	0.0%	0.1%	0.2%	1.7%	0.0%	0.2%	0.0%	0.0%
- Satisfactory	0.0%	0.1%	1.4%	6.7%	0.0%	0.3%	0.1%	0.0%
Stage 2	0.8%	2.6%	7.3%	45.8%	0.0%	3.6%	1.0%	0.4%
- Strong	1.2%	1.3%	3.7%	50.0%	0.0%	3.2%	0.5%	0.3%
- Satisfactory	0.6%	2.4%	15.7%	60.0%	0.0%	2.8%	0.9%	0.2%
- Higher risk	0.0%	6.0%	16.9%	27.3%	0.0%	8.6%	5.6%	1.4%
Of which (stage 2):								
- Less than 30 days past due	0.0%	6.6%	15.7%	60.0%	0.0%	11.1%	0.0%	0.0%
- More than 30 days past due	0.0%	0.0%	16.9%	27.3%	0.0%	16.9%	0.0%	0.0%
Stage 3, credit-impaired financial assets (S3)	7.0%	68.3%	45.9%	100.0%	0.0%	62.6%	0.0%	19.9%
- Stage 3 Collateral	2	635	664	-	-	1,299	-	47
- Stage 3 Cover ratio (after collateral)	10.5%	80.9%	89.7%	100.0%	0.0%	82.2%	0.0%	26.5%
Cover ratio	0.0%	2.8%	1.0%	4.4%	0.0%	1.8%	0.1%	0.2%
Fair value through profit or loss								
Performing	42,461	59,769	9	-	-	59,778	-	-
- Strong	37,129	40,917	6	-	-	40,923	-	-
- Satisfactory	5,332	18,801	3	-	-	18,804	-	-
- Higher risk	-	51	-	-	-	51	-	-
Defaulted (CG13-14)	-	33	-	-	-	33	-	-
Gross balance (FVTPL)²	42,461	59,802	9	-	-	59,811	-	-
Net carrying value (incl FVTPL)	87,692	190,337	120,258	1,109	24,003	335,707	-	-

1 Loans and advances includes reverse repurchase agreements and other similar secured lending of \$7,788 million under Customers and of \$3,991 million under Banks, held at amortised cost

2 Loans and advances includes reverse repurchase agreements and other similar secured lending of \$52,934 million under Customers and of \$40,268 million under Banks, held at fair value through profit or loss

Risk review continued

Credit impairment charge

	9 months ended 30.09.24			9 months ended 30.09.23		
	Stage 1 & 2 \$million	Stage 3 \$million	Total \$million	Stage 1 & 2 \$million	Stage 3 \$million	Total \$million
Ongoing business portfolio						
Corporate & Investment Banking	(3)	(42)	(45)	66	162	228
Wealth & Retail Banking	230	229	459	75	148	223
Ventures	9	50	59	28	25	53
Central & Other items	(37)	(9)	(46)	(35)	(3)	(38)
Credit impairment charge / (release)	199	228	427	134	332	466
Restructuring business portfolio						
Others	2	(11)	(9)	(1)	(12)	(13)
Credit impairment charge / (release)	2	(11)	(9)	(1)	(12)	(13)
Total credit impairment charge / (release)	201	217	418	133	320	453

Capital review

Capital ratios

	30.09.24	30.06.24	Change ²	31.12.23	Change ²
CET1	14.2%	14.6%	(0.4)	14.1%	0.1
Tier 1 capital	16.8%	17.3%	(0.5)	16.3%	0.5
Total capital	21.6%	22.1%	(0.5)	21.2%	0.4

Capital base¹

	30.09.24 \$million	30.06.24 \$million	Change ³ %	31.12.23 \$million	Change ³ %
CET1 instruments and reserves					
Capital instruments and the related share premium accounts	5,234	5,264	(1)	5,321	(2)
Of which: share premium accounts	3,989	3,989	–	3,989	–
Retained earnings	25,081	27,017	(7)	24,930	1
Accumulated other comprehensive income (and other reserves)	9,954	8,274	20	9,171	9
Non-controlling interests (amount allowed in consolidated CET1)	219	236	(7)	217	1
Independently reviewed interim and year-end profits	3,569	2,409	48	3,542	1
Foreseeable dividends	(629)	(478)	32	(768)	(18)
CET1 capital before regulatory adjustments	43,428	42,722	2	42,413	2
CET1 regulatory adjustments					
Additional value adjustments (prudential valuation adjustments)	(635)	(678)	(6)	(730)	(13)
Intangible assets (net of related tax liability)	(6,179)	(6,006)	3	(6,128)	1
Deferred tax assets that rely on future profitability (excludes those arising from temporary differences)	(23)	(44)	(48)	(41)	(44)
Fair value reserves related to net losses on cash flow hedges	(416)	56	(843)	(91)	357
Deduction of amounts resulting from the calculation of excess expected loss	(711)	(653)	9	(754)	(6)
Net gains on liabilities at fair value resulting from changes in own credit risk	205	260	(21)	(100)	(305)
Defined-benefit pension fund assets	(114)	(110)	4	(95)	20
Fair value gains arising from the institution's own credit risk related to derivative liabilities	(100)	(90)	11	(116)	(14)
Exposure amounts which could qualify for risk weighting of 1,250%	(30)	(39)	(23)	(44)	(32)
Other regulatory adjustments to CET1 capital	–	–	–	–	–
Total regulatory adjustments to CET1	(8,003)	(7,304)	10	(8,099)	(1)
CET1 capital	35,425	35,418	–	34,314	3
Additional Tier 1 capital (AT1) instruments	6,527	6,504	–	5,512	18
AT1 regulatory adjustments	(20)	(20)	–	(20)	–
Tier 1 capital	41,932	41,902	–	39,806	5
Tier 2 capital instruments	11,756	11,697	1	11,965	(2)
Tier 2 regulatory adjustments	(30)	(30)	–	(30)	–
Tier 2 capital	11,726	11,667	1	11,935	(2)
Total capital	53,658	53,569	–	51,741	4
Total risk-weighted assets (unaudited)	248,924	241,926	3	244,151	2

1 Capital base is prepared on the regulatory scope of consolidation

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

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

Capital review continued

Movement in total capital

	9 months ended 30.09.24 \$million	12 months ended 31.12.23 \$million
CET1 at 1 January	34,314	34,157
Ordinary shares issued in the period and share premium	-	-
Share buy-back	(2,500)	(2,000)
Profit for the period	3,569	3,542
Foreseeable dividends deducted from CET1	(629)	(768)
Difference between dividends paid and foreseeable dividends	(440)	(372)
Movement in goodwill and other intangible assets	(50)	(326)
Foreign currency translation differences	329	(477)
Non-controlling interests	1	28
Movement in eligible other comprehensive income	662	464
Deferred tax assets that rely on future profitability	18	35
Decrease/(increase) in excess expected loss	43	(70)
Additional value adjustments (prudential valuation adjustment)	95	124
IFRS 9 transitional impact on regulatory reserves including day one	1	(106)
Exposure amounts which could qualify for risk weighting	14	59
Fair value gains arising from the institution's own Credit Risk related to derivative liabilities	16	(26)
Others	(18)	50
CET1 at 30 September/31 December	35,425	34,314
AT1 at 1 January	5,492	6,484
Net issuances (redemptions)	1,015	(1,000)
Foreign currency translation difference	-	8
AT1 at 30 September/31 December	6,507	5,492
Tier 2 capital at 1 January	11,935	12,510
Regulatory amortisation	710	1,416
Net issuances (redemptions)	(1,000)	(2,160)
Foreign currency translation difference	75	146
Tier 2 ineligible minority interest	2	19
Other	4	4
Tier 2 capital at 30 September/31 December	11,726	11,935
Total capital at 30 September/31 December	53,658	51,741

Capital review continued

Risk-weighted assets by business

	30.09.24			
	Credit risk \$million	Operational risk \$million	Market risk \$million	Total risk \$million
Corporate & Investment Banking	106,460	19,987	26,831	153,278
Wealth & Retail Banking	44,299	9,523	–	53,822
Ventures	2,041	142	12	2,195
Central & other items	36,044	(173)	3,758	39,629
Total risk-weighted assets	188,844	29,479	30,601	248,924

	30.06.24			
	Credit risk \$million	Operational risk \$million	Market risk \$million	Total risk \$million
Corporate & Investment Banking	105,356	19,987	23,790	149,133
Wealth & Retail Banking	42,936	9,523	–	52,459
Ventures	1,981	142	6	2,129
Central & other items	34,731	(173)	3,647	38,205
Total risk-weighted assets	185,004	29,479	27,443	241,926

	31.12.23			
	Credit risk \$million	Operational risk \$million	Market risk \$million	Total risk \$million
Corporate & Investment Banking	102,675	18,083	21,221	141,979
Wealth & Retail Banking	42,559	8,783	–	51,342
Ventures	1,885	35	3	1,923
Central & other items	44,304	960	3,643	48,907
Total risk-weighted assets	191,423	27,861	24,867	244,151

Movement in risk-weighted assets

	Credit risk							
	Corporate & Investment Banking \$million	Wealth & Retail Banking \$million	Ventures \$million	Central & other items \$million	Total \$million	Operational risk \$million	Market risk \$million	Total risk \$million
At 31 December 2022	110,103	42,091	1,350	43,311	196,855	27,177	20,679	244,711
At 1 January 2023	110,103	42,091	1,350	43,311	196,855	27,177	20,679	244,711
Asset growth & mix	(4,424)	728	535	1,183	(1,978)	–	–	(1,978)
Asset quality	(391)	390	–	2,684	2,683	–	–	2,683
Risk-weighted assets efficiencies	–	–	–	(688)	(688)	–	–	(688)
Model updates	(597)	(151)	–	(151)	(899)	–	500	(399)
Methodology and policy changes	–	(196)	–	–	(196)	–	(800)	(996)
Acquisitions and disposals	(1,630)	–	–	–	(1,630)	–	–	(1,630)
Foreign currency translation	(386)	(303)	–	(2,035)	(2,724)	–	–	(2,724)
Other, including non-credit risk movements	–	–	–	–	–	684	4,488	5,172
At 31 December 2023	102,675	42,559	1,885	44,304	191,423	27,861	24,867	244,151
Asset growth & mix	3,890	520	156	(4,753)	(187)	–	–	(187)
Asset quality	(934)	371	–	(1,837)	(2,400)	–	–	(2,400)
Risk-weighted assets efficiencies	–	–	–	–	–	–	–	–
Model updates	474	(1)	–	–	473	–	–	473
Methodology and policy changes	16	485	–	–	501	–	(1,300)	(799)
Acquisitions and disposals	–	–	–	–	–	–	–	–
Foreign currency translation	339	365	–	(436)	268	–	–	268
Other, including non-credit risk movements	–	–	–	(1,234)	(1,234)	1,618	7,034	7,418
At 30 September 2024	106,460	44,299	2,041	36,044	188,844	29,479	30,601	248,924

Capital review continued

Leverage Ratio

	30.09.24 \$million	30.06.24 \$million	Change ³ %	31.12.23 \$million	Change ³ %
Tier 1 capital	41,932	41,902	–	39,806	5
Derivative financial instruments	56,318	48,647	16	50,434	12
Derivative cash collateral	10,612	8,099	31	10,337	3
Securities financing transactions (SFTs)	100,636	104,981	(4)	97,581	3
Loans and advances and other assets	704,607	673,700	5	664,492	6
Total on-balance sheet assets	872,173	835,427	4	822,844	6
Regulatory consolidation adjustments ¹	(87,268)	(82,607)	6	(92,709)	(6)
Derivatives adjustments					
Derivatives netting	(45,204)	(36,580)	24	(39,031)	16
Adjustments to cash collateral	(10,091)	(6,876)	47	(9,833)	3
Net written credit protection	1,842	1,316	40	1,359	36
Potential future exposure on derivatives	50,091	45,488	10	42,184	19
Total derivatives adjustments	(3,362)	3,348	nm	(5,321)	nm
Counterparty risk leverage exposure measure for SFTs	4,065	3,885	5	6,639	(39)
Off-balance sheet items	121,668	125,194	(3)	123,572	(2)
Regulatory deductions from Tier 1 capital	(8,107)	(7,474)	8	(7,883)	3
Total exposure measure excluding claims on central banks	899,169	877,773	2	847,142	6
Leverage ratio excluding claims on central banks (%)²	4.7%	4.8%	(0.1)	4.7%	(0.0)
Average leverage exposure measure excluding claims on central banks	887,398	870,657	2	853,968	4
Average leverage ratio excluding claims on central banks (%)²	4.6%	4.7%	(0.1)	4.6%	0.0
Countercyclical leverage ratio buffer²	0.2%	0.2%	–	0.1%	0.1
G-SII additional leverage ratio buffer²	0.4%	0.4%	–	0.4%	–

1 Includes adjustment for qualifying central bank claims and unsettled regular way trades

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

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

Financial statements

Condensed consolidated interim income statement

For the nine months ended 30 September 2024

	9 months ended 30.09.24 \$million	9 months ended 30.09.23 \$million
Interest income	21,180	20,218
Interest expense	(16,523)	(14,309)
Net interest income	4,657	5,909
Fees and commission income	3,551	3,153
Fees and commission expense	(644)	(622)
Net fee and commission income	2,907	2,531
Net trading income	7,228	4,805
Other operating income	(51)	405
Operating income	14,741	13,650
Staff costs	(6,473)	(6,255)
Premises costs	(268)	(313)
General administrative expenses	(1,502)	(1,149)
Depreciation and amortisation	(784)	(821)
Operating expenses	(9,027)	(8,538)
Operating profit before impairment losses and taxation	5,714	5,112
Credit impairment	(418)	(453)
Goodwill, property, plant and equipment and other impairment	(235)	(811)
Profit from associates and joint ventures	153	108
Profit before taxation	5,214	3,956
Taxation	(1,698)	(1,432)
Profit for the period	3,516	2,524
Profit attributable to:		
Non-controlling interests	(12)	(9)
Parent company shareholders	3,528	2,533
Profit for the period	3,516	2,524
	cents	cents
Earnings per share:		
Basic earnings per ordinary share	120.2	74.9
Diluted earnings per ordinary share	117.2	73.3

Financial statements continued

Condensed consolidated interim statement of comprehensive income

For the nine months ended 30 September 2024

	30.09.24 \$million	30.09.23 \$million
Profit for the period	3,516	2,524
Other comprehensive loss		
Items that will not be reclassified to income statement:	(188)	(84)
Own credit losses on financial liabilities designated at fair value through profit or loss	(351)	(137)
Equity instruments at fair value through other comprehensive (loss)/income	(3)	66
Actuarial gains on retirement benefit obligations	33	14
Revaluation Surplus	16	-
Taxation relating to components of other comprehensive income	117	(27)
Items that may be reclassified subsequently to income statement:	932	(364)
Exchange differences on translation of foreign operations:		
Net gains/(losses) taken to equity	32	(1,363)
Net gains on net investment hedges	149	446
Share of other comprehensive income/(loss) from associates and joint ventures	15	(5)
Debt instruments at fair value through other comprehensive income:		
Net valuation gains taken to equity	342	113
Reclassified to income statement	134	108
Net impact of expected credit losses	(24)	(51)
Cash flow hedges:		
Net movements in cash flow hedge reserve	394	422
Taxation relating to components of other comprehensive income	(110)	(34)
Other comprehensive income/(loss) for the period, net of taxation	744	(448)
Total comprehensive income for the period	4,260	2,076
Total comprehensive income attributable to:		
Non-controlling interests	(16)	(46)
Parent company shareholders	4,276	2,122
Total comprehensive income for the period	4,260	2,076

Financial statements continued

Condensed consolidated interim balance sheet

As at 30 September 2024

	30.09.24 \$million	31.12.23 \$million
Assets		
Cash and balances at central banks	64,905	69,905
Financial assets held at fair value through profit or loss	189,218	147,222
Derivative financial instruments	56,318	50,434
Loans and advances to banks	47,512	44,977
Loans and advances to customers	287,257	286,975
Investment securities	148,068	161,255
Other assets	63,580	47,594
Current tax assets	517	484
Prepayments and accrued income	3,361	3,033
Interests in associates and joint ventures	1,116	966
Goodwill and intangible assets	6,279	6,214
Property, plant and equipment	2,283	2,274
Deferred tax assets	540	702
Retirement benefit schemes in surplus	116	–
Assets classified as held for sale	1,103	809
Total assets	872,173	822,844
Liabilities		
Deposits by banks	32,172	28,030
Customer accounts	478,140	469,418
Repurchase agreements and other similar secured borrowing	9,865	12,258
Financial liabilities held at fair value through profit or loss	95,771	83,096
Derivative financial instruments	62,105	56,061
Debt securities in issue	64,783	62,546
Other liabilities	55,664	39,221
Current tax liabilities	1,140	811
Accruals and deferred income	6,632	6,975
Subordinated liabilities and other borrowed funds	11,327	12,036
Deferred tax liabilities	710	770
Provisions for liabilities and charges	342	299
Retirement benefit schemes in deficit	276	183
Liabilities included in disposal groups held for sale	510	787
Total liabilities	819,437	772,491
Equity		
Share capital and share premium account	6,728	6,815
Other reserves	9,954	9,171
Retained earnings	28,577	28,459
Total parent company shareholders' equity	45,259	44,445
Other equity instruments	7,080	5,512
Total equity excluding non-controlling interests	52,339	49,957
Non-controlling interests	397	396
Total equity	52,736	50,353
Total equity and liabilities	872,173	822,844

Financial statements continued

Condensed consolidated interim statement of changes in equity

For the nine months ended 30 September 2024

	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 – 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 2023	5,436	1,494	17,338	(63)	(1,116)	206	(564)	(7,636)	28,067	43,162	6,504	350	50,016
Profit for the period	-	-	-	-	-	-	-	-	3,469	3,469	-	(7)	3,462
Other comprehensive income/(loss) ²	-	-	-	163	426	124	655	(489)	(47) ³	832	-	(31)	801
Distributions	-	-	-	-	-	-	-	-	-	-	-	(26)	(26)
Redemption of other equity instruments	-	-	-	-	-	-	-	-	-	-	(1,000)	-	(1,000)
Treasury shares net movement	-	-	-	-	-	-	-	-	(189)	(189)	-	-	(189)
Share option expense, net of taxation	-	-	-	-	-	-	-	-	173	173	-	-	173
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(568)	(568)	-	-	(568)
Dividends on preference shares and AT1 securities	-	-	-	-	-	-	-	-	(452)	(452)	-	-	(452)
Share buy-back ^{4,5}	(115)	-	115	-	-	-	-	-	(2,000)	(2,000)	-	-	(2,000)
Other movements	-	-	-	-	-	-	-	12 ⁶	6 ⁶	18	8 ⁶	110 ⁷	136
As at 31 December 2023	5,321	1,494	17,453	100	(690)	330	91	(8,113)	28,459	44,445	5,512	396	50,353
Profit for the period	-	-	-	-	-	-	-	-	3,528	3,528	-	(12)	3,516
Other comprehensive (loss)/income ²	-	-	-	(305)	427	(87) ¹²	325	173	215 ¹³	748	-	(4)	744
Distributions	-	-	-	-	-	-	-	-	-	-	-	(35)	(35)
Other equity instruments issued, net of expenses	-	-	-	-	-	-	-	-	-	-	1,568 ¹⁴	-	1,568
Treasury shares net movement	-	-	-	-	-	-	-	-	(1)	(1)	-	-	(1)
Share option expense, net of taxation	-	-	-	-	-	-	-	-	205	205	-	-	205
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(780)	(780)	-	-	(780)
Dividends on preference shares and AT1 securities	-	-	-	-	-	-	-	-	(428)	(428)	-	-	(428)
Share buy-back ^{8,9}	(87)	-	87	-	-	-	-	-	(2,500)	(2,500)	-	-	(2,500)
Other movements	-	-	-	-	7	-	-	156 ⁶	(121) ¹⁰	42	-	52 ¹¹	94
As at 30 September 2024	5,234	1,494	17,540	(205)	(256)	243	416	(7,784)	28,577	45,259	7,080	397	52,736

1 Includes capital reserve of \$5 million, capital redemption reserve of \$424 million and merger reserve of \$17,111 million

2 All the amounts are net of tax

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

4 On 16 February 2023, the Group announced the buyback programme for a share buyback of its ordinary shares of \$0.50 each. Nominal value of share purchases was \$58 million, and the total consideration paid was \$1,000 million and the buyback completed on 29 September 2023. The total number of shares purchased was 116,710,492, representing 4.03 per cent of the ordinary shares in issue as at the commencement of the buyback. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account

5 On 28 July 2023, the Group announced the buyback programme for a share buyback of its ordinary shares of \$0.50 each. Nominal value of share purchases was \$57 million, and the total consideration paid was \$1,000 million and the buyback completed on 6 November 2023. The total number of shares purchased was 112,982,802, representing 3.90 per cent of the ordinary shares in issue as at the commencement of the buyback. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account

6 Movement related to Translation adjustment and AT1 Securities charges. September 2024 balance includes \$190 million translation adjustment loss from sale of SCB Zimbabwe Limited recycled to other operating income

7 Movements primarily from non-controlling interest pertaining to Mox Bank Limited (\$48 million), Trust Bank Singapore Limited (\$34 million) and Zodia Custody Limited (\$28 million)

8 On 23 February 2024, the Group announced the buyback programme for a share buyback of its ordinary shares of \$0.50 each. Nominal value of share purchases was \$57 million, the total consideration paid was \$1,000 million, and the buyback completed on 25 June 2024. The total number of shares purchased was 113,266,516, representing 4.25 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.

9 On 30 July 2024, the Group announced the buyback programme for a share buyback of its ordinary shares of \$0.50 each. As at Q3 2024 the buyback is ongoing, but the total number of shares purchased was 61,080,300 representing 2.39 per cent of the ordinary shares in issue, the total consideration paid was \$603 million, and a further \$897 million relating to irrevocable obligation to buy back shares under the buyback programme has been recognised. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account

10 Includes \$80 million loss to retained earnings related to Ghana Hyperinflation and AT1 Securities charges

11 Movements related to non-controlling interest from Mox Bank Limited (\$4 million) and Trust Bank Singapore Ltd (\$48 million)

12 Includes \$174 million gain on sale of equity investment transferred to retained earnings partly offset by \$76 million reversal of deferred tax liability

13 Includes \$174 million gain on sale of equity investment in other comprehensive income reserve transferred to retained earnings partly offset by \$13 million capital gain tax

14 Includes \$992 million and \$576 million (SGD 750 million) fixed rate resetting perpetual subordinated contingent convertible AT1 securities issued by Standard Chartered PLC

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 nine months ended 30 September 2024. 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 material accounting policies are described in the Annual Report 2023, 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 2024 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 interim financial report is unaudited and does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. All references to reported performance/results within this interim financial report means amounts reported under UK-adopted IAS and EU IFRS or in reference to the statutory accounts for the year ended 31 December 2023, unless otherwise stated. This document was approved by the Board on 30 October 2024. The statutory accounts for the year ended 31 December 2023 have been audited and delivered to the Registrar of Companies in England and Wales. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under sections 498(2) and 498(3) 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, Funding and Liquidity metrics, Capital and Liquidity plans, Legal and regulatory matters, Credit impairment, 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 30 October 2024. For this reason, the Group continues to adopt the going concern basis of accounting for preparing the interim financial information.

Other supplementary financial information

Net Interest Margin

	3 months ended 30.09.24 \$million	3 months ended 30.06.24 \$million	3 months ended 30.09.23 \$million
Interest income (reported)	6,986	7,057	7,391
Average interest earning assets	532,459	533,869	579,713
Gross yield (%)	5.22	5.32	5.06
Interest expense (reported)	5,504	5,454	5,466
Adjustment for trading book funding cost and others	(1,124)	(959)	(455)
Adjusted interest expense for trading book funding cost and others	4,380	4,495	5,011
Average interest-bearing liabilities	540,691	538,054	548,297
Rate paid (%)	3.22	3.36	3.63
Net yield (%)	2.00	1.96	1.43
Net interest income adjusted for adjustment for trading book funding cost and others	2,606	2,562	2,380
Net interest margin (%)	1.95	1.93	1.63

Other supplementary financial information continued

Important Notice

Forward-looking statements

This document may contain 'forward-looking statements' that are based upon current expectations or beliefs, as well as statements formulated with assumptions about future events. These forward-looking statements can be identified by the fact 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', 'aim', '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. Readers should not place reliance on, and are cautioned about relying on, any forward-looking statements.

There are several factors that 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 or market forces or conditions, or in future exchange and interest rates; changes in environmental, geopolitical, social or physical risks; legislative, regulatory and policy developments; the development of standards and interpretations; the ability of the Group, together with governments and other stakeholders, to measure, manage, and mitigate the impacts of climate change and broader sustainability-related issues effectively; risks arising out of health crises and pandemics; risks of cyberattacks, data, information or security breaches or technology failures involving the Group; changes in tax rates, future business combinations or dispositions; and other factors specific to the Group, including those identified in the financial statements of the Group. Any forward-looking statements contained in this document are 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, nor should be interpreted as, 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 2023 Annual Report and the financial statements of the Group for a discussion of certain of the risks and factors that could adversely impact the Group's actual results, and cause its plans and objectives, to differ materially from those expressed or implied in any 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 are subject to adjustment that is beyond our control, and the information is subject to change without notice.

Chinese translation

If there is a dispute between any translation and the English version of this Q3 2024 Results, the English text shall prevail.

CONTACT INFORMATION

Global headquarters

Standard Chartered Group
1 Basinghall Avenue
London, EC2V 5DD
United Kingdom

telephone: +44 (0)20 7885 8888
facsimile: +44 (0)20 7885 9999

Shareholder enquiries

ShareCare information
website: sc.com/shareholders
helpline: +44 (0)370 702 0138

ShareGift information
website: ShareGift.org
helpline: +44 (0)20 7930 3737

Registrar information

UK

Computershare Investor Services PLC

The Pavilions
Bridgwater Road
Bristol, BS99 6ZZ

helpline: +44 (0)370 702 0138

Hong Kong

Computershare Hong Kong Investor Services Limited

17M Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

website: computershare.com/hk/investors

Chinese translation

Computershare Hong Kong Investor Services Limited

17M Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

Register for electronic communications

website: investorcentre.co.uk

For further information, please contact:

Manus Costello, Global Head of Investor Relations
+44 (0) 20 7885 0017

LSE Stock code: STAN.LN
HKSE Stock code: 02888

By Order of the Board
Adrian de Souza
Group Company Secretary

Hong Kong, 30 October 2024

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 Diego De Giorgi

Independent Non-Executive Directors:
Shirish Moreswar Apte; David Philbrick Conner; Jacqueline Hunt; Diane Enberg Jurgens; Robin Ann Lawther, CBE; Maria da Conceicao das Neves Calha Ramos (Senior Independent Director); Philip George Rivett; David Tang and Linda Yi-chuang Yueh, CBE