Supplemental Listing Document

If you are in any doubt as to any aspect of this document, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, accountant or other professional adviser.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in and for quotation of the Certificates (as defined below). The SGX-ST takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of SG Issuer, Société Générale, the Certificates, or the Company (as defined below).

5,000,000 European Style Cash Settled Short Certificates relating to

the ordinary shares of HSBC Holdings plc

with a Daily Leverage of -5x

issued by

SG Issuer

(Incorporated in Luxembourg with limited liability)

unconditionally and irrevocably guaranteed by

Société Générale

Issue Price: S$0.80 per Certificate

This document is published for the purpose of obtaining a listing of all the above certificates (the "**Certificates**") to be issued by SG Issuer (the "**Issuer**") unconditionally and irrevocably guaranteed by Société Générale (the "**Guarantor**"), and is supplemental to and should be read in conjunction with a base listing document dated 18 June 2021 including such further base listing documents as may be issued from time to time (the "**Base Listing Document**") for the purpose of giving information with regard to the Issuer, the Guarantor and the Certificates. Information relating to the Company (as defined below) is contained in this document.

This document does not constitute or form part of any offer, or invitation, to subscribe for or to sell, or solicitation of any offer to subscribe for or to purchase, Certificates or other securities of the Issuer, nor is it calculated to invite, nor does it permit the making of, offers by the public to subscribe for or purchase for cash or other consideration the Certificates or other securities of the Issuer.

Restrictions have been imposed on offers and sales of the Certificates and on distributions of documents relating thereto in Singapore, Hong Kong, the European Economic Area, the United Kingdom and the United States (see "Placing and Sale" contained herein).

The Certificates are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Certificates may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. The price of the Certificates also depends on the supply and demand for the Certificates in the market and the price at which the Certificates is trading at any time may differ from the underlying valuation of the Certificates because of market inefficiencies. It is not possible to predict the secondary market for the Certificates. Although the Issuer, the Guarantor and/or any of their affiliates may from time to time purchase the Certificates or sell additional Certificates on the market, the Issuer, the Guarantor and/or any of their affiliates are not obliged to do so. Investors should also note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock (as defined below) and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock.

The Certificates are classified as capital markets products other than prescribed capital markets products[1] and Specified Investment Products (SIPs)[2], and may only be sold to retail investors with enhanced safeguards, including an assessment of such investors' investment knowledge or experience.

The Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the guarantee dated 18 June 2021 (the "**Guarantee**") and entered into by the Guarantor constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person, and if you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person.

Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. It is expected that dealings in the Certificates will commence on or about 17 December 2021.

As of the date hereof, the Guarantor's long term credit rating by S&P Global Ratings is A, and by Moody's Investors Service, Inc. is A1.

The Issuer is regulated by the Luxembourg Commission de Surveillance du Secteur Financier on a consolidated basis and the Guarantor is regulated by, *inter alia*, the Autorité des Marchés Financiers, the Autorité de Contrôle Prudentiel et de Résolution and the European Central Bank.

16 December 2021

[1] As defined in the Securities and Futures (Capital Markets Products) Regulations 2018.
[2] As defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Subject as set out below, the Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this document and the Base Listing Document in relation to themselves and the Certificates. To the best of the knowledge and belief of the Issuer and the Guarantor (each of which has taken all reasonable care to ensure that such is the case), the information contained in this document and the Base Listing Document for which they accept responsibility (subject as set out below in respect of the information contained herein with regard to the Company) is in accordance with the facts and does not omit anything likely to affect the import of such information. The information with regard to the Company as set out herein is extracted from publicly available information. The Issuer and the Guarantor accept responsibility only for the accurate reproduction of such information. No further or other responsibility or liability in respect of such information is accepted by the Issuer and the Guarantor.

No person has been authorised to give any information or to make any representation other than those contained in this document in connection with the offering of the Certificates, and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or the Guarantor. Neither the delivery of this document nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer, the Guarantor or their respective subsidiaries and associates since the date hereof.

This document does not constitute an offer or invitation by or on behalf of the Issuer or the Guarantor to purchase or subscribe for any of the Certificates. The distribution of this document and the offering of the Certificates may, in certain jurisdictions, be restricted by law. The Issuer and the Guarantor require persons into whose possession this document comes to inform themselves of and observe all such restrictions. In particular, the Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act of 1936, as amended and the Issuer will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised. A further description of certain restrictions on offering and sale of the Certificates and distribution of this document is given in the section headed "Placing and Sale" contained herein.

The SGX-ST has made no assessment of, nor taken any responsibility for, the financial soundness of the Issuer or the Guarantor or the merits of investing in the Certificates, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

The Issuer, the Guarantor and/or any of their affiliates may repurchase Certificates at any time on or after the date of issue and any Certificates so repurchased may be offered from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer, the Guarantor and/or any of their affiliates.

Investors should not therefore make any assumption as to the number of Certificates in issue at any time.

References in this document to the "**Conditions**" shall mean references to the Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities contained in the Base Listing Document. Terms not defined herein shall have the meanings ascribed thereto in the Conditions.

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RISK FACTORS

The following are risk factors relating to the Certificates:

(a) investment in Certificates involves substantial risks including market risk, liquidity risk, and the risk that the Issuer and/or the Guarantor will be unable to satisfy its/their obligations under the Certificates. Investors should ensure that they understand the nature of all these risks before making a decision to invest in the Certificates. You should consider carefully whether Certificates are suitable for you in light of your experience, objectives, financial position and other relevant circumstances. Certificates are not suitable for inexperienced investors;

(b) the Certificates constitute general unsecured obligations of the Issuer (in the case of any substitution of the Issuer in accordance with the Conditions of the Certificates, the Substituted Obligor as defined in the Conditions of the Certificates) and of no other person, and the Guarantee constitutes direct unconditional unsecured senior preferred obligations of the Guarantor and of no other person. In particular, it should be noted that the Issuer issues a large number of financial instruments, including Certificates, on a global basis and, at any given time, the financial instruments outstanding may be substantial. If you purchase the Certificates, you are relying upon the creditworthiness of the Issuer and the Guarantor and have no rights under the Certificates against any other person;

(c) since the Certificates relate to the price of the Underlying Stock, certain events relating to the Underlying Stock may cause adverse movements in the value and the price of the Underlying Stock, as a result of which, the Certificate Holders (as defined in the Conditions of the Certificates) may, in extreme circumstances, sustain a significant loss of their investment if the price of the Underlying Stock has risen sharply;

(d) due to their nature, the Certificates can be volatile instruments and may be subject to considerable fluctuations in value. The price of the Certificates may fall in value as rapidly as it may rise due to, including but not limited to, variations in the frequency and magnitude of the changes in the price of the Underlying Stock, the time remaining to expiry, the currency exchange rates and the creditworthiness of the Issuer and the Guarantor;

(e) if, whilst any of the Certificates remain unexercised, trading in the Underlying Stock is suspended or halted on the relevant stock exchange, trading in the Certificates may be suspended for a similar period;

(f) as indicated in the Conditions of the Certificates and herein, a Certificate Holder must tender a specified number of Certificates at any one time in order to exercise. Thus, Certificate Holders with fewer than the specified minimum number of Certificates in a particular series will either have to sell their Certificates or purchase additional Certificates, incurring transactions costs in each case, in order to realise their investment;

(g) investors should note that in the event of there being a Market Disruption Event (as defined in the Conditions) determination or payment of the Cash Settlement Amount (as defined in the Conditions) may be delayed, all as more fully described in the Conditions;

(h) certain events relating to the Underlying Stock require or, as the case may be, permit the Issuer to make certain adjustments or amendments to the Conditions. Investors may refer to the Conditions 4 and 6 on pages 31 to 35 and the examples and illustrations of adjustments set out in the "Information relating to the European Style Cash Settled Short Certificates on Single Equities" section of this document for more information;

(i) the Certificates are only exercisable on the Expiry Date and may not be exercised by Certificate Holders prior to such Expiry Date. Accordingly, if on the Expiry Date the Cash Settlement Amount is zero, a Certificate Holder will lose the value of his investment;

(j) the total return on an investment in any Certificate may be affected by the Hedging Fee Factor (as defined below), Management Fee (as defined below) and Gap Premium (as defined below);

(k) investors holding their position overnight should note that they would be required to bear the annualised cost which consists of the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy (as described below) including the Stock Borrowing Cost (as defined below) and Rebalancing Cost (as defined below);

(l) investors should note that there may be an exchange rate risk relating to the Certificates where the Cash Settlement Amount is converted from a foreign currency into Singapore dollars.

Exchange rates between currencies are determined by forces of supply and demand in the foreign exchange markets. These forces are, in turn, affected by factors such as international balances of payments and other economic and financial conditions, government intervention in currency markets and currency trading speculation. Fluctuations in foreign exchange rates, foreign political and economic developments, and the imposition of exchange controls or other foreign governmental laws or restrictions applicable to such investments may affect the foreign currency market price and the exchange rate-adjusted equivalent price of the Certificates. Fluctuations in the exchange rate of any one currency may be offset by fluctuations in the exchange rate of other relevant currencies;

(m) investors should note that there are leveraged risks because the Certificates integrate an inverse leverage mechanism and the Certificates will amplify the movements in the increase, and in the decrease, of the value of the Underlying Stock and if the investment results in a loss, any such loss will be increased by the leverage factor of the Certificates. As such, investors could lose more than they would if they had invested directly in the Underlying Stock;

(n) when held for longer than a day, the performance of the Certificates could be more or less than the leverage factor that is embedded within the Certificates. The performance of the Certificates each day is locked in, and any subsequent returns are based on what was achieved the previous day. This process, referred to as compounding, may lead to a performance difference from 5 times the inverse performance of the Underlying Stock over a period longer than one day. This difference may be amplified in a volatile market with a sideway trend, where market movements are not clear in direction, whereby investors may sustain substantial losses;

(o) the Air Bag Mechanism (as defined below) is triggered only when the Underlying Stock is calculated or traded, which may not be during the trading hours of the Relevant Stock Exchange for the Certificates (as defined below);

(p) investors should note that the Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses;

(q) there is no assurance that the Air Bag Mechanism will prevent investors from losing the entire value of their investment, in the event of (i) an overnight increase in the Underlying Stock, where there is a 20% or greater gap between the previous day closing price and the opening price of the Underlying Stock the following day, as the Air Bag Mechanism will only be triggered when market opens the following day or (ii) a sharp intraday increase in the price of the Underlying

Stock of 20% or greater within the 15 minutes Observation Period compared to the reference price, being: (1) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (2) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. Investors may refer to pages 51 to 52 of this document for more information;

(r) certain events may, pursuant to the terms and conditions of the Certificates, trigger (i) the implementation of methods of adjustment or (ii) the early termination of the Certificates. The Issuer will give the investors reasonable notice of any early termination. If the Issuer terminates the Certificates early, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of the Certificate less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. The performance of this commitment shall depend on (i) general market conditions and (ii) the liquidity conditions of the underlying instrument(s) and, as the case may be, of any other hedging transactions. Investors should note that the amount repaid by the Issuer may be less than the amount initially invested. Investors may refer to the Condition 13 on pages 37 to 38 of this document for more information;

(s) there is no assurance that an active trading market for the Certificates will sustain throughout the life of the Certificates, or if it does sustain, it may be due to market making on the part of the Designated Market Maker. The Issuer acting through its Designated Market Maker may be the only market participant buying and selling the Certificates. Therefore, the secondary market for the Certificates may be limited and you may not be able to realise the value of the Certificates. Do note that the bid-ask spread increases with illiquidity;

(t) in the ordinary course of their business, including without limitation, in connection with the Issuer or its appointed designated market maker's market making activities, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may effect transactions for their own account or for the account of their customers and hold long or short positions in the Underlying Stock. In addition, in connection with the offering of any Certificates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into one or more hedging transactions with respect to the Underlying Stock. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer, the Guarantor and any of their respective subsidiaries and affiliates, the Issuer, the Guarantor and any of their respective subsidiaries and affiliates may enter into transactions in the Underlying Stock which may affect the market price, liquidity or value of the Certificates and which may affect the interests of Certificate Holders;

(u) various potential and actual conflicts of interest may arise from the overall activities of the Issuer, the Guarantor and/or any of their subsidiaries and affiliates.

The Issuer, the Guarantor and any of their subsidiaries and affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, hedging transactions and investment and other activities for their own account or the account of others. In addition, the Issuer, the Guarantor and any of their subsidiaries and affiliates, in connection with their other business activities, may possess or acquire material information about the Underlying Stock. Such activities and information may involve or otherwise affect issuers of the Underlying Stock in a manner that may cause consequences adverse to the Certificate Holders or otherwise create conflicts of interests in connection with the issue of Certificates by the Issuer. Such actions and conflicts may include, without limitation, the exercise of voting power, the purchase and sale of securities, financial advisory relationships and exercise of creditor rights. The Issuer, the Guarantor and any of their subsidiaries and affiliates have no obligation to disclose such information about the Underlying Stock or such activities. The Issuer, the Guarantor and any of their subsidiaries and affiliates and their officers and directors may engage in any such activities without regard to the issue of Certificates by the Issuer or the effect that such activities may directly or indirectly have on any Certificate;

(v) legal considerations which may restrict the possibility of certain investments:

Some investors' investment activities are subject to specific laws and regulations or laws and regulations currently being considered by various authorities. All potential investors must consult their own legal advisers to check whether and to what extent (i) they can legally purchase the Certificates (ii) the Certificates can be used as collateral security for various forms of borrowing (iii) if other restrictions apply to the purchase of Certificates or their use as collateral security. Financial institutions must consult their legal advisers or regulators to determine the appropriate treatment of the Certificates under any applicable risk-based capital or similar rules;

(w) the credit rating of the Guarantor is an assessment of its ability to pay obligations, including those on the Certificates. Consequently, actual or anticipated declines in the credit rating of the Guarantor may affect the market value of the Certificates;

(x) the Certificates are linked to the Underlying Stock and subject to the risk that the price of the Underlying Stock may rise. The following is a list of some of the significant risks associated with the Underlying Stock:

- Historical performance of the Underlying Stock does not give an indication of future performance of the Underlying Stock. It is impossible to predict whether the price of the Underlying Stock will fall or rise over the term of the Certificates; and
- The price of the Underlying Stock may be affected by the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which the Underlying Stock may be traded;

(y) the value of the Certificates depends on the Leverage Inverse Strategy performance built in the Certificate. The Calculation Agent will make the Leverage Inverse Strategy last closing level and a calculation tool available to the investors on a website;

(z) two or more risk factors may simultaneously have an effect on the value of a Certificate such that the effect of any individual risk factor may not be predicted. No assurance can be given as to the effect any combination of risk factors may have on the value of a Certificate;

(aa) as the Certificates are represented by a global warrant certificate which will be deposited with The Central Depository (Pte) Limited ("**CDP**"):

(i) investors should note that no definitive certificate will be issued in relation to the Certificates;

(ii) there will be no register of Certificate Holders and each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates by way of interest (to the extent of such number) in the global warrant certificate in respect of those Certificates represented thereby shall be treated as the holder of such number of Certificates;

(iii) investors will need to rely on any statements received from their brokers/custodians as evidence of their interest in the Certificates; and

(iv) notices to such Certificate Holders will be published on the web-site of the SGX-ST. Investors will need to check the web-site of the SGX-ST regularly and/or rely on their brokers/custodians to obtain such notices;

(bb) the reform of HIBOR may adversely affect the value of the Certificates

The Hong Kong Inter-bank Offered Rate ("**HIBOR**") benchmark is referenced in the Leverage Inverse Strategy.

It is not possible to predict with certainty whether, and to what extent, HIBOR will continue to be supported going forwards. This may cause HIBOR to perform differently than they have done in the past, and may have other consequences which cannot be predicted. Such factors may have (without limitation) the following effects: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on the Certificates.

In addition, the occurrence of a modification or cessation of HIBOR may cause adjustment of the Certificates which may include selecting one or more successor benchmarks and making related adjustments to the Certificates, including if applicable to reflect increased costs.

The Calculation Agent may make adjustments as it may determine appropriate if any of the following circumstances occurs or may occur: (1) HIBOR is materially changed or cancelled or (2)(i) the relevant authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the benchmark or the administrator or sponsor of the benchmark is not obtained, (ii) an application for authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is rejected or (iii) any authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or inclusion in any official register is withdrawn.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any of the international or national reforms in making any investment decision with respect to any Certificate;

(cc) the US Foreign Account Tax Compliance Act ("**FATCA**") withholding risk:

FATCA generally imposes a 30 per cent. withholding tax on certain U.S.-source payments to certain non-US persons that do provide certification of their compliance with IRS rules to disclose the identity of their US owners and account holders (if any) or establish a basis for exemption for such disclosure. The Issuer or an investor's broker or custodian may be subject to FATCA and, as a result, may be required to obtain certification from investors that they have complied with FATCA disclosure requirements or have established a basis for exemption from FATCA. If an investor does not provide the Issuer or the relevant broker or custodian with such certification, the Issuer and the Guarantor or other withholding agent could be required to withhold U.S. tax on U.S.-source income (if any) paid pursuant to the Certificates. In certain cases, the Issuer or the relevant broker or custodian could be required to close an account of an investor who does not comply with the FATCA certification procedures.

FATCA IS PARTICULARLY COMPLEX. EACH INVESTOR SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO DETERMINE HOW THIS LEGISLATION MIGHT AFFECT EACH INVESTOR IN ITS PARTICULAR CIRCUMSTANCES;

(dd) U.S. withholding tax

The Issuer has determined that this Certificate is not linked to U.S. Underlying Equities within the meaning of applicable regulations under Section 871(m) of the United States Internal Revenue Code, as discussed in the accompanying Base Listing Document under "TAXATION—TAXATION IN THE UNITED STATES OF AMERICA—Section 871(m) of the U.S. Internal Revenue Code of 1986." Accordingly, the Issuer expects that Section 871(m) will not apply to the Certificates. Such determination is not binding on the IRS, and the IRS may disagree with this determination. Section 871(m) is complex and its application may depend on a Certificate Holder's particular circumstances. Certificate Holders should consult with their own tax advisers regarding the potential application of Section 871(m) to the Certificates; and

(ee) risk factors relating to the BRRD

French and Luxembourg law and European legislation regarding the resolution of financial institutions may require the write-down or conversion to equity of the Certificates or other resolution measures if the Issuer or the Guarantor is deemed to meet the conditions for resolution.

Directive 2014/59/EU of the European Parliament and of the Council of the European Union dated 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**BRRD**") entered into force on 2 July 2014. The BRRD has been implemented into Luxembourg law by, among others, the Luxembourg act dated 18 December 2015 on the failure of credit institutions and certain investment firms, as amended (the "**BRR Act 2015**"). Under the BRR Act 2015, the competent authority is the Luxembourg financial sector supervisory authority (*Commission de surveillance du secteur financier*, the CSSF) and the resolution authority is the CSSF acting as resolution council (*conseil de résolution*).

Moreover, Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism ("**SRM**") and a Single Resolution Fund (the "**SRM Regulation**") has established a centralised power of resolution entrusted to a Single Resolution Board (the "**SRB**") in cooperation with the national resolution authorities.

Since November 2014, the European Central Bank ("**ECB**") has taken over the prudential supervision of significant credit institutions in the member states of the Eurozone under the Single Supervisory Mechanism ("**SSM**"). In addition, the SRM has been put in place to ensure that the resolution of credit institutions and certain investment firms across the Eurozone is harmonised. As mentioned above, the SRM is managed by the SRB. Under Article 5(1) of the SRM Regulation, the SRM has been granted those responsibilities and powers granted to the EU Member States' resolution authorities under the BRRD for those credit institutions and certain investment firms subject to direct supervision by the ECB. The ability of the SRB to exercise these powers came into force at the beginning of 2016.

Societe Generale has been designated as a significant supervised entity for the purposes of Article 49(1) of Regulation (EU) No 468/2014 of the ECB of 16 April 2014 establishing the framework for cooperation within the SSM between the ECB and national competent authorities and with national designated authorities (the "**SSM Regulation**") and is consequently subject to the direct supervision of the ECB in the context of the SSM. This means that Societe Generale and SG Issuer (being covered by the consolidated prudential supervision of Societe Generale) are also subject to the SRM which came into force in 2015. The SRM Regulation mirrors the BRRD and, to a large part, refers to the BRRD so that the SRB is able to apply the same powers that would otherwise be available to the relevant national resolution authority.

The stated aim of the BRRD and the SRM Regulation is to provide for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and certain investment firms. The regime provided for by the BRRD is, among other things, stated to be needed to provide the resolution authority designated by each EU Member State (the "**Resolution Authority**") with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions while minimising the impact of an institution's failure on the economy and financial system (including taxpayers' exposure to losses).

Under the SRM Regulation, a centralised power of resolution is established and entrusted to the SRB acting in cooperation with the national resolution authorities. In accordance with the provisions of the SRM Regulation, when applicable, the SRB, has replaced the national resolution authorities designated under the BRRD with respect to all aspects relating to the decision-making process and the national resolution authorities designated under the BRRD continue to carry out activities relating to the implementation of resolution schemes adopted by the SRB. The provisions relating to the cooperation between the SRB and the national resolution authorities for the preparation of the institutions' resolution plans have applied since 1 January 2015 and the SRM has been fully operational since 1 January 2016.

The SRB is the Resolution Authority for the Issuer and the Guarantor.

The powers provided to the Resolution Authority in the BRRD and the SRM Regulation include write-down/conversion powers to ensure that capital instruments (including subordinated debt instruments) and eligible liabilities (including senior debt instruments if junior instruments prove insufficient to absorb all losses) absorb losses of the issuing institution that is subject to resolution in accordance with a set order of priority (the "**Bail-in Power**"). The conditions for resolution under the SRM Regulation are deemed to be met when: (i) the Resolution Authority determines that the institution is failing or is likely to fail, (ii) there is no reasonable prospect that any measure other than a resolution measure would prevent the failure within a reasonable timeframe, and (iii) a resolution measure is necessary for the achievement of the resolution objectives (in particular, ensuring the continuity of critical functions, avoiding a significant adverse effect on the financial system, protecting public funds by minimizing reliance on extraordinary public financial support, and protecting client funds and assets) and winding up of the institution under normal insolvency proceedings would not meet those resolution objectives to the same extent.

The Resolution Authority could also, independently of a resolution measure or in combination with a resolution measure, fully or partially write-down or convert capital instruments (including subordinated debt instruments) into equity when it determines that the institution or its group will no longer be viable unless such write-down or conversion power is exercised or when the institution requires extraordinary public financial support (except when extraordinary public financial support is provided in Article 10 of the SRM Regulation). The terms and conditions of the Certificates contain provisions giving effect to the Bail-in Power in the context of resolution and write-down or conversion of capital instruments at the point of non-viability.

The Bail-in Power could result in the full (i.e., to zero) or partial write-down or conversion of the Certificates into ordinary shares or other instruments of ownership, or the variation of the terms of the Certificates (for example, the maturity and/or interest payable may be altered and/or a temporary suspension of payments may be ordered). Extraordinary public financial support should only be used as a last resort after having assessed and applied, to the maximum extent practicable, the resolution measures. No support will be available until a minimum amount of contribution to loss absorption and recapitalization of 8% of total liabilities including own funds has been made by shareholders, holders of capital instruments and other eligible liabilities through write-down, conversion or otherwise.

In addition to the Bail-in Power, the BRRD provides the Resolution Authority with broader powers to implement other resolution measures with respect to institutions that meet the conditions for resolution, which may include (without limitation) the sale of the institution’s business, the creation of a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), removing management, appointing an interim administrator, and discontinuing the listing and admission to trading of financial instruments.

Before taking a resolution measure, including implementing the Bail-in Power, or exercising the power to write down or convert relevant capital instruments, the Resolution Authority must ensure that a fair, prudent and realistic valuation of the assets and liabilities of the institution is carried out by a person independent from any public authority.

The application of any measure under the BRRD and the SRM Regulation or any suggestion of such application with respect to the Issuer, the Guarantor or the Group could materially adversely affect the rights of Certificate Holders, the price or value of an investment in the Certificates and/or the ability of the Issuer or the Guarantor to satisfy its obligations under any Certificates, and as a result investors may lose their entire investment.

Moreover, if the Issuer’s or the Guarantor’s financial condition deteriorates, the existence of the Bail-in Power, the exercise of write-down/conversion powers or any other resolution tools by the Resolution Authority independently of a resolution measure or in combination with a resolution measure when it determines that the Issuer, the Guarantor or the Group will no longer be viable could cause the market price or value of the Certificates to decline more rapidly than would be the case in the absence of such powers.

Since 1 January 2016, EU credit institutions (such as Societe Generale) and certain investment firms have to meet, at all times, a minimum requirement for own funds and eligible liabilities (“**MREL**”) pursuant to Article 12 of the SRM Regulation. The MREL, which is expressed as a percentage of the total liabilities and own funds of the institution, aims at preventing institutions from structuring their liabilities in a manner that impedes the effectiveness of the Bail-in Power in order to facilitate resolution.

The current regime will evolve as a result of the changes adopted by the EU legislators. On 7 June 2019, as part of the contemplated amendments to the so-called “EU Banking Package”, the following legislative texts have been published in the Official Journal of the EU 14 May 2019:

- Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (the “**BRRD II**”); and
- Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the SRM Regulation as regards the loss-absorbing and recapitalisation capacity (“**TLAC**”) of credit institutions and investment firms (the “**SRM II Regulation**” and, together with the BRRD II, the “**EU Banking Package Reforms**”).

The EU Banking Package Reforms will introduce, among other things, the TLAC standard as implemented by the Financial Stability Board's TLAC Term Sheet (“**FSB TLAC Term Sheet**”), by adapting, among others, the existing regime relating to the specific MREL with aim of reducing risks in the banking sector and further reinforcing institutions' ability to withstand potential shocks will strengthen the banking union and reduce risks in the financial system.

The TLAC will be implemented in accordance with the FSB TLAC Term Sheet, which impose a level of "Minimum TLAC" that will be determined individually for each global systemically important bank ("**G-SIB**"), such as Societe Generale, in an amount at least equal to (i) 16%, plus applicable buffers, of risk weight assets through January 1, 2022 and 18%, plus applicable buffers, thereafter and (ii) 6% of the Basel III leverage ratio denominator through January 1, 2022 and 6.75% thereafter (each of which could be extended by additional firm-specific requirements).

According to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the "**CRR**"), as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending the CRR as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements (the "**CRR II**"), EU G-SIBs, such as Societe Generale, will have to comply with TLAC requirements, on top of the MREL requirements, as from the entry into force of the CRR II. As such, G-SIBs, such as Societe Generale will have to comply at the same time with TLAC and MREL requirements.

Consequently, criteria for MREL-eligible liabilities will be closely aligned with those laid down in the CRR, as amended by the CRR II for the TLAC-eligible liabilities, but subject to the complementary adjustments and requirements introduced in the BRRD II. In particular, certain debt instruments with an embedded derivative component, such as certain structured notes, will be eligible, subject to certain conditions, to meet the MREL requirements to the extent that they have a fixed or increasing principal amount repayable at maturity that is known in advance while only an additional return is linked to that derivative component and depends on the performance of a reference asset.

The level of capital and eligible liabilities required under MREL will be set by the SRB for Societe Generale on an individual and/or consolidated basis based on certain criteria including systemic importance any may also be set for SG Issuer. Eligible liabilities may be senior or subordinated, provided, among other requirements, that they have a remaining maturity of at least one year and, if governed by non-EU law, they must be able to be written down or converted under that law (including through contractual provisions).

The scope of liabilities used to meet the MREL includes, in principle, all liabilities resulting from claims arising from ordinary unsecured creditors (non-subordinated liabilities) unless they do not meet specific eligibility criteria set out in the BRRD, as amended by the BRRD II. To enhance the resolvability of institutions and entities through an effective use of the bail-in tool, the SRB should be able to require that the MREL be met with own funds and other subordinated liabilities, in particular where there are clear indications that bailed-in creditors are likely to bear losses in resolution that would exceed the losses that they would incur under normal insolvency proceedings. Moreover the SRB should assess the need to require institutions and entities to meet the MREL with own funds and other subordinated liabilities where the amount of liabilities excluded from the application of the bail- in tool reaches a certain threshold within a class of liabilities that includes MREL-eligible liabilities. Any subordination of debt instruments requested by the SRB for the MREL shall be without prejudice to the possibility to partly meet the TLAC requirements with non-subordinated debt instruments in accordance with the CRR, as amended by the CRR II, as permitted by the TLAC standard. Specific requirements apply to resolution groups with assets above EUR 100 billion (top-tier banks).

If the SRB finds that there could exist any obstacles to resolvability by the Issuer or the Guarantor and/or the Group, a higher MREL requirement could be imposed. Any failure by the Issuer or the Guarantor, as applicable, and/or the Group to comply with its MREL may have a material adverse effect on the Issuer's business, financial conditions and results of operations.

TERMS AND CONDITIONS OF THE CERTIFICATES

The following are the terms and conditions of the Certificates and should be read in conjunction with, and are qualified by reference to, the other information set out in this document and the Base Listing Document.

The Conditions are set out in the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" in the Base Listing Document. For the purposes of the Conditions, the following terms shall have the following meanings:

Certificates:	5,000,000 European Style Cash Settled Short Certificates relating to the ordinary shares of HSBC Holdings plc (the **"Underlying Stock**")
ISIN:	LU2267116437
Company:	HSBC Holdings plc (RIC: 0005.HK)
Underlying Price[3] and Source:	HK$45.15 (Reuters)
Calculation Agent:	Société Générale
Strike Level:	Zero
Daily Leverage:	-5x (within the Leverage Inverse Strategy as described below)
Notional Amount per Certificate:	SGD 0.80
Management Fee (p.a.)[4]:	0.40%
Gap Premium (p.a.)[5]:	4.60%, is a hedging cost against extreme market movements overnight.
Stock Borrowing Cost[6]:	The annualised costs for borrowing stocks in order to take an inverse exposure on the Underlying Stock.
Rebalancing Cost[6]:	The transaction costs (if applicable), computed as a function of leverage and daily inverse performance of the Underlying Stock.
Launch Date:	10 December 2021
Closing Date:	16 December 2021
Expected Listing Date:	17 December 2021

[3] These figures are calculated as at, and based on information available to the Issuer on or about 16 December 2021. The Issuer is not obliged, and undertakes no responsibility to any person, to update or inform any person of any changes to the figures after 16 December 2021.
[4] Please note that the Management Fee is calculated on a 360-day basis and may be increased up to a maximum of 3% p.a. on giving one month's notice to investors. Any increase in the Management Fee will be announced on the SGXNET. Please refer to "Fees and Charges" below for further details of the fees and charges payable and the maximum of such fees as well as other ongoing expenses that may be borne by the Certificates.
[5] Please note that the Gap Premium is calculated on a 360-day basis.
[6] These costs are embedded within the Leverage Inverse Strategy. Please note that the Stock Borrowing Cost may be changed on giving 5 Business Days' notice to investors. Any change in the Stock Borrowing Cost will be announced on the SGXNET.

Last Trading Date:	The date falling 5 Business Days immediately preceding the Expiry Date, currently being 6 December 2024
Expiry Date:	13 December 2024 (if the Expiry Date is not a Business Day, then the Expiry Date shall fall on the preceding Business Day and subject to adjustment of the Valuation Date upon the occurrence of Market Disruption Events as set out in the Conditions of the Certificates)
Board Lot:	100 Certificates
Valuation Date:	12 December 2024 or if such day is not an Exchange Business Day, the immediately preceding Exchange Business Day.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Cash Settlement Amount:	In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to: Closing Level multiplied by the Notional Amount per Certificate Please refer to the “Information relating to the European Style Cash Settled Short Certificates on Single Equities” section on pages 42 to 57 of this document for examples and illustrations of the calculation of the Cash Settlement Amount.
Hedging Fee Factor:	In respect of each Certificate, shall be an amount calculated as: Product (for t from 2 to Valuation Date) of (1 – Management Fee x (ACT (t-1;t) ÷ 360)) x (1 – Gap Premium (t-1) x (ACT (t-1;t) ÷ 360)), where: “**t**” refers to “**Observation Date**” which means each Underlying Stock Business Day (subject to Market Disruption Event) from (and including) the Underlying Stock Business Day immediately preceding the Expected Listing Date to the Valuation Date; and

ACT (t-1;t) means the number of calendar days between the Underlying Stock Business Day immediately preceding the Observation Date (which is "t-1") (included) and the Observation Date (which is "t") (excluded).

If the Issuer determines, in its sole discretion, that on any Observation Date a Market Disruption Event has occurred, then that Observation Date shall be postponed until the first succeeding Underlying Stock Business Day on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Underlying Stock Business Days immediately following the original date that, but for the Market Disruption Event, would have been an Observation Date. In that case, that fifth Underlying Stock Business Day shall be deemed to be the Observation Date notwithstanding the Market Disruption Event and the Issuer shall determine, its good faith estimate of the level of the Leverage Inverse Strategy and the value of the Certificate on that fifth Underlying Stock Business Day in accordance with the formula for and method of calculation last in effect prior to the occurrence of the first Market Disruption Event taking into account, inter alia, the exchange traded or quoted price of the Underlying Stock and the potential increased cost of hedging by the Issuer as a result of the occurrence of the Market Disruption Event.

An "**Underlying Stock Business Day**" is a day on which The Stock Exchange of Hong Kong Limited (the "**HKEX**") is open for dealings in Hong Kong during its normal trading hours and banks are open for business in Hong Kong.

Please refer to the "Information relating to the European Style Cash Settled Short Certificates on Single Equities" section on pages 42 to 57 of this document for examples and illustrations of the calculation of the Hedging Fee Factor.

Closing Level: In respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level}\right) \times \text{Hedging Fee Factor}$$

Initial Reference Level: 1,000

Final Reference Level: The closing level of the Leverage Inverse Strategy (as described below) on the Valuation Date

The calculation of the closing level of the Leverage Inverse Strategy is set out in the "Specific Definitions relating to the Leverage Inverse Strategy" section on pages 20 to 25 below.

Initial Exchange Rate[3]: 0.1748

Final Exchange Rate: The rate for the conversion of HKD to SGD as at 5:00pm (Singapore Time) on the Valuation Date as shown on Reuters, provided that if the Reuters service ceases to display such information, as determined by

	the Issuer by reference to such source(s) as the Issuer may reasonably determine to be appropriate at such a time.
Air Bag Mechanism:	The "**Air Bag Mechanism**" refers to the mechanism built in the Leverage Inverse Strategy and which is designed to reduce the Leverage Inverse Strategy exposure to the Underlying Stock during extreme market conditions. If the Underlying Stock rises by 15% or more ("**Air Bag Trigger Price**") during the trading day (which represents approximately 75% loss after a 5 times inverse leverage), the Air Bag Mechanism is triggered and the Leverage Inverse Strategy is adjusted intra-day. The Air Bag Mechanism reduces the impact on the Leverage Inverse Strategy if the Underlying Stock rises further, but will also maintain a reduced exposure to the Underlying Stock in the event the Underlying Stock starts to fall after the Air Bag Mechanism is triggered, thereby reducing its ability to recoup losses. Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered. The Leverage Inverse Strategy is floored at 0 and the Certificates cannot be valued below zero. Please refer to the "Extraordinary Strategy Adjustment for Performance Reasons ("Air Bag Mechanism")" section on pages 23 to 25 below and the "Description of Air Bag Mechanism" section on pages 48 to 49 of this document for further information of the Air Bag Mechanism.
Adjustments and Extraordinary Events:	The Issuer has the right to make adjustments to the terms of the Certificates if certain events, including any capitalisation issue, rights issue, extraordinary distributions, merger, delisting, insolvency (as more specifically set out in the terms and conditions of the Certificates) occur in respect of the Underlying Stock. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.
Underlying Stock Currency:	Hong Kong Dollar ("**HKD**")
Settlement Currency:	Singapore Dollar ("**SGD**")
Exercise Expenses:	Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates.
Relevant Stock Exchange for the Certificates:	The Singapore Exchange Securities Trading Limited (the "**SGX-ST**")
Relevant Stock Exchange for the Underlying Stock:	HKEX
Business Day and Exchange Business Day:	A "**Business Day**" is a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

	An "**Exchange Business Day**" is a day on which the SGX-ST and the HKEX are open for dealings in Singapore and Hong Kong respectively during its normal trading hours and banks are open for business in Singapore and Hong Kong.
Warrant Agent:	The Central Depository (Pte) Limited ("**CDP**")
Clearing System:	CDP
Fees and Charges:	Normal transaction and brokerage fees shall apply to the trading of the Certificates on the SGX-ST. Investors should note that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred. Investors who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, investors should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time. Investors holding position overnight would also be required to bear the Management Fee and Gap Premium, which are calculated daily and applied to the value of the Certificates, as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and Rebalancing Cost. The Management Fee may be increased up to a maximum of 3% p.a. on giving one month's notice to investors in accordance with the terms and conditions of the Certificates. Any increase in the Management Fee will be announced on the SGXNET.
Further Information:	Please refer to the website at dlc.socgen.com for more information on the theoretical closing price of the Certificates on the previous trading day, the closing price of the Underlying Stock on the previous trading day, the Air Bag Trigger Price for each trading day and the Management Fee and Gap Premium.

Specific Definitions relating to the Leverage Inverse Strategy

Description of the Leverage Inverse Strategy

The Leverage Inverse Strategy is designed to track a 5 times daily leveraged inverse exposure to the Underlying Stock.

At the end of each trading day of the Underlying Stock, the exposure of the Leverage Inverse Strategy to the Underlying Stock is reset within the Leverage Inverse Strategy in order to retain a daily leverage of 5 times the inverse performance of the Underlying Stock (excluding costs) regardless of the performance of the Underlying Stock on the preceding day. This mechanism is referred to as the Daily Reset.

The Leverage Inverse Strategy incorporates an air bag mechanism which is designed to reduce exposure to the Underlying Stock during extreme market conditions, as further described below.

Leverage Inverse Strategy Formula

$\mathbf{LSL_t}$ means, for any Observation Date(t), the Leverage Inverse Strategy Closing Level as of such day (t).

Subject to the occurrence of an Intraday Restrike Event, the **Leverage Inverse Strategy Closing Level** as of such Observation Date(t) is calculated in accordance with the following formulae:

On Observation Date(1):

$\mathrm{LSL_1} = 1000$

On each subsequent Observation Date(t):

$$\mathrm{LSL_t} = \mathrm{Max}\left[\mathrm{LSL_{t-1}} \times \left(1 + \mathrm{LR_{t-1,t}} - \mathrm{FC_{t-1,t}} - \mathrm{SB_{t-1,t}} - \mathrm{RC_{t-1,t}}\right), 0\right]$$

$\mathbf{LR_{t-1,t}}$ means the Leveraged Return of the Underlying Stock between Observation Date(t-1) and Observation Date(t) closing prices, calculated as follows:

$$\mathrm{LR_{t\text{-}1,t}} = \mathrm{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t\text{-}1}} \times \mathrm{Rfactor_t}} - 1\right)$$

$\mathbf{FC_{t-1,t}}$ means, the Funding Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows :

$$\mathrm{FC_{t-1,t}} = (\mathrm{Leverage} - 1) \times \frac{\mathrm{Rate_{t-1}} \times \mathrm{ACT(t-1,t)}}{\mathrm{DayCountBasisRate}}$$

$\mathbf{SB_{t-1,t}}$ means the Stock Borrowing Cost between Observation Date(t-1) (included) and Observation Date(t) (excluded) calculated as follows :

$$\mathrm{SB_{t-1,t}} = -\mathrm{Leverage} \times \frac{\mathrm{CB} \times \mathrm{ACT(t-1,t)}}{\mathrm{DayCountBasisRate}}$$

CB means the Cost of Borrowing applicable that is equal to 2.00%.

$\mathbf{RC_{t-1,t}}$ means the Rebalancing Cost of the Leverage Inverse Strategy on Observation Date (t), calculated as follows :

$$\mathrm{RC_{t-1,t}} = \mathrm{Leverage} \times (\mathrm{Leverage} - 1) \times \left(\left|\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right|\right) \times \mathrm{TC}$$

TC means the Transaction Costs applicable (including Stamp Duty and any other applicable taxes, levies and costs which may be levied on the stock transactions on the Relevant Stock Exchange for the Underlying Stock by the applicable regulatory authorities from time to time) that are currently equal to:

0.13%

“Stamp Duty” refers to the applicable rate of stamp duty on the stock transactions in the jurisdiction of the Relevant Stock Exchange for the Underlying Stock, which may be changed by the applicable regulatory authorities from time to time.

Leverage -5

$\mathbf{S_t}$ means, in respect of each Observation Date(t), the Closing Price of the Underlying Stock as of such Observation Date(t), subject to the adjustments and provisions of the Conditions.

$\mathbf{Rate_t}$ means, in respect of each Observation Date(t), the Overnight HKD Hong Kong Interbank Offered Rate (HIBOR) Fixing, as published on Reuters RIC HIHKDOND= or any successor page, being the rate as of day (t), provided that if any of such rate is not available, then that rate shall be determined by reference to the latest available rate that was published on the relevant Reuters page. Upon the occurrence or likely occurrence, as determined by the Calculation Agent, of modification, the permanent or indefinite cancellation or cessation in the provision of HIBOR, or a regulator or other official sector entity prohibits the use of HIBOR, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.

$\mathbf{Rfactor_t}$ means, in the event Observation Date (t) is an ex-dividend date of the Underlying Stock, an amount determined by the Calculation Agent, subject to the adjustments and provisions of the Conditions, according to the following formula :

$$Rfactor_t = 1 - \frac{Div_t}{\mathbf{S_{t-1}}}$$

where

Div_t is the dividend to be paid out in respect of the Underlying Stock and the relevant ex-dividend date which shall be considered gross of any applicable withholding taxes.

ACT(t-1,t) ACT (t-1;t) means the number of calendar days between the Underlying Stock Business Day immediately preceding the Observation Date (which is “t-1”) (included) and the Observation Date (which is “t”) (excluded).

DayCountBasis Rate 365

Benchmark Fallback upon the occurrence or likely occurrence, as determined by the Calculation Agent, of a Reference Rate Event, the Calculation Agent may make adjustments as it may determine appropriate to account for the relevant event or circumstance, including but not limited to using any alternative rates from such date, with or without retroactive effect as the Calculation Agent may in its sole and absolute discretion determine.

Reference Rate Event means, in respect of the Reference Rate any of the following has occurred or will occur:

(i) a Reference Rate Cessation;

(ii) an Administrator/Benchmark Event; or

(iii) a Reference Rate is, with respect to over-the-counter derivatives transactions which reference such Reference Rate, the subject of any market-wide development formally agreed upon by the International Swaps and Derivative Association (ISDA) or the Asia Securities Industry & Financial Markets Association (ASIFMA), pursuant to which such Reference Rate is, on a specified date, replaced with a risk-free rate (or near risk-free rate) established in order to comply with the recommendations in the Financial Stability Board's paper titled "Reforming Major Interest Rate Benchmarks" dated 22 July 2014.

Reference Rate Cessation means, for a Reference Rate, the occurrence of one or more of the following events:

(i) a public statement or publication of information by or on behalf of the administrator of the Reference Rate announcing that it has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate;

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Reference Rate, the central bank for the currency of the Reference Rate, an insolvency official with jurisdiction over the administrator for the Reference Rate, a resolution authority with jurisdiction over the administrator for the Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Reference Rate, which states that the administrator of the Reference Rate has ceased or will cease to provide the Reference Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Reference Rate; or

(iii) in respect of a Reference Rate, a public statement or publication of information by the regulatory supervisor for the administrator of such Reference Rate announcing that (a) the regulatory supervisor has determined that such Reference Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Reference Rate is intended to measure and that representativeness will not be restored and (b) it is being made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts;

Administrator/ Benchmark Event means, for a Reference Rate, any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Reference Rate or the administrator or sponsor of the Benchmark has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body, in each case with the effect that either the Issuer, the Calculation Agent or any other entity is not, or will not be, permitted under any applicable law or regulation to use the Reference Rate to perform its or their respective obligations under the Certificates.

Reference Rate(s) means the rate(s) used in the Leverage Inverse Strategy Formula, for example SORA, SOFR and US Federal Funds Effective Rate.

<u>Extraordinary Strategy Adjustment for Performance Reasons ("Air Bag Mechanism")</u>

Extraordinary Strategy Adjustment for Performance Reasons If the Calculation Agent determines that an Intraday Restrike Event has occurred during an Observation Date(t) (the **Intraday Restrike Date,** noted hereafter **IRD**), an adjustment (an **Extraordinary Strategy Adjustment for Performance Reasons**) shall take place during such Observation Date(t) in accordance with the following provisions.

(1) Provided the last Intraday Restrike Observation Period as of such Intraday Restrike Date does not end on the TimeReferenceClosing, the Leverage

Inverse Strategy Closing Level on the Intraday Restrike Date $(\mathrm{LSL_{IRD}})$ should be computed as follows :

$$\mathrm{LSL_{IRD}} = \mathrm{Max}\left[\mathrm{ILSL_{IR(n)}} \times \left(1 + \mathrm{ILR_{IR(n),IR(C)}} - \mathrm{IRC_{IR(n),IR(C)}}\right), 0\right]$$

(2) If the last Intraday Restrike Event Observation Period on the relevant Intraday Restrike Date ends on the TimeReferenceClosing:

$$\mathrm{LSL_{IRD}} = \mathrm{Max}\left[\mathrm{ILSL_{IR(n)}}, 0\right]$$

$\mathrm{ILSL_{IR(k)}}$ means, in respect of IR(k), the Intraday Leverage Inverse Strategy Level in accordance with the following provisions :

(1) for k = 1 :

$$\mathrm{ILSL_{IR(1)}} = \mathrm{Max}\left[\mathrm{LSL_{IRD-1}} \times \left(1 + \mathrm{ILR_{IR(0),IR(1)}} - \mathrm{FC_{IRD-1,IRD}} - \mathrm{SB_{IRD-1,IRD}} - \mathrm{IRC_{IR(0),IR(1)}}\right), 0\right]$$

(2) for k > 1 :

$$\mathrm{ILSL_{IR(k)}} = \mathrm{Max}\left[\mathrm{ILSL_{IR(k-1)}} \times \left(1 + \mathrm{ILR_{IR(k-1),IR(k)}} - \mathrm{IRC_{IR(k-1),IR(k)}}\right), 0\right]$$

$\mathrm{ILR_{IR(k-1),IR(k)}}$ means the Intraday Leveraged Return between IR(k-1) and IR(k), calculated as follows :

$$\mathrm{ILR_{IR(k-1),IR(k)}} = \mathrm{Leverage} \times \left(\frac{\mathrm{IS_{IR(k)}}}{\mathrm{IS_{IR(k-1)}}} - 1\right)$$

$\mathrm{IRC_{IR(k-1),IR(k)}}$ means the Intraday Rebalancing Cost of the Leverage Inverse Strategy in respect of IR(k) on a given Intraday Restrike Date, calculated as follows :

$$\mathrm{IRC_{IR(k-1),IR(k)}} = \mathrm{Leverage} \times (\mathrm{Leverage}-1) \times \left(\left|\frac{\mathrm{IS_{IR(k)}}}{\mathrm{IS_{IR(k-1)}}} - 1\right|\right) \times \mathrm{TC}$$

$\mathrm{IS_{IR(k)}}$ means the Underlying Stock Price in respect of IR(k) computed as follows :

(1) for k=0

$$\mathrm{IS_{IR(0)}} = \mathrm{S_{IRD-1}} \times \mathrm{Rfactor_{IRD}}$$

(2) for k=1 to n

means in respect of IR(k), the highest price of the Underlying Stock during the respective Intraday Restrike Observation Period

(3) with respect to IR(C)

$$\mathrm{IS_{IR(C)}} = \mathrm{S_{IRD}}$$

In each case, subject to the adjustments and provisions of the Conditions.

IR(k) For k=0, means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the Observation Date immediately preceding the relevant Intraday Restrike Date;

For k=1 to n, means the k^{th} Intraday Restrike Event on the relevant Intraday Restrike Date.

IR(C) means the scheduled close for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto) on the relevant Intraday Restrike Date.

n	means the number of Intraday Restrike Events that occurred on the relevant Intraday Restrike Date.
Intraday Restrike Event	means in respect of an Observation Date(t) : (1) provided no Intraday Restrike Event has previously occurred on such Observation Date (t), the increase at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $\mathbf{IS}_{\mathbf{IR(0)}}$ as of such Calculation Time. (2) if k Intraday Restrike Events have occurred on the relevant Intraday Restrike Date, the increase at any Calculation Time of the Underlying Stock price by 15% or more compared with the relevant Underlying Stock Price $\mathbf{IS}_{\mathbf{IR(k)}}$ as of such Calculation Time.
Calculation Time	means any time between the TimeReferenceOpening and the TimeReferenceClosing, provided that the relevant data is available to enable the Calculation Agent to determine the Leverage Inverse Strategy Level.
TimeReferenceOpening	means the scheduled opening time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
TimeReferenceClosing	means the scheduled closing time for the Relevant Stock Exchange for the Underlying Stock (or any successor thereto).
Intraday Restrike Event Observation Period	means in respect of an Intraday Restrike Event, the period starting on and excluding the Intraday Restrike Event Time and finishing on and including the sooner between (1) the time falling 15 minutes after the Intraday Restrike Event Time and (2) the TimeReferenceClosing. Where, during such period, the Calculation Agent determines that (1) the trading in the Underlying Stock is disrupted or subject to suspension or limitation or (2) the Relevant Stock Exchange for the Underlying Stock is not open for continuous trading, the Intraday Restrike Event Observation Period will be extended to the extent necessary until (1) the trading in the Underlying Stock is no longer disrupted, suspended or limited and (2) the Relevant Stock Exchange for the Underlying Stock is open for continuous trading.
Intraday Restrike Event Time	means in respect of an Intraday Restrike Event, the Calculation Time on which such event occurs.

The Conditions set out in the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" in the Base Listing Document are set out below. This section is qualified in its entirety by reference to the detailed information appearing elsewhere in this document which shall, to the extent so specified or to the extent inconsistent with the relevant Conditions set out below, replace or modify the relevant Conditions for the purpose of the Certificates.

TERMS AND CONDITIONS OF
THE EUROPEAN STYLE CASH SETTLED LONG/SHORT CERTIFICATES ON SINGLE EQUITIES

1. Form, Status and Guarantee, Transfer and Title

(a) *Form*. The Certificates (which expression shall, unless the context otherwise requires, include any further certificates issued pursuant to Condition 11) are issued subject to and with the benefit of:-

(i) a master instrument by way of deed poll (the "**Master Instrument**") dated 18 June 2021, made by SG Issuer (the "**Issuer**") and Société Générale (the "**Guarantor**"); and

(ii) a warrant agent agreement (the "**Master Warrant Agent Agreement**" or "**Warrant Agent Agreement**") dated any time before or on the Closing Date, made between the Issuer and the Warrant Agent for the Certificates.

Copies of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement are available for inspection at the specified office of the Warrant Agent.

The holders of the Certificates (the "**Certificate Holders**") are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement.

(b) *Status and Guarantee*. The Certificates constitute direct, general and unsecured obligations of the Issuer and rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer (save for statutorily preferred exceptions). The Certificates provide for cash settlement on exercise. The Certificates do not entitle Certificate Holders to the delivery of any Underlying Stock, are not secured by the Underlying Stock and do not entitle Certificate Holders to any interest in any Underlying Stock.

The due and punctual payment of any amounts due by the Issuer in respect of the Certificates issued by the Issuer is unconditionally and irrevocably guaranteed by the Guarantor as provided in the Guarantee (each such amount payable under the Guarantee, a "**Guarantee Obligation**").

The Guarantee Obligations will constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor ranking as senior preferred obligations as provided for in Article L. 613-30-3 I 3° of the French Code *Monétaire et Financier* (the "**Code**").

Such Guarantee Obligations rank and will rank equally and rateably without any preference or priority among themselves and:

(i) *pari passu* with all other direct, unconditional, unsecured and unsubordinated obligations of the Guarantor outstanding as of the date of the entry into force of the law no. 2016-1691 (the "**Law**") on 11 December 2016;

(ii) *pari passu* with all other present or future direct, unconditional, unsecured and senior preferred obligations (as provided for in Article L. 613-30-3 I 3° of the Code) of the Guarantor issued after the date of the entry into force of the Law on 11 December 2016;

(iii) junior to all present or future claims of the Guarantor benefiting from the statutorily preferred exceptions; and

(iv) senior to all present and future senior non-preferred obligations (as provided for in Article L.613-30-3 I 4° of the Code) of the Guarantor.

In the event of the failure of the Issuer to promptly perform its obligations to any Certificate Holder under the terms of the Certificates, such Certificate Holder may, but is not obliged to, give written notice to the Guarantor at Société Générale, Tour Société Générale, 75886 Paris Cedex 18, France marked for the attention of SEGL/JUR/OMF - Market Transactions & Financing.

(c) Transfer. The Certificates are represented by a global warrant certificate ("**Global Warrant**") which will be deposited with The Central Depository (Pte) Limited ("**CDP**"). Certificates in definitive form will not be issued. Transfers of Certificates may be effected only in Board Lots or integral multiples thereof. All transactions in (including transfers of) Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records maintained by CDP.

(d) *Title*. Each person who is for the time being shown in the records maintained by CDP as entitled to a particular number of Certificates shall be treated by the Issuer, the Guarantor and the Warrant Agent as the holder and absolute owner of such number of Certificates, notwithstanding any notice to the contrary. The expression "**Certificate Holder**" shall be construed accordingly.

(e) *Bail-In*. By the acquisition of Certificates, each Certificate Holder (which, for the purposes of this Condition, includes any current or future holder of a beneficial interest in the Certificates) acknowledges, accepts, consents and agrees:

(i) to be bound by the effect of the exercise of the Bail-In Power (as defined below) by the Relevant Resolution Authority (as defined below) on the Issuer's liabilities under the Certificates, which may include and result in any of the following, or some combination thereof:

(A) the reduction of all, or a portion, of the Amounts Due (as defined below), on a permanent basis;

(B) the conversion of all, or a portion, of the Amounts Due into shares, other securities or other obligations of the Issuer or the Guarantor or another person (and the issue to the Certificate Holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the Conditions of the Certificates, in which case the Certificate Holder agrees to accept in lieu of its rights under the Certificates any such shares, other securities or other obligations of the Issuer or the Guarantor or another person;

(C) the cancellation of the Certificates; and/or

(D) the amendment or alteration of the expiration of the Certificates or amendment of the amounts payable on the Certificates, or the date on which the amounts become payable, including by suspending payment for a temporary period; and

that terms of the Certificates are subject to, and may be varied, if necessary, to give effect to the exercise of the Bail-In Power by the Relevant Resolution Authority or the regulator,

(the "**Statutory Bail-In**");

(ii) if the Relevant Resolution Authority exercises its Bail-In Power on liabilities of the Guarantor, pursuant to Article L.613-30-3-I-3 of the French Monetary and Financial Code (the "**M&F Code**"):

(A) ranking:

(1) junior to liabilities of the Guarantor benefitting from statutorily preferred exceptions pursuant to Article L.613-30-3-I 1° and 2 of the M&F Code;

(2) *pari passu* with liabilities of the Guarantor as defined in Article L.613-30-3-I-3 of the M&F Code; and

(3) senior to liabilities of the Guarantor as defined in Article L.613-30-3-I-4 of the M&F Code; and

(B) which are not *titres non structurés* as defined under Article R.613-28 of the M&F Code, and

(C) which are not or are no longer eligible to be taken into account for the purposes of the MREL (as defined below) ratio of the Guarantor

and such exercise of the Bail-In Power results in the write-down or cancellation of all, or a portion of, the principal amount of, or the outstanding amount payable in respect of, and/or interest on, such liabilities, and/or the conversion of all, or a portion, of the principal amount of, or the outstanding amount payable in respect of, or interest on, such liabilities into shares or other securities or other obligations of the Guarantor or another person, including by means of variation to their terms and conditions in order to give effect to such exercise of Bail-In Power, then the Issuer's obligations under the Certificates will be limited to (i) payment of the amount as reduced or cancelled that would be recoverable by the Certificate Holders and/or (ii) the delivery or the payment of value of the shares or other securities or other obligations of the Guarantor or another person that would be paid or delivered to the Certificate Holders as if, in either case, the Certificates had been directly issued by the Guarantor itself, and as if any Amount Due under the Certificates had accordingly been directly subject to the exercise of the Bail-In Power (the "**Contractual Bail-in**").

No repayment or payment of the Amounts Due will become due and payable or be paid after the exercise of the Statutory Bail-In with respect to the Issuer or the Guarantor unless, at the time such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer or the Guarantor under the applicable laws and regulations in effect in France or Luxembourg and the European Union applicable to the Issuer or the Guarantor or other members of its group.

No repayment or payment of the Amounts Due will become due and payable or be paid under the Certificates issued by SG Issuer after implementation of the Contractual Bail-in.

Upon the exercise of the Statutory Bail-in or upon implementation of the Contractual Bail-in with respect to the Certificates, the Issuer or the Guarantor will provide a written notice to the Certificate Holders in accordance with Condition 9 as soon as practicable regarding such exercise of the Statutory Bail-in or implementation of the Contractual Bail-in. Any delay or failure by the Issuer or the Guarantor to give notice shall not affect the validity and enforceability of the Statutory Bail-in or Contractual Bail-in nor the effects on the Certificates described above.

Neither a cancellation of the Certificates, a reduction, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or the Guarantor or another person, as a result of the exercise of the Statutory Bail-in or the implementation of the Contractual Bail-in with respect to the Certificates will be an event of default or otherwise constitute non-performance of a contractual obligation, or entitle the Certificate Holder to any remedies (including equitable remedies) which are hereby expressly waived.

The matters set forth in this Condition shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Issuer, the Guarantor and each Certificate Holder. No expenses necessary for the procedures under this Condition, including, but not limited to, those incurred by the Issuer and the Guarantor, shall be borne by any Certificate Holder.

For the purposes of this Condition:

"**Amounts Due**" means any amounts due by the Issuer under the Certificates.

"**Bail-In Power**" means any statutory cancellation, write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms, or any other applicable laws or regulations, as amended, or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled and/or converted into shares or other securities or obligations of the obligor or any other person.

"**MREL**" means the Minimum Requirement for own funds and Eligible Liabilities as defined in Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time).

"**Relevant Resolution Authority**" means any authority with the ability to exercise the Bail-in Power on Societe Generale or SG Issuer as the case may be.

2. Certificate Rights and Exercise Expenses

(a) *Certificate Rights*. Every Certificate entitles each Certificate Holder, upon due exercise and on compliance with Condition 4, to payment by the Issuer of the Cash Settlement Amount (as defined below) (if any) in the manner set out in Condition 4.

The "**Cash Settlement Amount**", in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The "**Closing Level**", in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to:

$$\left(\frac{\text{Final Reference Level} \times \text{Final Exchange Rate}}{\text{Initial Reference Level} \times \text{Initial Exchange Rate}} - \text{Strike Level}\right) \times \text{Hedging Fee Factor}$$

If the Issuer determines, in its sole discretion, that on the Valuation Date or any Observation Date a Market Disruption Event has occurred, then that Valuation Date or Observation Date shall be postponed until the first succeeding Exchange Business Day or Underlying Stock Business Day, as the case may be, on which there is no Market Disruption Event, unless there is a Market Disruption Event on each of the five Exchange Business Days or Underlying Stock Business Days, as the case may be, immediately following the original date that, but for the Market Disruption Event, would have been a Valuation Date or an Observation Date. In that case:-

(i) that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, shall be deemed to be the Valuation Date or the Observation Date notwithstanding the Market Disruption Event; and

(ii) the Issuer shall determine the Final Reference Level or the relevant closing level on the basis of its good faith estimate of the Final Reference Level or the relevant closing level that would have prevailed on that fifth Exchange Business Day or Underlying Stock Business Day, as the case may be, but for the Market Disruption Event.

"**Market Disruption Event**" means the occurrence or existence of (i) any suspension of trading on the Relevant Stock Exchange of the Underlying Stock requested by the Company if that suspension is, in the determination of the Issuer, material, (ii) any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the Relevant Stock Exchange or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) on the Relevant Stock Exchange in the Underlying Stock if that suspension or limitation is, in the determination of the Issuer, material, or (iii) the closing of the Relevant Stock Exchange or a disruption to trading on the Relevant Stock Exchange if that disruption is, in the determination of the Issuer, material as a result of the occurrence of any act of God, war, riot, public disorder, explosion or terrorism.

(b) *Exercise Expenses*. Certificate Holders will be required to pay all charges which are incurred in respect of the exercise of the Certificates (the "**Exercise Expenses**"). An amount equivalent to the Exercise Expenses will be deducted by the Issuer from the Cash Settlement Amount in accordance with Condition 4. Notwithstanding the foregoing, the Certificate Holders shall account to the Issuer on demand for any Exercise Expenses to the extent that they were not or could not be deducted from the Cash Settlement Amount prior to the date of payment of the Cash Settlement Amount to the Certificate Holders in accordance with Condition 4.

(c) No Rights. The purchase of Certificates does not confer on the Certificate Holders any right (whether in respect of voting, dividend or other distributions in respect of the Underlying Stock or otherwise) which the holder of an Underlying Stock may have.

3. Expiry Date

Unless automatically exercised in accordance with Condition 4(b), the Certificates shall be deemed to expire at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day (as defined below), the immediately preceding Business Day.

4. Exercise of Certificates

(a) *Exercise*. Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in accordance with Condition 4(b).

(b) *Automatic Exercise*. Certificate Holders shall not be required to deliver an exercise notice. Exercise of Certificates shall be determined by whether the Cash Settlement Amount (less any Exercise Expenses) is positive. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) below. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.

(c) *Settlement*. In respect of Certificates which are automatically exercised in accordance with Condition 4(b), the Issuer will pay to the relevant Certificate Holder the Cash Settlement Amount (if any) in the Settlement Currency. The aggregate Cash Settlement Amount (less any Exercise Expenses) shall be despatched as soon as practicable and no later than five Business Days following the Expiry Date by way of crossed cheque or other payment in immediately available funds drawn in favour of the Certificate Holder only (or, in the case of joint Certificate Holders, the first-named Certificate Holder) appearing in the records maintained by CDP. Any payment made pursuant to this Condition 4(c) shall be delivered at the risk and expense of the Certificate Holder and posted to the Certificate Holder's address appearing in the records maintained by CDP (or, in the case of joint Certificate Holders, to the address of the first-named Certificate Holder appearing in the records maintained by CDP). If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable.

(d) *CDP not liable*. CDP shall not be liable to any Certificate Holder with respect to any action taken or omitted to be taken by the Issuer or the Warrant Agent in connection with the exercise of the Certificates or otherwise pursuant to or in connection with these Conditions.

(e) *Business Day*. In these Conditions, a "**Business Day**" shall be a day on which the SGX-ST is open for dealings in Singapore during its normal trading hours and banks are open for business in Singapore.

5. Warrant Agent

(a) *Warrant Agent*. The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the Warrant Agent and to appoint another Warrant Agent provided that it will at all times maintain a Warrant Agent which, so long as the Certificates are listed on the SGX-ST, shall be in Singapore. Notice of any such termination or appointment and of any change in the specified office of the Warrant Agent will be given to the Certificate Holders in accordance with Condition 9.

(b) *Agent of Issuer*. The Warrant Agent will be acting as agent of the Issuer and will not assume any obligation or duty to or any relationship of agency or trust for the Certificate Holders. All determinations and calculations by the Warrant Agent under these Conditions shall (save in the case of manifest error) be final and binding on the Issuer and the Certificate Holders.

6. Adjustments

(a) *Potential Adjustment Event*. Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below), the Issuer will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate to account for that dilutive or concentrative or other effect, and (ii) determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an exchange on which options or futures contracts on the Underlying Stock are traded.

(b) *Definitions*. "**Potential Adjustment Event**" means any of the following:

(i) a subdivision, consolidation, reclassification or other restructuring of the Underlying Stock (excluding a Merger Event) or a free distribution or dividend of any such Underlying Stock to existing holders by way of bonus, capitalisation or similar issue;

(ii) a distribution or dividend to existing holders of the Underlying Stock of (1) such Underlying Stock, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Company equally or proportionately with such payments to holders of such Underlying Stock, or (3) share capital or other securities of another issuer acquired by the Company as a result of a "spin-off" or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price as determined by the Issuer;

(iii) an extraordinary dividend;

(iv) a call by the Company in respect of the Underlying Stock that is not fully paid;

(v) a repurchase by the Company of the Underlying Stock whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

(vi) with respect to a Company an event that results in any shareholder rights pursuant to a shareholder rights agreement or other plan or arrangement of the type commonly referred to as a "poison pill" being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Company (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights); or

(vii) any other event that may have, in the opinion of the Issuer, a dilutive or concentrative or other effect on the theoretical value of the Underlying Stock.

(c) *Merger Event, Tender Offer, Nationalisation and Insolvency*. If a Merger Event, Tender Offer, Nationalisation or Insolvency occurs in relation to the Underlying Stock, the Issuer may take any action described below:

(i) determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The Issuer may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, Nationalisation or Insolvency made by an options exchange to options on the Underlying Stock traded on that options exchange;

(ii) cancel the Certificates by giving notice to the Certificate Holders in accordance with Condition 9. If the Certificates are so cancelled, the Issuer will pay an amount to each Certificate Holder in respect of each Certificate held by such Certificate Holder which amount shall be the fair market value of a Certificate taking into account the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, less the cost to the Issuer and/or any of its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its reasonable discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9; or

(iii) following any adjustment to the settlement terms of options on the Underlying Stock on such exchange(s) or trading system(s) or quotation system(s) as the Issuer in its reasonable discretion shall select (the "**Option Reference Source**") make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Issuer to be the effective date of the corresponding adjustment made by the Option Reference Source. If options on the Underlying Stock are not traded on the Option Reference Source, the Issuer will make such adjustment, if any, to any one or more of the Conditions as the Issuer determines appropriate, with reference to the rules and precedents (if any) set by the Option Reference Source, to account for the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, that in the determination of the Issuer would have given rise to an adjustment by the Option Reference Source if such options were so traded.

Once the Issuer determines that its proposed course of action in connection with a Merger Event, Tender Offer, Nationalisation or Insolvency, it shall give notice to the Certificate Holders in accordance with Condition 9 stating the occurrence of the Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. Certificate Holders should be aware that due to the nature of such events, the Issuer will not make an immediate determination of its proposed course of action or adjustment upon the announcement or occurrence of a Merger Event, Tender Offer, Nationalisation or Insolvency.

(d) *Definitions*. "**Insolvency**" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Company (i) all the Underlying Stock of that Company is required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Stock of that Company become legally prohibited from transferring them. "**Merger Date**" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Issuer. "**Merger Event**" means, in respect of the Underlying Stock, any (i) reclassification or change of such Underlying Stock that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Stock outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Company is the continuing entity and which does not result in reclassification or change of all of such Underlying Stock outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Stock of the Company that results in a transfer of or an irrevocable commitment to transfer all such Underlying Stock (other than such Underlying Stock owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Company or its subsidiaries with or into another entity in which the Company is the continuing entity and which does not result in a reclassification or change of all such Underlying Stock outstanding but results in the outstanding Underlying Stock (other than Underlying Stock owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Stock immediately following such event, in each case if the Merger Date is on or before the Valuation Date. "**Nationalisation**" means that all the Underlying Stock or all or substantially all of the assets of a Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof. "**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Company, as determined by the Issuer, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Issuer deems relevant.

(e) *Other Adjustments*. Except as provided in this Condition 6 and Conditions 10 and 12, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole discretion and without any obligation whatsoever) to make such adjustments and amendments as it believes appropriate in circumstances where an event or events occur which it believes in its sole discretion (and notwithstanding any prior adjustment made pursuant to the above) should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such adjustment or, as the case may be, amendment provided that such adjustment or, as the case may be, amendment is considered by the Issuer not to be materially prejudicial to the Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such adjustment or amendment in any particular jurisdiction).

(f) *Notice of Adjustments*. All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Certificate Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with Condition 9. For the avoidance of doubt, no notice will be given if the Issuer determines that adjustments will not be made.

7. Purchases

The Issuer, the Guarantor or any of their respective subsidiaries may at any time purchase Certificates at any price in the open market or by tender or by private treaty. Any Certificates so purchased may be held or resold or surrendered for cancellation.

8. Meetings of Certificate Holders; Modification

(a) *Meetings of Certificate Holders*. The Master Warrant Agent Agreement or Warrant Agent Agreement contains provisions for convening meetings of the Certificate Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Master Warrant Agent Agreement or Warrant Agent Agreement) of a modification of the provisions of the Certificates or of the Master Warrant Agent Agreement or Warrant Agent Agreement.

At least 21 days' notice (exclusive of the day on which the notice is given and of the day on which the meeting is held) specifying the date, time and place of the meeting shall be given to the Certificate Holders.

Such a meeting may be convened by the Issuer or by Certificate Holders holding not less than ten per cent. of the Certificates for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Certificates for the time being remaining unexercised, or at any adjourned meeting, two or more persons being or representing Certificate Holders whatever the number of Certificates so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Certificate Holders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Certificate Holders shall be binding on all the Certificate Holders whether or not they are present at the meeting. Resolutions can be passed in writing if passed unanimously.

(b) *Modification*. The Issuer may, without the consent of the Certificate Holders, effect (i) any modification of the provisions of the Certificates or the Master Instrument which is not materially prejudicial to the interests of the Certificate Holders or (ii) any modification of the provisions of the Certificates or the Master Instrument which is of a formal, minor or technical nature, which is made to correct an obvious error or which is necessary in order to comply with mandatory provisions of Singapore law. Any such modification shall be binding on the Certificate Holders and shall be notified to them by the Warrant Agent before the date such modification becomes effective or as soon as practicable thereafter in accordance with Condition 9.

9. Notices

(a) *Documents.* All cheques and other documents required or permitted by these Conditions to be sent to a Certificate Holder or to which a Certificate Holder is entitled or which the Issuer shall have agreed to deliver to a Certificate Holder may be delivered by hand or sent by post addressed to the Certificate Holder at his address appearing in the records maintained by CDP or, in the case of joint Certificate Holders, addressed to the joint holder first named at his address appearing in the records maintained by CDP, and airmail post shall be used if that address is not in Singapore. All documents delivered or sent in accordance with this paragraph shall be delivered or sent at the risk of the relevant Certificate Holder.

(b) *Notices.* All notices to Certificate Holders will be validly given if published in English on the web-site of the SGX-ST. Such notices shall be deemed to have been given on the date of the first such publication. If publication on the web-site of the SGX-ST is not practicable, notice will be given in such other manner as the Issuer may determine. The Issuer shall, at least one month prior to the expiry of any Certificate, give notice of the date of expiry of such Certificate in the manner prescribed above.

10. Liquidation

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Certificates will lapse and shall cease to be valid for any purpose, in the case of voluntary liquidation, on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator (including a provisional liquidator) or receiver or judicial manager or trustee or administrator or analogous person under Singapore or other applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law. In the event of the voluntary liquidation of the Company, the Issuer shall make such adjustments or amendments as it reasonably believes are appropriate in the circumstances.

11. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Certificate Holders, to create and issue further certificates so as to form a single series with the Certificates, subject to the approval of the SGX-ST.

12. Delisting

(a) Delisting. If at any time, the Underlying Stock ceases to be listed on the Relevant Stock Exchange, the Issuer shall give effect to these Conditions in such manner and make such adjustments and amendments to the rights attaching to the Certificates as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Certificate Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Certificate Holder or the tax or other consequences that may result in any particular jurisdiction).

(b) Issuer's Determination. The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Certificate Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Certificate Holders in accordance with Condition 9 as soon as practicable after they are determined.

13. Early Termination

(a) *Early Termination for Illegality and Force Majeure, etc.* If the Issuer determines that a Regulatory Event (as defined below) has occurred and, for reasons beyond its control, the performance of its obligations under the Certificates has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Certificates for any reason, the Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(d).

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

For the purposes of this Condition:

"**Regulatory Event**" means, following the occurrence of a Change in Law (as defined below) with respect to the Issuer and/or Société Générale as Guarantor or in any other capacity (including without limitation as hedging counterparty of the Issuer, market maker of the Certificates or direct or indirect shareholder or sponsor of the Issuer) or any of its affiliates involved in the issuer of the Certificates (hereafter the "**Relevant Affiliates**" and each of the Issuer, Société Générale and the Relevant Affiliates, a "**Relevant Entity**") that, after the Certificates have been issued, (i) any Relevant Entity would incur a materially increased (as compared with circumstances existing prior to such event) amount of tax, duty, liability, penalty, expense, fee, cost or regulatory capital charge however defined or collateral requirements for performing its obligations under the Certificates or hedging the Issuer's obligations under the Certificates, including, without limitation, due to clearing requirements of, or the absence of, clearing of the transactions entered into in connection with the issue of, or hedging the Issuer's obligation under, the Certificates, (ii) it is or will become for any Relevant Entity impracticable, impossible (in each case, after using commercially reasonable efforts), unlawful, illegal or otherwise prohibited or contrary, in whole or in part, under any law, regulation, rule, judgement, order or directive of any governmental, administrative or judicial authority, or power, applicable to such Relevant Entity (a) to hold, acquire, issue, reissue, substitute, maintain, settle, or as the case may be, guarantee, the Certificates, (b) to acquire, hold, sponsor or dispose of any asset(s) (or any interest thereof) of any other transaction(s) such Relevant Entity may use in connection with the issue of the Certificates or to hedge the Issuer's obligations under the Certificates, (c) to perform obligations in connection with, the Certificates or any contractual arrangement entered into between the Issuer and Société Générale or any Relevant Affiliate (including without limitation to hedge the Issuer's obligations under the Certificates) or (d) to hold, acquire, maintain, increase, substitute or redeem all or a substantial part of its direct or indirect shareholding in the Issuer's capital or the capital of any Relevant Affiliate or to directly or indirectly sponsor the Issuer or any Relevant Affiliate, or (iii) there is or may be a material adverse effect on a Relevant Entity in connection with the issue of the Certificates.

"**Change in law**" means (i) the adoption, enactment, promulgation, execution or ratification of any applicable new law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) after the Certificates have been issued, (ii) the implementation or application of any applicable law, regulation or rule (including, without limitation, any applicable tax law, regulation or rule) already in force when the Certificates have been issued but in respect of which the manner of its implementation or application was not known or unclear at the time, or (iii) the change of any applicable law, regulation or rule existing when the Certificates are issued, or the change in the interpretation or application or practice relating thereto, existing when the Certificates are issued of any applicable law, regulation or rule, by any competent court, tribunal, regulatory authority or any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any additional or alternative court, tribunal, authority or entity, to that existing when the Certificates are issued).

(b) *Early Termination for Holding Limit Event*. The Issuer may in its discretion and without obligation terminate the Certificates early in accordance with Condition 13(d) where a Holding Limit Event (as defined below) occurs.

For the purposes of this Condition:

"**Holding Limit Event**" means, assuming the investor is the Issuer and/or any of its affiliates, the Issuer together with its affiliates, in aggregate hold, an interest in the Underlying Stock, constituting or likely to constitute (directly or indirectly) ownership, control or the power to vote a percentage of any class of voting securities of the Underlying Stock, of the Underlying Stock in excess of a percentage permitted or advisable, as determined by the Issuer, for the purpose of its compliance with the Bank Holding Company Act of 1956 as amended by Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Volcker Rule), including any requests, regulations, rules, guidelines or directives made by the relevant governmental authority under, or issued by the relevant governmental authority in connection with, such statutes.

(c) *Early Termination for other reasons.* The Issuer reserves the right (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to terminate the Certificates in accordance with Condition 13(d) where an event or events occur which it believes in its sole discretion should, in the context of the issue of the Certificates and the obligations of the Issuer, give rise to such termination provided that such termination (i) is considered by the Issuer not to be materially prejudicial to the interests of Certificate Holders generally (without considering the circumstances of any individual Certificate Holder or the tax or other consequences of such termination in any particular jurisdiction); or (ii) is otherwise considered by the Issuer to be appropriate and such termination is approved by the SGX-ST.

(d) *Termination*. If the Issuer terminates the Certificates early, then the Issuer will give notice to the Certificate Holders in accordance with Condition 9. The Issuer will, if and to the extent permitted by applicable law, pay an amount to each Certificate Holder in respect of each Certificate held by such holder equal to the fair market value of a Certificate notwithstanding such illegality, impracticality or the relevant event less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Issuer in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Certificate Holders in accordance with Condition 9.

14. Substitution of the Issuer

The Issuer may be replaced by the Guarantor or any subsidiary of the Guarantor as principal obligor in respect of the Certificates without the consent of the relevant Certificate Holders. If the Issuer determines that it shall be replaced by the Guarantor or any subsidiary of the Guarantor (the "**Substituted Obligor**"), it shall give at least 90 days' notice (exclusive of the day on which the notice is given and of the day on which the substitution is effected) specifying the date of the substitution, in accordance with Condition 9, to the Certificate Holders of such event and, immediately on the expiry of such notice, the Substituted Obligor shall become the principal obligor in place of the Issuer and the Certificate Holders shall thereupon cease to have any rights or claims whatsoever against the Issuer.

Upon any such substitution, all references to the Issuer in the Conditions and all agreements relating to the Certificates will be to the Substituted Obligor and the Certificates will be modified as required, and the Certificate Holders will be notified of the modified terms and conditions of such Certificates in accordance with Condition 9.

For the purposes of this Condition, it is expressly agreed that by subscribing to, acquiring or otherwise purchasing or holding the Certificates, the Certificate Holders are expressly deemed to have consented to the substitution of the Issuer by the Substituted Obligor and to the release of the Issuer from any and all obligations in respect of the Certificates and all agreements relating thereto and are expressly deemed to have accepted such substitution and the consequences thereof.

15. Governing Law

The Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement will be governed by and construed in accordance with Singapore law. The Issuer and the Guarantor and each Certificate Holder (by its purchase of the Certificates) shall be deemed to have submitted for all purposes in connection with the Certificates, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement to the non-exclusive jurisdiction of the courts of Singapore. The Guarantee shall be governed by and construed in accordance with Singapore law.

16. Prescription

Claims against the Issuer for payment of any amount in respect of the Certificates will become void unless made within six years of the Expiry Date and, thereafter, any sums payable in respect of such Certificates shall be forfeited and shall revert to the Issuer.

17. Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore

Unless otherwise provided in the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement, a person who is not a party to any contracts made pursuant to the Global Warrant, the Master Instrument and the Master Warrant Agent Agreement or Warrant Agent Agreement has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any terms of such contracts. Except as expressly provided herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts.

SUMMARY OF THE ISSUE

The following is a summary of the issue and should be read in conjunction with, and is qualified by reference to, the other information set out in this document and the Base Listing Document. Terms used in this Summary are defined in the Conditions.

Issuer:	SG Issuer
Company:	HSBC Holdings plc
The Certificates:	European Style Cash Settled Short Certificates relating to the Underlying Stock
Number:	5,000,000 Certificates
Form:	The Certificates will be issued subject to, and with the benefit of, a master instrument by way of deed poll dated 18 June 2021 (the "**Master Instrument**") and executed by the Issuer and the Guarantor and a master warrant agent agreement dated 29 May 2017 (the "**Master Warrant Agent Agreement**") and made between the Issuer, the Guarantor and the Warrant Agent.
Cash Settlement Amount:	In respect of each Certificate, is the amount (if positive) equal to: Notional Amount per Certificate x Closing Level
Denominations:	Certificates are represented by a global warrant in respect of all the Certificates.
Exercise:	The Certificates may only be exercised on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, in a Board Lot or integral multiples thereof. Certificate Holders will not be required to deliver an exercise notice. If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates will be deemed to have been automatically exercised at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day. The Cash Settlement Amount less the Exercise Expenses in respect of the Certificates shall be paid in the manner set out in Condition 4(c) of the Conditions. In the event the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired at 10:00 a.m. (Singapore time) on the Expiry Date or if the Expiry Date is not a Business Day, the immediately preceding Business Day, and Certificate Holders shall not be entitled to receive any payment from the Issuer in respect of the Certificates.
Exercise and Trading Currency:	SGD
Board Lot:	100 Certificates

Transfers of Certificates:	Certificates may only be transferred in Board Lots (or integral multiples thereof). All transfers in Certificates, in the open market or otherwise, must be effected through a securities account with CDP. Title will pass upon registration of the transfer in the records of CDP.
Listing:	Application has been made to the SGX-ST for permission to deal in and for quotation of the Certificates and the SGX-ST has agreed in principle to grant permission to deal in and for quotation of the Certificates. Issue of the Certificates is conditional on such listing being granted. It is expected that dealings in the Certificates on the SGX-ST will commence on or about 17 December 2021.
Governing Law:	The laws of Singapore
Warrant Agent:	The Central Depository (Pte) Limited 11 North Buona Vista Drive #06-07 The Metropolis Tower 2 Singapore 138589
Further Issues:	Further issues which will form a single series with the Certificates will be permitted, subject to the approval of the SGX-ST.

The above summary is qualified in its entirety by reference to the detailed information appearing elsewhere in this document and the Base Listing Document.

INFORMATION RELATING TO THE EUROPEAN STYLE CASH SETTLED SHORT CERTIFICATES ON SINGLE EQUITIES

What are European Style Cash Settled Short Certificates on Single Equities?

European style cash settled short certificates on single equities (the "**Certificates**") are structured products relating to the Underlying Stock and the return on a Certificate is linked to the performance of the Leverage Inverse Strategy.

A) Cash Settlement Amount Payable upon the Exercise of the Certificates at Expiry

Upon the exercise of the Certificates at expiry, the Certificate Holders would be paid a Cash Settlement Amount in respect of each Certificate.

The Cash Settlement Amount, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to the Closing Level multiplied by the Notional Amount per Certificate.

The Closing Level, in respect of each Certificate, shall be an amount payable in the Settlement Currency equal to (1) divided by (2) less (3) subject to any adjustments such as (4), where:

(1) is the Final Reference Level multiplied by the Final Exchange Rate;

(2) is the Initial Reference Level multiplied by the Initial Exchange Rate;

(3) is the Strike Level; and

(4) is the Hedging Fee Factor.

If the Cash Settlement Amount (less any Exercise Expenses) is positive, all Certificates shall be deemed to have been automatically exercised and investors will receive a Cash Settlement Amount. If the Cash Settlement Amount (less any Exercise Expenses) is zero, all Certificates shall be deemed to have expired. Please refer to the section headed "Terms and Conditions of the European Style Cash Settled Long/Short Certificates on Single Equities" for further details on the calculation of the Cash Settlement Amount.

The Certificates are only suitable for investors who believe that the price of the Underlying Stock will decrease and are seeking short-term leveraged inverse exposure to the Underlying Stock.

B) Trading the Certificates before Expiry

If the Certificate Holders want to cash out their investments in the Certificates before the expiry of the Certificates, they may sell the Certificates in the secondary market during the life of the Certificates, and would be subject to the following fees and charges:

(i) <u>For Certificate Holders who trade the Certificates intraday</u>: shall pay normal transaction and brokerage fees for the trading of the Certificates on the SGX-ST, and may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Certificates are transferred; and

(ii) <u>For Certificate Holders who hold the Certificates overnight</u>: in addition to the normal transaction and brokerage fees and applicable stamp taxes, would also be required to bear the Management Fee and Gap Premium as well as certain costs embedded within the Leverage Inverse Strategy including the Stock Borrowing Cost and Rebalancing Cost.

Illustration of the Calculation of Hedging Fee Factor

Hedging Fee Factor	=	Product of the Daily Fees

Daily Fees	=	**Daily Management Fee Adjustment**
		1 – Management Fee x ACT (t-1;t) / 360
		x
		Daily Gap Premium Adjustment
		1 – Gap Premium (t-1) x ACT (t-1;t) / 360

Illustration of the Calculation of Cash Settlement Amount

Cash Settlement Amount = Final Value of Certificates – Strike Level (zero)

		t[7]=0		t=1		t=2		t=i
Value of Certificates	=	Notional Amount	x	Leverage Inverse Strategy daily performance[8] x Daily Fees	x	Leverage Inverse Strategy daily performance x Daily Fees	x …	Leverage Inverse Strategy Daily performance x Daily Fees

		t=0		**Product of the daily Leverage Inverse Strategy Performance**		**Product of the Daily Fees (Hedging Fee Factor)**
Value of Certificates	=	Notional Amount	x	Leverage Inverse Strategy daily performance x Leverage Inverse Strategy daily performance	x	Daily Fees x Daily Fees

		t=0				
Final Value of Certificates	=	Notional Amount	x	Final Reference Level x Final Exchange Rate ÷ Initial Reference Level x Initial Exchange Rate	x	Hedging Fee Factor

Illustration of the applicable fees and charges for an intraday trading scenario

Hedging Fee is implemented overnight in the price of the Certificate. As a consequence, when trading intraday, investors will not bear any Hedging Fee.

Investors will only support bid/ask costs, which are the difference between the price at which the Designated Market Maker purchases (bid) and sells (ask) the Certificate at any point of time.

[7] "t" refers to "**Observation Date**" which means each Underlying Stock Business Day (subject to Market Disruption Event) from (and including) the Underlying Stock Business Day immediately preceding the Expected Listing Date to the Valuation Date.
[8] Leverage Inverse Strategy daily performance is computed as the Leverage Inverse Strategy Closing Level on Business Day (t) divided by the Leverage Inverse Strategy Closing Level on Business Day (t-1).

Example of Calculation of Hedging Fee Factor and Cash Settlement Amount

The example is purely hypothetical. We include the example to illustrate how the Certificates work, and you MUST NOT rely on them as any indication of the actual return or what the payout on the Certificates might actually be. The example also assumes a product which expires 16 days after listing date, to illustrate the daily calculation of price, costs and fees from listing date to expiry date.

Assuming an investor purchases the following Certificates at the Issue Price:

Underlying Stock:	Ordinary shares of HSBC Holdings plc
Expected Listing Date:	**03/07/2018**
Expiry Date:	**18/07/2018**
Initial Reference Level:	**1,000**
Initial Exchange Rate:	**1**
Final Reference Level:	**1,200**
Final Exchange Rate:	**1**
Issue Price:	**0.80 SGD**
Notional Amount per Certificate:	**0.80 SGD**
Management Fee (p.a.):	**0.40%**
Gap Premium (p.a.):	**4.60%**
Strike Level:	Zero

Hedging Fee Factor

Hedging Fee Factor on the n**th** Underlying Stock Business Day after issuance of Certificate ("HFF (n)") is calculated as follows:

HFF(0) = 100%

On Next Calendar Day (assuming it is an Underlying Stock Business Day):

$$\mathrm{HFF}\ (1)\ =\ \mathrm{HFF}\ (0)\ \times\left(1-\ \mathrm{Management\ Fee}\ \times\frac{\mathrm{ACT}\ (\mathrm{t}-1;\mathrm{t})}{360}\right)\times\left(1-\ \mathrm{Gap\ Premium}\ \times\frac{\mathrm{ACT}\ (\mathrm{t}-1;\mathrm{t})}{360}\right)$$

$$\mathrm{HFF}\ (1)=\ 100\%\ \times\left(1-\ 0.40\%\ \times\frac{1}{360}\right)\times\left(1-\ 4.60\%\ \times\frac{1}{360}\right)$$

$$\mathrm{HFF}\ (1)=\ 100\%\ \times\ 99.9989\%\ \times\ 99.9872\%\ \approx\ 99.9861\%$$

Assuming 2nd Underlying Stock Business Day falls 3 Calendar Days after 1st Underlying Stock Business Day:

$$\mathrm{HFF}\ (2)=\mathrm{HFF}\ (1)\times\left(1-\ \mathrm{Management\ Fee}\ \times\frac{\mathrm{ACT}\ (\mathrm{t}-1;\mathrm{t})}{360}\right)\times\left(1-\ \mathrm{Gap\ Premium}\ \times\frac{\mathrm{ACT}\ (\mathrm{t}-1;\mathrm{t})}{360}\right)$$

$$\text{HFF}(2) = 99.9797\% \times \left(1 - 0.40\% \times \frac{3}{360}\right) \times \left(1 - 4.60\% \times \frac{3}{360}\right)$$

$$\text{HFF}(2) = 99.9797\% \times 99.9967\% \times 99.9617\% \approx 99.9445\%$$

The same principle applies to the following Underlying Stock Business Days:

$$\text{HFF}(n) = \text{HFF}(n-1) \times \left(1 - \text{Management Fee} \times \frac{\text{ACT}(t-1;t)}{360}\right) \times \left(1 - \text{Gap Premium} \times \frac{\text{ACT}(t-1;t)}{360}\right)$$

In this example, the Hedging Fee Factor as of the Valuation Date would be equal to 99.7919% as illustrated below:

Date	HFF
3/7/2018	100.0000%
4/7/2018	99.9861%
5/7/2018	99.9722%
6/7/2018	99.9583%
9/7/2018	99.9167%
10/7/2018	99.9028%
11/7/2018	99.8889%
12/7/2018	99.8751%
13/7/2018	99.8612%
16/7/2018	99.8196%
17/7/2018	99.8057%
18/7/2018	99.7919%

Cash Settlement Amount

In this example, the Closing Level and the Cash Settlement Amount would be computed as follows:

Closing Level = [(Final Reference Level x Final Exchange Rate) / (Initial Reference Level x Initial Exchange Rate) – Strike Level] x Hedging Fee Factor

= [(1200 x 1) / (1000 x 1) – 0] x 99.7919%

= 119.75%

Cash Settlement Amount = Closing Level x Notional Amount per Certificate

= 119.75% x 0.80 SGD

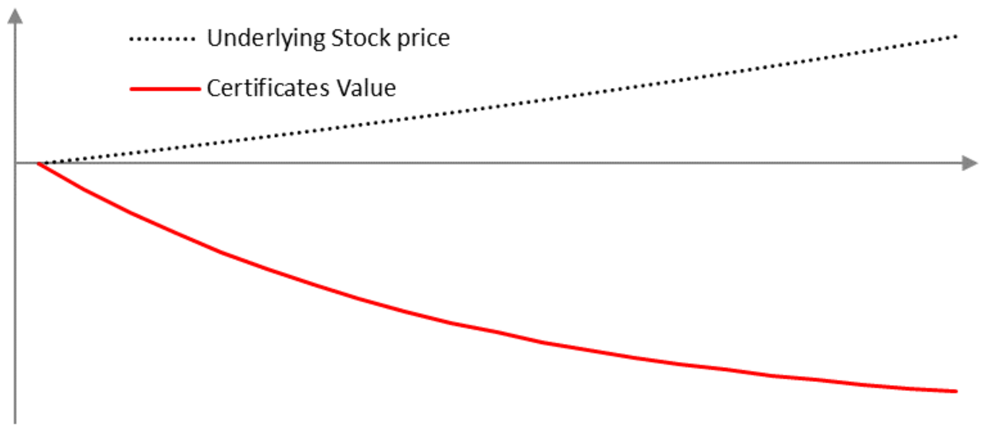
= 0.958 SGD

Illustration on how returns and losses can occur under different scenarios

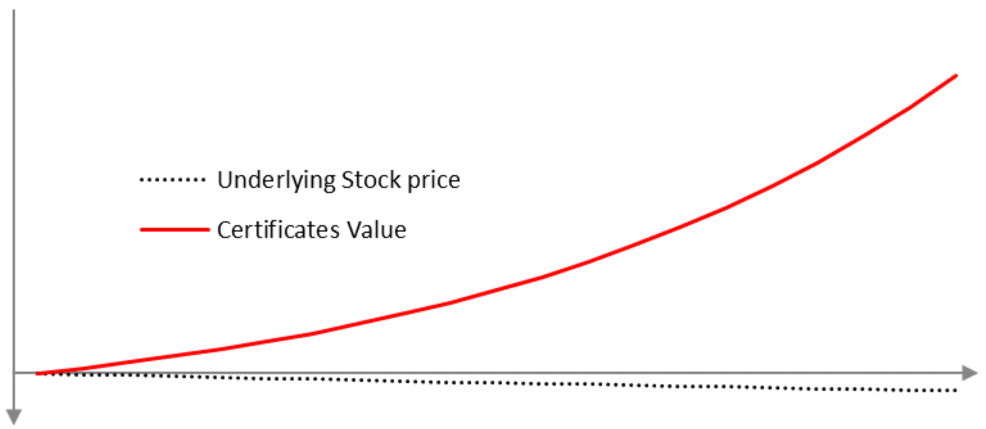
The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of the Underlying Stock performance on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, dividends, or any other market parameters.

1. <u>Illustrative examples</u>

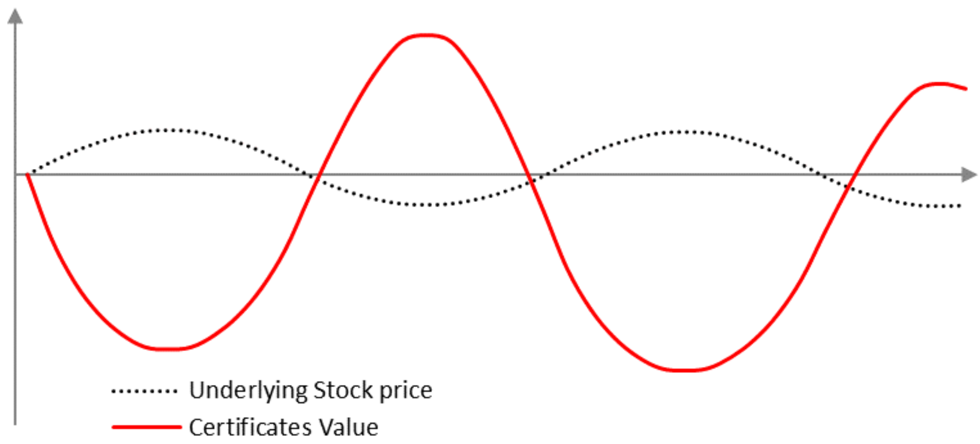
<u>*Scenario 1 – Upward Trend*</u>



<u>*Scenario 2 – Downward Trend*</u>



<u>*Scenario 3 – Volatile Market*</u>



2. <u>Numerical Examples</u>

Scenario 1 – Upward Trend

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	2.0%	2.0%	2.0%	2.0%
Value at end of day	10,000.0	10,200.0	10,404.0	10,612.1	10,824.3	11,040.8
Accumulated Return		2.00%	4.04%	6.12%	8.24%	10.41%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-10.0%	-10.0%	-10.0%	-10.0%	-10.0%
Price at end of day	0.8	0.72	0.65	0.58	0.52	0.47
Accumulated Return		-10.00%	-19.00%	-27.10%	-34.39%	-40.95%

Scenario 2 – Downward Trend

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-2.0%	-2.0%	-2.0%	-2.0%	-2.0%
Value at end of day	10,000.0	9,800.0	9,604.0	9,411.9	9,223.7	9,039.2
Accumulated Return		-2.00%	-3.96%	-5.88%	-7.76%	-9.61%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		10.0%	10.0%	10.0%	10.0%	10.0%
Price at end of day	0.8	0.88	0.97	1.06	1.17	1.29
Accumulated Return		10.00%	21.00%	33.10%	46.41%	61.05%

Scenario 3 – Volatile Market

Underlying Stock						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		2.0%	-2.0%	2.0%	-2.0%	2.0%
Value at end of day	10,000.0	10,200.0	9,996.0	10,195.9	9,992.0	10,191.8
Accumulated Return		2.00%	-0.04%	1.96%	-0.08%	1.92%

Value of the Certificates						
	Day 0	Day 1	Day 2	Day 3	Day 4	Day 5
Daily return		-10.0%	10.0%	-10.0%	10.0%	-10.0%
Price at end of day	0.8	0.72	0.79	0.71	0.78	0.71
Accumulated Return		-10.00%	-1.00%	-10.90%	-1.99%	-11.79%

Description of Air Bag Mechanism

The Certificates integrate an “Air Bag Mechanism” which is designed to reduce exposure to the Underlying Stock during extreme market conditions.

When the Air Bag triggers, a 30-minute period starts. This period is divided into two sub-periods:

- Observation Period : during 15 minutes after the Air Bag trigger, the price of the Underlying Stock is observed and its maximum price is recorded; and
- Reset Period: after 15 minutes, the Leverage Inverse Strategy is reset using the maximum price of the Underlying Stock during the Observation Period as the New Observed Price. The New Observed Price replaces the last closing price of the Underlying Stock in order to compute the performance of the Leverage Inverse Strategy, 30 minutes after the Air Bag trigger.

Trading of Certificates is suspended for at least 30 minutes after the Air Bag is triggered. Investors cannot sell or purchase any Certificates during this period.

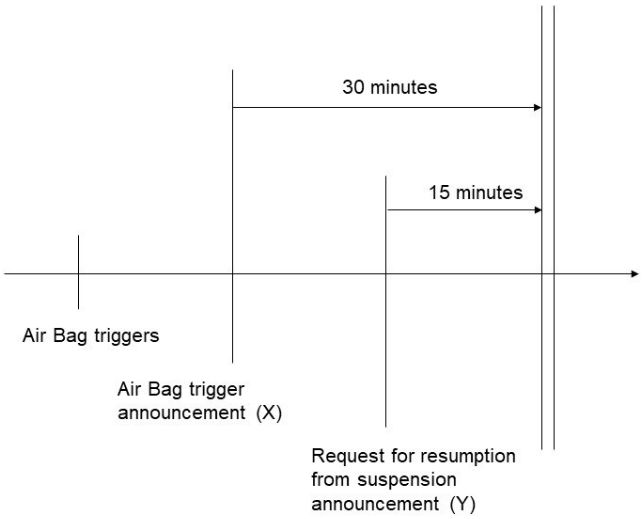
The performance of the Leverage Inverse Strategy will be the inverse of the Underlying Stock.

Air Bag Mechanism timeline

<table>
<tr><th>Air Bag Trigger</th><th>Observation Period</th><th>Resumption of Trading</th></tr>
<tr><td>More than 45 minutes before Market Close</td><td rowspan="5">First 15 minutes after Air Bag Trigger</td><td>Trading resumes the same day between 30 and 45 minutes after Air Bag Trigger</td></tr>
<tr><td>45 minutes before Market Close</td><td rowspan="6">Next trading day at Market Open</td></tr>
<tr><td>30 to 45 minutes before Market Close</td></tr>
<tr><td>30 minutes before Market Close</td></tr>
<tr><td>15 to 30 minutes before Market Close</td></tr>
<tr><td>15 minutes before Market Close</td><td rowspan="2">From Air Bag Trigger to Market Close</td></tr>
<tr><td>Less than 15 minutes before Market Close</td></tr>
</table>

With **Market Close** defined as:

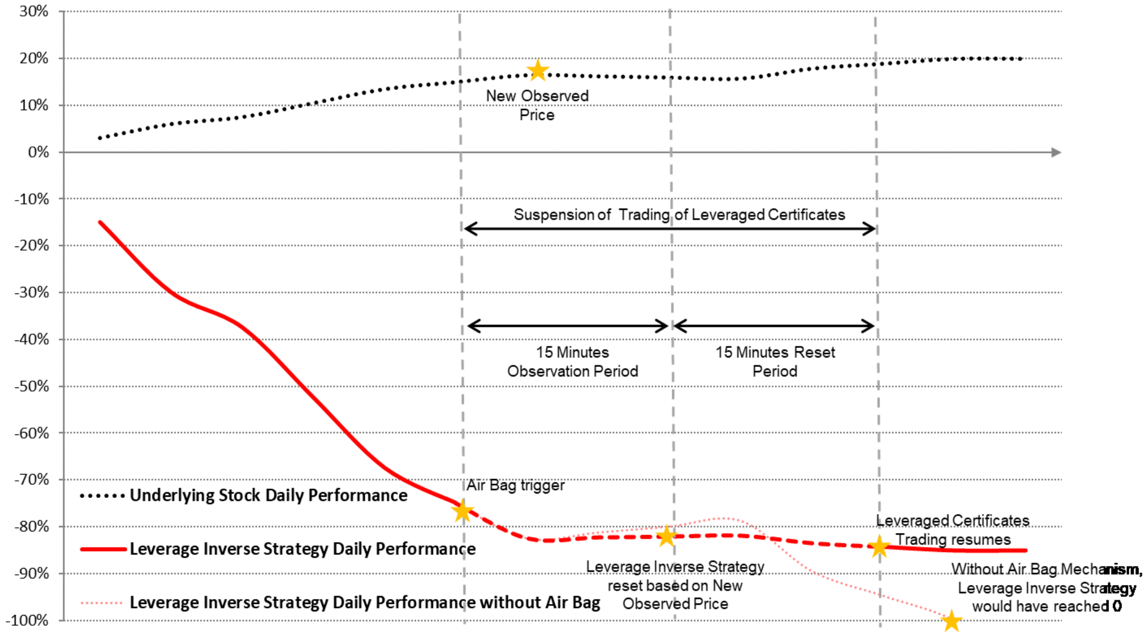
- Underlying Stock closing time with respect to the Observation Period
- The sooner between Underlying Stock closing time and SGX closing time with respect to the Resumption of Trading



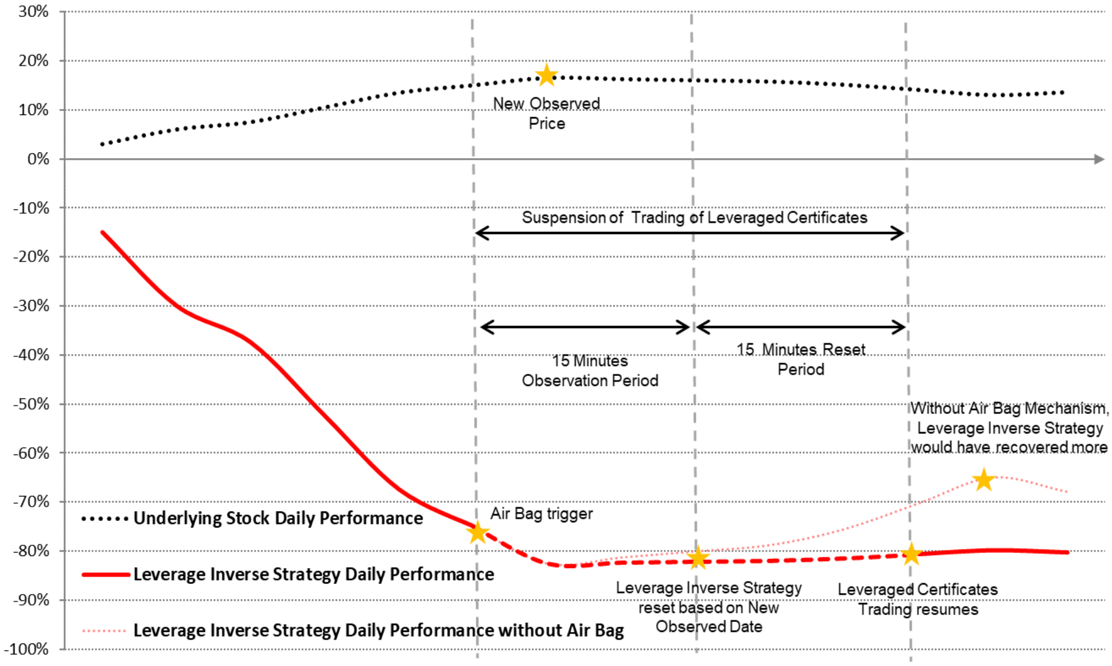
- The later between X+30 minutes or Y+15 minutes will be the earliest time the Certificates can be resumed, the next quarter-of-an-hour of which will be the scheduled resumption time of the Certificates.
- If the scheduled resumption time of the Certificates is at or later than the scheduled closing time of the underlying asset, the Certificates will resume at 9 a.m. on the next SGX-ST trading day.

Illustrative examples of the Air Bag Mechanism[9]

Scenario 1 – Upward Trend after Air Bag trigger



Scenario 2 – Downward Trend after Air Bag trigger



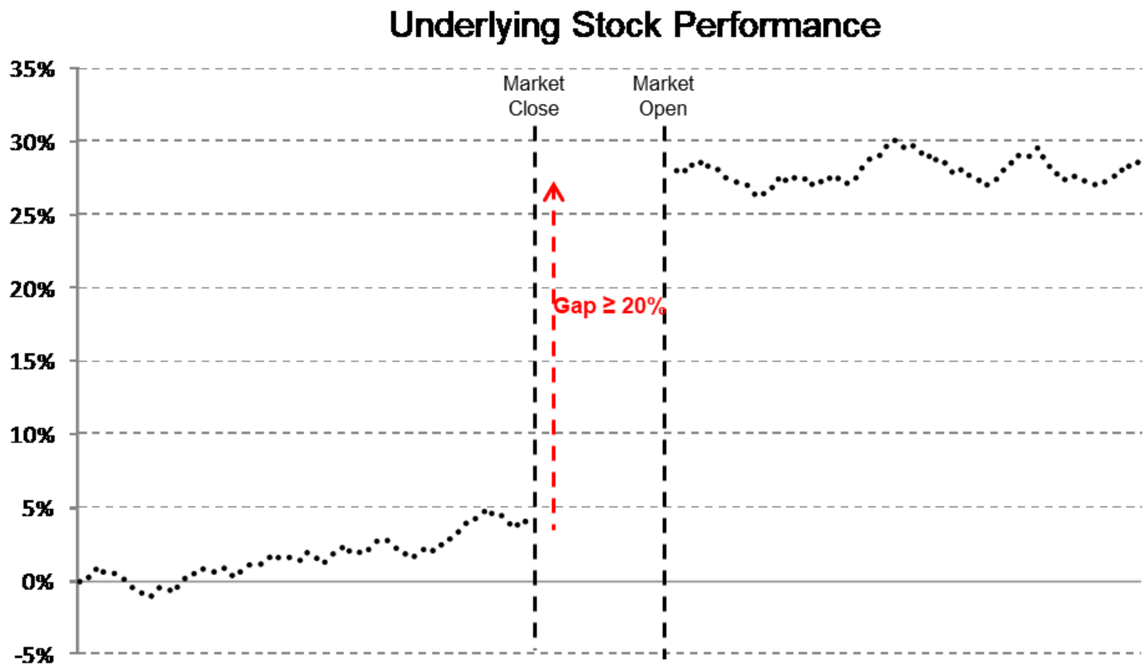
[9] The illustrative examples are not exhaustive.

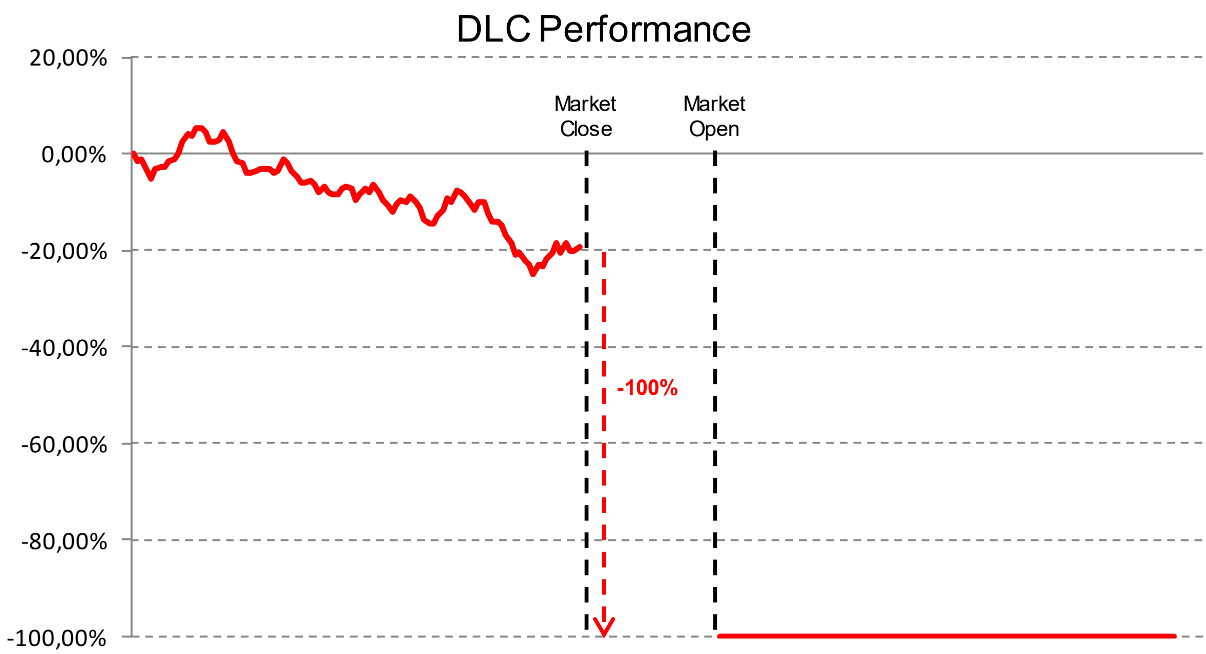
Scenarios where the investor may lose the entire value of the investment

The scenarios below are purely hypothetical and do not take fees and charges payable by investors into consideration. The scenarios highlight cases where the Certificates may lose 100% of their value.

Scenario 1 – Overnight rise of the Underlying Stock

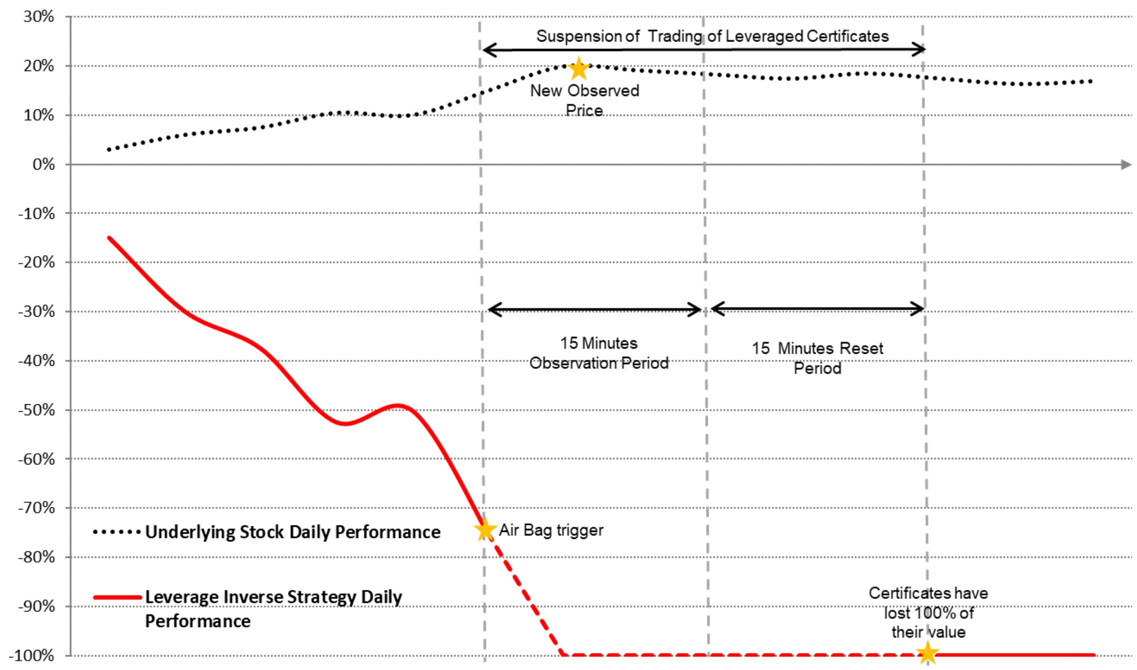
On any business day, the opening price of the Underlying Stock may be higher or lower than the closing price on the previous day. The difference between the previous closing price and the opening price of the Underlying Stock is termed a "gap". If the opening price of the Underlying Stock is 20% or more above the previous day closing price, the Air Bag Mechanism would only be triggered when the market opens the following day, and the Certificates would lose their entire value in such event.





Scenario 2 – Sharp intraday rise of the Underlying Stock

Although the Air Bag Mechanism is designed to reduce the exposure to the Underlying Stock during extreme market conditions, the Certificate can lose 100% of its value in the event the price of the Underlying Stock rises by 20% or more within the 15 minutes Observation Period compared to the reference price, being: (i) if air bag has not been previously triggered on the same day, the previous closing price of the Underlying Stock, or (ii) if one or more air bag have been previously triggered on the same day, the latest New Observed Price. The Certificates would lose their entire value in such event.



Examples and illustrations of adjustments due to certain corporate actions

The examples are purely hypothetical and do not take fees and charges payable by investors into consideration. The examples highlight the effect of corporate actions on the value of the Certificates and do not take into account the possible influence of fees, exchange rates, or any other market parameters.

In the case of any corporate action on the Underlying Stock, the Calculation Agent will, as soon as reasonably practical after it becomes aware of such event, determine whether such corporate action has a dilutive or concentrative effect on the theoretical value of the Underlying Stock, and if so, will (a) calculate the corresponding adjustment, if any, to be made to the elements relating to the Underlying Stock which are used to determine any settlement or payment terms under the Certificates and/or adjust at its discretion any other terms of the Certificates as it determines appropriate to preserve the economic equivalent of the obligations of the Issuer under the Certificates and (b) determine the effective date of such adjustment.

Notwithstanding the foregoing, in the event Observation Date (t) is an ex-date with respect to a corporate action related to the Underlying Stock, the Calculation Agent may, in its sole and absolute discretion, replace the $Rfactor_t$ with respect to such Observation Date (t) by an amount computed according to the following generic formula :

$$Rfactor_t = \left[1 - \frac{Div_t + DivExc_t - M \times R}{\mathrm{S}_{t-1}}\right] \times \frac{1}{1+M}$$

This formula is provided for indicative purposes and the Calculation Agent may determine that this formula is not appropriate for certain corporate actions and may apply a different formula instead.

Such adjustment of $Rfactor_t$ would affect the Leveraged Return, the Rebalancing Cost, and the Underlying Reference Price used to determine the Intraday Restrike Event. The Air Bag mechanism would not be triggered if the stock price rises by 15% exclusively because of the dilutive effect of a corporate action.

Where:

$\mathrm{DivExc_t}$ is the amount received as an Extraordinary Dividend by a holder of existing Shares for each Share held prior to the Extraordinary Dividend, net of any applicable withholding taxes.

M is the number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe or to receive (positive amount) or the number of existing Shares redeemed or canceled per existing Share (negative amount), as the case may be, resulting from the corporate action.

R is the subscription price per Share (positive amount) or the redemption price per Share (negative amount) including any dividends or other benefits forgone to be subscribe to or to receive (as applicable), or to redeem a Share.

1. Stock split

Assuming the Underlying Stock is subject to a 1 to 2 stock split (i.e. 1 new Share for every 1 existing share):

$\mathrm{S_{t-1}}$ = \$100

$\mathrm{S_t}$ = \$51

$\mathrm{Div_t} = \$0$

$\mathrm{DivExc_t} = \$0$

M = 1 (i.e. 1 new Shares for 1 existing Share)

R = $0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 2 \times 0)}{100}\right] \times \frac{1}{1+1} = 50\%$$

As a consequence:

$$\mathrm{LR_{t-1,t}} = \mathrm{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{51}{100 \times 50\%} - 1\right) = -10\%$$

$\mathrm{S_{t-1}}$	$\mathrm{S_{t-1}} \times Rfactor_t$	$\mathrm{S_t}$	Adjusted Underlying Stock Performance
100	50	51	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.80	0.72	-10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to $57.5, which is 15% above$50, the Underlying Stock Reference Price.

2. <u>Share Consolidation</u>

Assuming the Underlying Stock is subject to a 2 to 1 share consolidation (i.e. 1 Share canceled for every 2 existing Shares):

$\mathrm{S_{t-1}}$ = $100

$\mathrm{S_t}$ = $202

$\mathrm{Div_t} = \$0$

$\mathrm{DivExc_t} = \$0$

M = -0.5 (i.e. 0.5 Shares canceled for each 1 existing Share)

R = $0 (no subscription price / redemption price)

$$Rfactor_t = \left[1 - \frac{0 + 0 - (-0.5) \times 0)}{100}\right] \times \frac{1}{1 + (-0.5)} = 200\%$$

As a consequence:

$$\mathrm{LR_{t-1,t}} = \mathrm{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{202}{100 \times 200\%} - 1\right) = -5\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	200	202	1%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.80	0.76	-5%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to $230, which is 15% above $200, the Underlying Stock Reference Price.

3. <u>Rights Issues</u>

Assuming there is a rights issue with respect to the Underlying Stock, with a right to receive 1 new Share for every 2 existing Shares, for a subscription price of $40.

S_{t-1} = $100

S_t = $84

$\mathrm{Div}_t = \$0$

$\mathrm{DivExc}_t = \$0$

R = $40 (i.e. subscription price of $40)

M = 0.5 (i.e. 1 new share for every 2 existing shares)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.5 \times 40}{100}\right] \times \frac{1}{1 + 0.5} = 80\%$$

As a consequence:

$$\mathrm{LR}_{t-1,t} = \mathrm{Leverage} \times \left(\frac{S_t}{S_{t-1} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{84}{100 \times 80\%} - 1\right) = -25\%$$

S_{t-1}	$S_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.80	0.60	-25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to $92, which is 15% above $80, the Underlying Stock Reference Price.

4. Bonus Issues

Assuming there is a bonus issue with respect to the Underlying Stock, where shareholders receive 1 bonus share for 5 existing shares:

S_{t-1} = \$100

S_t = \$85

$\mathrm{Div}_t = \$0$

$\mathrm{DivExc}_t = \$0$

R = \$0

M = 0.2 (i.e. 1 new share for 5 existing shares)

$$Rfactor_t = \left[1 - \frac{0 + 0 - 0.2 \times 0}{100}\right] \times \frac{1}{1 + 0.2} = 83.33\%$$

As a consequence:

$$\mathrm{LR}_{t-1,t} = \text{Leverage} \times \left(\frac{\mathrm{S}_t}{\mathrm{S}_{t-1} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{85}{100 \times 83.33\%} - 1\right) = -10\%$$

S_{t-1}	$\mathrm{S}_{t-1} \times Rfactor_t$	S_t	Adjusted Underlying Stock Performance
100	83.33	85	2%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.80	0.72	-10%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$95.83, which is 15% above \$83.33, the Underlying Stock Reference Price.

5. Extraordinary Dividend

Assuming there is an extraordinary dividend of \$20 (net of taxes) paid in respect of each stock.

S_{t-1} = \$100

S_t = \$84

$\mathrm{Div}_t = \$0$

$\mathrm{DivExc}_t = \$20$

R = \$0

M = 0

$$Rfactor_t = \left[1 - \frac{0 + 20 - 0 \times 0}{100}\right] \times \frac{1}{1+0} = 80\%$$

As a consequence:

$$\mathrm{LR}_{\mathrm{t-1,t}} = \text{Leverage} \times \left(\frac{\mathrm{S_t}}{\mathrm{S_{t-1}} \times Rfactor_t} - 1\right) = -5 \times \left(\frac{84}{100 \times 80\%} - 1\right) = -25\%$$

$\mathrm{S_{t-1}}$	$\mathrm{S_{t-1}} \times Rfactor_t$	$\mathrm{S_t}$	Adjusted Underlying Stock Performance
100	80	84	5%

Value of the Certificate (t-1)	Value of the Certificate (t)	Certificates' performance (excluding any cost and fees)
0.80	0.60	-25%

In such case an Intraday Restrike Event would occur if the Underlying Stock price rises to \$92, which is 15% above \$80, the Underlying Stock Reference Price.

INFORMATION RELATING TO THE COMPANY

*All information contained in this document regarding the Company, including, without limitation, its financial information, is derived from publicly available information which appears on the web-site of Hong Kong Exchanges and Clearing Limited (the "**HKExCL**") at http://www.hkex.com.hk and/or the Company's web-site at http://www.hsbc.com. The Issuer has not independently verified any of such information.*

HSBC Holdings plc (the "**Company**") is a banking and financial services company. The Company manages its products and services through three businesses: Wealth and Personal Banking (WPB), Commercial Banking (CMB), and Global Banking and Markets (GBM). It operates across various geographical regions, which include Europe, Asia, Middle East and North Africa, North America, and Latin America. WPB business offers Retail Banking, Wealth Management, Asset Management and Insurance. CMB products and services to serve the needs of commercial customers, including small and medium-sized enterprises, mid-market enterprises and corporates. It includes credit and lending, international trade and receivables finance, treasury management and liquidity solutions, commercial insurance and investments. GBM supports government, corporate and institutional clients, and private investors across the world.

The information set out in Appendix I of this document relates to the earnings release of the Company and its subsidiaries for the nine month period ended 30 September 2021 and has been extracted and reproduced from an announcement by the Company dated 25 October 2021 in relation to the same. Further information relating to the Company may be located on the web-site of the HKExCL at http://www.hkex.com.hk.

INFORMATION RELATING TO THE DESIGNATED MARKET MAKER

Société Générale has been appointed the designated market maker ("**DMM**") for the Certificates. The DMM will provide competitive buy and sell quotes for the Certificates continuously during the trading hours of the SGX-ST on the following basis:

(a)	Maximum bid and offer spread	:	(i) when the best bid price of the Certificate is S$10 and below: 10 ticks or S$0.20 whichever is greater; and (ii) when the best bid price of the Certificate is above S$10: 5% of the best bid price of the Certificate.
(b)	Minimum quantity subject to bid and offer spread	:	10,000 Certificates
(c)	Last Trading Day for Market Making	:	The date falling 5 Exchange Business Days immediately preceding the Expiry Date

In addition, the DMM may not provide a quotation in the following circumstances:

(i) during the pre-market opening and five minutes following the opening of the SGX-ST on any trading day;

(ii) if the Certificates are valueless (where the Issuer's bid price is below the minimum bid size for such securities as prescribed by the SGX-ST);

(iii) before the Relevant Stock Exchange for the Underlying Stock has opened and after the Relevant Stock Exchange for the Underlying Stock has closed on any trading day;

(iv) when trading in the Underlying Stock is suspended or limited in a material way for any reason, for the avoidance of doubt, the DMM is not obliged to provide quotations for the Certificates at any time when the Underlying Stock is not negotiated/traded for any reason;

(v) where the Certificates are suspended from trading for any reason;

(vi) market disruption events, including, without limitation, any suspension of or limitation imposed on trading (including but not limited to unforeseen circumstances such as by reason of movements in price exceeding limits permitted by the SGX-ST or any act of God, war, riot, public disorder, explosion, terrorism or otherwise) in the Underlying Stock;

(vii) where the Issuer or the DMM faces technical problems affecting the ability of the DMM to provide bids and offer quotations;

(viii) where the ability of the Issuer to source a hedge or unwind an existing hedge, as determined by the Issuer in good faith, is materially affected by the prevailing market conditions, and the Issuer informs the SGX-ST of its inability to do so as soon as practicable;

(ix) in cases where the Issuer has no Certificates to sell, then the DMM will only provide the bid price;

(x) if the stock market experiences exceptional price movement and volatility;

(xi) when it is a public holiday in Singapore and/or Hong Kong and/or the SGX-ST and/or the HKEX are not open for dealings; and

(xii) during the suspension of trading of Certificates after an Air Bag Mechanism has been triggered.

The last trading day on which the DMM will provide competitive quotations for the Certificates would be the fifth Exchange Business Day immediately preceding the Expiry Date.

SUPPLEMENTAL INFORMATION RELATING TO THE GUARANTOR

The information set out in Appendix II of this document is a reproduction of the press release dated 4 November 2021 containing the Guarantor's consolidated financial results for the third quarter ended 30 September 2021.

SUPPLEMENTAL GENERAL INFORMATION

The information set out herein is supplemental to, and should be read in conjunction with, the information set out on page 105 of the Base Listing Document.

1. Save as disclosed in this document and the Base Listing Document, neither the Issuer nor the Guarantor is involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) which may have or have had in the previous 12 months a significant effect on the financial position of the Issuer or the Guarantor in the context of the issuance of the Certificates.

2. Settlement of trades done on a normal "ready basis" on the SGX-ST generally take place on the second Business Day following the transaction. Dealing in the Certificates will take place in Board Lots in Singapore dollars. For further details on the transfer of Certificates and their exercise, please refer to the section headed "Summary of the Issue" above.

3. It is not the current intention of the Issuer to apply for a listing of the Certificates on any stock exchange other than the SGX-ST.

4. Save as disclosed in the Base Listing Document and herein, there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2020 or the Guarantor since 30 September 2021, in the context of the issuance of Certificates hereunder.

5. The following contracts, relating to the issue of the Certificates, have been or will be entered into by the Issuer and/or the Guarantor and may be material to the issue of the Certificates:

   (a) the Guarantee;

   (b) the Master Instrument; and

   (c) the Master Warrant Agent Agreement.

   None of the directors of the Issuer and the Guarantor has any direct or indirect interest in any of the above contracts.

6. The Auditors of the Issuer and the Guarantor have given and have not withdrawn their written agreement to the inclusion of the report, included herein, in the form and context in which it is included. Their report was not prepared exclusively for incorporation into this document.

   The Auditors of the Issuer and the Guarantor have no shareholding in the Issuer or the Guarantor or any of its subsidiaries, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of the Issuer or the Guarantor or any of its subsidiaries.

7. The Certificates are not fully covered by the Underlying Stock held by Issuer or a trustee for and on behalf of the Issuer. The Issuer has appropriate risk management capabilities to manage the issue of the Certificates.

8. Société Générale, Singapore Branch, currently of 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, has been authorised to accept, on behalf of the Issuer and the Guarantor, service of process and any other notices required to be served on the Issuer or the Guarantor. Any notices required to be served on the Issuer or the Guarantor should be sent to Société Générale at the above address for the attention of Société Générale Legal Department.

9. Copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and holidays excepted) at the offices of Société Générale, Singapore Branch at 8 Marina Boulevard, #12-01 Marina Bay Financial Centre Tower 1, Singapore 018981, during the period of 14 days from the date of this document:

   (a) the Memorandum and Articles of Association of the Issuer and the Constitutional Documents of the Guarantor;

   (b) the latest financial reports (including the notes thereto) of the Issuer;

   (c) the latest financial reports (including the notes thereto) of the Guarantor;

   (d) the consent letters from the Auditors to the Issuer and the Guarantor referred to in paragraph 6 above;

   (e) the Base Listing Document;

   (f) this document; and

   (g) the Guarantee.

PLACING AND SALE

General

No action has been or will be taken by the Issuer that would permit a public offering of the Certificates or possession or distribution of any offering material in relation to the Certificates in any jurisdiction where action for that purpose is required. No offers, sales or deliveries of any Certificates, or distribution of any offering material relating to the Certificates may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on the Issuer. In the event that the Issuer contemplates a placing, placing fees may be payable in connection with the issue and the Issuer may at its discretion allow discounts to placees.

Each Certificate Holder undertakes that it will inform any subsequent purchaser of the terms and conditions of the Certificates and all such subsequent purchasers as may purchase such securities from time to time shall deemed to be a Certificate Holder for the purposes of the Certificates and shall be bound by the terms and conditions of the Certificates.

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Certificates may not be circulated or distributed, nor may Certificates be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than pursuant to, and in accordance with the conditions of, any applicable provision of the Securities and Futures Act, Chapter 289 of Singapore.

Hong Kong

Each dealer has represented and agreed, and each further dealer appointed in respect of the Certificates and each other purchaser will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates (except for Certificates which are a "structured product" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong ("**SFO**")) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus", as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong ("**CWUMPO**") or which do not constitute an offer to the public within the meaning of the CWUMPO; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

European Economic Area

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell, or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive 2016/97/EU (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended and superseded, the Prospectus Regulation); and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

United Kingdom

Each dealer represents and agrees, and each further dealer appointed in respect of the Certificates will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Certificates which are the subject of the offering as contemplated by this document to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(ii) a customer within the meaning of the provisions of the Financial Services and Markets Act, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

(iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for the Certificates.

Each dealer further represents and agrees, and each further dealer appointed in respect of the Certificates will be required to further represent and agree, that:

(a) in respect to Certificates having a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the

Certificates would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

United States

The Certificates and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any state securities law, and trading in the Certificates has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act of 1936, as amended (the "**Commodity Exchange Act**") and the Issuer will not be registered as an investment company under the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder. None of the Securities and Exchange Commission, any state securities commission or regulatory authority or any other United States, French or other regulatory authority has approved or disapproved of the Certificates or the Guarantee or passed upon the accuracy or adequacy of this document. Accordingly, Certificates, or interests therein, may not at any time be offered, sold, resold, traded, pledged, exercised, redeemed, transferred or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, nor may any U.S. person at any time trade, own, hold or maintain a position in the Certificates or any interests therein. In addition, in the absence of relief from the CFTC, offers, sales, re-sales, trades, pledges, exercises, redemptions, transfers or deliveries of Certificates, or interests therein, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, may constitute a violation of United States law governing commodities trading and commodity pools. Consequently, any offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person will not be recognised.

Each dealer has represented and agreed, and each further dealer will be required to represent and agree, that it has not and will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redeem, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such U.S. person. Any person purchasing Certificates of any tranches must agree with the relevant dealer or the seller of such Certificates that (i) it will not at any time offer, sell, resell, trade, pledge, exercise, redeem, transfer or deliver, directly or indirectly, any Certificates in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale, trade, pledge, exercise, redemption, transfer or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person, and (ii) it is not purchasing any Certificates for the account or benefit of any U.S. person.

Exercise or otherwise redemption of Certificates will be conditional upon certification that each person exercising or otherwise redeeming a Certificate is not a U.S. person or in the United States and that the Certificate is not being exercised or otherwise redeemed on behalf of a U.S. person. No payment will be made to accounts of holders of the Certificates located in the United States.

As used in the preceding paragraphs, the term "**United States**" includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America, and the term

“**U.S. person**” means any person who is (i) a U.S. person as defined under Regulation S under the Securities Act, (ii) a U.S. person as defined in paragraph 7701(a)(30) of the Internal Revenue Code of 1986, or (iii) a person who comes within any definition of U.S. person for the purposes of the United States Commodity Exchange Act of 1936, as amended (the “**CEA**”) or any rules thereunder of the CFTC (the “**CFTC Rules**”), guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a “Non-United States person” defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not “Non-United States persons”, shall be considered a U.S. person).

APPENDIX I

REPRODUCTION OF THE EARNINGS RELEASE FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2021 OF HSBC HOLDINGS PLC AND ITS SUBSIDIARIES

The information set out below is a reproduction of the earnings release of the Company and its subsidiaries for the nine month period ended 30 September 2021 and has been extracted and reproduced from an announcement by the Company dated 25 October 2021 in relation to the same.

25 October 2021

(Hong Kong Stock Code: 5)

HSBC Holdings plc

3Q21 EARNINGS RELEASE

The attached announcement is being released to all the stock exchanges on which HSBC Holdings plc is listed.

For and on behalf of
HSBC Holdings plc

Aileen Taylor
Group Company Secretary and Chief Governance Officer

The Board of Directors of HSBC Holdings plc as at the date of this announcement comprises: Mark Tucker*, Noel Quinn, Rachel Duan†, Carolyn Julie Fairbairn†, James Anthony Forese†, Steven Guggenheimer†, Irene Lee†, José Antonio Meade Kuribreña†, Eileen K Murray†, David Nish†, Ewen Stevenson, Jackson Tai† and Pauline van der Meer Mohr†.

* Non-executive Group Chairman
† Independent non-executive Director

HSBC Holdings plc
Registered Office and Group Head Office:
8 Canada Square, London E14 5HQ, United Kingdom
Web: www.hsbc.com
Incorporated in England with limited liability. Registered in England: number 617987

HSBC

25 OCTOBER 2021

HSBC HOLDINGS PLC

3Q21 EARNINGS RELEASE

Noel Quinn, Group Chief Executive, said:

"We had a good third-quarter performance, with strong growth in profits supported by additional credit provision releases. Our strategy remains on track, with good delivery in all areas. This was reflected in more consistent top-line growth, robust lending pipelines across our businesses, and rising trade and mortgage balances.

While we retain a cautious outlook on the external risk environment, we believe that the lows of recent quarters are behind us. This confidence, together with our strong capital position, enables us to announce a share buyback of up to $2bn, which we expect to commence shortly."

Financial performance (vs. 3Q20)

- **Reported profit after tax up $2.2bn to $4.2bn and reported profit before tax up $2.3bn to $5.4bn.** The increase was driven by a release of expected credit losses and other credit impairment charges ('ECL') and a higher share of profit from our associates.
- **All regions profitable in 3Q21, demonstrating continued earnings diversity.** Asia contributed $3.3bn to Group reported profit before tax, while in HSBC UK reported profit before tax increased by $1.0bn to $1.5bn.
- **Reported revenue up 1% to $12.0bn,** including a favourable foreign currency translation movement. **Adjusted revenue down 1% to $12.2bn,** primarily reflecting unfavourable market impacts in life insurance manufacturing in Wealth and Personal Banking ('WPB') and lower revenue in Markets and Securities Services ('MSS'). Notwithstanding these factors, we have seen continued good performances in areas of strategic focus, including wealth and trade finance products.
- **Net interest margin ('NIM') of 1.19%** was broadly stable compared with 3Q20 and 2Q21.
- **Reported ECL were a net release of $0.7bn, compared with a $0.8bn ECL charge in 3Q20,** reflecting continued stability in economic conditions and better than expected levels of credit performance.
- **Reported and adjusted operating expenses were broadly unchanged** as increases, including growth in technology investment, were offset by the impact of our cost-saving initiatives.
- **Reported customer lending balances down $20bn in the quarter,** including adverse foreign currency translation movements. On a constant currency basis, customer lending balances down $6bn, mainly from the repayment of $14bn of short-term borrowing to fund investments in initial public offerings in Hong Kong, partly offset by continued growth in mortgage balances of $7bn.
- **Common equity tier 1 ('CET1') capital ratio of 15.9%, up 30 basis points ('bps') from 2Q21,** reflecting a reduction in risk-weighted assets ('RWAs'), partly offset by a decrease in CET1 capital, net of foreseeable dividends.

Financial performance (vs. 9M20)

- **Reported profit after tax up $7.5bn to $12.7bn and reported profit before tax up $8.9bn to $16.2bn.** Lower revenue was more than offset by net releases in ECL. Reported profit in 9M20 included an impairment of software intangibles of $1.3bn, mainly in Europe, and our share of an impairment of goodwill recorded by an associate.
- **Reported revenue down 3% to $37.6bn,** primarily reflecting 2020 interest rate reductions and lower revenue in MSS in Global Banking and Markets ('GBM'). These reductions were partly offset by net favourable movements in market impacts in life insurance manufacturing and valuation adjustments in GBM.
- **Reported ECL were a net release of $1.4bn, compared with a $7.6bn ECL charge in 9M20.** The net release in 9M21 primarily reflected an improvement in the economic outlook since 2020. The reduction also reflected low levels of stage 3 charges in 9M21, as well as the non-recurrence of a large charge in 9M20 related to a corporate exposure in Singapore.
- **Reported operating expenses up 2%** as a higher performance-related pay accrual and increased investment in technology were in part mitigated by the impact of our cost-saving initiatives.
- **Return on average tangible equity ('RoTE') (annualised) of 9.1%,** up 5.6 percentage points from 9M20.

Outlook

- We continue to make progress on our environmental, social and governance ('ESG') agenda, including our climate commitments announced in October 2020, and **work is ongoing to deliver on the commitments in the special resolution on climate change that was passed at the AGM in May 2021.**
- **The revenue outlook is becoming more positive,** with fee growth across many of our businesses and a stabilisation of net interest income, which we expect to begin to increase in the coming quarters from lending growth and earlier than anticipated policy rate rises.
- Given current consensus economics and default experience, **we expect a net release of ECL for 2021, with the potential for a further small net release of ECL in 4Q21, dependent on offsetting levels of stage 3 charges.** We now have around $1.2bn remaining of the stage 1 and stage 2 ECL allowance uplift we made during 2020. We do not currently expect ECL charges to normalise towards our medium-term range of 30bps to 40bps of average loans until the second half of 2022.
- We continued to demonstrate strong cost control over the course of the year. Given inflationary pressures, continued investment and the impact and timing of recently announced acquisitions and disposals, **we now expect adjusted costs of approximately $32bn for 2021 and 2022,** excluding the estimated UK bank levy charge of $0.3bn. With an improved revenue outlook and the prospect of rising policy rates, **we remain committed to achieving a RoTE of greater than or equal to 10% over the medium term.**
- We remain well placed to fund growth and step up capital returns, and now intend to normalise our CET1 position to be within our 14% to 14.5% target operating range by the end of 2022. We intend to achieve this through a combination of growth and capital returns, as well as from an expected $20bn to $35bn uplift in RWAs in 2022 due to regulatory developments. **Given our strong capital position and notwithstanding growth opportunities available to us, we intend to initiate a share buyback of up to $2bn, which we expect to commence shortly.**

Key financial metrics

	Nine months ended		Quarter ended		
	30 Sep 2021	30 Sep 2020	**30 Sep 2021**	30 Jun 2021	30 Sep 2020
Reported results					
Reported revenue ($m)	**37,563**	38,672	**12,012**	12,565	11,927
Reported profit before tax ($m)	**16,242**	7,392	**5,403**	5,060	3,074
Reported profit after tax ($m)	**12,664**	5,164	**4,242**	3,854	2,039
Profit attributable to the ordinary shareholders of the parent company ($m)	**10,819**	3,336	**3,543**	3,396	1,359
Cost efficiency ratio (%)	**66.8**	63.5	**66.5**	68.1	67.4
Basic earnings per share ($)	**0.54**	0.17	**0.18**	0.17	0.07
Diluted earnings per share ($)	**0.53**	0.16	**0.17**	0.17	0.07
Net interest margin (%)	**1.20**	1.35	**1.19**	1.20	1.20
Alternative performance measures					
Adjusted revenue ($m)	**37,998**	39,971	**12,201**	12,395	12,374
Adjusted profit before tax ($m)	**17,946**	10,053	**5,996**	5,508	4,398
Adjusted cost efficiency ratio (%)	**62.7**	58.3	**62.2**	64.0	61.5
Expected credit losses and other credit impairment charges ('ECL') (annualised) as % of average gross loans and advances to customers (%)	**(0.18)**	1.01	**(0.25)**	(0.11)	0.31
Return on average ordinary shareholders' equity (annualised) (%)	**8.2**	2.7	**8.0**	7.8	3.2
Return on average tangible equity (annualised) (%)[1]	**9.1**	3.5	**8.7**	8.6	2.9

	At		
	30 Sep 2021	30 Jun 2021	31 Dec 2020
Balance sheet			
Total assets ($m)	**2,968,791**	2,976,005	2,984,164
Net loans and advances to customers ($m)	**1,039,677**	1,059,511	1,037,987
Customer accounts ($m)	**1,687,982**	1,669,091	1,642,780
Average interest-earning assets, year to date ($m)	**2,195,384**	2,188,991	2,092,900
Loans and advances to customers as % of customer accounts (%)	**61.6**	63.5	63.2
Total shareholders' equity ($m)	**198,144**	198,218	196,443
Tangible ordinary shareholders' equity ($m)	**157,711**	157,985	156,423
Net asset value per ordinary share at period end ($)[2]	**8.70**	8.69	8.62
Tangible net asset value per ordinary share at period end ($)	**7.81**	7.81	7.75
Capital, leverage and liquidity			
Common equity tier 1 capital ratio (%)[3]	**15.9**	15.6	15.9
Risk-weighted assets ($m)[3]	**839,184**	862,292	857,520
Total capital ratio (%)[3]	**21.3**	21.0	21.5
Leverage ratio (%)[3]	**5.2**	5.3	5.5
High-quality liquid assets (liquidity value) ($bn)	**664**	659	678
Liquidity coverage ratio (%)	**135**	134	139
Share count			
Period end basic number of $0.50 ordinary shares outstanding (millions)	**20,201**	20,223	20,184
Period end basic number of $0.50 ordinary shares outstanding and dilutive potential ordinary shares (millions)	**20,296**	20,315	20,272
Average basic number of $0.50 ordinary shares outstanding (millions)	**20,212**	20,211	20,169
Dividend per ordinary share (in respect of the period) ($)	**—**	0.07	0.15

For reconciliation of our reported results to an adjusted basis, including lists of significant items, see page 35. Definitions and calculations of other alternative performance measures are included in 'Alternative performance measures' on page 32.

1 *Profit attributable to ordinary shareholders, excluding impairment of goodwill and other intangible assets and changes in present value of in-force insurance contracts ('PVIF') (net of tax), divided by average ordinary shareholders' equity excluding goodwill, PVIF and other intangible assets (net of deferred tax).*
2 *The definition of net asset value per ordinary share is total shareholders' equity less non-cumulative preference shares and capital securities, divided by the number of ordinary shares in issue excluding shares the company has purchased and are held in treasury.*
3 *Unless otherwise stated, regulatory capital ratios and requirements are based on the transitional arrangements of the Capital Requirements Regulation in force at the time. These include the regulatory transitional arrangements for IFRS 9 'Financial Instruments', which are explained further on page 29. Leverage ratios are calculated using the end point definition of capital and the IFRS 9 regulatory transitional arrangements. Following the end of the transition period after the UK's withdrawal from the EU, any reference to EU regulations and directives (including technical standards) should be read as a reference to the version onshored into UK law under the European Union (Withdrawal) Act 2018, as amended.*

Contents

HSBC Holdings plc will be conducting a trading update conference call with analysts and investors today to coincide with the publication of its *Earnings Release*. The call will take place at 07.30am BST. Details of how to participate in the call and the live audio webcast can be found at www.hsbc.com/investors.

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No 596/2014 (as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018). This announcement is made pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the 'Hong Kong Listing Rules') under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 13.09(2)(a) of the Hong Kong Listing Rules.

About HSBC

HSBC Holdings plc

HSBC Holdings plc, the parent company of HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 64 countries and territories in its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of $2,969bn at 30 September 2021, HSBC is one of the world's largest banking and financial services organisations.

Business highlights

In February 2021, we refreshed our strategy, in recognition of the fundamental shifts in the operating environment.

Our strategy centres around four key pillars:

- focusing on our strengths and investing in the areas where we see significant opportunities for growth;
- digitising at scale by increasing our investment in technology to improve how we serve customers and increase efficiency;
- energising for growth through a strong culture, simple ways of working, and by equipping staff with the future skills they need; and
- helping our customers and communities to capture the opportunities presented by the transition to a low-carbon economy.

In 3Q21, we entered into an agreement to buy AXA Insurance Pte Limited (AXA Singapore). The proposed acquisition, which is subject to regulatory approval, is a key step in our ambition to becoming a leading wealth manager in Asia by expanding our insurance and wealth franchise in Singapore, a major hub for our wealth business in the ASEAN region.

To help our people to develop the skills for the changing world around us, we launched Future Skills in September 2021, which invited colleagues to explore new personal, digital, data and sustainability skills through a series of learning activities and events.

We continue to make progress on our ESG agenda, including our climate commitments announced in October 2020. Our new Group Chief Sustainability Officer, Celine Herweijer, joined in July 2021 to lead the net zero and wider sustainability agenda. Celine, who reports to the Group Chief Executive, is a Group Executive Committee member and chairs the Group ESG Steering Committee.

Work is ongoing to deliver on the special resolution on climate change backed by 99.7% of our shareholders at the AGM in May 2021. In addition, our Group Chief Executive, Noel Quinn, chairs the Financial Services Task Force, part of HRH The Prince of Wales' Sustainable Markets Initiative. We took a leading role in the formation of the Net-Zero Banking Alliance, and Noel is a principal of the Glasgow Financial Alliance for Net Zero group, an initiative founded by Mark Carney in his role as UN special envoy on climate and adviser for the UK's presidency of COP26, the United Nations Climate Change Conference of the Parties being held in Glasgow. Recognising the emerging importance of nature, we have also been appointed as a member of the Taskforce on Nature-related Financial Disclosures.

Our cost-reduction programme continues to progress. Cumulatively, since the start of the programme in 2020, we have now delivered savings of $2.6bn, with costs to achieve of $3.1bn. We now expect adjusted costs of approximately $32bn for both 2021 and 2022, excluding the UK bank levy. This compares with our previous guidance for 2022 of $31.3bn (based on average September 2021 foreign exchange rates, including the UK bank levy), with the increase in guidance reflecting inflationary pressures and continued investment, as well as costs due to the impact and timing of recently announced acquisitions and disposals.

At 30 September 2021, the Group had delivered cumulative gross RWA reductions of $93bn and we remain on track to achieve our $110bn targeted gross reduction by the end of 2022.

We maintain a strong capital position, with a CET1 ratio of 15.9% at 30 September 2021, and we intend to normalise this to be within our 14% to 14.5% target operating range by the end of 2022. We intend to achieve this through a combination of growth and capital returns, as well as from an expected $20bn to $35bn uplift in RWAs in 2022 due to regulatory developments. As signalled at our interim results in August, we now expect to move to within our target dividend payout ratio range of 40% to 55% of reported earnings per ordinary share in 2021.

Financial summary

Adjusted performance

Adjusted performance is computed by adjusting reported results for the effects of foreign currency translation differences and significant items, which both distort period-on-period comparisons.

We consider adjusted performance to provide useful information for investors by aligning internal and external reporting, identifying and quantifying items management believes to be significant, and providing insight into how management assesses period-on-period performance.

Foreign currency translation differences

Foreign currency translation differences reflect the movements of the US dollar against most major currencies during 2021. We exclude them to derive constant currency data, allowing us to assess balance sheet and income statement performance on a like-for-like basis and understand better the underlying trends in the business.

Foreign currency translation differences

Foreign currency translation differences for 9M21 and 3Q21 are computed by retranslating into US dollars for non-US dollar branches, subsidiaries, joint ventures and associates:

- the income statement for 9M20 at the average rate of exchange for 9M21;
- the income statement for quarterly periods at the average rate of exchange for 3Q21; and
- the closing prior period balance sheets at the prevailing rates of exchange at 30 September 2021.

No adjustment has been made to the exchange rates used to translate foreign currency-denominated assets and liabilities into the functional currencies of any HSBC branches, subsidiaries, joint ventures or associates. The constant currency data of HSBC's Argentinian subsidiaries have not been adjusted further for the impacts of hyperinflation. When reference is made to foreign currency translation differences in tables or commentaries, comparative data reported in the functional currencies of HSBC's operations have been translated at the appropriate exchange rates applied in the current period on the basis described above.

Significant items

'Significant items' refers collectively to the items that management and investors would ordinarily identify and consider separately to improve the understanding of the underlying trends in the business.

The tables on pages 36 to 45 detail the effects of significant items on each of our global business segments and geographical regions during 9M21, 9M20, 3Q21, 2Q21 and 3Q20.

Adjusted performance – foreign currency translation of significant items

The foreign currency translation differences related to significant items are presented as a separate component of significant items. This is considered a more meaningful presentation as it allows better comparison of period-on-period movements in performance.

Global business performance

The Group Chief Executive, supported by the rest of the Group Executive Committee ('GEC') is considered to be the Chief Operating Decision Maker ('CODM') for the purposes of identifying the Group's reportable segments.

The Group Chief Executive and the rest of the GEC review operating activity on a number of bases, including by global business and geographical region. Our global businesses – Wealth and Personal Banking, Commercial Banking and Global Banking and Markets – along with the Corporate Centre are our reportable segments under IFRS 8 'Operating Segments'. Global business results are assessed by the CODM on the basis of adjusted performance, which removes the effects of significant items and currency translation from reported results. We therefore present these results on an adjusted basis as required by IFRSs.

A reconciliation of the Group's adjusted results to the Group's reported results is presented on page 35. Supplementary reconciliations of adjusted to reported results by global business are presented on pages 36 to 40 for information purposes.

Management view of adjusted revenue

Our global business segment commentary includes tables that provide breakdowns of adjusted revenue by major product. These reflect the basis on which revenue performance of the businesses is assessed and managed.

With effect from the first quarter of 2021, the Global Banking and Markets management view of adjusted revenue has been revised to align with changes to the management responsibilities of the business and how we assess business performance. Comparative data have been re-presented accordingly. Refer to page 14 for the updated financial performance summary.

Summary consolidated income statement

	Nine months ended		Quarter ended		
	30 Sep 2021	30 Sep 2020	**30 Sep 2021**	30 Jun 2021	30 Sep 2020
	$m	$m	**$m**	$m	$m
Net interest income	**19,708**	20,959	**6,610**	6,584	6,450
Net fee income	**9,996**	8,907	**3,322**	3,211	2,981
Net income from financial instruments held for trading or managed on a fair value basis	**5,909**	7,768	**1,725**	1,775	2,000
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	**2,825**	(254)	**30**	1,631	1,036
Changes in fair value of designated debt and related derivatives[1]	**(147)**	278	**(80)**	46	81
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	**686**	259	**138**	291	179
Gains less losses from financial investments	**555**	599	**122**	126	133
Net insurance premium income	**8,382**	7,798	**2,719**	2,786	2,779
Other operating income	**339**	805	**184**	228	334
Total operating income	**48,253**	47,119	**14,770**	16,678	15,973
Net insurance claims and benefits paid and movement in liabilities to policyholders	**(10,690)**	(8,447)	**(2,758)**	(4,113)	(4,046)
Net operating income before change in expected credit losses and other credit impairment charges[2]	**37,563**	38,672	**12,012**	12,565	11,927
Change in expected credit losses and other credit impairment charges	**1,378**	(7,643)	**659**	284	(785)
Net operating income	**38,941**	31,029	**12,671**	12,849	11,142
Total operating expenses excluding impairment of goodwill and other intangible assets	**(24,954)**	(23,207)	**(7,909)**	(8,518)	(7,968)
Impairment of goodwill and other intangible assets	**(122)**	(1,361)	**(80)**	(42)	(73)
Operating profit	**13,865**	6,461	**4,682**	4,289	3,101
Share of profit/(loss) in associates and joint ventures	**2,377**	931	**721**	771	(27)
Profit before tax	**16,242**	7,392	**5,403**	5,060	3,074
Tax expense	**(3,578)**	(2,228)	**(1,161)**	(1,206)	(1,035)
Profit after tax	**12,664**	5,164	**4,242**	3,854	2,039
Attributable to:					
– ordinary shareholders of the parent company	**10,819**	3,336	**3,543**	3,396	1,359
– preference shareholders of the parent company	**7**	67	**—**	—	22
– other equity holders	**1,161**	1,066	**495**	212	449
– non-controlling interests	**677**	695	**204**	246	209
Profit after tax	**12,664**	5,164	**4,242**	3,854	2,039
	$	$	**$**	$	$
Basic earnings per share	**0.54**	0.17	**0.18**	0.17	0.07
Diluted earnings per share	**0.53**	0.16	**0.17**	0.17	0.07
Dividend per ordinary share (paid in the period)[3]	**0.22**	—	**0.07**	0.15	—
	%	%	**%**	%	%
Return on average ordinary shareholders' equity (annualised)	**8.2**	2.7	**8.0**	7.8	3.2
Return on average tangible equity (annualised)	**9.1**	3.5	**8.7**	8.6	2.9
Cost efficiency ratio	**66.8**	63.5	**66.5**	68.1	67.4

1 *The debt instruments, issued for funding purposes, are designated under the fair value option to reduce an accounting mismatch.*
2 *Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.*
3 *Includes an interim dividend of $0.07 per ordinary share in respect of the financial year ending 31 December 2021, paid in September 2021, and an interim dividend of $0.15 per ordinary share in respect of the financial year ending 31 December 2020, paid in April 2021.*

Distribution of results by global business and geographical region

Distribution of results by global business

	Nine months ended		Quarter ended		
	30 Sep 2021	30 Sep 2020	**30 Sep 2021**	30 Jun 2021	30 Sep 2020
	$m	$m	**$m**	$m	$m
Adjusted revenue[1]					
Wealth and Personal Banking	**16,818**	17,264	**5,418**	5,655	5,570
Commercial Banking	**10,026**	10,574	**3,374**	3,282	3,247
Global Banking and Markets	**11,482**	12,283	**3,604**	3,544	3,709
Corporate Centre	**(328)**	(150)	**(195)**	(86)	(152)
Total	**37,998**	39,971	**12,201**	12,395	12,374
Adjusted profit before tax					
Wealth and Personal Banking	**5,763**	3,101	**1,900**	1,934	1,438
Commercial Banking	**5,350**	1,326	**1,973**	1,550	1,206
Global Banking and Markets	**4,723**	3,814	**1,416**	1,360	1,248
Corporate Centre	**2,110**	1,812	**707**	664	506
Total	**17,946**	10,053	**5,996**	5,508	4,398

1 *Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.*

Distribution of results by geographical region

	Nine months ended		Quarter ended		
	30 Sep 2021	30 Sep 2020	**30 Sep 2021**	30 Jun 2021	30 Sep 2020
	$m	$m	**$m**	$m	$m
Reported profit/(loss) before tax					
Europe	**3,110**	(2,976)	**1,142**	971	84
Asia	**10,239**	10,556	**3,303**	3,178	3,187
Middle East and North Africa	**1,101**	(326)	**378**	386	(300)
North America	**1,163**	16	**358**	321	(7)
Latin America	**629**	122	**222**	204	110
Total	**16,242**	7,392	**5,403**	5,060	3,074
Adjusted profit/(loss) before tax					
Europe	**4,230**	(1,593)	**1,549**	1,141	473
Asia	**10,455**	10,773	**3,371**	3,277	3,254
Middle East and North Africa	**1,138**	191	**393**	395	186
North America	**1,440**	600	**441**	471	382
Latin America	**683**	82	**242**	224	103
Total	**17,946**	10,053	**5,996**	5,508	4,398

Tables showing adjusted profit before tax by global business and region are presented to support the commentary on adjusted performance on the following pages.

The tables on pages 36 to 45 reconcile reported to adjusted results for each of our global business segments and geographical regions.

Income statement commentary

Group

3Q21 compared with 3Q20 – reported results

Movement in reported profit before tax compared with 3Q20

	Quarter ended			
	30 Sep 2021	30 Sep 2020	**Variance 3Q21 vs. 3Q20**	
	$m	$m	**$m**	**%**
Revenue	**12,012**	11,927	**85**	**1**
ECL	**659**	(785)	**1,444**	**>100**
Operating expenses	**(7,989)**	(8,041)	**52**	**1**
Share of profit/(loss) from associates and JVs	**721**	(27)	**748**	**>100**
Profit before tax	**5,403**	3,074	**2,329**	**76**
Tax expense	**(1,161)**	(1,035)	**(126)**	**(12)**
Profit after tax	**4,242**	2,039	**2,203**	**>100**

Reported profit

Reported profit after tax of $4.2bn was $2.2bn higher than in 3Q20.

Reported profit before tax of $5.4bn was $2.3bn or 76% higher, primarily due to a net release in reported ECL, which reflected continued stability in the economic outlook and better than expected levels of credit performance. This compared with a net charge in 3Q20. Additionally, our share of profit from associates and joint ventures benefited from the non-recurrence of our share of an impairment of goodwill recorded in The Saudi British Bank ('SABB').

Lower reported ECL resulted in an increase in reported profit before tax in all of our regions, with profit before tax in HSBC UK up $1.0bn.

Reported revenue included adverse fair value movements of certain volatile items, notably:

- In WPB, adverse market impacts in life insurance manufacturing of $40m compared with a favourable movement of $126m in 3Q20.
- In GBM, adverse credit and funding valuation adjustments of $49m compared with a favourable movement of $32m in 3Q20.

Reported revenue

Reported revenue of $12.0bn was $0.1bn or 1% higher than in 3Q20, primarily due to a favourable impact of foreign currency translation differences of $0.3bn.

Reported revenue included adverse fair value movements of certain volatile items in WPB and GBM, discussed above, and lower MSS revenue in GBM, notably in Global Debt Markets. In addition, net interest income fell, as 2020 global interest rate reductions notably impacted our deposit franchises in WPB and in Global Liquidity and Cash Management ('GLCM') in Commercial Banking ('CMB') and GBM. These reductions were partly offset by increases in Equities, Securities Services and leveraged and acquisition finance in GBM, as well as from growth in fee income across all products in CMB and a recovery in global trade volumes during 2021.

Significant items in the period included adverse fair value movements on financial instruments of $0.1bn. They also included restructuring and other related costs of $0.1bn associated with disposal losses related to our RWA reduction commitments, which were broadly unchanged from 3Q20. We expect to incur additional disposal losses in future quarters as we progress with these reductions.

Reported ECL

Reported ECL were a net release of $0.7bn, compared with a net charge of $0.8bn in 3Q20. The net release in 3Q21 reflected continued stability in economic conditions and better than expected levels of credit performance. This compared with the build-up of stage 1 and stage 2 allowances in 3Q20 due to the adverse economic outlook during the earlier phases of the Covid-19 pandemic. In addition, there were lower stage 3 charges in 3Q21.

Reported operating expenses

Reported operating expenses of $8.0bn were broadly unchanged. A decrease of $0.2bn in restructuring and other related costs, driven by a $0.2bn reduction in severance payments, was largely offset by an adverse impact of foreign currency translation differences of $0.2bn.

The impact of continued investment in technology, including investments in our digital capabilities, was broadly offset by reductions from our cost-saving initiatives of $0.6bn during 3Q21.

Reported share of profit from associates and JVs

Reported share of profit from associates and joint ventures of $0.7bn was $0.7bn higher than in 3Q20. This reflected an increase in the share of profit from SABB due to the non-recurrence of our share of a 3Q20 goodwill impairment charge, a higher share of profit from Bank of Communications Co., Limited ('BoCom') and an increase from Business Growth Fund ('BGF') in the UK due to a recovery in asset valuations.

Group

3Q21 compared with 3Q20 – adjusted results

Movement in adjusted profit before tax compared with 3Q20

	Quarter ended			
	30 Sep 2021	30 Sep 2020	Variance 3Q21 vs. 3Q20	
	$m	$m	$m	%
Revenue	12,201	12,374	(173)	(1)
ECL	659	(823)	1,482	>100
Operating expenses	(7,585)	(7,612)	27	0
Share of profit from associates and JVs	721	459	262	57
Profit before tax	5,996	4,398	1,598	36

Adjusted profit

Adjusted profit before tax of $6.0bn was $1.6bn or 36% higher than in 3Q20, primarily due to a net release in reported ECL, which reflected continued stability in the economic outlook and better than expected levels of credit performance. This compared with a net charge in 3Q20. Our share of profit from associates and joint ventures also increased.

Adjusted revenue decreased marginally, despite continued good performances in areas of strategic focus, including wealth and trade finance products, while revenue in GLCM stabilised relative to 2Q21.

Adjusted revenue

Adjusted revenue of $12.2bn was $0.2bn or 1% lower than in 3Q20. The reduction was primarily due to net adverse movements in market impacts in life insurance manufacturing in WPB of $167m. In GBM, the reduction in adjusted revenue was notably in Global Debt Markets in MSS and from a net adverse movement in credit and funding valuation adjustments of $84m, although revenue increased in Equities, Securities Services and leveraged and acquisition finance. In CMB, we grew fee income in all products and benefited from a recovery in global trade volumes during 2021.

The reduction in adjusted revenue included a fall in net interest income due to the impact of 2020 global interest rate reductions, mainly affecting our deposit franchises within WPB and in GLCM in CMB and GBM. However, net interest income stabilised compared with 2Q21.

Adjusted ECL

Adjusted ECL were a net release of $0.7bn, compared with a charge of $0.8bn in 3Q20. ECL in 3Q21 reflected continued stability in economic conditions and better than expected levels of credit performance. This compared with the build-up of stage 1 and stage 2 allowances in 3Q20. In addition, there were lower stage 3 charges in 3Q21.

Adjusted operating expenses

Adjusted operating expenses of $7.6bn were broadly unchanged. Our continued investment in technology, including investments in our digital capabilities, was broadly offset by the effects of our cost-saving initiatives.

Adjusted share of profit from associates and JVs

Adjusted share of profit from associates and joint ventures of $0.7bn increased by $0.3bn or 57%. This reflected an increase in the share of profit from BoCom, as well as from BGF in the UK due to a recovery in asset valuations.

Group

9M21 compared with 9M20 – reported results

Movement in reported profit before tax compared with 9M20

	Nine months ended			
	30 Sep 2021	30 Sep 2020	**Variance 9M21 vs. 9M20**	
	$m	$m	**$m**	**%**
Revenue	**37,563**	38,672	**(1,109)**	**(3)**
ECL	**1,378**	(7,643)	**9,021**	**>100**
Operating expenses	**(25,076)**	(24,568)	**(508)**	**(2)**
Share of profit from associates and JVs	**2,377**	931	**1,446**	**>100**
Profit before tax	**16,242**	7,392	**8,850**	**>100**
Tax expense	**(3,578)**	(2,228)	**(1,350)**	**(61)**
Profit after tax	**12,664**	5,164	**7,500**	**>100**

Reported profit

Reported profit after tax of $12.7bn was $7.5bn higher than in 9M20.

Reported profit before tax of $16.2bn was $8.9bn higher than in 9M20. The increase was primarily due to lower reported ECL, reflecting an improvement in the forward economic outlook, notably in the UK, compared with the significant build-up of stage 1 and stage 2 allowances in 9M20. We also reported an increase in the share of profit from associates and joint ventures. This was partly offset by lower reported revenue and an increase in reported operating expenses.

The reduction in reported revenue primarily reflected the impact of 2020 global interest rate reductions, as well as a decline in revenue in GBM's MSS business compared with a notably strong performance in 9M20. Reported revenue also included the net favourable impact of certain volatile items:

- In WPB, favourable market impacts in life insurance manufacturing of $373m compared with adverse movements in 9M20 of $218m.
- In GBM, MSS included favourable credit and funding valuation adjustments movements, as adverse adjustments of $14m compared with adverse adjustments of $322m in 9M20. In Principal Investments, valuation gains of $325m compared with gains of $40m in 9M20.

This was partly offset by:

- In Corporate Centre, there were adverse fair value movements on our long-term debt and associated swaps of $89m (9M20: $163m favourable).

In 9M21, all of our regions were profitable. Despite the impact of lower global interest rates, our Asia business continued to perform strongly. In addition, there was a material recovery in profitability in all other regions, primarily reflecting a net release in ECL as the economic outlook improved, notably in HSBC UK.

IFRS 17 'Insurance Contracts' sets the requirements that an entity should apply in accounting for insurance contracts it issues and reinsurance contracts it holds. IFRS 17 is effective from 1 January 2023 and could have a significant adverse impact on the profitability of our insurance business. For further details on the impact of IFRS 17 on the results of our insurance operations, see page 10.

Reported revenue

Reported revenue of $37.6bn was $1.1bn or 3% lower than in 9M20. The reduction primarily reflected a fall in net interest income as a result of the impact of lower global interest rates, notably affecting our deposit franchises in WPB and in GLCM in CMB and GBM. In GBM's MSS business, revenue decreased in Global Foreign Exchange and Global Debt Markets, compared with a notably strong 9M20, although activity increased in Equities and there were favourable movements in credit and funding valuation adjustments. In addition, revenue was lower in Corporate Centre.

These reductions were in part mitigated by revenue growth in Wealth in WPB, notably from a net favourable movement in market impacts in life insurance manufacturing, and growth in investment distribution, asset management and new business in insurance. GBM revenue also benefited from favourable valuation gains in Principal Investments and higher revenue in leveraged and acquisition finance. In CMB, revenue increased in Credit and Lending as margins improved, and a recovery in trade volumes resulted in higher fee income in Global Trade and Receivables Finance ('GTRF').

The reduction in reported revenue included adverse fair value movements on financial instruments of $0.6bn, although these were more than offset by the favourable impact of foreign currency translation differences of $1.4bn.

Reported ECL

Reported ECL were a net release of $1.4bn, compared with a charge of $7.6bn in 9M20. The net release in 9M21 reflected an improvement in the economic outlook, notably in the UK. This compared with the significant build-up of stage 1 and stage 2 allowances in 9M20 due to the worsening economic outlook at the onset of the Covid-19 pandemic. The reduction in ECL also reflected low levels of stage 3 charges, as well as the non-recurrence of a significant charge in 9M20 related to a corporate exposure in Singapore.

Given current consensus economics and default experience, ECL charges for 2021 are expected to be a net release for the year, with the potential for a further small net release in 4Q21, dependent on offsetting levels of stage 3 charges. We do not currently expect ECL charges to normalise towards our medium-term range of 30bps to 40bps of average loans until the second half of 2022.

For further details on the calculation of ECL, including the measurement uncertainties and significant judgements applied to such calculations, the impact of alternative/additional scenarios and post-model adjustments, see pages 20 to 23.

Reported operating expenses

Reported operating expenses of $25.1bn were $0.5bn or 2% higher than in 9M20. This primarily reflected an increase in performance-related pay of $0.9bn, which is accrued based on the profile of our expected profit performance. In addition, investment in technology, including investments in our digital capabilities, increased by $0.6bn. Our investment in Asia wealth also rose by $0.1bn. These increases were partly offset by a $1.5bn impact of our cost-saving initiatives.

The increase in reported operating expenses also included the adverse impact of foreign currency translation differences of $1.1bn and an increase in restructuring and other related costs of $0.2bn, within which severance payments fell by $0.1bn. However, these items were broadly offset by the non-recurrence of a $1.3bn impairment of intangible assets, mainly in Europe in 9M20, of which $0.2bn was within restructuring and other related costs.

Reported share of profit from associates and JVs

Reported share of profit in associates and joint ventures of $2.4bn was $1.4bn higher, primarily reflecting a higher share of profit from SABB due to the non-recurrence of our share of its goodwill impairment charge in 9M20 and an increased share of profit from BoCom. Our share of profit also rose from BGF in the UK due to a recovery in asset valuations relative to 9M20.

Tax expense

The effective tax rate for 9M21 of 22.0% was lower than the 30.1% for 9M20. The effective tax rate for 9M21 was increased by the impact of substantively enacted legislation to increase the UK statutory tax rate from 1 April 2023. The 9M20 effective tax rate was high, due mainly to the non-recognition of deferred tax on losses in the UK.

Group

9M21 compared with 9M20 – adjusted results

Movement in adjusted profit before tax compared with 9M20

	Nine months ended			
	30 Sep 2021	30 Sep 2020	**Variance 9M21 vs. 9M20**	
	$m	$m	**$m**	**%**
Revenue	**37,998**	39,971	**(1,973)**	**(5)**
ECL	**1,378**	(8,110)	**9,488**	**>100**
Operating expenses	**(23,807)**	(23,316)	**(491)**	**(2)**
Share of profit from associates and JVs	**2,377**	1,508	**869**	**58**
Profit before tax	**17,946**	10,053	**7,893**	**79**

Adjusted profit

Adjusted profit before tax of $17.9bn was $7.9bn or 79% higher than in 9M20, primarily due to a net release of adjusted ECL due to an improvement in the economic outlook, notably in the UK, compared with the significant build-up of stage 1 and stage 2 allowances in 9M20. Share of profit from associates and joint ventures also increased.

These factors were in part offset by lower adjusted revenue, primarily reflecting a fall in net interest income as a result of the impact of lower global interest rates and a reduction in MSS revenue in GBM, compared with a notably strong performance in 9M20. In addition, adjusted operating expenses were higher, primarily due to a higher performance-related pay accrual.

Adjusted revenue

Adjusted revenue of $38.0bn was $2.0bn or 5% lower than in 9M20. The reduction was primarily in net interest income due to the impact of lower global interest rates, mainly affecting our deposit franchises within WPB and in GLCM in CMB and GBM. In GBM's MSS business, revenue decreased in Global Foreign Exchange and Global Debt Markets, reflecting lower market volatility and client activity compared with a notably strong 9M20, although activity increased in Equities and there were favourable movements in credit and funding valuation adjustments of $327m. In addition, revenue was lower in Corporate Centre.

These reductions were in part mitigated by revenue growth in Wealth in WPB, notably from a net favourable movement in market impacts in life insurance manufacturing of $598m, and growth in investment distribution, asset management and new business in insurance. In GBM, there were higher favourable revaluations in Principal Investments compared with 9M20, and increased revenue in leveraged and acquisition finance. In CMB, revenue grew in Credit and Lending as margins improved, and a recovery in trade volumes resulted in higher fee income in GTRF.

Adjusted ECL

Adjusted ECL, which removes the period-on-period effects of foreign currency translation differences, were a net release of $1.4bn compared with a charge of $8.1bn in 9M20. These reflected releases as a result of an improvement in the economic outlook, notably in the UK. This compared with the significant build-up of stage 1 and stage 2 allowances in 9M20 due to the worsening economic outlook at the onset of the Covid-19 pandemic. The reduction in ECL also reflected low levels of stage 3 charges in 9M21, as well as the non-recurrence of a significant charge in 9M20 related to a corporate exposure in Singapore.

Adjusted operating expenses

Adjusted operating expenses of $23.8bn were $0.5bn or 2% higher than in 9M20. This primarily reflected higher performance-related pay of $0.8bn, which is accrued based on the profile of our expected profit performance. In addition, investment in technology, including investments in our digital capabilities, increased by $0.6bn. Our Asia wealth investment also rose by $0.1bn. These increases were partly offset by a $1.5bn impact of our cost-saving initiatives.

The number of employees expressed in full-time equivalent staff ('FTE') at 30 September 2021 was 223,448, a decrease of 2,611 compared with 31 December 2020. The number of contractors at 30 September 2021 was 6,236, an increase of 544, primarily as a result of our growth and transformation initiatives.

Adjusted share of profit from associates and JVs

Adjusted share of profit from associates and joint ventures of $2.4bn was $0.9bn or 58% higher than in 9M20, including an increase in share of profit from BoCom and SABB. Our share of profit also rose from BGF in the UK due to a recovery in asset valuations relative to 9M20.

Net interest margin

	Nine months ended		Quarter ended		
	30 Sep 2021	30 Sep 2020	**30 Sep 2021**	30 Jun 2021	30 Sep 2020
	$m	$m	**$m**	$m	$m
Net interest income	**19,708**	20,959	**6,610**	6,584	6,450
Average interest-earning assets	**2,195,384**	2,070,703	**2,207,960**	2,198,953	2,141,454
	%	%	**%**	%	%
Gross interest yield[1]	**1.64**	2.09	**1.62**	1.64	1.76
Less: gross interest payable[1]	**(0.54)**	(0.89)	**(0.53)**	(0.53)	(0.68)
Net interest spread[2]	**1.10**	1.20	**1.09**	1.11	1.08
Net interest margin[3]	**1.20**	1.35	**1.19**	1.20	1.20

1 *Gross interest yield is the average annualised interest rate earned on average interest-earning assets ('AIEA'). Gross interest payable is the average annualised interest cost as a percentage of average interest-bearing liabilities.*
2 *Net interest spread is the difference between the average annualised interest rate earned on AIEA, net of amortised premiums and loan fees, and the average annualised interest rate payable on average interest-bearing funds.*
3 *Net interest margin is net interest income expressed as an annualised percentage of AIEA.*

Net interest margin ('NIM') of 1.20% was 15 basis points ('bps') lower compared with 9M20, driven by lower market interest rates. The yield on AIEA dropped by 45bps, partly offset by a 35bps fall in the funding cost of average interest-bearing liabilities. The decrease in NIM in 9M21 included the favourable impact of significant items and the adverse effects of foreign currency translation differences. Excluding these, NIM fell by 14bps.

NIM for 3Q21 was 1.19%, down 1bps compared with the previous year as well as the previous quarter, predominantly driven by a change in the balance sheet mix towards low yielding short-term funds and loans to banks, and reducing balances in high yielding term lending.

Results from insurance operations

IFRS 17 'Insurance Contracts' sets the requirements for accounting for insurance contracts issued and reinsurance contracts held and is effective from 1 January 2023. As highlighted in our *Annual Report and Accounts 2020*, IFRS 17 requires a number of key changes compared with our current accounting policies for insurance.

- Under IFRS 17, there will be no present value of in-force insurance contracts ('PVIF') asset recognised. Instead the estimated future profit will be included in the measurement of the insurance contract liability as the contractual service margin ('CSM') and this will be gradually recognised in revenue as services are provided over the duration of the insurance contract. While the profit over the life of an individual contract will be unchanged, its emergence will be later under IFRS 17.
- IFRS 17 requires the increased use of current market values in the measurement of insurance assets and liabilities. Additionally, the replacement of the PVIF asset with a CSM liability will reduce both tangible and overall equity.
- In accordance with IFRS 17, directly attributable costs will be incorporated in the CSM and, as recognised, will be presented as a deduction to reported revenue. This will result in a reduction in reported operating expenses.

The Group is in the process of implementing IFRS 17, and industry practice and interpretation of the standard are still developing. Additionally, the impact on the forecast future returns of our insurance business is dependent on the growth, duration and composition of our insurance contract portfolio. Therefore, the likely financial impact of its implementation remains uncertain.

We expect to provide an update on the likely impacts on our insurance business' income statement and balance sheet at or around our 1H22 interim results announcement. For the purpose of planning the Group's financial resources, our initial assumption (based on analysis of the expected 2022 position) is that the resultant accounting changes may result in a step-down in the profitability of our insurance business by approximately two thirds on the transition to IFRS 17, albeit with a range of expected outcomes. The return on average ordinary shareholders' equity ('RoE') of the insurance business is not expected to be significantly impacted. A similar impact is expected on the equity of the insurance business, primarily reflecting the elimination of the PVIF asset and creation of the CSM liability (the latter impacting tangible equity). At 1H21, the equity of insurance manufacturing subsidiaries were $16.4bn, including PVIF assets of $9.4bn and an associated deferred tax liability of $1.7bn. These assumptions may change significantly in the period prior to adoption of the standard.

No significant effects are expected on the distribution of dividends from insurance subsidiaries, primarily as insurance entities do not recognise PVIF in their individual financial statements. Similarly, no significant impacts are expected on the Group's regulatory capital, which does not consolidate the results of insurance entities.

Summary consolidated balance sheet

	At		
	30 Sep 2021 $m	30 Jun 2021 $m	31 Dec 2020 $m
Assets			
Cash and balances at central banks	**409,918**	393,559	304,481
Trading assets	**256,374**	260,250	231,990
Financial assets designated and otherwise mandatorily measured at fair value through profit or loss	**49,068**	49,120	45,553
Derivatives	**198,533**	209,516	307,726
Loans and advances to banks	**95,974**	86,886	81,616
Loans and advances to customers[1]	**1,039,677**	1,059,511	1,037,987
Reverse repurchase agreements – non-trading	**211,035**	201,714	230,628
Financial investments	**428,751**	434,576	490,693
Other assets	**279,461**	280,873	253,490
Total assets	**2,968,791**	2,976,005	2,984,164
Liabilities and equity			
Liabilities			
Deposits by banks	**92,548**	100,448	82,080
Customer accounts	**1,687,982**	1,669,091	1,642,780
Repurchase agreements – non-trading	**121,158**	112,798	111,901
Trading liabilities	**89,212**	89,637	75,266
Financial liabilities designated at fair value	**146,086**	151,686	157,439
Derivatives	**189,169**	200,156	303,001
Debt securities in issue	**82,903**	84,218	95,492
Liabilities under insurance contracts	**111,015**	110,572	107,191
Other liabilities	**242,029**	250,635	204,019
Total liabilities	**2,762,102**	2,769,241	2,779,169
Equity			
Total shareholders' equity	**198,144**	198,218	196,443
Non-controlling interests	**8,545**	8,546	8,552
Total equity	**206,689**	206,764	204,995
Total liabilities and equity	**2,968,791**	2,976,005	2,984,164

1 *Net of impairment allowances.*

Balance sheet commentary

Balance sheet – 30 September 2021 compared with 30 June 2021

At 30 September 2021, our total assets of $3.0tn were $7bn lower on a reported basis and included adverse effects of foreign currency translation differences of $39bn.

The decrease in total assets reflected lower loans and advances to customers. This was in part offset by higher cash balances, which rose by $16bn, from an increased commercial surplus and growth in deposits, as well as an increase in reverse repurchase agreements, driven by higher client demand and short-term funding requirements.

Reported loans and advances to customers as a percentage of customer accounts was 61.6%, which was lower compared with 63.5% at 30 June 2021.

Loans and advances to customers

Reported loans and advances to customers of $1.0tn were $20bn lower, which included adverse effects of foreign currency translation differences of $14bn. On a constant currency basis, customer lending balances were $6bn lower.

Customer lending decreased in WPB by $2bn to $482bn, mainly from the repayment of $9bn of short-term borrowing to fund investments in initial public offerings in Hong Kong. This reduction was largely offset by higher mortgage balances, notably in the UK (up $2bn), Hong Kong (up $2bn) and Canada (up $1bn) as housing market activity continued to increase.

In GBM, lending of $212bn fell by $2bn, and in CMB, customer lending of $345bn was $1bn lower. These reductions were primarily driven by the repayment of short-term borrowing to fund investments in initial public offerings in Hong Kong. In addition, in CMB we grew trade lending by $2bn, reflecting a recovery in global trade volumes, which largely mitigated a reduction in other term lending.

Customer accounts

Customer accounts of $1.7tn increased by $19bn on a reported basis, which included adverse effects of foreign currency translation differences of $22bn. On a constant currency basis, customer accounts were $41bn higher, with growth across all of our global businesses. The increase was primarily in the UK, Hong Kong and Singapore, as customers continued to build up their savings as spending remained below pre-pandemic levels.

Risk-weighted assets – 30 September 2021 compared with 30 June 2021

Risk-weighted assets ('RWAs') decreased by $23.1bn during the quarter. Excluding foreign currency translation differences, RWAs decreased by $14.4bn, reflecting the following movements:

- a $6.4bn fall in RWAs due to changes in asset quality, which related predominantly to favourable portfolio mix changes and credit migration in GBM and CMB corporate lending portfolios;
- a $4.5bn reduction in RWAs due to changes to methodology and policy, mostly risk parameter refinements in GBM and CMB; and
- a $3.5bn asset size decrease. This was mostly due to lower short-term lending in WPB and GBM related to lending to fund initial public offerings in Hong Kong, partly offset by an increase in market risk RWAs.

Global businesses

Wealth and Personal Banking – adjusted results

Management view of adjusted revenue[1]

	Nine months ended				Quarter ended		
	30 Sep	30 Sep	**Variance**		**30 Sep**	30 Jun	30 Sep
	2021	2020	**9M21 vs. 9M20**		**2021**	2021	2020
	$m	$m	**$m**	**%**	**$m**	$m	$m
Wealth	**6,989**	5,885	**1,104**	**19**	**2,166**	2,422	2,188
– investment distribution	**2,721**	2,520	**201**	**8**	**870**	821	881
– life insurance manufacturing	**1,957**	1,188	**769**	**65**	**518**	866	609
– Global Private Banking	**1,402**	1,384	**18**	**1**	**467**	442	424
net interest income	**481**	532	**(51)**	**(10)**	**161**	162	144
non-interest income	**921**	852	**69**	**8**	**306**	280	280
– asset management	**909**	793	**116**	**15**	**311**	293	274
Personal Banking	**9,211**	10,293	**(1,082)**	**(11)**	**3,067**	3,062	3,098
– net interest income	**8,166**	9,354	**(1,188)**	**(13)**	**2,710**	2,725	2,777
– non-interest income	**1,045**	939	**106**	**11**	**357**	337	321
Other[2]	**618**	1,086	**(468)**	**(43)**	**185**	171	284
Net operating income[3]	**16,818**	17,264	**(446)**	**(3)**	**5,418**	5,655	5,570
RoTE excluding significant items (annualised) (%)	**17.2**	7.6					

1 *With effect from the first quarter of 2021, certain items within the management view of adjusted revenue have been renamed. 'Wealth Management' has been renamed 'Wealth' and 'Retail Banking' has been renamed 'Personal Banking'.*
2 *'Other' includes the distribution and manufacturing (where applicable) of retail and credit protection insurance, disposal gains and other non-product specific income. It also includes Markets Treasury, HSBC Holdings interest expense and Argentina hyperinflation.*
3 *'Net operating income' means net operating income before change in expected credit losses and other credit impairment charges (also referred to as 'revenue').*

9M21 compared with 9M20

Adjusted profit before tax of $5.8bn was $2.7bn or 86% higher than in 9M20. This reflected a net release of adjusted ECL as the economic outlook improved, compared with the significant build-up of allowances in 9M20. The impact of lower global interest rates resulted in a decrease in net interest income, which was partly offset by an increase in Wealth revenue due to a net favourable movement of $598m in market impacts in insurance, and growth in investment distribution (up $0.2bn), asset management (up $0.1bn) and new business in insurance (up $0.2bn).

Adjusted revenue of $16.8bn was $0.4bn or 3% lower.

In Personal Banking, revenue of $9.2bn was down $1.1bn or 11%.

- Net interest income was $1.2bn lower due to narrower margins following the fall in global interest rates in 2020 due to the Covid-19 pandemic. This reduction was partly mitigated by deposit balance growth of $35bn or 5% and higher mortgage lending of $23bn or 7% across all regions, particularly in the UK and Hong Kong.
- Non-interest income increased by $0.1bn or 11%, driven by growth of mortgage fees in the UK and higher transaction volumes and spending on cards.

In Wealth, revenue of $7.0bn was up $1.1bn or 19%.

- Life insurance manufacturing revenue was $0.8bn higher, which included a net favourable movement in market impacts of $598m. A favourable movement of $373m compared with an adverse movement of $225m in 9M20, as equity markets continued to improve after the sharp fall in March 2020. The value of new business written of $0.8bn was $0.2bn higher, reflecting market share growth across Asia, notably in Hong Kong, where we significantly broadened engagement with domestic customers, including through the continued expansion of our health platforms.
- Investment distribution revenue was $0.2bn or 8% higher, reflecting strong equity market conditions in Hong Kong, which resulted in higher mutual fund sales and growth in brokerage fees as transaction volumes increased.
- Asset management revenue was $0.1bn or 15% higher, driven by an increase in management fees from higher net new money inflows, and growth in performance fees, reflecting favourable market movements.
- Global Private Banking revenue was $18m or 1% higher due to growth in non-interest income of $69m or 8%. A rise in investment revenue reflected higher fees from advisory and discretionary mandates, as well as market volatility. This was partly offset by net interest income, which fell by $51m or 10% as a result of the impact of lower global interest rates.

Adjusted ECL were a net release of $0.3bn, compared with a charge of $2.7bn in 9M20. ECL reflected a release of allowances as the economic outlook improved. This compared with the significant build-up of allowances in 9M20 as a result of the Covid-19 pandemic.

Adjusted operating expenses of $11.4bn were $0.1bn or 1% lower, as the benefits of our cost-saving initiatives funded our continued investment in Wealth in Asia and also offset a higher performance-related pay accrual.

3Q21 compared with 3Q20

Adjusted profit before tax of $1.9bn was $0.5bn or 32% higher than in 3Q20. This was driven by a $0.6bn reduction in adjusted ECL, reflecting continued stability in economic conditions and better than expected levels of credit performance. Adjusted revenue was $0.2bn or 3% lower, driven by a net adverse movement in market impacts in life insurance manufacturing of $167m and the ongoing impact of lower global interest rates. However, this was in part mitigated by higher revenue, notably fee income, in asset management and Global Private Banking. While wealth balances fell by 2% in the quarter, mainly reflecting an adverse movement in equity markets in Asia, net new money in Global Private Banking and asset management remained positive. Adjusted operating expenses were stable, as our increased investment in Wealth in Asia was funded by the benefits of our cost-saving initiatives.

Commercial Banking – adjusted results

Management view of adjusted revenue

	Nine months ended				Quarter ended		
	30 Sep 2021	30 Sep 2020	**Variance 9M21 vs. 9M20**		**30 Sep 2021**	30 Jun 2021	30 Sep 2020
	$m	$m	**$m**	**%**	**$m**	$m	$m
Global Trade and Receivables Finance	**1,433**	1,362	**71**	**5**	**500**	474	436
Credit and Lending	**4,485**	4,367	**118**	**3**	**1,520**	1,479	1,482
Global Liquidity and Cash Management	**2,638**	3,354	**(716)**	**(21)**	**896**	870	943
GBM products, Insurance and Investments, and Other[1]	**1,470**	1,491	**(21)**	**(1)**	**458**	459	386
– *of which: share of revenue from Markets and Securities Services and Banking products*	***791***	*719*	***72***	***10***	***266***	*262*	*227*
Net operating income[2]	**10,026**	10,574	**(548)**	**(5)**	**3,374**	3,282	3,247
RoTE excluding significant items (annualised) (%)	**11.6**	1.1					

1 *Includes CMB's share of revenue from the sale of Markets and Securities Services and Banking products to CMB customers. GBM's share of revenue from the sale of these products to CMB customers is included within the corresponding lines of the GBM management view of adjusted revenue. Also includes allocated revenue from Markets Treasury, HSBC Holdings interest expense and Argentina hyperinflation.*

2 *'Net operating income' means net operating income before change in expected credit losses and other credit impairment charges (also referred to as 'revenue').*

9M21 compared with 9M20

Adjusted profit before tax of $5.4bn was $4.0bn higher than in 9M20. This reflected a net release of adjusted ECL of $0.5bn in 9M21 as the economic outlook improved, compared with a charge of $4.1bn in 9M20 due to a significant build-up of allowances and a notable charge related to a corporate exposure in Singapore. This was partly offset by a decline in adjusted revenue, mainly due to the impact of lower global interest rates.

Adjusted revenue of $10.0bn was $0.5bn or 5% lower.

- In GLCM, revenue decreased by $0.7bn or 21%, reflecting the impact of lower global interest rates, mainly in Hong Kong and the UK. This was partly offset by a 16% increase in year-on-year average deposit balances, with growth particularly in the UK, Hong Kong and the US, as well as from an 8% increase in fee income, with growth across all regions.
- In GBM products, Insurance and Investments, and Other, revenue reduced by $21m or 1%, reflecting the impact of lower global interest rates on income earned on capital held in the business. This reduction was partly offset by higher revenue from the cross-sell of GBM products to CMB customers, notably Global Markets and Capital Markets and Advisory.

These decreases were partly offset:

- In Credit and Lending, revenue increased by $0.1bn or 3%, reflecting wider margins and an 8% increase in fee income, notably in the UK, Latin America and North America. During 2021 we grew balances in Asia, although year-on-year average balances decreased, as customers' funding requirements fell due to the Covid-19 restrictions.
- In Global Trade and Receivables Finance ('GTRF'), revenue rose by $0.1bn or 5%, driven by a 7% growth in fee income across all regions, partly reflecting a recovery in global trade volumes during 2021, as well as an increase in average balances, notably in Asia.

Adjusted ECL were a net release of $0.5bn, compared with a charge of $4.1bn in 9M20. ECL in 9M21 reflected a release of stage 1 and stage 2 allowances as the economic outlook improved, notably in the UK. This compared with the significant build-up of allowances in 9M20 as a result of the adverse economic outlook due to the Covid-19 pandemic. The reduction in ECL also included lower stage 3 charges in 9M21, and as 9M20 included a significant charge related to a corporate exposure in Singapore.

Adjusted operating expenses of $5.2bn were $0.1bn or 1% higher, primarily reflecting an increase in the performance-related pay accrual and continued investment in our digital and transactional banking capabilities. These increases were partly offset by continued cost discipline through hiring efficiencies, and the impact of our cost-saving initiatives.

At 30 September 2021, we had delivered $23bn of cumulative gross RWA reductions as part of our transformation programme.

3Q21 compared with 3Q20

Adjusted profit before tax of $2.0bn was $0.8bn or 64% higher than in 3Q20, primarily due to a reduction in adjusted ECL of $0.6bn, reflecting continued stability in economic conditions, better than expected levels of credit performance and lower stage 3 charges. Adjusted revenue for the quarter increased compared with the prior year quarter for the first time since the pandemic, driven by higher fee income across all products and growth in trade lending and deposit balances, although these were partly offset by the impact of lower global interest rates. Adjusted operating expenses were broadly unchanged as increased investment in technology was broadly offset by the impact of our cost-saving initiatives and continued disciplined hiring.

Global Banking and Markets – adjusted results

Management view of adjusted revenue[1, 2]

	Nine months ended				Quarter ended		
	30 Sep 2021	30 Sep 2020	**Variance 9M21 vs. 9M20**		**30 Sep 2021**	30 Jun 2021	30 Sep 2020
	$m	$m	**$m**	**%**	**$m**	$m	$m
Markets and Securities Services	**6,417**	7,096	**(679)**	**(10)**	**1,985**	1,921	2,066
– Securities Services	**1,452**	1,402	**50**	**4**	**528**	467	417
– Global Debt Markets	**877**	1,346	**(469)**	**(35)**	**164**	314	306
– Global Foreign Exchange	**2,452**	3,328	**(876)**	**(26)**	**772**	721	842
– Equities	**990**	547	**443**	**81**	**348**	220	233
– Securities Financing	**660**	814	**(154)**	**(19)**	**222**	196	233
– Credit and funding valuation adjustments	**(14)**	(341)	**327**	**96**	**(49)**	3	35
Banking	**4,951**	5,189	**(238)**	**(5)**	**1,659**	1,646	1,626
– Global Trade and Receivables Finance	**538**	540	**(2)**	**–**	**180**	178	176
– Global Liquidity and Cash Management	**1,357**	1,575	**(218)**	**(14)**	**465**	444	460
– Credit and Lending	**1,939**	2,039	**(100)**	**(5)**	**629**	650	686
– Capital Markets and Advisory	**947**	820	**127**	**15**	**337**	317	286
– Other[3]	**170**	215	**(45)**	**(21)**	**48**	57	18
GBM Other	**114**	(2)	**116**	**>100**	**(40)**	(23)	17
– Principal Investments	**325**	42	**283**	**>100**	**88**	63	53
– Other[4]	**(211)**	(44)	**(167)**	**>(100)**	**(128)**	(86)	(36)
Net operating income[5]	**11,482**	12,283	**(801)**	**(7)**	**3,604**	3,544	3,709
RoTE excluding significant items (annualised) (%)	**10.1**	6.9					

1 *With effect from the first quarter of 2021, management view of adjusted revenue has been revised to align with changes to the management responsibilities of the business and how we assess business performance. Comparative data have been re-presented accordingly.*
2 *From 1 June 2020, revenue from Issuer Services, previously reported in Securities Services, was reported in Banking. This resulted in $80m revenue being recorded in Securities Services in 9M20. Comparative data have not been re-presented.*
3 *Includes portfolio management, earnings on capital and other capital allocations on all Banking products.*
4 *Includes notional tax credits and Markets Treasury, HSBC Holdings interest expense and Argentina hyperinflation.*
5 *'Net operating income' means net operating income before change in expected credit losses and other credit impairment charges (also referred to as 'revenue').*

9M21 compared with 9M20

Adjusted profit before tax of $4.7bn was $0.9bn or 24% higher than in 9M20. This mainly reflected a net release of adjusted ECL, compared with a significant build-up of allowances in 9M20, despite a decrease in adjusted revenue and higher operating expenses.

Adjusted revenue of $11.5bn decreased by $0.8bn compared with 9M20.

In MSS, revenue fell by $0.7bn or 10%, compared with an exceptionally strong comparative period, primarily in Global Debt Markets, Global Foreign Exchange and Securities Financing.

- In Equities, our diversified product and geographical coverage enabled us to capture market opportunities, including the strong client activity, particularly in wealth in Asia and Europe, due to volatility in the Shanghai and Hong Kong stock exchanges, contributing to revenue growth of $0.4bn or 81%.
- In Securities Services, we continued to grow assets under custody, with a 23% year-on-year increase in average balances, rising to $10tn. In addition, transaction volumes increased in Asia and Europe, resulting in higher fees.

In Banking, revenue fell by $0.2bn or 5%.

- In GLCM, revenue fell by $0.2bn or 14%, as lower global interest rates compressed margins, although we grew average balances by 5% and increased fee income, reflecting higher transaction volumes in the US and UK.
- Capital Markets and Advisory benefited from a strong performance in leveraged and acquisition finance, particularly in the US, although revenue was adversely affected by a reduction in debt underwriting volumes compared with elevated activity in 9M20.
- Revenue was adversely affected in Credit and Lending and GTRF due to strategic actions taken to reduce RWAs.

Adjusted ECL were a net release of $0.6bn, compared with a charge of $1.3bn in 9M20. ECL in 9M21 reflected the release of stage 1 and stage 2 allowances as the economic outlook improved, and benefited from a net release of provisions against specific stage 3 customers. This compared with the significant build-up of allowances in 9M20 as a result of the Covid-19 pandemic.

Adjusted operating expenses of $7.3bn were $0.1bn or 2% higher from an increased performance-related pay accrual of approximately $0.3bn and higher technology investment. These increases were partly offset by the impact of our cost-saving initiatives.

At 30 September 2021, we had delivered $70bn of cumulative gross RWA reductions as part of our transformation programme. Since the start of the programme, this mitigated growth in RWAs from asset quality deterioration, increased activity on client facilities and elevated market volatility as a result of the Covid-19 pandemic, as well as from regulatory changes.

3Q21 compared with 3Q20

Adjusted profit before tax of $1.4bn was $0.2bn or 13% higher than in 3Q20, driven by a net release in adjusted ECL in 3Q21.

Adjusted revenue was $0.1bn or 3% lower. Revenue in Global Debt Markets was lower due to our strategic reduction of the capital deployed to G10 long-term rates derivatives market-making, and was in the context of strong client activity in 3Q20. However, there was continued momentum in Equities, notably in derivatives, from higher client activity and volatility in Asia. In Securities Services, 3Q21 was a strong quarter, as higher volumes resulted in fee growth and we grew assets under custody, mainly in Asia. In Credit and Lending, net interest income fell due to our strategic actions to reduce RWAs, resulting in lower balances. Adjusted ECL were $0.3bn lower, reflecting continued stability in economic conditions and better than expected levels of credit performance. Adjusted operating expenses were

$23m or 1% lower, as our cost-saving initiatives and lower litigation costs more than offset an increase in investments in technology and a higher performance-related pay accrual.

Corporate Centre – adjusted results

Management view of adjusted revenue

	Nine months ended				Quarter ended		
	30 Sep 2021	30 Sep 2020	**Variance 9M21 vs. 9M20**		**30 Sep 2021**	30 Jun 2021	30 Sep 2020
	$m	$m	**$m**	**%**	**$m**	$m	$m
Central Treasury[1]	**(89)**	169	**(258)**	**>(100)**	**(35)**	(27)	(32)
Legacy portfolios	**(19)**	(24)	**5**	**21**	**(35)**	6	28
Other[2]	**(220)**	(295)	**75**	**25**	**(125)**	(65)	(148)
Net operating income[3]	**(328)**	(150)	**(178)**	**>(100)**	**(195)**	(86)	(152)
RoTE excluding significant items (annualised) (%)	**5.4**	4.6					

1 *Central Treasury includes adverse valuation differences on issued long-term debt and associated swaps of $89m (9M20: gain of $163m; 3Q21: loss of $35m; 2Q21: loss of $27m; 3Q20: loss of $32m).*
2 *Revenue from Markets Treasury, HSBC Holdings net interest expense and Argentina hyperinflation are allocated out to the global businesses, to align them better with their revenue and expense. The total Markets Treasury revenue component of this allocation for 9M21 was $1,844m (9M20: $2,253m; 3Q21: $524m; 2Q21: $510m; 3Q20: $672m).*
3 *'Net operating income' means net operating income before change in expected credit losses and other credit impairment charges (also referred to as 'revenue').*

9M21 compared with 9M20

Adjusted profit before tax of $2.1bn was $0.3bn or 16% higher than in 9M20 due to an increased adjusted share of profit from associates and joint ventures, partly offset by adverse movements in adjusted revenue and adjusted operating expenses.

Adjusted revenue decreased by $0.2bn, mainly in Central Treasury, from a net adverse fair value movement of $252m relating to the economic hedging of interest rate and exchange rate risk on our long-term debt with associated swaps.

Adjusted operating expenses increased by $0.4bn due to a reduction in recoveries from our global businesses, higher expenditure on regulatory projects and a higher performance-related pay accrual.

Adjusted share of profit from associates and joint ventures of $2.4bn increased by $0.8bn. The increases were from BoCom and SABB, as well as from BGF in the UK, reflecting a recovery in asset valuations relative to 9M20.

3Q21 compared with 3Q20

Adjusted profit before tax of $0.7bn was $0.2bn higher than in 3Q20. This was primarily due to an increase in the share of profit from BoCom and from BGF in the UK due to favourable asset valuations compared with 3Q20. This was partly offset by lower revenue, driven by a loss on disposal of legacy portfolios in the US.

Notes

- Income statement comparisons, unless stated otherwise, are between the quarter ended 30 September 2021 and the quarter ended 30 September 2020. Balance sheet comparisons, unless otherwise stated, are between balances at 30 September 2021 and the corresponding balances at 30 June 2021.
- The financial information on which this *Earnings Release* is based, and the data set out in the appendix to this statement, are unaudited and have been prepared in accordance with our significant accounting policies as described on pages 288 to 299 of our *Annual Report and Accounts 2020.*
- On 2 August 2021, the Directors approved an interim dividend for the 2021 half-year of $0.07 per ordinary share. The interim dividend was paid on 30 September 2021 in cash in US dollars, or in sterling or Hong Kong dollars at exchange rates determined on 20 September 2021. The Group will not pay quarterly dividends during 2021, but will review whether to revert to paying quarterly dividends at or ahead of its 2021 results announcement in February 2022.

Risk

Approach to risk management

We aim to use a comprehensive risk management approach across the organisation and across all risk types, underpinned by our culture and values. This is outlined in our risk management framework, including the key principles and practices that we employ in managing material risks, both financial and non-financial. The framework fosters continual monitoring, promotes risk awareness and encourages sound operational and strategic decision making. It also supports a consistent approach to identifying, assessing, managing and reporting the risks we accept and incur in our activities. We continue to actively review and develop our risk management framework and enhance our approach to managing risk.

We operate a wide-ranging stress testing programme, which is a key part of our risk management and capital and liquidity planning. Stress testing provides management with key insights into the impacts of severely adverse events on the Group, and provides confidence to regulators on the Group's financial stability.

In response to the risks posed by climate change, we have developed our capabilities to execute climate stress testing and scenario analysis, which are being used to further enhance our understanding of our risk exposures for use in risk management and business decision making. We have also delivered regulatory stress testing exercises to a number of regulators including the Bank of England's climate biennial exploratory scenario. We appointed a Head of Climate Risk in support of our climate change strategy and to oversee the development of our climate risk management capabilities. Our ongoing climate risk programme will shape our approach to climate risk across four key pillars: governance and risk appetite; risk management; stress testing; and disclosures.

At 30 September 2021, our CET1 ratio increased to 15.9%, from 15.6% at 30 June 2021, and our liquidity coverage ratio ('LCR') was 135%. Our capital, funding and liquidity positions continue to help enable us to support our customers throughout the ongoing geopolitical and macroeconomic uncertainty.

Risks related to Covid-19

The Covid-19 outbreak and its effect on the global economy have continued to impact our organisation and our customers, and the future effects of the pandemic still remain uncertain. The economic impact of the pandemic has affected regions at different times and to varying degrees.

The various government support measures and restrictions put in place in response to the outbreak have created additional challenges, given the rapid pace of change and significant operational demands. The speed at which countries and territories are able to return to pre-Covid-19 levels of economic activity will vary based on the levels of continuing government support offered, the continuing levels of infection, and ability of governments to roll out vaccines across each country. While the approval and roll-out of vaccines during 2021 raised hopes that government restrictions will be lifted across all developed markets by the end of the year, there has been significant divergence in the speed at which vaccines have been deployed. Most developed countries have now vaccinated a large proportion of their populations, although take-up rates vary both within countries and across age groups. Many less developed countries have struggled to secure supplies and are at an earlier stage of their vaccination programmes. There remains uncertainty regarding the efficacy and side effects of the vaccines over various time horizons, particularly as new variants of the virus emerge. A full return to pre-pandemic levels of social interaction across all our key markets is unlikely in the short to medium term, despite the easing of government restrictions in many of these markets.

Our operations have been resilient throughout the Covid-19 pandemic. However, the operational support functions on which the Group relies are based in a number of countries worldwide, some of which, notably India, have been particularly affected by the Covid-19 pandemic and experienced a significant increase in infection rates during 2021. As a result, business continuity responses have been implemented and the majority of service level agreements have been maintained in locations where the Group operates. We continue to monitor the situation closely, in particular in those countries and regions where Covid-19 infections are most prevalent.

Our ECL models continue to be impacted by the pandemic, particularly as a result of the various government measures introduced to support borrowers during the outbreak. This continues to require enhanced monitoring of model outputs and the use of model overlays, including management judgemental adjustments based on the expert judgement of senior credit risk managers and the recalibration of key loss models to take into account the impacts of Covid-19 on critical model inputs. In addition, we have been responding to complex conduct considerations and heightened risk of fraud related to the varying government support measures and restrictions. The continued economic uncertainty from the pandemic could adversely impact our revenue assumptions, notably volume growth.

Geopolitical and macroeconomic risks

The trade and regulatory environment is becoming increasingly fragmented. The spread of the Covid-19 delta variant has been a major contributing factor to the disruption of supply chains in several industries globally. Supply chain disruptions are likely to create a headwind to continued recovery for the remainder of 2021. The mismatch between supply and demand has also impacted commodity prices and has created further challenges for monetary authorities. Central bank interest rates remain at historically low levels in developed markets, whereas in several emerging markets central banks have begun to tighten monetary policy to counter rising inflation. The vaccine-led economic recovery contributed to an increase in interest rate yields and a steepening of yield curves in our major markets in the first half of 2021. However, more recently, some segments of the financial markets have priced in a moderation in global GDP growth rates from 2022 as the post-Covid-19 rebound fades, and as Chinese policymakers take calibrated steps to curb domestic financial risks, resulting in some re-flattening of major market yield curves.

Recent market volatility reflects, to a certain extent, concerns about potential repercussions that may affect the wider Chinese and global economy resulting from the recent instability of China's real estate sector. Such repercussions may occur directly through financial exposures to the Chinese real estate sector, or indirectly through the effect of weaker Chinese economic activity on global supply chains and commodities demand and pricing. Using the Chinese government's 'three red lines' framework used to govern the real estate sector, at 30 September 2021 HSBC had no direct credit exposure to developers in the 'red' category, and limited exposure to clients categorised as 'orange'. We continue to monitor the situation closely, particularly potential indirect impacts that may arise, and seek to take mitigating actions as required.

Potential changes to tax legislation and tax rates in the countries in which we operate could increase the Group's effective tax rate in future periods as governments seek revenue sources to pay for the Covid-19 support packages that they have implemented. In October, the finance ministers of 136 countries, including all G7 and G20 countries, reached agreement on the key principles with respect to the introduction of a global minimum tax rate of 15% by 2023. The financial impact on HSBC will depend significantly on the finalisation of several key aspects of the calculations. It is expected that detailed rules will be finalised during the fourth quarter of 2021. Given the uncertainty regarding the detail of the tax rules and the future profitability in each tax jurisdiction, we are not able to reliably estimate the potential impact at this stage.

Geopolitical tensions could also have potential ramifications for the Group and its customers. The relationship between the UK and the EU laid out in the Trade and Cooperation Agreement of December 2020 will take time to settle, and may give rise to intermittent disputes in the interim. Diplomatic tensions including between China and the US, the UK, the EU, India and other countries, and developments in Hong Kong and Taiwan, alongside other potential areas of tension, may affect the Group by creating regulatory, reputational and market risks. The US, the UK, the EU, Canada and other countries have imposed various sanctions and trade restrictions on Chinese persons and companies, and the US continues to advance the development of its framework for strategic competition with China. There is also increasing discussion in the US and Europe on multilateral efforts to address certain areas of disagreement with China, which may create a more complex operating environment for the Group and its customers. In response to foreign sanctions and trade restrictions, China has also announced a number of sanctions, trade restrictions and laws that could impact the Group and its customers. We continue to carefully monitor and seek to manage the potential implications of these developments.

The financial impact to the Group of geopolitical risks in Asia is heightened due to the strategic importance of the region in terms of profitability and prospects for growth. Business sentiment in some sectors in Hong Kong remains dampened, although the financial services sector has remained strong and has benefited from stable liquidity conditions.

Ibor transition

During the third quarter of 2021, our interbank offered rate ('Ibor') transition programme – which is tasked with the development of new near risk-free rate ('RFR') products and the transition from legacy Ibor products – continued to engage with our clients, and finalise IT and operational changes necessary to facilitate an orderly transition from Ibors to RFRs, or alternative benchmarks, such as policy interest rates. Following the announcement by ICE Benchmark Administration Limited in March 2021 to extend the publication of the US dollar London interbank offer rate ('Libor') to June 2023, the Group's transition programme is focusing mainly on client engagement for Ibors demising from the end of 2021.

The Group's exposure to contracts referencing Libor interest rates that are demising from the end of 2021 has continued to reduce as a result of ceasing to provide sterling Libor cash and derivative products, in line with industry milestones and the transition of legacy contracts. With respect to the transition of our legacy contracts linked to Libor interest rates demising from the end of 2021, we have communicated with all impacted clients and plan to transition a significant amount of contracts by 31 December 2021. While client and market factors continue to present challenges in the transition process, the plans and actions being taken demonstrate that this is achievable dependent on the pace of market transition away from the demising benchmarks, and the responsiveness of our clients in agreeing the required changes.

We continue to participate in market-wide initiatives for the transition of derivative contracts and new RFR convention changes. We also continue to meet our clients to discuss loan contracts and we launched a consent solicitation to remediate Ibor references in a number of the Group's English law-governed capital/MREL instruments. The key risks associated with the transition of these legacy contracts, including regulatory compliance risk, resilience risk, financial reporting risk, legal risk and market risk, continue to be actively managed and mitigated with focus on ensuring fair outcomes for clients are achieved. We will continue to carry out contractual legal repapering and rebooking activities, along with the negotiation of fallback provisions where active transition cannot be achieved. However, there may be a limited number of contracts that are difficult to transition (so-called 'tough legacy'), where we may need to rely on jurisdictional legislative solutions, to the extent possible.

Credit risk

Summary of credit risk

At 30 September 2021, gross loans and advances to customers and banks of $1,147bn increased by $13bn, compared with 31 December 2020. This included adverse foreign exchange movements of $16.4bn and a $2.6bn decrease due to domestic mass market retail banking in the US being reclassified to assets held for sale.

Excluding foreign exchange movements, growth was driven by a $17.9bn increase in personal loans and advances to customers and a $15.7bn increase in loans and advances to banks. Wholesale loans and advances to customers decreased by $4.2bn.

The increase in personal loans and advances to customers was driven by mortgage growth of $16.8bn, mainly in the UK (up $7.4bn), Hong Kong (up $5.1bn) and Canada (up $3.1bn). Personal loans and overdrafts increased by $2.6bn, mainly in Hong Kong (up $2.2bn). This was partly offset by a decrease of $1.3bn in credit cards, mainly in the US (down $0.9bn).

During the first nine months of 2021, the Group experienced a release in allowances for ECL, which was driven by improving economic forecasts, better than expected levels of credit performance and lower levels of stage 3 charges. Excluding foreign exchange movements, stage 1 and stage 2 allowances for ECL reduced by $2.6bn and stage 3 by $0.4bn.

Excluding foreign exchange movements, the allowance for ECL in relation to loans and advances to customers decreased by $2.7bn from 31 December 2020. This was attributable to:

- a $1.4bn decrease in wholesale loans and advances to customers, of which $1.1bn was driven by stages 1 and 2; and
- a $1.3bn decrease in personal loans and advances to customers, of which $1.2bn was driven by stages 1 and 2.

At 30 September 2021, the allowance for ECL of $12.4bn decreased by $3.3bn compared with 31 December 2020, including favourable foreign exchange movements of $0.3bn. The $12.4bn allowance comprised $11.9bn in respect of assets held at amortised cost, $0.5bn in respect of loan commitments and financial guarantees, and $0.1bn in respect of debt instruments measured at fair value through other comprehensive income ('FVOCI').

The ECL release for the first nine months of 2021 was $1.4bn, inclusive of recoveries. This comprised: $1.1bn in respect of wholesale lending, of which the stage 3 and purchased or originated credit impaired ('POCI') charge was $0.3bn; $0.4bn in respect of personal lending, of which the stage 3 charge was $0.3bn; and $0.1bn in respect of debt instruments measured at FVOCI, partly offset by a charge of $0.2bn in other financial assets measured at amortised cost. Uncertainty remains as countries emerge from the pandemic at different speeds, government support measures unwind and supply chain interruptions contribute to rising inflation.

Summary of financial instruments to which the impairment requirements in IFRS 9 are applied

	At 30 Sep 2021		At 31 Dec 2020	
	Gross carrying/ nominal amount	**Allowance for ECL[1]**	Gross carrying/ nominal amount	Allowance for ECL[1]
	$m	**$m**	$m	$m
Loans and advances to customers at amortised cost	**1,051,186**	**(11,509)**	1,052,477	(14,490)
– personal	**472,078**	**(3,335)**	460,809	(4,731)
– corporate and commercial	**513,853**	**(8,042)**	527,088	(9,494)
– non-bank financial institutions	**65,255**	**(132)**	64,580	(265)
Loans and advances to banks at amortised cost	**95,988**	**(14)**	81,658	(42)
Other financial assets measured at amortised cost	**884,955**	**(328)**	772,408	(175)
– cash and balances at central banks	**409,922**	**(4)**	304,486	(5)
– items in the course of collection from other banks	**6,384**	**—**	4,094	—
– Hong Kong Government certificates of indebtedness	**41,476**	**—**	40,420	—
– reverse repurchase agreements – non-trading	**211,035**	**—**	230,628	—
– financial investments	**87,376**	**(82)**	88,719	(80)
– prepayments, accrued income and other assets[2]	**128,762**	**(242)**	104,061	(90)
Total gross carrying amount on-balance sheet	**2,032,129**	**(11,851)**	1,906,543	(14,707)
Loans and other credit-related commitments	**652,767**	**(389)**	659,783	(734)
– personal	**238,036**	**(21)**	236,170	(40)
– corporate and commercial	**281,609**	**(346)**	299,802	(650)
– financial	**133,122**	**(22)**	123,811	(44)
Financial guarantees	**27,304**	**(71)**	18,384	(125)
– personal	**852**	**—**	900	(1)
– corporate and commercial	**22,252**	**(67)**	12,946	(114)
– financial	**4,200**	**(4)**	4,538	(10)
Total nominal amount off-balance sheet[3]	**680,071**	**(460)**	678,167	(859)
	2,712,200	**(12,311)**	2,584,710	(15,566)

	Fair value	**Memorandum allowance for ECL[4]**	Fair value	Memorandum allowance for ECL[4]
	$m	**$m**	$m	$m
Debt instruments measured at fair value through other comprehensive income ('FVOCI')	**339,698**	**(91)**	399,717	(141)

1 *The total ECL is recognised in the loss allowance for the financial asset unless the total ECL exceeds the gross carrying amount of the financial asset, in which case the ECL is recognised as a provision.*
2 *Includes only those financial instruments that are subject to the impairment requirements of IFRS 9. 'Prepayments, accrued income and other assets' as presented within the summary consolidated balance sheet on page 11 includes both financial and non-financial assets. The 30 September 2021 balances include $2,601m gross carrying amounts and $35m allowances for ECL related to domestic mass market retail banking in the US reported under assets held for sale.*
3 *Represents the maximum amount at risk should the contracts be fully drawn upon and clients default.*
4 *Debt instruments measured at FVOCI continue to be measured at fair value with the allowance for ECL as a memorandum item. Change in ECL is recognised in 'Change in expected credit losses and other credit impairment charges' in the income statement.*

Summary of credit risk (excluding debt instruments measured at FVOCI) by stage distribution and ECL coverage by industry sector at 30 September 2021

	Gross carrying/nominal amount[1]					Allowance for ECL					ECL coverage %				
	Stage 1	Stage 2	Stage 3	POCI[2]	Total	Stage 1	Stage 2	Stage 3	POCI[2]	Total	Stage 1	Stage 2	Stage 3	POCI[2]	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	%	%	%	%	%
Loans and advances to customers at amortised cost	883,967	148,452	18,558	209	1,051,186	(1,410)	(3,126)	(6,898)	(75)	(11,509)	0.2	2.1	37.2	35.9	1.1
– personal	449,422	17,483	5,173	–	472,078	(598)	(1,423)	(1,314)	–	(3,335)	0.1	8.1	25.4	–	0.7
– corporate and commercial	376,029	124,650	12,965	209	513,853	(778)	(1,647)	(5,542)	(75)	(8,042)	0.2	1.3	42.7	35.9	1.6
– non-bank financial institutions	58,516	6,319	420	–	65,255	(34)	(56)	(42)	–	(132)	0.1	0.9	10.0	–	0.2
Loans and advances to banks at amortised cost	94,540	1,448	–	–	95,988	(9)	(5)	–	–	(14)	–	0.3	–	–	–
Other financial assets measured at amortised cost	878,031	6,571	311	42	884,955	(133)	(132)	(57)	(6)	(328)	–	2.0	18.3	14.3	–
Loan and other credit-related commitments	612,789	39,209	768	1	652,767	(156)	(176)	(57)	–	(389)	–	0.4	7.4	–	0.1
– personal	236,203	1,677	156	–	238,036	(20)	(1)	–	–	(21)	–	0.1	–	–	–
– corporate and commercial	246,578	34,420	610	1	281,609	(121)	(168)	(57)	–	(346)	–	0.5	9.3	–	0.1
– financial	130,008	3,112	2	–	133,122	(15)	(7)	–	–	(22)	–	0.2	–	–	–
Financial guarantees	23,759	3,285	259	1	27,304	(13)	(27)	(31)	–	(71)	0.1	0.8	12.0	–	0.3
– personal	836	15	1	–	852	–	–	–	–	–	–	–	–	–	–
– corporate and commercial	19,436	2,572	243	1	22,252	(11)	(26)	(30)	–	(67)	0.1	1.0	12.3	–	0.3
– financial	3,487	698	15	–	4,200	(2)	(1)	(1)	–	(4)	0.1	0.1	6.7	–	0.1
At 30 Sep 2021	**2,493,086**	**198,965**	**19,896**	**253**	**2,712,200**	**(1,721)**	**(3,466)**	**(7,043)**	**(81)**	**(12,311)**	**0.1**	**1.7**	**35.4**	**32.0**	**0.5**

Stage 2 days past due analysis at 30 September 2021

	Gross carrying/nominal amount[1]				Allowance for ECL				ECL coverage %			
	Stage 2	Up-to-date	1 to 29 DPD[3,4]	30 and > DPD[3,4]	Stage 2	Up-to-date	1 to 29 DPD[3,4]	30 and > DPD[3,4]	Stage 2	Up-to-date	1 to 29 DPD[3,4]	30 and > DPD[3,4]
	$m	$m	$m	$m	$m	$m	$m	$m	%	%	%	%
Loans and advances to customers at amortised cost	148,452	145,122	2,038	1,292	(3,126)	(2,727)	(196)	(203)	2.1	1.9	9.6	15.7
– personal	17,483	15,392	1,280	811	(1,423)	(1,070)	(170)	(183)	8.1	7.0	13.3	22.6
– corporate and commercial	124,650	123,503	674	473	(1,647)	(1,602)	(25)	(20)	1.3	1.3	3.7	4.2
– non-bank financial institutions	6,319	6,227	84	8	(56)	(55)	(1)	–	0.9	0.9	1.2	–
Loans and advances to banks at amortised cost	1,448	1,448	–	–	(5)	(5)	–	–	0.3	0.3	–	–
Other financial assets measured at amortised cost	6,571	6,495	36	40	(132)	(111)	(12)	(9)	2.0	1.7	33.3	22.5

1 *Represents the maximum amount at risk should the contracts be fully drawn upon and clients default.*
2 *Purchased or originated credit-impaired ('POCI').*
3 *Days past due ('DPD').*
4 *The days past due amounts presented above are on a contractual basis and include the benefit of any customer relief payment holidays granted.*

Summary of credit risk (excluding debt instruments measured at FVOCI) by stage distribution and ECL coverage by industry sector at 31 December 2020

	Gross carrying/nominal amount[1]					Allowance for ECL					ECL coverage %				
	Stage 1	Stage 2	Stage 3	POCI[2]	Total	Stage 1	Stage 2	Stage 3	POCI[2]	Total	Stage 1	Stage 2	Stage 3	POCI[2]	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	%	%	%	%	%
Loans and advances to customers at amortised cost	869,920	163,185	19,095	277	1,052,477	(1,974)	(4,965)	(7,439)	(112)	(14,490)	0.2	3.0	39.0	40.4	1.4
– personal	430,134	25,064	5,611	—	460,809	(827)	(2,402)	(1,502)	—	(4,731)	0.2	9.6	26.8	—	1.0
– corporate and commercial	387,563	126,287	12,961	277	527,088	(1,101)	(2,444)	(5,837)	(112)	(9,494)	0.3	1.9	45.0	40.4	1.8
– non-bank financial institutions	52,223	11,834	523	—	64,580	(46)	(119)	(100)	—	(265)	0.1	1.0	19.1	—	0.4
Loans and advances to banks at amortised cost	79,654	2,004	—	—	81,658	(33)	(9)	—	—	(42)	—	0.4	—	—	0.1
Other financial assets measured at amortised cost	768,216	3,975	177	40	772,408	(80)	(44)	(42)	(9)	(175)	—	1.1	23.7	22.5	—
Loan and other credit-related commitments	604,485	54,217	1,080	1	659,783	(290)	(365)	(78)	(1)	(734)	—	0.7	7.2	100.0	0.1
– personal	234,337	1,681	152	—	236,170	(39)	(1)	—	—	(40)	—	0.1	—	—	—
– corporate and commercial	253,062	45,851	888	1	299,802	(236)	(338)	(75)	(1)	(650)	0.1	0.7	8.4	100.0	0.2
– financial	117,086	6,685	40	—	123,811	(15)	(26)	(3)	—	(44)	—	0.4	7.5	—	—
Financial guarantees	14,090	4,024	269	1	18,384	(37)	(62)	(26)	—	(125)	0.3	1.5	9.7	—	0.7
– personal	872	26	2	—	900	—	(1)	—	—	(1)	—	3.8	—	—	0.1
– corporate and commercial	9,536	3,157	252	1	12,946	(35)	(54)	(25)	—	(114)	0.4	1.7	9.9	—	0.9
– financial	3,682	841	15	—	4,538	(2)	(7)	(1)	—	(10)	0.1	0.8	6.7	—	0.2
At 31 Dec 2020	2,336,365	227,405	20,621	319	2,584,710	(2,414)	(5,445)	(7,585)	(122)	(15,566)	0.1	2.4	36.8	38.2	0.6

Stage 2 days past due analysis at 31 December 2020

	Gross carrying/nominal amount[1]				Allowance for ECL				ECL coverage %			
	Stage 2	Up-to-date	1 to 29 DPD[3,4]	30 and > DPD[3,4]	Stage 2	Up-to-date	1 to 29 DPD[3,4]	30 and > DPD[3,4]	Stage 2	Up-to-date	1 to 29 DPD[3,4]	30 and > DPD[3,4]
	$m	$m	$m	$m	$m	$m	$m	$m	%	%	%	%
Loans and advances to customers at amortised cost	163,185	159,367	2,052	1,766	(4,965)	(4,358)	(275)	(332)	3.0	2.7	13.4	18.8
– personal	25,064	22,250	1,554	1,260	(2,402)	(1,895)	(227)	(280)	9.6	8.5	14.6	22.2
– corporate and commercial	126,287	125,301	489	497	(2,444)	(2,344)	(48)	(52)	1.9	1.9	9.8	10.5
– non-bank financial institutions	11,834	11,816	9	9	(119)	(119)	—	—	1.0	1.0	—	—
Loans and advances to banks at amortised cost	2,004	2,004	—	—	(9)	(9)	—	—	0.4	0.4	—	—
Other financial assets measured at amortised cost	3,975	3,963	3	9	(44)	(44)	—	—	1.1	1.1	—	—

1 *Represents the maximum amount at risk should the contracts be fully drawn upon and clients default.*
2 *Purchased or originated credit-impaired ('POCI').*
3 *Days past due ('DPD').*
4 *The days past due amounts presented above are on a contractual basis and include the benefit of any customer relief payment holidays granted.*

Measurement uncertainty and sensitivity analysis of ECL estimates

While there has been continued improvement in the economic outlook in the quarter, there remains a high degree of uncertainty as countries recover from the pandemic at different rates, government support measures unwind and new virus strains test the efficacy of vaccination programmes. As a result of this uncertainty, management judgements and estimates reflect a degree of caution. During 2020, stage 1 and stage 2 ECL provisions on loans increased by $3.9bn, reflecting mainly the evolution of the global pandemic, and while they reduced by $2.7bn in the nine months of 2021 as economic conditions recovered, $1.2bn of the 2020 uplift remained at 30 September 2021 ($1.1bn wholesale and $0.1bn retail). Caution is reflected both in the selection of economic scenarios and their weightings, and in the management judgemental adjustments, which reflect how economic conditions interact with modelled outcomes, and are described in more detail below.

The recognition and measurement of ECL involves the use of significant judgement and estimation. We form multiple economic scenarios based on economic forecasts, apply these assumptions to credit risk models to estimate future credit losses, and probability-weight the results to determine an unbiased ECL estimate.

Methodology

Four economic scenarios have been used to capture the exceptional nature of the current economic environment and to articulate management's view of the range of potential outcomes. Three of these scenarios are drawn from consensus forecasts and distributional estimates. Management has chosen an additional scenario to represent its view of severe downside risks. Scenarios produced to calculate ECL are aligned to HSBC's top and emerging risks.

Description of economic scenarios

The economic assumptions presented in this section have been formed by HSBC, with reference to external forecasts specifically for the purpose of calculating ECL.

The end of government restrictions and the global roll-out of vaccines have supported a strong recovery in the world economy in 2021 following an unprecedented contraction in 2020. More than half of the populations of the UK, the US, Hong Kong and mainland China are now fully vaccinated, which has facilitated the reduction of hospitalisations and deaths, despite a resurgence in new cases in some markets. This has allowed further reopening and some resumption of travel. It is likely that multi-year vaccination programmes will be needed and that the divide between developed and developing countries will persist. The emergence of new variants that reduce the efficacy of vaccines and vaccine hesitancy remains a risk.

Economic forecasts are subject to a high degree of uncertainty in the current environment. While risks to the economic outlook are dominated by the progression and management of the pandemic and vaccine roll-out, geopolitical risks also present downside threats. These risks include continued differences between the US and China over a range of issues, dampened business sentiment in Hong Kong and the evolution of the UK's relationship with the EU.

Four global scenarios have been used for the purpose of calculating ECL at 30 September 2021. These are the consensus Central scenario, the consensus Upside scenario, the consensus Downside scenario and an additional Downside scenario.

- The consensus Central scenario: This scenario features a recovery in economic activity in 2021, supported by a successful roll-out of vaccination programmes and the ending of government restrictions on mobility across our major markets. Government support programmes will continue to assist labour markets, households and firms, while economic activity and unemployment will recover back to their pre-Covid-19 levels.
- The consensus Upside scenario: This scenario features a faster recovery in economic activity in the near term, compared with the consensus Central scenario, with GDP growth returning to pre-Covid-19 levels in 2021 in Hong Kong, mainland China and the US.
- The consensus Downside scenario: This scenario features a considerably weaker recovery in economic activity compared with the Central scenario. In this scenario, growth remains weak, unemployment rates stay elevated and equity markets and house prices contract.
- The additional Downside scenario: This scenario reflects management's view of tail risks and features a second severe and prolonged recession.

Both the consensus Downside and the additional Downside scenarios are global in nature, and while they differ in severity, they assume that the key risks to HSBC, listed above, crystallise simultaneously.

The range of macroeconomic projections across the various scenarios is shown in the table below:

Macroeconomic projections in key markets

	Central scenario				Consensus Upside			Consensus Downside			Additional Downside		
	Five-year average	2021	2022	2023	Five-year average	Best outcome		Five-year average	Worst outcome		Five-year average	Worst outcome	
Hong Kong													
GDP growth rate (%)	**2.7**	**6.5**	**3.0**	**2.7**	**4.8**	**11.9**	**(3Q22)**	**0.7**	**(5.1)**	**(1Q22)**	**0.9**	**(8.6)**	**(3Q22)**
Unemployment rate (%)	**4.0**	**5.8**	**4.5**	**4.0**	**3.6**	**3.1**	**(4Q22)**	**4.8**	**6.8**	**(4Q21)**	**5.5**	**7.1**	**(4Q21)**
House price growth (%)	**3.2**	**3.2**	**5.0**	**3.6**	**4.5**	**9.6**	**(3Q22)**	**(0.1)**	**(8.5)**	**(3Q22)**	**(1.4)**	**(16.3)**	**(3Q22)**
Mainland China													
GDP growth rate (%)	**5.0**	**8.6**	**5.6**	**5.3**	**7.3**	**15.4**	**(3Q22)**	**3.4**	**(1.0)**	**(2Q22)**	**3.2**	**(6.9)**	**(3Q22)**
Unemployment rate (%)	**3.8**	**3.8**	**3.8**	**3.7**	**3.7**	**3.4**	**(3Q22)**	**3.9**	**4.1**	**(1Q22)**	**5.0**	**5.6**	**(3Q23)**
House price growth (%)	**4.9**	**4.5**	**6.5**	**5.3**	**7.0**	**15.8**	**(3Q22)**	**3.8**	**1.2**	**(3Q22)**	**(1.4)**	**(20.5)**	**(3Q22)**
UK													
GDP growth rate (%)	**2.8**	**6.6**	**5.3**	**2.1**	**4.1**	**10.1**	**(1Q22)**	**1.8**	**(0.2)**	**(3Q23)**	**2.0**	**(3.7)**	**(2Q22)**
Unemployment rate (%)	**4.5**	**5.1**	**5.1**	**4.6**	**4.1**	**3.5**	**(3Q23)**	**5.1**	**6.2**	**(3Q22)**	**7.0**	**8.0**	**(1Q23)**
House price growth (%)	**2.8**	**9.0**	**2.8**	**2.5**	**4.0**	**7.2**	**(4Q21)**	**0.8**	**(3.9)**	**(3Q22)**	**(2.5)**	**(13.9)**	**(1Q23)**
US													
GDP growth rate (%)	**2.7**	**6.5**	**4.1**	**2.3**	**4.4**	**10.8**	**(1Q22)**	**1.2**	**(2.3)**	**(3Q22)**	**1.4**	**(4.6)**	**(3Q22)**
Unemployment rate (%)	**4.0**	**5.5**	**4.3**	**4.1**	**3.3**	**2.0**	**(2Q22)**	**4.8**	**6.7**	**(2Q22)**	**8.8**	**11.0**	**(3Q23)**
House price growth (%)	**5.7**	**13.7**	**9.2**	**5.5**	**6.7**	**13.9**	**(4Q21)**	**4.9**	**3.8**	**(1Q23)**	**3.5**	**(4.2)**	**(3Q22)**

Note: The 'worst' or the 'best' outcome refers to the quarter that is either the trough or peak in the respective variable, in the first two years of the scenario.

Scenario weights are consistent with those applied at 30 June 2021 with the exception of the UK. The UK consensus Central scenario probability weighting has increased to 60% (30 June 2021: 50%) and the consensus Upside scenario weighting has increased to 10% (30 June 2021: 5%), with corresponding decreases in the consensus Downside scenario to 20% (30 June 2021: 30%) and the additional Downside scenario to 10% (30 June 2021: 15%). Progress in the vaccine roll-out programme, accompanied by a recovery in economic activity following the end of government restrictions on mobility, led to management attaching a greater probability to the Central scenario in the UK.

Management judgemental adjustments

In the context of IFRS 9, management judgemental adjustments are typically short-term increases or decreases to the ECL at either a customer, segment or portfolio level to account for late-breaking events, model deficiencies and other assessments applied during management review and challenge.

At 30 September 2021, management judgements were applied to reflect credit risk dynamics not captured by our models. The drivers of the management judgemental adjustments reflect the improvement in the overall economic outlook and continue to evolve with the economic environment.

Where the macroeconomic and portfolio risk outlook continues to improve, supported by low levels of observed defaults, adjustments initially taken to reflect increased risk expectations have been retired or reduced.

However, other adjustments have increased where modelled outcomes are overly sensitive and not aligned to observed changes in the risk of the underlying portfolios during the pandemic, or where sector-specific risks are not adequately captured.

We have internal governance in place to monitor management judgemental adjustments regularly and, where possible, to reduce the reliance on these through model recalibration or redevelopment, as appropriate.

Management judgemental adjustments made in estimating the reported ECL at 30 September 2021 are set out in the following table. The table includes adjustments in relation to data and model limitations resulting from the pandemic, and as a result of the regular process of model development and implementation. It shows the adjustments applicable to the scenario-weighted ECL numbers.

Management judgemental adjustments to ECL at 30 September 2021[1]

	Retail	Wholesale	Total
	$bn	$bn	$bn
Low-risk counterparties (banks, sovereigns and government entities)	**0.1**	**(0.1)**	**—**
Corporate lending adjustments		**0.9**	**0.9**
Retail lending probability of default adjustments			**—**
Retail model default timing adjustments	**0.2**		**0.2**
Macroeconomic-related adjustments	**0.4**		**0.4**
Pandemic-related economic recovery adjustments	**0.1**		**0.1**
Other retail lending adjustments	**0.3**		**0.3**
Total	**1.0**	**0.8**	**1.8**

Management judgemental adjustments to ECL at 31 December 2020[1]

	Retail	Wholesale	Total
	$bn	$bn	$bn
Low-risk counterparties (banks, sovereigns and government entities)		(0.7)	(0.7)
Corporate lending adjustments		0.5	0.5
Retail lending probability of default adjustments	(0.8)		(0.8)
Retail model default timing adjustment	1.9		1.9
Macroeconomic-related adjustments	0.1		0.1
Pandemic-related economic recovery adjustments			—
Other retail lending adjustments	0.3		0.3
Total	1.5	(0.2)	1.3

1 *Management judgemental adjustments presented in the table reflect increases or (decreases) to ECL, respectively.*

In the wholesale portfolio, management judgemental adjustments were an ECL increase of $0.8bn at 30 September 2021 (31 December 2020: $0.2bn decrease).

- Adjustments relating to low-credit-risk exposures decreased ECL by $0.1bn at 30 September 2021 (31 December 2020: $0.7bn decrease). These were mainly to highly rated banks, sovereigns and US government-sponsored entities, where modelled credit factors did not fully reflect the underlying fundamentals of these entities or the effect of government support and economic programmes in the Covid-19 environment. The decrease in adjustment impact relative to 31 December 2020 was mostly driven by increased alignment of modelled outcomes to management expectations following changes in systems and data.
- Adjustments to corporate exposures increased ECL by $0.9bn at 30 September 2021 (31 December 2020: $0.5bn increase). These principally reflected the outcome of management judgements for high-risk and vulnerable sectors in some of our key markets, supported by credit experts' input, portfolio risk metrics, quantitative analyses and benchmarks. Considerations include risk of individual exposures under different macroeconomic scenarios and comparison of key risk metrics to pre-pandemic levels, resulting in either releases or increases to ECL in each geography. The increase in adjustment impact relative to 31 December 2020 was mostly driven by management judgements as a result of the effect of further improvement of macroeconomic scenarios on modelled outcomes and increased dislocation of modelled outcomes to management expectations for high-risk sectors.

At 30 September 2021, the above adjustments included a reduction to ECL of $0.5bn for India to address overly sensitive modelled results related to severe projections of macroeconomic variables that are outside of the historical observations of which IFRS 9 models have been built and calibrated. Excluding this adjustment, the increase to ECL was $1.4bn, which is similar to the adjustment amount to corporate exposures reported at 30 June 2021.

In the retail portfolio, management judgemental adjustments were an ECL increase of $1.0bn at 30 September 2021 (31 December 2020: $1.5bn increase).

- Retail model default suppression adjustments increased ECL by $0.2bn (31 December 2020: $1.9bn increase). The lower adjustment reflects management's judgement that this applies to a fewer number of economies given the reduced risk that defaults are being delayed as customer relief and government support programmes are wound down with continued improvement in macroeconomic forecasts.
- Macroeconomic-related adjustments increased ECL by $0.4bn (31 December 2020: $0.1bn increase). These adjustments are primarily in relation to country-specific risks related to future macroeconomic conditions and the impacts on credit performance. Included

within this category was $0.2bn for the UK, where the economic outlook remains uncertain in relation to credit performance following the conclusion of the furlough scheme, supply chain issues and inflation.

- Pandemic-related economic recovery adjustments increased ECL by $0.1bn (31 December 2020: $0) to adjust for the effects of the volatile pace of recovery from the pandemic where in management's judgement this leads to modelled outcomes that are overly sensitive given the limited observed deterioration in the underlying portfolio during the pandemic.
- Other retail lending adjustments increased ECL by $0.3bn (31 December 2020: $0.3bn increase). There was no significant change from the year end.
- Retail lending probability of default adjustments were not required at 3Q21 as the projections of macroeconomic variables are now fully within the boundaries of historical observation on which IFRS 9 models have been built and calibrated to operate.

Economic scenarios sensitivity analysis of ECL estimates

Management considered the sensitivity of the ECL outcome against the economic forecasts as part of the ECL governance process by recalculating the ECL under each scenario described above for selected portfolios, applying a 100% weighting to each scenario in turn. The weighting is reflected in both the determination of a significant increase in credit risk and the measurement of the resulting ECL.

The ECL calculated for the Upside and Downside scenarios should not be taken to represent the upper and lower limits of possible ECL outcomes. The impact of defaults that might occur in the future under different economic scenarios is captured by recalculating ECL for loans in stages 1 and 2 at the balance sheet date. The population of stage 3 loans (in default) at the balance sheet date is unchanged in these sensitivity calculations. Stage 3 ECL would only be sensitive to changes in forecasts of future economic conditions if the loss-given default of a particular portfolio was sensitive to these changes.

There is a particularly high degree of estimation uncertainty in numbers representing tail risk scenarios when assigned a 100% weighting.

For wholesale credit risk exposures, the sensitivity analysis excludes ECL for financial instruments related to defaulted obligors because the measurement of ECL is relatively more sensitive to credit factors specific to the obligor than future economic scenarios. Therefore, it is impracticable to separate the effect of macroeconomic factors in individual assessments.

For retail credit risk exposures, the sensitivity analysis includes ECL for loans and advances to customers related to defaulted obligors. This is because the retail ECL for secured mortgage portfolios, including loans in all stages, is sensitive to macroeconomic variables.

Group ECL sensitivity results

The ECL impact of the scenarios and judgemental management adjustments are highly sensitive to movements in economic forecasts, including the efficacy of government support measures. If the Group ECL balance (excluding wholesale stage 3, which is assessed individually) was estimated solely on the basis of the Central scenario, Upside scenario, Downside scenario or the additional Downside scenario at 30 September 2021, it would increase/(decrease) as presented in the below sensitivity table.

	Retail[1]	**Wholesale[2]**
Total Group ECL at 30 September 2021	**$bn**	**$bn**
Reported ECL	**3.3**	**3.0**
Scenarios		
100% consensus Central scenario	**(0.2)**	**(0.4)**
100% consensus Upside scenario	**(0.4)**	**(1.1)**
100% consensus Downside scenario	**0.2**	**0.9**
100% additional Downside scenario	**1.4**	**4.1**

	Retail[1]	Wholesale[2]
Total Group ECL at 31 December 2020	$bn	$bn
Reported ECL	4.5	4.5
Scenarios		
100% consensus Central scenario	(0.3)	(0.9)
100% consensus Upside scenario	(1.0)	(2.0)
100% consensus Downside scenario	0.3	1.0
100% additional Downside scenario	1.3	5.9

1 *ECL sensitivities exclude portfolios utilising less complex modelling approaches.*
2 *Includes low credit-risk financial instruments, such as debt instruments at FVOCI, which have high carrying values but low ECL under all the scenarios.*

At 30 September 2021, Group ECL sensitivity decreased across all scenarios compared with 31 December 2020, driven by the improvement of macroeconomic forecasts.

Personal lending

Total personal lending for loans and advances to customers by stage distribution

	Gross carrying amount				Allowance for ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	$m	$m	$m	$m	$m	$m	$m	$m
By portfolio								
First lien residential mortgages	**353,030**	**8,575**	**3,189**	**364,794**	**(97)**	**(137)**	**(456)**	**(690)**
– *of which:* *interest only (including offset)*	***28,262***	***2,006***	***261***	***30,529***	***(5)***	***(23)***	***(77)***	***(105)***
affordability (including US adjustable rate mortgages)	***13,348***	***932***	***469***	***14,749***	***(9)***	***(5)***	***(6)***	***(20)***
Other personal lending	**96,392**	**8,908**	**1,984**	**107,284**	**(501)**	**(1,286)**	**(858)**	**(2,645)**
– other	**77,616**	**4,487**	**1,551**	**83,654**	**(279)**	**(522)**	**(590)**	**(1,391)**
– credit cards	**17,058**	**4,188**	**390**	**21,636**	**(214)**	**(752)**	**(254)**	**(1,220)**
– second lien residential mortgages	**323**	**45**	**38**	**406**	**(1)**	**(4)**	**(9)**	**(14)**
– motor vehicle finance	**1,395**	**188**	**5**	**1,588**	**(7)**	**(8)**	**(5)**	**(20)**
At 30 Sep 2021	**449,422**	**17,483**	**5,173**	**472,078**	**(598)**	**(1,423)**	**(1,314)**	**(3,335)**
By geography								
Europe	**208,721**	**6,097**	**2,262**	**217,080**	**(199)**	**(718)**	**(671)**	**(1,588)**
– *of which: UK*	***172,344***	***5,522***	***1,537***	***179,403***	***(175)***	***(686)***	***(423)***	***(1,284)***
Asia	**184,553**	**8,445**	**1,361**	**194,359**	**(154)**	**(378)**	**(249)**	**(781)**
– *of which: Hong Kong*	***125,133***	***4,995***	***192***	***130,320***	***(66)***	***(230)***	***(43)***	***(339)***
MENA	**4,961**	**273**	**208**	**5,442**	**(43)**	**(45)**	**(125)**	**(213)**
North America	**43,196**	**1,984**	**1,032**	**46,212**	**(28)**	**(64)**	**(114)**	**(206)**
Latin America	**7,991**	**684**	**310**	**8,985**	**(174)**	**(218)**	**(155)**	**(547)**
At 30 Sep 2021	**449,422**	**17,483**	**5,173**	**472,078**	**(598)**	**(1,423)**	**(1,314)**	**(3,335)**
By portfolio								
First lien residential mortgages	336,666	12,233	3,383	352,282	(125)	(188)	(442)	(755)
– *of which:* *interest only (including offset)*	*29,143*	*3,074*	*351*	*32,568*	*(9)*	*(19)*	*(88)*	*(116)*
affordability (including US adjustable rate mortgages)	*13,265*	*2,209*	*606*	*16,080*	*(11)*	*(11)*	*(5)*	*(27)*
Other personal lending	93,468	12,831	2,228	108,527	(702)	(2,214)	(1,060)	(3,976)
– other	74,174	7,288	1,489	82,951	(305)	(914)	(665)	(1,884)
– credit cards	17,327	5,292	680	23,299	(386)	(1,281)	(380)	(2,047)
– second lien residential mortgages	593	100	51	744	(3)	(9)	(10)	(22)
– motor vehicle finance	1,374	151	8	1,533	(8)	(10)	(5)	(23)
At 31 Dec 2020	430,134	25,064	5,611	460,809	(827)	(2,402)	(1,502)	(4,731)
By geography								
Europe	200,120	11,032	2,511	213,663	(247)	(1,271)	(826)	(2,344)
– *of which: UK*	*163,338*	*9,476*	*1,721*	*174,535*	*(223)*	*(1,230)*	*(545)*	*(1,998)*
Asia	178,175	7,969	1,169	187,313	(234)	(446)	(241)	(921)
– *of which: Hong Kong*	*118,252*	*5,133*	*206*	*123,591*	*(102)*	*(237)*	*(48)*	*(387)*
MENA	4,879	403	251	5,533	(54)	(112)	(152)	(318)
North America	40,387	4,613	1,378	46,378	(93)	(200)	(132)	(425)
Latin America	6,573	1,047	302	7,922	(199)	(373)	(151)	(723)
At 31 Dec 2020	430,134	25,064	5,611	460,809	(827)	(2,402)	(1,502)	(4,731)

Wholesale lending

Total wholesale lending for loans and advances to banks and customers at amortised cost

	Gross carrying amount					Allowance for ECL				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Corporate and commercial	376,029	124,650	12,965	209	513,853	(778)	(1,647)	(5,542)	(75)	(8,042)
– agriculture, forestry and fishing	6,659	867	377	1	7,904	(10)	(23)	(103)	(1)	(137)
– mining and quarrying	7,499	2,632	506	16	10,653	(15)	(55)	(161)	(12)	(243)
– manufacture	68,012	22,856	1,997	74	92,939	(127)	(264)	(909)	(35)	(1,335)
– electricity, gas, steam and air-conditioning supply	12,661	2,289	64	–	15,014	(13)	(20)	(23)	–	(56)
– water supply, sewerage, waste management and remediation	3,116	429	48	–	3,593	(4)	(5)	(24)	–	(33)
– construction	9,250	4,494	752	1	14,497	(29)	(47)	(422)	(1)	(499)
– wholesale and retail trade, repair of motor vehicles and motorcycles	72,822	21,028	2,957	8	96,815	(105)	(202)	(1,953)	(1)	(2,261)
– transportation and storage	20,086	8,253	706	10	29,055	(53)	(119)	(230)	–	(402)
– accommodation and food	7,399	15,224	1,019	1	23,643	(80)	(297)	(122)	(1)	(500)
– publishing, audiovisual and broadcasting	17,231	2,618	190	26	20,065	(39)	(34)	(40)	(5)	(118)
– real estate	93,129	25,407	1,934	1	120,471	(163)	(286)	(697)	–	(1,146)
– professional, scientific and technical activities	14,753	4,451	701	32	19,937	(25)	(47)	(170)	(7)	(249)
– administrative and support services	18,759	7,725	838	39	27,361	(25)	(87)	(337)	(12)	(461)
– public administration and defence, compulsory social security	1,242	375	–	–	1,617	(7)	(3)	–	–	(10)
– education	1,477	455	34	–	1,966	(5)	(8)	(6)	–	(19)
– health and care	4,077	1,032	166	–	5,275	(10)	(24)	(40)	–	(74)
– arts, entertainment and recreation	729	1,856	227	–	2,812	(8)	(51)	(55)	–	(114)
– other services	9,453	1,832	448	–	11,733	(58)	(55)	(249)	–	(362)
– activities of households	728	114	–	–	842	–	–	–	–	–
– extra-territorial organisations and bodies activities	16	–	–	–	16	–	–	–	–	–
– government	6,596	699	1	–	7,296	(2)	(10)	(1)	–	(13)
– asset-backed securities	335	14	–	–	349	–	(10)	–	–	(10)
Non-bank financial institutions	58,516	6,319	420	–	65,255	(34)	(56)	(42)	–	(132)
Loans and advances to banks	94,540	1,448	–	–	95,988	(9)	(5)	–	–	(14)
At 30 Sep 2021	529,085	132,417	13,385	209	675,096	(821)	(1,708)	(5,584)	(75)	(8,188)
By geography										
Europe	148,908	42,927	6,643	74	198,552	(403)	(805)	(1,805)	(18)	(3,031)
– of which: UK	*100,639*	*34,394*	*4,837*	*26*	*139,896*	*(357)*	*(663)*	*(1,052)*	*(5)*	*(2,077)*
Asia	289,851	71,168	3,617	90	364,726	(212)	(472)	(2,190)	(45)	(2,919)
– of which: Hong Kong	*163,641*	*45,664*	*1,675*	*40*	*211,020*	*(135)*	*(278)*	*(745)*	*(22)*	*(1,180)*
MENA	24,505	5,661	1,679	22	31,867	(79)	(108)	(1,042)	(11)	(1,240)
North America	54,349	9,873	681	–	64,903	(54)	(206)	(201)	–	(461)
Latin America	11,472	2,788	765	23	15,048	(73)	(117)	(346)	(1)	(537)
At 30 Sep 2021	529,085	132,417	13,385	209	675,096	(821)	(1,708)	(5,584)	(75)	(8,188)

Total wholesale lending for loans and advances to banks and customers at amortised cost (continued)

	Gross carrying amount					Allowance for ECL				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Corporate and commercial	387,563	126,287	12,961	277	527,088	(1,101)	(2,444)	(5,837)	(112)	(9,494)
– agriculture, forestry and fishing	6,087	1,026	331	1	7,445	(12)	(45)	(149)	(1)	(207)
– mining and quarrying	7,429	3,705	797	16	11,947	(33)	(112)	(209)	(11)	(365)
– manufacture	68,179	23,564	2,076	87	93,906	(201)	(442)	(905)	(40)	(1,588)
– electricity, gas, steam and air-conditioning supply	14,240	1,907	53	—	16,200	(25)	(40)	(8)	—	(73)
– water supply, sewerage, waste management and remediation	2,874	253	47	—	3,174	(8)	(7)	(22)	—	(37)
– construction	9,368	4,455	773	4	14,600	(42)	(118)	(426)	(4)	(590)
– wholesale and retail trade, repair of motor vehicles and motorcycles	65,937	21,518	3,196	12	90,663	(174)	(326)	(2,029)	(3)	(2,532)
– transportation and storage	19,510	9,143	769	11	29,433	(90)	(163)	(240)	—	(493)
– accommodation and food	10,616	14,918	536	1	26,071	(76)	(285)	(129)	(1)	(491)
– publishing, audiovisual and broadcasting	17,019	2,796	131	33	19,979	(45)	(85)	(39)	(20)	(189)
– real estate	102,933	22,186	1,907	1	127,027	(169)	(260)	(738)	—	(1,167)
– professional, scientific and technical activities	17,162	6,379	498	33	24,072	(56)	(149)	(185)	(8)	(398)
– administrative and support services	17,085	8,361	907	70	26,423	(66)	(153)	(291)	(24)	(534)
– public administration and defence, compulsory social security	1,530	475	3	—	2,008	(2)	(11)	(1)	—	(14)
– education	1,402	691	29	—	2,122	(12)	(20)	(9)	—	(41)
– health and care	4,049	1,192	261	8	5,510	(21)	(45)	(120)	—	(186)
– arts, entertainment and recreation	1,631	1,570	236	—	3,437	(9)	(62)	(87)	—	(158)
– other services	11,380	1,320	410	—	13,110	(54)	(105)	(249)	—	(408)
– activities of households	660	142	—	—	802	—	(1)	—	—	(1)
– extra-territorial organisations and bodies activities	10	—	—	—	10	—	—	—	—	—
– government	7,866	671	1	—	8,538	(6)	(2)	(1)	—	(9)
– asset-backed securities	596	15	—	—	611	—	(13)	—	—	(13)
Non-bank financial institutions	52,223	11,834	523	—	64,580	(46)	(119)	(100)	—	(265)
Loans and advances to banks	79,654	2,004	—	—	81,658	(33)	(9)	—	—	(42)
At 31 Dec 2020	519,440	140,125	13,484	277	673,326	(1,180)	(2,572)	(5,937)	(112)	(9,801)
By geography										
Europe	156,474	51,708	6,531	109	214,822	(589)	(1,400)	(2,097)	(51)	(4,137)
– of which: UK	*104,534*	*40,454*	*4,712*	*53*	*149,753*	*(536)*	*(1,234)*	*(1,320)*	*(33)*	*(3,123)*
Asia	279,985	58,159	3,443	106	341,693	(337)	(383)	(2,040)	(43)	(2,803)
– of which: Hong Kong	*156,817*	*39,257*	*1,637*	*45*	*197,756*	*(162)*	*(260)*	*(751)*	*(23)*	*(1,196)*
MENA	24,753	7,893	1,952	30	34,628	(91)	(216)	(1,205)	(12)	(1,524)
North America	46,852	18,220	913	—	65,985	(77)	(302)	(281)	—	(660)
Latin America	11,376	4,145	645	32	16,198	(86)	(271)	(314)	(6)	(677)
At 31 Dec 2020	519,440	140,125	13,484	277	673,326	(1,180)	(2,572)	(5,937)	(112)	(9,801)

Customer relief programmes

In response to the Covid-19 outbreak, governments and regulators around the world introduced a number of support measures for both personal and wholesale customers in market-wide schemes. The following table presents the number of personal accounts/wholesale customers and the associated drawn loan values of customers under these schemes and HSBC-specific measures for major markets at 30 September 2021. When schemes expire, accounts and customers and their associated drawn balances are no longer reported under relief regardless of their repayment status. In relation to personal lending, the majority of relief measures, including payment holidays, relate to existing lending, while in wholesale lending the relief measures comprise payment holidays, refinancing of existing facilities and new lending under government-backed schemes.

At 30 September 2021, the gross carrying value of loans to personal customers under relief was $2.0bn (31 December 2020: $5.5bn). This comprised $1.3bn in relation to mortgages (31 December 2020: $4.7bn) and $0.6bn in relation to other personal lending (31 December 2020: $0.9bn). The decrease in personal customer relief during the first nine months of 2021 was driven by customers exiting relief measures. The gross carrying value of loans to wholesale customers under relief was $29.6bn (31 December 2020: $35.3bn). We continue to monitor the recoverability of loans granted under customer relief programmes, including loans to a small number of customers that were subsequently found to be ineligible for such relief. The ongoing performance of such loans remains an area of uncertainty at 30 September 2021.

Personal lending

Extant at 30 September 2021		UK	Hong Kong	US	Other major markets[1,2]	Total
Market-wide schemes						
Number of accounts granted mortgage customer relief	000s	—	—	—	7	7
Drawn loan value of accounts granted mortgage customer relief	$m	—	—	—	671	671
Number of accounts granted other personal lending customer relief	000s	—	—	—	37	37
Drawn loan value of accounts granted other personal lending customer relief	$m	—	—	—	550	550
HSBC-specific measures						
Number of accounts granted mortgage customer relief	000s	—	—	1	—	1
Drawn loan value of accounts granted mortgage customer relief	$m	—	149	518	8	675
Number of accounts granted other personal lending customer relief	000s	—	—	—	3	3
Drawn loan value of accounts granted other personal lending customer relief	$m	—	44	25	17	86
Total personal lending to major markets under market-wide schemes and HSBC-specific measures						
Number of accounts granted mortgage customer relief	000s	—	—	1	7	8
Drawn loan value of accounts granted mortgage customer relief	$m	—	149	518	679	1,346
Number of accounts granted other personal lending customer relief	000s	—	—	—	40	40
Drawn loan value of accounts granted other personal lending customer relief	$m	—	44	25	567	636
Market-wide schemes and HSBC-specific measures – mortgage relief as a proportion of total mortgages	%	—	0.2	3.1	0.8	0.4
Market-wide schemes and HSBC-specific measures – other personal lending relief as a proportion of total other personal lending loans and advances	%	—	0.1	3.2	1.1	0.6

Wholesale lending

Extant at 30 September 2021		UK	Hong Kong	US	Other major markets[1]	Total
Market-wide schemes						
Number of customers under market-wide measures	000s	230	1	2	5	238
Drawn loan value of customers under market-wide schemes	$m	13,035	6,210	437	4,983	24,665
HSBC-specific schemes						
Number of customers under HSBC-specific measures	000s	—	4	—	—	4
Drawn loan value of customers under HSBC-specific measures	$m	155	2,914	352	1,483	4,904
Total wholesale lending to major markets under market-wide schemes and HSBC-specific measures						
Number of customers	000s	230	5	2	5	242
Drawn loan value	$m	13,190	9,124	789	6,466	29,569
Market-wide schemes and HSBC-specific measures as a proportion of total wholesale lending loans and advances	%	9.8	4.9	2.3	3.4	5.4

1 *Other major markets include Australia, Canada, mainland China, Egypt, France, Germany, India, Malaysia, Singapore, Taiwan and UAE.*
2 *In Malaysia, personal lending customers are granted an automatic moratorium programme for all eligible retail customers. As a result of further loosening of eligibility criteria and scope of relief measures, the country is now the major contributor to the figures reported under 'Other major markets'. At 30 September 2021 the number of mortgage accounts under this moratorium was 7,000 with an associated drawn balance of $550m and the number of other personal lending accounts was 33,000 with an associated drawn balance of $471m.*

Personal lending (continued)

Extant at 31 December 2020		UK	Hong Kong	US	Other major markets[1,2,3]	Total
Market-wide schemes						
Number of accounts granted mortgage customer relief	000s	6	—	—	5	11
Drawn loan value of accounts granted mortgage customer relief	$m	1,412	—	—	908	2,320
Number of accounts granted other personal lending customer relief	000s	15	—	—	28	43
Drawn loan value of accounts granted other personal lending customer relief	$m	140	—	—	386	526
HSBC-specific measures						
Number of accounts granted mortgage customer relief	000s	—	3	2	3	8
Drawn loan value of accounts granted mortgage customer relief	$m	7	1,124	864	360	2,355
Number of accounts granted other personal lending customer relief	000s	—	1	6	18	25
Drawn loan value of accounts granted other personal lending customer relief	$m	—	75	67	182	324
Total personal lending to major markets under market-wide schemes and HSBC-specific measures						
Number of accounts granted mortgage customer relief	000s	6	3	2	8	19
Drawn loan value of accounts granted mortgage customer relief	$m	1,419	1,124	864	1,268	4,675
Number of accounts granted other personal lending customer relief	000s	15	1	6	46	68
Drawn loan value of accounts granted other personal lending customer relief	$m	140	75	67	568	850
Market-wide schemes and HSBC-specific measures – mortgage relief as a proportion of total mortgages	%	0.9	1.2	4.7	1.6	1.4
Market-wide schemes and HSBC-specific measures – other personal lending relief as a proportion of total other personal lending loans and advances	%	0.7	0.2	3.1	1.1	0.8

Wholesale lending (continued)

Extant at 31 December 2020		UK	Hong Kong	US	Other major markets[1]	Total
Market-wide schemes						
Number of customers under market-wide measures	000s	226	3	3	5	237
Drawn loan value of customers under market-wide schemes	$m	13,517	10,622	1,043	6,017	31,199
HSBC-specific schemes						
Number of customers under HSBC-specific measures	000s	—	—	—	—	—
Drawn loan value of customers under HSBC-specific measures	$m	349	—	924	2,869	4,142
Total wholesale lending to major markets under market-wide schemes and HSBC-specific measures						
Number of customers	000s	226	3	3	5	237
Drawn loan value	$m	13,866	10,622	1,967	8,886	35,341
Market-wide schemes and HSBC-specific measures as a proportion of total wholesale lending loans and advances	%	9.6	5.9	5.2	4.6	6.4

1 *Other major markets include Australia, Canada, mainland China, Egypt, France, Germany, India, Indonesia, Malaysia, Mexico, Singapore, Switzerland, Taiwan and UAE.*

2 *In Malaysia, personal lending customers are granted an automatic moratorium programme for all eligible retail customers. At 31 December 2020, the number of accounts under this moratorium was 26,000 with an associated drawn balance of $452m.*

3 *In Mexico, at 31 December 2020, there were 16,000 personal lending accounts under customer relief with an associated drawn balance of $233m.*

The initial granting of customer relief does not automatically trigger a migration to stage 2 or stage 3. However, information provided by payment deferrals is considered in the context of other reasonable and supportable information. This forms part of the overall assessment for whether there has been a significant increase in credit risk and credit impairment to identify loans for which lifetime ECL is appropriate. An extension in payment deferral does not automatically result in a migration to stage 2 or stage 3. The key accounting and credit risk judgement to ascertain whether a significant increase in credit risk has occurred is whether the economic effects of the Covid-19 pandemic on the customer are likely to be temporary over the lifetime of the loan, and whether they indicate that a concession is being made in respect of financial difficulty that would be consistent with stage 3.

On 6 April 2021, the UK launched the Recovery Loan Scheme that provides businesses of any size financial support to recover from the Covid-19 pandemic subject to eligibility and viability assessments. The scheme will run until 31 December 2021. A government guarantee of 80% is provided under the scheme.

On 20 May 2021, the Group announced a new SME financing scheme in Hong Kong, with HK$40bn reserved to support SME customers to explore new opportunities and start a new chapter in their business journey as the economy starts to recover. The scheme is open until 30 November 2021.

On 21 September 2021, the Hong Kong Monetary Authority, together with the Banking Sector SME Lending Coordination Mechanism, announced that the Pre-approved Principal Payment Holiday Scheme for corporate customers will be extended for another six months to 30 April 2022.

Capital adequacy

Capital adequacy metrics

	At	
	30 Sep 2021	30 Jun 2021
Risk-weighted assets ('RWAs') ($bn)		
Credit risk	**678.6**	702.9
Counterparty credit risk	**38.8**	39.3
Market risk	**28.1**	25.5
Operational risk	**93.7**	94.6
Total risk-weighted assets	**839.2**	862.3
Capital on a transitional basis ($bn)		
Common equity tier 1 ('CET1') capital	**133.2**	134.6
Tier 1 capital	**156.9**	158.3
Total capital	**179.0**	181.1
Capital ratios on a transitional basis (%)		
CET1	**15.9**	15.6
Tier 1	**18.7**	18.4
Total capital	**21.3**	21.0
Capital on an end point basis ($bn)		
CET1 capital	**133.2**	134.6
Tier 1 capital	**155.6**	157.0
Total capital	**168.6**	170.7
Capital ratios on an end point basis (%)		
CET1	**15.9**	15.6
Tier 1	**18.5**	18.2
Total capital	**20.1**	19.8
Liquidity coverage ratio ('LCR')		
Total high-quality liquid assets ($bn)	**664.0**	659.3
Total net cash outflow ($bn)	**490.2**	493.7
LCR ratio (%)	**135.5**	133.5

Following the end of the transition period following the UK's withdrawal from the EU, any reference to EU regulations and directives (including technical standards) should be read as a reference to the UK's version of such regulation or directive, as onshored into UK law under the European Union (Withdrawal) Act 2018, as amended. Capital figures and ratios in the previous table are calculated in accordance with the revised Capital Requirements Regulation and Directive, as implemented ('CRR II'). The table presents them under the transitional arrangements in CRR II for capital instruments and after their expiry, known as the end point. The end point figures in the table above include the benefit of the regulatory transitional arrangements in CRR II for IFRS 9, which are more fully described below.

Where applicable, the figures also reflect government relief schemes intended to mitigate the impact of the Covid-19 pandemic.

We have adopted the regulatory transitional arrangements in CRR II for IFRS 9, including paragraph four of article 473a. Our capital and ratios are presented under these arrangements throughout the table above, including in the end point figures. Without their application, our CET1 ratio would be 15.8%. At 30 September 2021, the add-back to CET1 capital amounted to $0.9bn under the standardised ('STD') approach with a tax impact of $0.2bn.

For further details, refer to our Pillar 3 Disclosures at 30 September 2021*, which are expected to be published on or around 1 November 2021.*

Capital

At 30 September 2021, our common equity tier 1 ('CET1') capital ratio increased to 15.9% from 15.6% at 30 June 2021, reflecting a fall in RWAs. This was offset by a decrease in CET1 capital of $1.4bn. The decrease in CET1 capital was mainly a result of:

- $1.7bn unfavourable foreign currency translation differences;
- a $0.7bn higher deduction for intangible assets; and
- a $0.4bn decrease in the fair value through other comprehensive income reserves.

These decreases were partly offset by:

- $1.5bn capital generation through profits, net of $1.7bn foreseeable dividends and dividends paid on equity instruments.

Leverage

Leverage ratio[1]

Ref*		At 30 Sep 2021 $bn	At 30 Jun 2021 $bn
20	Tier 1 capital	**155.6**	157.0
21	Total leverage ratio exposure	**2,964.8**	2,968.5
		%	%
22	**Leverage ratio**	**5.2**	5.3
EU-23	Choice of transitional arrangements for the definition of the capital measure	**Fully phased-in**	Fully phased-in
	UK leverage ratio exposure – quarterly average[2]	**2,504.9**	2,535.1
		%	%
	UK leverage ratio – quarterly average[2]	**6.3**	6.3
	UK leverage ratio – quarter end[2]	**6.2**	6.2

* *The references identify the lines prescribed in the EBA template.*
1 *The CRR II regulatory transitional arrangements for IFRS 9 are applied in both leverage ratio calculations.*
2 *UK leverage ratio denotes the Group's leverage ratio calculated under the PRA's UK leverage framework. This measure excludes from the calculation of exposure qualifying central bank balances and loans under the UK Bounce Back Loan scheme.*

Our leverage ratio calculated in accordance with the Capital Requirements Regulation was 5.2% at 30 September 2021, down from 5.3% at 30 June 2021, primarily due to a decrease in the tier 1 capital.

At 30 September 2021, our UK minimum leverage ratio requirement of 3.25% was supplemented by an additional leverage ratio buffer of 0.7% and a countercyclical leverage ratio buffer of 0.1%. These additional buffers translated into capital values of $17.6bn and $2.5bn respectively. We exceeded these leverage requirements.

Risk-weighted assets

RWAs by global business

	WPB $bn	CMB $bn	GBM $bn	Corporate Centre $bn	Total $bn
Credit risk	**140.5**	**298.2**	**157.3**	**82.6**	**678.6**
Counterparty credit risk	**1.0**	**0.7**	**36.4**	**0.7**	**38.8**
Market risk	**1.4**	**0.7**	**23.8**	**2.2**	**28.1**
Operational risk	**34.1**	**27.3**	**31.6**	**0.7**	**93.7**
At 30 Sep 2021	**177.0**	**326.9**	**249.1**	**86.2**	**839.2**
At 30 Jun 2021	185.0	332.1	255.2	90.0	862.3

RWA movement by global business by key driver

	Credit risk, counterparty credit risk and operational risk					
	WPB $bn	CMB $bn	GBM $bn	Corporate Centre $bn	Market risk $bn	Total RWAs $bn
RWAs at 1 July 2021	**183.7**	**331.5**	**234.9**	**86.7**	**25.5**	**862.3**
Asset size	**(6.8)**	**1.3**	**(2.4)**	**0.9**	**3.5**	**(3.5)**
Asset quality	**(0.1)**	**(2.6)**	**(2.8)**	**(0.9)**	**–**	**(6.4)**
Model updates	**–**	**(0.1)**	**0.1**	**–**	**–**	**–**
Methodology and policy	**0.9**	**0.2**	**(2.2)**	**(2.5)**	**(0.9)**	**(4.5)**
Foreign exchange movements	**(2.1)**	**(4.1)**	**(2.3)**	**(0.2)**	**–**	**(8.7)**
Total RWA movement	**(8.1)**	**(5.3)**	**(9.6)**	**(2.7)**	**2.6**	**(23.1)**
RWAs at 30 Sep 2021	**175.6**	**326.2**	**225.3**	**84.0**	**28.1**	**839.2**

Risk-weighted assets ('RWAs') fell by $23.1bn during 3Q21, including a decrease of $8.7bn due to foreign currency translation differences. The $14.4bn decrease (excluding foreign currency translation differences) comprised the movements described by the commentary below.

At 30 September 2021, our cumulative RWA saves as part of our transformation programme were $92.6bn. These included accelerated reductions of $9.6bn in 4Q19.

Asset size

The $3.5bn decrease in RWAs due to asset size movements included reductions in WPB and GBM credit risk RWAs, partly offset by increases in market risk, Corporate Centre and CMB RWAs.

The $6.8bn decrease in WPB RWAs was predominantly in Asia, where lower short-term lending to fund initial public offerings in Hong Kong resulted in an $8.1bn fall in RWAs, partly offset by $1.0bn of mortgage lending.

The $2.4bn fall in GBM included a further $1.4bn reduction in short-term lending related to the funding of initial public offerings in Hong Kong. Most of the remaining decrease was in Europe, and included falls in private equity assets and corporate lending.

A $3.5bn increase in market risk RWAs mainly arose in stressed value at risk ('VaR') and risks not in VaR, reflecting market conditions in equity and foreign exchange portfolios.

The $0.9bn rise in Corporate Centre RWAs occurred mostly in Europe and North America, and included increases in sovereign exposures.

CMB RWAs increased by $1.3bn, mainly due to corporate lending growth in Asia and North America, partly offset by a $1.0bn fall in short-term lending in Hong Kong.

Asset quality

Changes in asset quality led to an RWA decrease of $6.4bn across the global businesses. This reduction was predominantly in GBM, CMB and Corporate Centre. A total of $3.1bn was due to favourable credit migration in corporate lending across CMB and GBM, mostly in Europe, Asia and North America. Most of the remaining reduction followed favourable portfolio mix movements across the major regions, also concentrated in corporate lending portfolios.

Methodology and policy

The $4.5bn reduction in RWAs due to methodology and policy changes was mainly due to risk parameter refinements in GBM and CMB, mostly in Europe, North America and Asia. Changes to the allocation of Markets Treasury assets resulted in a $2.5bn decrease in Corporate Centre, offset by a $0.9bn increase in WPB RWAs and further increases in CMB and GBM following transfer of RWAs. The $0.9bn fall in market risk RWAs followed enhancements to foreign exchange risk calculations under the standardised approach.

Regulatory developments

Our capital planning makes allowance for significant imminent regulatory developments and business actions that may consume capital.

In 4Q21, we expect an increase in RWAs of approximately 2% from growth and regulatory impacts.

During 2022, we expect a further 60bps to 80bps impact upon our CET1 ratio as a result of regulatory developments including:

- the change in the treatment of software assets;
- the implementation of the standardised approach for counterparty credit risk calculation, which comes into effect on 1 January 2022;
- measures to improve the comparability of internal ratings-based ('IRB') models, including the introduction of a minimum risk weight for performing mortgage portfolios in the UK; and
- the expiry of transitional provisions in the European Union (Withdrawal) Act that permit us to zero risk-weight exposures to EEA sovereigns.

We expect the classification of our retail banking operations in France as being held for sale to reduce our CET1 ratio by 25bps.

Alternative performance measures

Use of alternative performance measures

Our reported results are prepared in accordance with IFRSs as detailed in our financial statements starting on page 278 of the *Annual Report and Accounts 2020*. We use a combination of reported and alternative performance measures, including those derived from our reported results that eliminate factors that distort period-on-period comparisons. These are considered alternative performance measures (non-GAAP financial measures).

The following information details the adjustments made to the reported results and the calculation of other alternative performance measures. All alternative performance measures are reconciled to the closest reported performance measure.

Return on average ordinary shareholders' equity and return on average tangible equity

Return on average ordinary shareholders' equity ('RoE') is computed by taking profit attributable to the ordinary shareholders of the parent company ('reported results'), divided by average ordinary shareholders' equity ('reported equity') for the period. The adjustment to reported results and reported equity excludes amounts attributable to non-controlling interests and holders of preference shares and other equity instruments.

Return on average tangible equity ('RoTE') is computed by adjusting reported results for the movements in the present value of in-force long-term insurance business ('PVIF') and for impairment of goodwill and other intangible assets (net of tax), divided by average reported equity adjusted for goodwill, intangibles and PVIF for the period.

Return on average tangible equity excluding significant items is annualised profit attributable to ordinary shareholders, excluding changes in PVIF and significant items (net of tax), divided by average tangible shareholders' equity excluding fair value of own debt, debt valuation adjustment ('DVA') and other adjustments for the period. Since 1 January 2021, the UK bank levy has no longer been excluded from the calculation of this measure. Comparative data have not been re-presented.

We provide RoTE ratios in addition to RoE as a way of assessing our performance, which is closely aligned to our capital position.

Return on average ordinary shareholders' equity and return on average tangible equity

	Nine months ended		Quarter ended		
	30 Sep 2021	30 Sep 2020	**30 Sep 2021**	30 Jun 2021	30 Sep 2020
	$m	$m	**$m**	$m	$m
Profit					
Profit attributable to the ordinary shareholders of the parent company	**10,819**	3,336	**3,543**	3,396	1,359
Impairment of goodwill and other intangible assets (net of tax)	**17**	1,156	**17**	—	2
Decrease/(increase) in PVIF (net of tax)	**(52)**	(562)	**(68)**	(44)	(252)
Profit attributable to the ordinary shareholders, excluding goodwill, other intangible assets impairment and PVIF	**10,784**	3,930	**3,492**	3,352	1,109
Significant items (net of tax) and other adjustments[1, 2]	**1,673**	1,505			
Profit attributable to the ordinary shareholders, excluding goodwill impairment, PVIF and significant items[1]	**12,457**	5,435			
Equity					
Average ordinary shareholders' equity	**176,075**	165,934	**176,481**	174,075	167,151
Effect of goodwill, PVIF and other intangibles (net of deferred tax)	**(17,721)**	(17,234)	**(17,919)**	(17,629)	(17,081)
Average tangible equity	**158,354**	148,700	**158,562**	156,446	150,070
Fair value of own debt, DVA and other adjustments	**1,547**	(260)			
Average tangible equity excluding fair value of own debt, DVA and other adjustments	**159,901**	148,440			
Ratio	**%**	%	**%**	%	%
Return on average ordinary shareholders' equity (annualised)	**8.2**	2.7	**8.0**	7.8	3.2
Return on tangible equity (annualised)	**9.1**	3.5	**8.7**	8.6	2.9
Return on tangible equity excluding significant items (annualised)[1]	**10.4**	4.9			

1 Since 1 January 2021, the UK bank levy has no longer been excluded from the calculation of this measure. Comparative data have not been re-presented.
2 Other adjustments includes entries relating to the timing of payments on additional tier 1 coupons.

Return on average tangible equity by global business

	Nine months ended 30 Sep 2021				
	Wealth and Personal Banking	Commercial Banking	Global Banking and Markets	Corporate Centre	Total
	$m	$m	$m	$m	$m
Profit before tax	**5,510**	**5,316**	**4,335**	**1,081**	**16,242**
Tax expense	**(1,179)**	**(1,413)**	**(906)**	**(80)**	**(3,578)**
Profit after tax	**4,331**	**3,903**	**3,429**	**1,001**	**12,664**
Less attributable to: preference shareholders, other equity holders, non-controlling interests	**(563)**	**(502)**	**(572)**	**(208)**	**(1,845)**
Profit attributable to ordinary shareholders of the parent company	**3,768**	**3,401**	**2,857**	**793**	**10,819**
Decrease/(increase) in PVIF (net of tax)	**(48)**	**(1)**	**—**	**(3)**	**(52)**
Significant items (net of tax)	**195**	**22**	**327**	**938**	**1,482**
Other adjustments	**2**	**(3)**	**(2)**	**211**	**208**
Profit attributable to ordinary shareholders, excluding PVIF and significant items	**3,917**	**3,419**	**3,182**	**1,939**	**12,457**
Average tangible shareholders' equity excluding fair value of own debt, DVA and other adjustments	**30,506**	**39,363**	**42,050**	**47,982**	**159,901**
RoTE excluding significant items (annualised) (%)	**17.2**	**11.6**	**10.1**	**5.4**	**10.4**
	Nine months ended 30 Sep 2020				
Profit before tax	2,696	1,284	2,912	500	7,392
Tax expense	(492)	(527)	(1,093)	(116)	(2,228)
Profit after tax	2,204	757	1,819	384	5,164
Less attributable to: preference shareholders, other equity holders, non-controlling interests	(543)	(492)	(498)	(295)	(1,828)
Profit attributable to ordinary shareholders of the parent company	1,661	265	1,321	89	3,336
Increase in PVIF (net of tax)	(544)	(16)	—	(2)	(562)
Significant items (net of tax)	346	64	818	1,040	2,268
Other adjustments	15	(8)	(12)	398	393
Profit attributable to ordinary shareholders, excluding PVIF and significant items	1,478	305	2,127	1,525	5,435
Average tangible shareholders' equity excluding fair value of own debt, DVA and other adjustments	25,998	37,519	41,114	43,809	148,440
RoTE excluding significant items (annualised) (%)	7.6	1.1	6.9	4.6	4.9

Net asset value and tangible net asset value per ordinary share

Net asset value per ordinary share is total shareholders' equity less non-cumulative preference shares and capital securities ('total ordinary shareholders' equity'), divided by the number of ordinary shares in issue excluding shares that the company has purchased and are held in treasury.

Tangible net asset value per ordinary share is total ordinary shareholders' equity excluding goodwill, PVIF and other intangible assets (net of deferred tax) ('tangible ordinary shareholders' equity'), divided by the number of basic ordinary shares in issue excluding shares that the company has purchased and are held in treasury.

Net asset value and tangible net asset value per ordinary share

	At		
	30 Sep 2021	30 Jun 2021	30 Sep 2020
	$m	$m	$m
Total shareholders' equity	**198,144**	198,218	191,904
Preference shares and other equity instruments	**(22,414)**	(22,414)	(22,319)
Total ordinary shareholders' equity	**175,730**	175,804	169,585
Goodwill, PVIF and intangible assets (net of deferred tax)	**(18,019)**	(17,819)	(17,325)
Tangible ordinary shareholders' equity	**157,711**	157,985	152,260
Basic number of $0.50 ordinary shares outstanding	**20,201**	20,223	20,173
Value per share	**$**	$	$
Net asset value per ordinary share	**8.70**	8.69	8.41
Tangible net asset value per ordinary share	**7.81**	7.81	7.55

Expected credit losses and other credit impairment charges as % of average gross loans and advances to customers

Expected credit losses and other credit impairment charges ('ECL') as % of average gross loans and advances to customers is the annualised adjusted ECL divided by adjusted average gross loans and advances to customers for the period.

The adjusted numbers are derived by adjusting reported ECL and loans and advances to customers for the effects of foreign currency translation differences.

Expected credit losses and other credit impairment charges as % of average gross loans and advances to customers

	Nine months ended		Quarter ended		
	30 Sep 2021	30 Sep 2020	**30 Sep 2021**	30 Jun 2021	30 Sep 2020
	$m	$m	**$m**	$m	$m
Expected credit losses and other credit impairment charges ('ECL')	**1,378**	(7,643)	**659**	284	(785)
Currency translation		(467)		(4)	(38)
Adjusted ECL	**1,378**	(8,110)	**659**	280	(823)
Average gross loans and advances to customers	**1,057,457**	1,045,773	**1,061,781**	1,063,083	1,043,476
Currency translation	**(10,317)**	29,528	**(7,174)**	(12,851)	29,297
Average gross loans and advances to customers – at most recent balance sheet foreign exchange rates	**1,047,140**	1,075,301	**1,054,607**	1,050,232	1,072,773
Ratio	**%**	%	**%**	%	%
Expected credit losses and other credit impairment charges as % of average gross loans and advances to customers	**(0.18)**	1.01	**(0.25)**	(0.11)	0.31

Reconciliation of reported and adjusted results

Reconciliation of reported and adjusted results

	Nine months ended		Quarter ended		
	30 Sep 2021	30 Sep 2020	**30 Sep 2021**	30 Jun 2021	30 Sep 2020
	$m	$m	**$m**	$m	$m
Revenue					
Reported[1]	**37,563**	38,672	**12,012**	12,565	11,927
Currency translation		1,420		(130)	303
Significant items	**435**	(121)	**189**	(40)	144
– customer redress programmes	**(18)**	22	**—**	—	48
– disposals, acquisitions and investment in new businesses	**—**	8	**—**	—	—
– fair value movements on financial instruments[2]	**258**	(310)	**64**	(45)	(11)
– restructuring and other related costs[3]	**195**	150	**125**	4	101
– currency translation of significant items		9		1	6
Adjusted	**37,998**	39,971	**12,201**	12,395	12,374
Change in expected credit losses and other credit impairment charges					
Reported	**1,378**	(7,643)	**659**	284	(785)
Currency translation		(467)		(4)	(38)
Adjusted	**1,378**	(8,110)	**659**	280	(823)
Operating expenses					
Reported	**(25,076)**	(24,568)	**(7,989)**	(8,560)	(8,041)
Currency translation		(1,097)		89	(210)
Significant items	**1,269**	2,349	**404**	535	639
– customer redress programmes	**24**	53	**7**	27	3
– impairment of goodwill and other intangibles	**—**	1,082	**—**	—	57
– restructuring and other related costs[4]	**1,245**	1,072	**397**	514	567
– settlements and provisions in connection with legal and regulatory matters	**—**	8	**—**	—	3
– currency translation of significant items		134		(6)	9
Adjusted	**(23,807)**	(23,316)	**(7,585)**	(7,936)	(7,612)
Share of profit/(loss) in associates and joint ventures					
Reported	**2,377**	931	**721**	771	(27)
Currency translation		115		(2)	24
Significant items	**—**	462	**—**	—	462
– impairment of goodwill[5]	**—**	462	**—**	—	462
– currency translation of significant items		—		—	—
Adjusted	**2,377**	1,508	**721**	769	459
Profit before tax					
Reported	**16,242**	7,392	**5,403**	5,060	3,074
Currency translation		(29)		(47)	79
Significant items[6]	**1,704**	2,690	**593**	495	1,245
– revenue	**435**	(121)	**189**	(40)	144
– operating expenses	**1,269**	2,349	**404**	535	639
– share in profit of associates and joint ventures	**—**	462	**—**	—	462
Adjusted	**17,946**	10,053	**5,996**	5,508	4,398
Loans and advances to customers (net)					
Reported	**1,039,677**	1,041,340	**1,039,677**	1,059,511	1,041,340
Currency translation		17,201		(14,151)	17,201
Adjusted	**1,039,677**	1,058,541	**1,039,677**	1,045,360	1,058,541
Customer accounts					
Reported	**1,687,982**	1,568,714	**1,687,982**	1,669,091	1,568,714
Currency translation		23,570		(21,851)	23,570
Adjusted	**1,687,982**	1,592,284	**1,687,982**	1,647,240	1,592,284

1 *Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.*
2 *Includes fair value movements on non-qualifying hedges and debt valuation adjustments on derivatives.*
3 *Comprises losses associated with the RWA reduction commitments and gains relating to the business update in February 2020.*
4 *The 9M20 period includes impairment of software intangible assets of $173m (of the total software intangible asset impairment of $1,320m) and impairment of tangible assets of $124m.*
5 *In 3Q20, The Saudi British Bank ('SABB'), an associate of HSBC, impaired the goodwill that arose following the merger with Alawwal bank in 2019. HSBC's post-tax share of the goodwill impairment was $462m.*
6 *Tax on significant items at reported rates of foreign exchange was a credit of $71m in 3Q21 (2Q21: $77m credit, 3Q20: $162m credit).*

Reconciliation of reported and adjusted results – global businesses

Analysis of significant items by global business is presented below.

Reconciliation of reported results to adjusted results – global businesses

	Nine months ended 30 Sep 2021				
	Wealth and Personal Banking	Commercial Banking	Global Banking and Markets	Corporate Centre	Total
	$m	$m	$m	$m	$m
Revenue[1]					
Reported	16,816	10,044	11,214	(511)	37,563
Significant items	2	(18)	268	183	435
– customer redress programmes	1	(19)	–	–	(18)
– fair value movements on financial instruments[2]	–	(1)	4	255	258
– restructuring and other related costs[3]	1	2	264	(72)	195
Adjusted	16,818	10,026	11,482	(328)	37,998
ECL					
Reported	289	521	561	7	1,378
Adjusted	289	521	561	7	1,378
Operating expenses					
Reported	(11,619)	(5,250)	(7,440)	(767)	(25,076)
Significant items	251	52	120	846	1,269
– customer redress programmes	18	–	–	6	24
– restructuring and other related costs	233	52	120	840	1,245
Adjusted	(11,368)	(5,198)	(7,320)	79	(23,807)
Share of profit in associates and joint ventures					
Reported	24	1	–	2,352	2,377
Adjusted	24	1	–	2,352	2,377
Profit before tax					
Reported	5,510	5,316	4,335	1,081	16,242
Significant items	253	34	388	1,029	1,704
– revenue	2	(18)	268	183	435
– operating expenses	251	52	120	846	1,269
Adjusted	5,763	5,350	4,723	2,110	17,946
Loans and advances to customers (net)					
Reported	481,795	345,156	211,976	750	1,039,677
Adjusted	481,795	345,156	211,976	750	1,039,677
Customer accounts					
Reported	844,611	488,201	354,466	704	1,687,982
Adjusted	844,611	488,201	354,466	704	1,687,982

1 *Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.*
2 *Includes fair value movements on non-qualifying hedges and debt valuation adjustments on derivatives.*
3 *Comprises losses associated with the RWA reduction commitments and gains relating to the business update in February 2020.*

Reconciliation of reported results to adjusted results – global businesses (continued)

	Nine months ended 30 Sep 2020				
	Wealth and Personal Banking	Commercial Banking	Global Banking and Markets	Corporate Centre	Total
	$m	$m	$m	$m	$m
Revenue[1]					
Reported	16,679	10,148	11,695	150	38,672
Currency translation	572	408	483	(43)	1,420
Significant items	13	18	105	(257)	(121)
– customer redress programmes	5	17	—	—	22
– disposal, acquisitions and investment in new businesses	8	—	—	—	8
– fair value movements on financial instruments[2]	—	—	(62)	(248)	(310)
– restructuring and other related costs[3]	—	—	159	(9)	150
– currency translation on significant items	—	1	8	—	9
Adjusted	17,264	10,574	12,283	(150)	39,971
ECL					
Reported	(2,545)	(3,880)	(1,218)	—	(7,643)
Currency translation	(153)	(234)	(80)	—	(467)
Adjusted	(2,698)	(4,114)	(1,298)	—	(8,110)
Operating expenses					
Reported	(11,440)	(4,984)	(7,565)	(579)	(24,568)
Currency translation	(453)	(219)	(455)	30	(1,097)
Significant items	426	69	849	1,005	2,349
– customer redress programmes	45	1	—	7	53
– impairment of goodwill and other intangibles	309	44	578	151	1,082
– restructuring and other related costs[4]	58	14	191	809	1,072
– settlements and provisions in connection with legal and regulatory matters	—	—	2	6	8
– currency translation on significant items	14	10	78	32	134
Adjusted	(11,467)	(5,134)	(7,171)	456	(23,316)
Share of profit in associates and joint ventures					
Reported	2	—	—	929	931
Currency translation	—	—	—	115	115
Significant item	—	—	—	462	462
– impairment of goodwill[5]	—	—	—	462	462
– currency translation on significant items	—	—	—	—	—
Adjusted	2	—	—	1,506	1,508
Profit before tax					
Reported	2,696	1,284	2,912	500	7,392
Currency translation	(34)	(45)	(52)	102	(29)
Significant items	439	87	954	1,210	2,690
– revenue	13	18	105	(257)	(121)
– operating expenses	426	69	849	1,005	2,349
– share of profit in associates and joint ventures	—	—	—	462	462
Adjusted	3,101	1,326	3,814	1,812	10,053
Loans and advances to customers (net)					
Reported	459,516	343,702	236,902	1,220	1,041,340
Currency translation	8,772	5,531	2,876	22	17,201
Adjusted	468,288	349,233	239,778	1,242	1,058,541
Customer accounts					
Reported	793,612	431,021	343,365	716	1,568,714
Currency translation	10,354	7,658	5,540	18	23,570
Adjusted	803,966	438,679	348,905	734	1,592,284

1 *Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.*
2 *Includes fair value movements on non-qualifying hedges and debt valuation adjustments on derivatives.*
3 *Comprises losses associated with the RWA reduction commitments we made at our business update in February 2020.*
4 *Includes impairment of software intangible assets of $173m (of the total software intangible asset impairment of $1,320m) and impairment of tangible assets of $124m.*
5 *During the year, The Saudi British Bank ('SABB'), an associate of HSBC, impaired the goodwill that arose following the merger with Alawwal bank in 2019. HSBC's post-tax share of the goodwill impairment was $462m.*

Reconciliation of reported and adjusted items – global businesses

	Quarter ended 30 Sep 2021				
	Wealth and Personal Banking	Commercial Banking	Global Banking and Markets	Corporate Centre	Total
	$m	$m	$m	$m	$m
Revenue[1]					
Reported	5,416	3,374	3,511	(289)	12,012
Significant items	2	—	93	94	189
– fair value movements on financial instruments[2]	1	—	(9)	72	64
– restructuring and other related costs[3]	1	—	102	22	125
Adjusted	5,418	3,374	3,604	(195)	12,201
ECL					
Reported	237	272	147	3	659
Adjusted	237	272	147	3	659
Operating expenses					
Reported	(3,802)	(1,706)	(2,382)	(99)	(7,989)
Significant items	34	33	47	290	404
– customer redress programmes	5	—	—	2	7
– restructuring and other related costs	29	33	47	288	397
Adjusted	(3,768)	(1,673)	(2,335)	191	(7,585)
Share of profit in associates and joint ventures					
Reported	13	—	—	708	721
Adjusted	13	—	—	708	721
Profit before tax					
Reported	1,864	1,940	1,276	323	5,403
Significant items	36	33	140	384	593
– revenue	2	—	93	94	189
– operating expenses	34	33	47	290	404
Adjusted	1,900	1,973	1,416	707	5,996
Loans and advances to customers (net)					
Reported	481,795	345,156	211,976	750	1,039,677
Adjusted	481,795	345,156	211,976	750	1,039,677
Customer accounts					
Reported	844,611	488,201	354,466	704	1,687,982
Adjusted	844,611	488,201	354,466	704	1,687,982

1 Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.
2 Includes fair value movements on non-qualifying hedges and debt valuation adjustments on derivatives.
3 Comprises losses associated with the RWA reduction commitments and gains relating to the business update in February 2020.

Reconciliation of reported and adjusted items – global businesses (continued)

	Quarter ended 30 June 2021				
	Wealth and Personal Banking	Commercial Banking	Global Banking and Markets	Corporate Centre	Total
	$m	$m	$m	$m	$m
Revenue[1]					
Reported	5,707	3,321	3,488	49	12,565
Currency translation	(52)	(39)	(41)	2	(130)
Significant items	—	—	97	(137)	(40)
– fair value movements on financial instruments[2]	(1)	—	1	(45)	(45)
– restructuring and other related costs[3]	—	—	97	(93)	4
– currency translation on significant items	1	—	(1)	1	1
Adjusted	5,655	3,282	3,544	(86)	12,395
ECL					
Reported	34	19	224	7	284
Currency translation	(2)	(1)	—	(1)	(4)
Adjusted	32	18	224	6	280
Operating expenses					
Reported	(3,943)	(1,785)	(2,482)	(350)	(8,560)
Currency translation	40	19	31	(1)	89
Significant items	148	16	43	328	535
– customer redress programmes	25	—	—	2	27
– restructuring and other related costs	124	16	44	330	514
– currency translation on significant items	(1)	—	(1)	(4)	(6)
Adjusted	(3,755)	(1,750)	(2,408)	(23)	(7,936)
Share of profit in associates and joint ventures					
Reported	3	—	—	768	771
Currency translation	(1)	—	—	(1)	(2)
Adjusted	2	—	—	767	769
Profit before tax					
Reported	1,801	1,555	1,230	474	5,060
Currency translation	(15)	(21)	(10)	(1)	(47)
Significant items	148	16	140	191	495
– revenue	—	—	97	(137)	(40)
– operating expenses	148	16	43	328	535
Adjusted	1,934	1,550	1,360	664	5,508
Loans and advances to customers (net)					
Reported	491,320	350,945	216,098	1,148	1,059,511
Currency translation	(7,555)	(4,353)	(2,226)	(17)	(14,151)
Adjusted	483,765	346,592	213,872	1,131	1,045,360
Customer accounts					
Reported	841,257	485,689	341,242	903	1,669,091
Currency translation	(10,451)	(6,596)	(4,782)	(22)	(21,851)
Adjusted	830,806	479,093	336,460	881	1,647,240

1 Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.
2 Includes fair value movements on non-qualifying hedges and debt valuation adjustments on derivatives.
3 Comprises losses associated with the RWA reduction commitments and gains relating to the business update in February 2020.

Reconciliation of reported and adjusted items – global businesses (continued)

	Quarter ended 30 Sep 2020				
	Wealth and Personal Banking	Commercial Banking	Global Banking and Markets	Corporate Centre	Total
	$m	$m	$m	$m	$m
Revenue[1]					
Reported	5,409	3,148	3,510	(140)	11,927
Currency translation	127	82	93	1	303
Significant items	34	17	106	(13)	144
– customer redress programmes	31	17	—	—	48
– disposals, acquisitions and investment in new businesses	1	—	—	(1)	—
– fair value movements on financial instruments[2]	—	—	3	(14)	(11)
– restructuring and other related costs[3]	—	—	101	—	101
– currency translation on significant items	2	—	2	2	6
Adjusted	5,570	3,247	3,709	(152)	12,374
ECL					
Reported	(343)	(354)	(100)	12	(785)
Currency translation	(27)	(9)	(3)	1	(38)
Adjusted	(370)	(363)	(103)	13	(823)
Operating expenses					
Reported	(3,871)	(1,587)	(2,412)	(171)	(8,041)
Currency translation	(87)	(41)	(79)	(3)	(210)
Significant items	186	(50)	133	370	639
– customer redress programmes	(4)	—	—	7	3
– impairment of goodwill and other intangibles	224	3	11	(181)	57
– restructuring and other related costs[4]	(31)	(51)	119	530	567
– settlements and provisions in connection with legal and regulatory matters	—	—	—	3	3
– currency translation on significant items	(3)	(2)	3	11	9
Adjusted	(3,772)	(1,678)	(2,358)	196	(7,612)
Share of profit/(loss) in associates and joint ventures					
Reported	10	—	—	(37)	(27)
Currency translation	—	—	—	24	24
Significant item	—	—	—	462	462
– impairment of goodwill[5]	—	—	—	462	462
– currency translation on significant items	—	—	—	—	—
Adjusted	10	—	—	449	459
Profit/(loss) before tax					
Reported	1,205	1,207	998	(336)	3,074
Currency translation	13	32	11	23	79
Significant items	220	(33)	239	819	1,245
– revenue	34	17	106	(13)	144
– operating expenses	186	(50)	133	370	639
– share of profit in associates and joint ventures	—	—	—	462	462
Adjusted	1,438	1,206	1,248	506	4,398
Loans and advances to customers (net)					
Reported	459,516	343,702	236,902	1,220	1,041,340
Currency translation	8,772	5,531	2,876	22	17,201
Adjusted	468,288	349,233	239,778	1,242	1,058,541
Customer accounts					
Reported	793,612	431,021	343,365	716	1,568,714
Currency translation	10,354	7,658	5,540	18	23,570
Adjusted	803,966	438,679	348,905	734	1,592,284

1 *Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.*
2 *Includes fair value movements on non-qualifying hedges and debt valuation adjustments on derivatives.*
3 *Comprises losses associated with the RWA reduction commitments we made at our business update in February 2020.*
4 *Includes impairment of tangible assets of $124m.*
5 *During the quarter, The Saudi British Bank ('SABB'), an associate of HSBC, impaired the goodwill that arose following the merger with Alawwal bank in 2019. HSBC's post-tax share of the goodwill impairment was $462m.*

Reconciliation of reported and adjusted risk-weighted assets

The following table reconciles reported and adjusted risk-weighted assets ('RWAs').

Reconciliation of reported and adjusted risk-weighted assets

	At 30 Sep 2021				
	Wealth and Personal Banking	Commercial Banking	Global Banking and Markets	Corporate Centre	Total
	$bn	$bn	$bn	$bn	$bn
Risk-weighted assets					
Reported	**177.0**	**326.9**	**249.1**	**86.2**	**839.2**
Adjusted[1]	**177.0**	**326.9**	**249.1**	**86.2**	**839.2**
	At 30 Jun 2021				
Risk-weighted assets					
Reported	185.0	332.1	255.2	90.0	862.3
Currency translation	(2.1)	(4.1)	(2.3)	(0.2)	(8.7)
Adjusted[1]	182.9	328.0	252.9	89.8	853.6
	At 31 Mar 2021				
Risk-weighted assets					
Reported	171.9	326.8	254.6	93.5	846.8
Currency translation	(1.5)	(3.0)	(1.8)	(0.3)	(6.6)
Adjusted[1]	170.4	323.8	252.8	93.2	840.2

1 *Adjusted risk-weighted assets are calculated using reported risk-weighted assets adjusted for the effects of currency translation differences and significant items.*

Reconciliation of reported and adjusted results – geographical regions

Analysis of significant items by geographical regions is presented below.

Reconciliation of reported results to adjusted results – geographical regions

	Nine months ended 30 Sep 2021					
	Europe	Asia	MENA	North America	Latin America	Total
	$m	$m	$m	$m	$m	$m
Revenue[1]						
Reported[2]	**14,913**	**19,830**	**1,879**	**4,501**	**2,262**	**37,563**
Significant items[2]	**146**	**(111)**	**–**	**24**	**6**	**435**
– customer redress programmes	**(18)**	**–**	**–**	**–**	**–**	**(18)**
– fair value movement on financial instruments[3]	**252**	**2**	**–**	**4**	**–**	**258**
– restructuring and other related costs[2,4]	**(88)**	**(113)**	**–**	**20**	**6**	**195**
Adjusted[2]	**15,059**	**19,719**	**1,879**	**4,525**	**2,268**	**37,998**
ECL						
Reported	**1,327**	**(312)**	**160**	**257**	**(54)**	**1,378**
Adjusted	**1,327**	**(312)**	**160**	**257**	**(54)**	**1,378**
Operating expenses						
Reported[2]	**(13,384)**	**(11,181)**	**(1,143)**	**(3,595)**	**(1,595)**	**(25,076)**
Significant items[2]	**974**	**327**	**37**	**253**	**48**	**1,269**
– customer redress programmes	**24**	**–**	**–**	**–**	**–**	**24**
– restructuring and other related costs[2]	**950**	**327**	**37**	**253**	**48**	**1,245**
Adjusted[2]	**(12,410)**	**(10,854)**	**(1,106)**	**(3,342)**	**(1,547)**	**(23,807)**
Share of profit in associates and joint ventures						
Reported	**254**	**1,902**	**205**	**–**	**16**	**2,377**
Adjusted	**254**	**1,902**	**205**	**–**	**16**	**2,377**
Profit before tax						
Reported	**3,110**	**10,239**	**1,101**	**1,163**	**629**	**16,242**
Significant items	**1,120**	**216**	**37**	**277**	**54**	**1,704**
– revenue[2]	**146**	**(111)**	**–**	**24**	**6**	**435**
– operating expenses[2]	**974**	**327**	**37**	**253**	**48**	**1,269**
Adjusted	**4,230**	**10,455**	**1,138**	**1,440**	**683**	**17,946**
Loans and advances to customers (net)						
Reported	**398,308**	**487,559**	**27,095**	**106,422**	**20,293**	**1,039,677**
Adjusted	**398,308**	**487,559**	**27,095**	**106,422**	**20,293**	**1,039,677**
Customer accounts						
Reported	**666,968**	**771,463**	**42,089**	**179,100**	**28,362**	**1,687,982**
Adjusted	**666,968**	**771,463**	**42,089**	**179,100**	**28,362**	**1,687,982**

1 *Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.*
2 *Amounts are non-additive across geographical regions due to inter-company transactions within the Group.*
3 *Includes fair value movements on non-qualifying hedges and debt valuation adjustments on derivatives.*
4 *Comprises losses associated with the RWA reduction commitments and gains we made at our business update in February 2020.*

Reconciliation of reported results to adjusted results – geographical regions (continued)

	Nine months ended 30 Sep 2020					
	Europe	Asia	MENA	North America	Latin America	Total
	$m	$m	$m	$m	$m	$m
Revenue[1]						
Reported[2]	13,465	20,904	2,002	4,887	2,323	38,672
Currency translation[2]	1,135	353	(36)	95	(26)	1,420
Significant items	(133)	(36)	(1)	55	(6)	(121)
– customer redress programmes	22	—	—	—	—	22
– disposals, acquisitions and investment in new businesses	—	—	—	8	—	8
– fair value movements on financial instruments[3]	(264)	(36)	(1)	(1)	(8)	(310)
– restructuring and other related costs[4]	102	—	—	48	—	150
– currency translation on significant items	7	—	—	—	2	9
Adjusted[2]	14,467	21,221	1,965	5,037	2,291	39,971
ECL						
Reported	(3,238)	(1,962)	(721)	(873)	(849)	(7,643)
Currency translation	(329)	(61)	3	(24)	(56)	(467)
Adjusted	(3,567)	(2,023)	(718)	(897)	(905)	(8,110)
Operating expenses						
Reported[2]	(13,159)	(9,773)	(1,192)	(3,998)	(1,355)	(24,568)
Currency translation[2]	(982)	(204)	26	(60)	22	(1,097)
Significant items	1,693	49	63	518	26	2,349
– customer redress programmes	53	—	—	—	—	53
– impairment of goodwill and other intangible assets	800	—	60	222	—	1,082
– restructuring and other related costs[5]	694	48	5	295	30	1,072
– settlements and provisions in connection with legal and regulatory matters	8	—	—	—	—	8
– currency translation on significant items	138	1	(2)	1	(4)	134
Adjusted[2]	(12,448)	(9,928)	(1,103)	(3,540)	(1,307)	(23,316)
Share of profit/(loss) in associates and joint ventures						
Reported	(44)	1,387	(415)	—	3	931
Currency translation	(1)	116	—	—	—	115
Significant item	—	—	462	—	—	462
– impairment of goodwill[6]	—	—	462	—	—	462
– currency translation on significant items	—	—	—	—	—	—
Adjusted	(45)	1,503	47	—	3	1,508
Profit/(loss) before tax						
Reported	(2,976)	10,556	(326)	16	122	7,392
Currency translation	(177)	204	(7)	11	(60)	(29)
Significant items	1,560	13	524	573	20	2,690
– revenue	(133)	(36)	(1)	55	(6)	(121)
– operating expenses	1,693	49	63	518	26	2,349
– share of profit in associates and joint ventures	—	—	462	—	—	462
Adjusted	(1,593)	10,773	191	600	82	10,053
Loans and advances to customers (net)						
Reported	398,181	484,125	29,307	110,394	19,333	1,041,340
Currency translation	12,558	1,644	(407)	2,474	932	17,201
Adjusted	410,739	485,769	28,900	112,868	20,265	1,058,541
Customer accounts						
Reported	593,172	732,367	40,815	177,478	24,882	1,568,714
Currency translation	19,688	783	(475)	2,943	631	23,570
Adjusted	612,860	733,150	40,340	180,421	25,513	1,592,284

1 *Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.*
2 *Amounts are non-additive across geographical regions due to inter-company transactions within the Group.*
3 *Includes fair value movements on non-qualifying hedges and debt valuation adjustments on derivatives.*
4 *Comprises losses associated with the RWA reduction commitments we made at our business update in February 2020.*
5 *Includes impairment of software intangible assets of $173m (of the total software intangible asset impairment of $1,320m) and impairment of tangible assets of $124m.*
6 *During the year, The Saudi British Bank ('SABB'), an associate of HSBC, impaired the goodwill that arose following the merger with Alawwal bank in 2019. HSBC's post-tax share of the goodwill impairment was $462m.*

Reconciliation of reported results to adjusted results – geographical regions

	Quarter ended 30 Sep 2021					
	Europe	Asia	MENA	North America	Latin America	Total
	$m	$m	$m	$m	$m	$m
Revenue[1]						
Reported[2]	4,684	6,574	627	1,450	777	12,012
Significant items[2]	67	(57)	–	21	(1)	189
– fair value movements on financial instruments[3]	64	(3)	–	4	(1)	64
– restructuring and other related costs[2,4]	3	(54)	–	17	–	125
Adjusted[2]	4,751	6,517	627	1,471	776	12,201
ECL						
Reported	657	(105)	44	45	18	659
Adjusted	657	(105)	44	45	18	659
Operating expenses						
Reported[2]	(4,300)	(3,709)	(358)	(1,137)	(585)	(7,989)
Significant items[2]	340	125	15	62	21	404
– customer redress programmes	7	–	–	–	–	7
– restructuring and other related costs[2]	333	125	15	62	21	397
Adjusted[2]	(3,960)	(3,584)	(343)	(1,075)	(564)	(7,585)
Share of profit in associates and joint ventures						
Reported	101	543	65	–	12	721
Adjusted	101	543	65	–	12	721
Profit before tax						
Reported	1,142	3,303	378	358	222	5,403
Significant items	407	68	15	83	20	593
– revenue[2]	67	(57)	–	21	(1)	189
– operating expenses[2]	340	125	15	62	21	404
Adjusted	1,549	3,371	393	441	242	5,996
Loans and advances to customers (net)						
Reported	398,308	487,559	27,095	106,422	20,293	1,039,677
Adjusted	398,308	487,559	27,095	106,422	20,293	1,039,677
Customer accounts						
Reported	666,968	771,463	42,089	179,100	28,362	1,687,982
Adjusted	666,968	771,463	42,089	179,100	28,362	1,687,982

1 *Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.*
2 *Amounts are non-additive across geographical regions due to inter-company transactions within the Group.*
3 *Includes fair value movements on non-qualifying hedges and debt valuation adjustments on derivatives.*
4 *Comprises losses associated with the RWA reduction commitments and gains relating to the business update in February 2020.*

Reconciliation of reported to adjusted results – geographical regions (continued)

	Quarter ended 30 Jun 2021					
	Europe	Asia	MENA	North America	Latin America	Total
	$m	$m	$m	$m	$m	$m
Revenue[1]						
Reported[2]	5,177	6,482	620	1,502	773	12,565
Currency translation[2]	(86)	(34)	(1)	(12)	(6)	(130)
Significant items[2]	(155)	(30)	—	3	1	(40)
– fair value movements on financial instruments[3]	(48)	3	—	—	—	(45)
– restructuring and other related costs[2,4]	(108)	(33)	—	3	1	4
– currency translation on significant items	1	—	—	—	—	1
Adjusted[2]	4,936	6,418	619	1,493	768	12,395
ECL						
Reported	333	(175)	61	108	(43)	284
Currency translation	(4)	1	(1)	(1)	1	(4)
Adjusted	329	(174)	60	107	(42)	280
Operating expenses						
Reported[2]	(4,557)	(3,778)	(397)	(1,289)	(528)	(8,560)
Currency translation[2]	63	21	1	8	5	89
Significant items[2]	353	142	10	152	19	535
– customer redress programmes	27	—	—	—	—	27
– restructuring and other related costs[2]	330	143	11	153	18	514
– currency translation on significant items	(4)	(1)	(1)	(1)	1	(6)
Adjusted[2]	(4,141)	(3,615)	(386)	(1,129)	(504)	(7,936)
Share of profit in associates and joint ventures						
Reported	18	649	102	—	2	771
Currency translation	(1)	(1)	—	—	—	(2)
Adjusted	17	648	102	—	2	769
Profit before tax						
Reported	971	3,178	386	321	204	5,060
Currency translation	(28)	(13)	(1)	(5)	—	(47)
Significant items	198	112	10	155	20	495
– revenue[2]	(155)	(30)	—	3	1	(40)
– operating expenses[2]	353	142	10	152	19	535
Adjusted	1,141	3,277	395	471	224	5,508
Loans and advances to customers (net)						
Reported	402,778	502,360	27,608	106,414	20,351	1,059,511
Currency translation	(9,550)	(2,583)	(53)	(1,309)	(656)	(14,151)
Adjusted	393,228	499,777	27,555	105,105	19,695	1,045,360
Customer accounts						
Reported	663,996	759,948	41,086	176,152	27,909	1,669,091
Currency translation	(15,796)	(3,640)	(96)	(1,411)	(908)	(21,851)
Adjusted	648,200	756,308	40,990	174,741	27,001	1,647,240

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4 *Comprises losses associated with the RWA reduction commitments and gains relating to the business update in February 2020.*

Reconciliation of reported to adjusted results – geographical regions (continued)

	Quarter ended 30 Sep 2020					
	Europe	Asia	MENA	North America	Latin America	Total
	$m	$m	$m	$m	$m	$m
Revenue[1]						
Reported[2]	4,489	6,324	623	1,482	746	11,927
Currency translation[2]	256	52	(9)	21	9	303
Significant items	97	(2)	—	49	—	144
– customer redress programmes	48	—	—	—	—	48
– fair value movements on financial instruments[3]	(12)	(2)	—	2	1	(11)
– restructuring and other related costs[4]	54	—	—	47	—	101
– currency translation on significant items	7	—	—	—	(1)	6
Adjusted[2]	4,842	6,374	614	1,552	755	12,374
ECL						
Reported	(353)	(144)	(110)	14	(192)	(785)
Currency translation	(9)	1	—	—	(30)	(38)
Adjusted	(362)	(143)	(110)	14	(222)	(823)
Operating expenses						
Reported[2]	(4,058)	(3,343)	(429)	(1,503)	(445)	(8,041)
Currency translation[2]	(190)	(39)	11	(15)	(3)	(210)
Significant items	234	32	22	334	17	639
– customer redress programmes	3	—	—	—	—	3
– impairment of goodwill and other intangibles	(184)	—	19	222	—	57
– restructuring and other related costs[5]	402	30	5	111	19	567
– settlements and provisions in connection with legal and regulatory matters	3	—	—	—	—	3
– currency translation on significant items	10	2	(2)	1	(2)	9
Adjusted[2]	(4,014)	(3,350)	(396)	(1,184)	(431)	(7,612)
Share of profit/(loss) in associates and joint ventures						
Reported	6	350	(384)	—	1	(27)
Currency translation	1	23	—	—	—	24
Significant item	—	—	462	—	—	462
– impairment of goodwill[6]	—	—	462	—	—	462
– currency translation on significant items	—	—	—	—	—	—
Adjusted	7	373	78	—	1	459
Profit/(loss) before tax						
Reported	84	3,187	(300)	(7)	110	3,074
Currency translation	58	37	2	6	(24)	79
Significant items	331	30	484	383	17	1,245
– revenue	97	(2)	—	49	—	144
– operating expenses	234	32	22	334	17	639
– share of profit in associates and joint ventures	—	—	462	—	—	462
Adjusted	473	3,254	186	382	103	4,398
Loans and advances to customers (net)						
Reported	398,181	484,125	29,307	110,394	19,333	1,041,340
Currency translation	12,558	1,644	(407)	2,474	932	17,201
Adjusted	410,739	485,769	28,900	112,868	20,265	1,058,541
Customer accounts						
Reported	593,172	732,367	40,815	177,478	24,882	1,568,714
Currency translation	19,688	783	(475)	2,943	631	23,570
Adjusted	612,860	733,150	40,340	180,421	25,513	1,592,284

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4 *Comprises losses associated with the RWA reduction commitments we made at our business update in February 2020.*
5 *Includes impairment of tangible assets of $124m.*
6 *During the quarter, The Saudi British Bank ('SABB'), an associate of HSBC, impaired the goodwill that arose following the merger with Alawwal bank in 2019. HSBC's post-tax share of the goodwill impairment was $462m.*

Additional information

Dividend on preference shares

A quarterly dividend of £0.01 per Series A sterling preference share is payable on 15 March, 15 June, 15 September and 15 December 2021 for the quarter then ended at the sole and absolute discretion of the Board of HSBC Holdings plc. Accordingly, the Board of HSBC Holdings plc has approved a quarterly dividend to be payable on 15 December 2021 to holders of record on 30 November 2021.

For and on behalf of

HSBC Holdings plc

Aileen Taylor

Group Company Secretary and Chief Governance Officer

The Board of Directors of HSBC Holdings plc as at the date of this announcement are: Mark Tucker*, Rachel Duan†, Carolyn Julie Fairbairn†, James Anthony Forese†, Steven Guggenheimer†, Irene Lee†, José Antonio Meade Kuribreña†, Eileen K Murray†, David Nish†, Noel Quinn, Ewen Stevenson, Jackson Tai† and Pauline van der Meer Mohr†.

* *Non-executive Group Chairman*
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Cautionary statement regarding forward-looking statements

This *Earnings Release 3Q21* contains certain forward-looking statements with respect to HSBC's: financial condition; results of operations and business, including the strategic priorities; financial, investment and capital targets; and ESG targets/commitments described herein.

Statements that are not historical facts, including statements about HSBC's beliefs and expectations, are forward-looking statements. Words such as 'may', 'will', 'should', 'expects', 'targets', 'anticipates', 'intends', 'plans', 'believes', 'seeks', 'estimates', 'potential' and 'reasonably possible', or the negative thereof, other variations thereon or similar expressions are intended to identify forward-looking statements. These statements are based on current plans, information, data, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made. HSBC makes no commitment to revise or update any forward-looking statements to reflect events or circumstances occurring or existing after the date of any forward-looking statements.

Written and/or oral forward-looking statements may also be made in the periodic reports to the US Securities and Exchange Commission, summary financial statements to shareholders, proxy statements, offering circulars and prospectuses, press releases and other written materials, and in oral statements made by HSBC's Directors, officers or employees to third parties, including financial analysts.

Forward-looking statements involve inherent risks and uncertainties. Readers are cautioned that a number of factors could cause actual results to differ, in some instances materially, from those anticipated or implied in any forward-looking statement. These include, but are not limited to:

- changes in general economic conditions in the markets in which we operate, such as continuing or deepening recessions and fluctuations in employment and creditworthy customers beyond those factored into consensus forecasts (including, without limitation, as a result of the Covid-19 pandemic); the Covid-19 pandemic, which is expected to continue to have adverse impacts on our income due to lower lending and transaction volumes, lower wealth and insurance manufacturing revenue, and lower or negative interest rates in markets where we operate, as well as, more generally, the potential for material adverse impacts on our financial condition, results of operations, prospects, liquidity, capital position and credit ratings; deviations from the market and economic assumptions that form the basis for our ECL measurements (including, without limitation, as a result of the Covid-19 pandemic); potential changes in HSBC's dividend policy; changes in foreign exchange rates and interest rates, including the accounting impact resulting from financial reporting in respect of hyperinflationary economies; volatility in equity markets; lack of liquidity in wholesale funding or capital markets, which may affect our ability to meet our obligations under financing facilities or to fund new loans, investments and businesses; geopolitical tensions or diplomatic developments producing social instability or legal uncertainty, such as diplomatic tensions, including between China and the US, the UK, the EU, India and other countries, and developments in Hong Kong and Taiwan, alongside other potential areas of tension, which may affect the Group by creating regulatory, reputational and market risks; the efficacy of government, customer and HSBC's actions in managing and mitigating climate change and in supporting the global transition to net zero carbon emissions, which may cause both idiosyncratic and systemic risks resulting in potential financial and non-financial impacts; illiquidity and downward price pressure in national real estate markets; adverse changes in central banks' policies with respect to the provision of liquidity support to financial markets; heightened market concerns over sovereign creditworthiness in over-indebted countries; adverse changes in the funding status of public or private defined benefit pensions; societal shifts in customer financing and investment needs, including consumer perception as to the continuing availability of credit; exposure to counterparty risk, including third parties using us as a conduit for illegal activities without our knowledge; the expected discontinuation of certain key Ibors and the development of near risk-free benchmark rates, as well as the transition of legacy Ibor contracts to near risk-free benchmark rates, which exposes HSBC to material execution risks, and increases some financial and non-financial risks; and price competition in the market segments we serve;

- changes in government policy and regulation, including the monetary, interest rate and other policies of central banks and other regulatory authorities in the principal markets in which we operate and the consequences thereof (including, without limitation, actions taken as a result of the Covid-19 pandemic); initiatives to change the size, scope of activities and interconnectedness of financial institutions in connection with the implementation of stricter regulation of financial institutions in key markets worldwide; revised capital and liquidity benchmarks, which could serve to deleverage bank balance sheets and lower returns available from the current business model and portfolio mix; changes to tax laws and tax rates applicable to HSBC, including the imposition of levies or taxes designed to change business mix and risk appetite; the practices, pricing or responsibilities of financial institutions serving their consumer markets; expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership; the UK's relationship with the EU following the UK's withdrawal from the EU, which may continue to be characterised by uncertainty despite the signing of the Trade and Cooperation Agreement between the UK and the EU; passage of the Hong Kong national security law and restrictions on telecommunications, as well as the US Hong Kong Autonomy Act, which have caused tensions between China, the US and the UK; general changes in government policy that may significantly influence investor decisions; the costs, effects and outcomes of regulatory reviews, actions or litigation, including any additional compliance requirements; and the effects of competition in the markets where we operate including increased competition from non-bank financial services companies; and
- factors specific to HSBC, including our success in adequately identifying the risks we face, such as the incidence of loan losses or delinquency, and managing those risks (through account management, hedging and other techniques); our ability to achieve our financial, investment, capital and ESG targets/commitments, which may result in our failure to achieve any of the expected benefits of our strategic priorities; model limitations or failure, including, without limitation, the impact that the consequences of the Covid-19 pandemic have had on the performance and usage of financial models, which may require us to hold additional capital, incur losses and/or use compensating controls, such as judgemental post-model adjustments, to address model limitations; changes to the judgements, estimates and assumptions we base our financial statements on; changes in our ability to meet the requirements of regulatory stress tests; a reduction in the credit ratings assigned to us or any of our subsidiaries, which could increase the cost or decrease the availability of our funding and affect our liquidity position and net interest margin; changes to the reliability and security of our data management, data privacy, information and technology infrastructure, including threats from cyber-attacks, which may impact our ability to service clients and may result in financial loss, business disruption and/or loss of customer services and data; changes in insurance customer behaviour and insurance claim rates; our dependence on loan payments and dividends from subsidiaries to meet our obligations; changes in accounting standards, including the implementation of IFRS 17 'Insurance Contracts', which may have a material impact on the way we prepare our financial statements and may negatively affect the profitability of HSBC's insurance business; changes in our ability to manage third-party, fraud and reputational risks inherent in our operations; employee misconduct, which may result in regulatory sanctions and/or reputational or financial harm; changes in skill requirements, ways of working and talent shortages, which may affect our ability to recruit and retain senior management and diverse and skilled personnel; and changes in our ability to develop sustainable finance products and our capacity to measure the climate impact from our financing activity, which may affect our ability to achieve our climate ambition. Effective risk management depends on, among other things, our ability through stress testing and other techniques to prepare for events that cannot be captured by the statistical models it uses; our success in addressing operational, legal and regulatory, and litigation challenges; and other risks and uncertainties we identify in 'Risks' on pages 16 to 17 of this *Earnings Release 3Q21*.

Terms and abbreviations

1H20	First half of 2020
1H21	First half of 2021
1Q20	First quarter of 2020
1Q21	First quarter of 2021
2Q20	Second quarter of 2020
2Q21	Second quarter of 2021
3Q20	Third quarter of 2020
3Q21	Third quarter of 2021
4Q20	Fourth quarter of 2020
4Q21	Fourth quarter of 2021
9M20	Nine months to 30 September 2020
9M21	Nine months to 30 September 2021
AIEA	Average interest-earning assets
ASEAN	Association of Southeast Asian Nations
BGF	Business Growth Fund, an investment firm that provides growth capital for small and mid-sized businesses in the UK and Ireland
BoCom	Bank of Communications Co., Limited, one of China's largest banks
Bps	Basis points. One basis point is equal to one-hundredth of a percentage point
CET1	Common equity tier 1
CMB	Commercial Banking, a global business
CODM	Chief Operating Decision Maker
Corporate Centre	Corporate Centre comprises Central Treasury, our legacy businesses, interests in our associates and joint ventures, central stewardship costs and consolidation adjustments
CRR II	Revised Capital Requirements Regulation and Directive, as implemented
DPD	Days past due
DVA	Debt valuation adjustment
EBA	European Banking Authority
ECL	Expected credit losses. In the income statement, ECL is recorded as a change in expected credit losses and other credit impairment charges. In the balance sheet, ECL is recorded as an allowance for financial instruments to which only the impairment requirements in IFRS 9 are applied
EEA	European Economic Area
ESG	Environmental, social and governance
FTE	Full-time equivalent staff
FVOCI	Fair value through other comprehensive income
GAAP	Generally accepted accounting principles
GBM	Global Banking and Markets, a global business
GEC	Group Executive Committee
GLCM	Global Liquidity and Cash Management
Group	HSBC Holdings together with its subsidiary undertakings
GTRF	Global Trade and Receivables Finance
Hong Kong	Hong Kong Special Administrative Region of the People’s Republic of China
HSBC	HSBC Holdings together with its subsidiary undertakings
HSBC Bank	HSBC Bank plc, also known as the non-ring-fenced bank
HSBC Holdings	HSBC Holdings plc, the parent company of HSBC
HSBC UK	HSBC UK Bank plc, also known as the ring-fenced bank
IAS	International Accounting Standards
Ibor	Interbank offered rate
IFRSs	International Financial Reporting Standards
JV	Joint venture
LCR	Liquidity coverage ratio
Libor	London interbank offered rate
Long term	We define long term as five to six years
Mainland China	People’s Republic of China excluding Hong Kong and Macau
Medium term	We define medium term as three to five years
MENA	Middle East and North Africa
MREL	Minimum requirement for own funds and eligible liabilities
MSS	Markets and Securities Services, HSBC's capital markets and securities services businesses in Global Banking and Markets
Net operating income	Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue
NIM	Net interest margin
POCI	Purchased or originated credit-impaired financial assets
PRA	Prudential Regulation Authority (UK)
PVIF	Present value of in-force long-term insurance business and long-term investment contracts with DPF
Revenue	Net operating income before ECL
RFR	Risk-free rate
RoE	Return on average ordinary shareholders' equity
RoTE	Return on average tangible equity
RWA	Risk-weighted asset
SABB	The Saudi British Bank
ServCo group	Separately incorporated group of service companies established in response to UK ring-fencing requirements
SME	Small and medium-sized enterprise
WPB	Wealth and Personal Banking, a global business
$m/$bn/$tn	United States dollar millions/billions/trillions. We report in US dollars

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HSBC HOLDINGS PLC

Data Pack

3Q 2021

The financial information on which this supplement is based is unaudited and has been prepared in accordance with HSBC's significant accounting policies as described in the *Annual Report and Accounts 2020.* The financial information does not constitute financial statements prepared in accordance with International Financial Reporting Standards ('IFRSs'), is not complete and should be read in conjunction with the *Annual Report and Accounts 2020,* the *Interim Report 2021,* and other reports and financial information published by HSBC.

Unless stated otherwise, all information is on a reported basis. Where disclosed, adjusted performance information is computed by adjusting reported results for the effects of foreign currency translation differences and significant items, which both distort period-on-period comparisons. We consider adjusted performance provides useful information for investors by aligning internal and external reporting, identifying and quantifying items management believes to be significant, and providing insight into how management assesses period-on-period performance. Definitions and calculations of other alternative performance measures are included in our 'Reconciliation of alternative performance measures' on page 52 of our *Interim Report 2021.* All alternative performance measures are reconciled to the closest reported financial measure.

'Significant items' refers collectively to the items that management and investors would ordinarily identify and consider separately to improve the understanding of the underlying trends in the business.

The quarterly comparatives are translated at average 3Q21 exchange rates for the income statement or at the prevailing rates of exchange on 30 September 2021 for the balance sheet. The yearly comparatives are translated at average FY20 exchange rates for the income statement or at the prevailing rates of exchange on 31 December 2020 for the balance sheet. The income statement for the nine months to 30 September 2020 is translated at the average rate of exchange for the nine months to 30 September 2021.

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	Quarter ended					Year to date	Year to date	Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20	30-Sep-21	30-Sep-20
Net interest income	**6,610**	6,584	6,514	6,619	6,450	27,578	19,708	20,959
Net fee income	**3,322**	3,211	3,463	2,967	2,981	11,874	9,996	8,907
Other operating income	**2,080**	2,770	3,009	2,171	2,496	10,977	7,859	8,806
Net operating income before change in expected credit losses and other credit impairment charges[1]	**12,012**	**12,565**	**12,986**	**11,757**	**11,927**	**50,429**	**37,563**	**38,672**
Change in expected credit losses and other credit impairment charges	**659**	284	435	(1,174)	(785)	(8,817)	1,378	(7,643)
Total operating expenses[1]	**(7,989)**	(8,560)	(8,527)	(9,864)	(8,041)	(34,432)	(25,076)	(24,568)
of which: staff expenses	***(4,130)***	*(4,689)*	*(4,921)*	*(5,079)*	*(4,483)*	*(18,076)*	*(13,740)*	*(12,997)*
Share of profit in associates and joint ventures	**721**	771	885	666	(27)	1,597	2,377	931
Profit/(loss) before tax	**5,403**	**5,060**	**5,779**	**1,385**	**3,074**	**8,777**	**16,242**	**7,392**
Tax expense	**(1,161)**	(1,206)	(1,211)	(450)	(1,035)	(2,678)	(3,578)	(2,228)
Profit/(loss) after tax	**4,242**	3,854	4,568	935	2,039	6,099	12,664	5,164
Profit/(loss) attributable to:								
- ordinary shareholders of the parent company ("PAOS")	**3,543**	3,396	3,880	562	1,359	3,898	10,819	3,336
- preference shareholders of the parent company	**—**	—	7	23	22	90	7	67
- other equity holders of the parent company	**495**	212	454	175	449	1,241	1,161	1,066
- non-controlling interests	**204**	246	227	175	209	870	677	695
(Increase)/decrease in present value of in-force insurance business ('PVIF') (net of tax)	**(68)**	(44)	60	309	(252)	(253)	(52)	(562)
Impairment of goodwill and other intangible assets (net of tax)	**17**	—	—	(120)	2	1,036	17	1,156
PAOS net of PVIF and goodwill impairment	**3,492**	3,352	3,940	751	1,109	4,681	10,784	3,930
Reported significant items - Totals ($m)								
Revenue	**(189)**	41	(287)	(67)	(138)	63	(435)	130
ECL	**—**	—	—	—	—	—	—	—
Operating expenses	**(404)**	(541)	(324)	(758)	(630)	(2,973)	(1,269)	(2,215)
Share of profit in associates and joint ventures	**—**	—	—	—	(462)	(462)	—	(462)
Adjusted ($m)								
Net operating income before change in expected credit losses and other credit impairment charges[1]	**12,201**	**12,395**	**13,190**	**11,946**	**12,374**	**50,366**	**37,998**	**39,971**
of which: net interest income	***6,610***	*6,518*	*6,452*	*6,668*	*6,646*	*27,599*	*19,691*	*21,688*
of which: net fee income	***3,322***	*3,182*	*3,440*	*2,980*	*3,029*	*11,874*	*9,996*	*9,193*
Change in expected credit losses and other credit impairment charges	**659**	280	432	(1,199)	(823)	(8,817)	1,378	(8,110)
Total operating expenses[1]	**(7,585)**	(7,936)	(8,150)	(9,199)	(7,612)	(31,459)	(23,807)	(23,317)
Share of profit in associates and joint ventures	**721**	769	886	680	459	2,059	2,377	1,508
Profit/(loss) before tax	**5,996**	**5,508**	**6,358**	**2,228**	**4,398**	**12,149**	**17,946**	**10,052**

HSBC
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	Quarter ended					Year to date	Year to date	Year to date
Earnings metrics	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20	30-Sep-21	30-Sep-20
Return on average equity (annualised)	**8.0 %**	7.8 %	9.0 %	1.3 %	3.2 %	2.3 %	8.2 %	2.7 %
Return on average tangible equity (annualised)	**8.7 %**	8.6 %	10.2 %	1.9 %	2.9 %	3.1 %	9.1 %	3.5 %
Earnings per share ($)	**0.18**	0.17	0.19	0.03	0.07	0.19	0.54	0.17
Adjusted ECL / average gross loans (annualised)	**(0.25)%**	(0.11)%	(0.17)%	0.45 %	0.31 %	0.81 %	(0.18)%	1.01 %
Dividends								
Dividends per share - declared in respect of the period ($)	**—**	0.07	—	0.15	—	0.15	0.07	—
Dividends paid during the period, net of scrip ($m)	**0.07**	0.15	—	—	—	—	0.22	—
Value of scrip issued during period ($m)	**—**	—	—	—	—	—	—	—
Revenue significant items ($m)								
Customer redress programmes	**—**	—	18	1	(48)	(21)	18	(22)
Disposals, acquisitions and investment in new businesses	**—**	—	—	(2)	—	(10)	—	(8)
Fair value movements on financial instruments	**(64)**	45	(239)	(46)	11	264	(258)	310
Restructuring and other related costs	**(125)**	(4)	(66)	(20)	(101)	(170)	(195)	(150)
Cost significant items ($m)								
Costs of structural reform	**—**	—	—	—	—	—	—	—
Customer redress programmes	**(7)**	(27)	10	107	(3)	54	(24)	(53)
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	(8)	(57)	(1,090)	—	(1,082)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	(17)	—	(17)	—	—
Restructuring and other related costs	**(397)**	(514)	(334)	(836)	(567)	(1,908)	(1,245)	(1,072)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	(4)	(3)	(12)	—	(8)
Share of profit in associates and joint ventures significant items ($m)								
Impairment of goodwill	**—**	—	—	—	(462)	(462)	—	(462)
Reconciling items - Currency translation on reported items - Totals ($m)								
Revenue		(130)	(83)	124	303			1,420
ECL		(4)	(3)	(25)	(38)			(467)
Operating expenses		89	54	(100)	(210)			(1,097)
Share of profit in associates and joint ventures		(2)	1	14	24			115
Currency translation on revenue significant items		(1)	—	2	(6)			(9)
Currency translation on operating expense significant items		6	1	(7)	(9)			(133)
Currency translation on share of profit in associates and joint ventures significant items		—	—	—	—			—

1 The difference between the consolidated group result and the sum of geographical regions is attributable to inter-segment eliminations and goodwill impairment recognised on the Global Banking and Markets cash-generating unit, which is monitored on a global basis.

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	Balance sheet date					Balance sheet date
Assets – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Cash and balances at central banks	**409,918**	393,559	384,448	304,481	285,508	304,481
Items in the course of collection from other banks	**6,384**	9,406	5,162	4,094	6,165	4,094
Hong Kong Government certificates of indebtedness	**41,476**	41,880	41,020	40,420	40,086	40,420
Trading assets	**256,374**	260,250	249,031	231,990	222,355	231,990
Financial assets designated and otherwise mandatorily measured at fair value through profit or loss	**49,068**	49,120	46,829	45,553	44,253	45,553
Derivatives	**198,533**	209,516	241,048	307,726	294,678	307,726
Loans and advances to banks	**95,974**	86,886	83,873	81,616	83,854	81,616
Loans and advances to customers (net)	**1,039,677**	1,059,511	1,040,207	1,037,987	1,041,340	1,037,987
Reverse repurchase agreements – non-trading	**211,035**	201,714	190,260	230,628	221,179	230,628
Financial investments	**428,751**	434,576	451,207	490,693	475,302	490,693
Prepayments, accrued income and other assets	**177,145**	175,155	172,708	156,412	191,040	156,412
Current tax assets	**428**	405	568	954	734	954
Interests in associates and joint ventures	**28,561**	28,709	27,543	26,684	25,087	26,684
Goodwill and intangible assets	**20,895**	20,703	20,275	20,443	20,162	20,443
Deferred tax assets	**4,572**	4,615	4,450	4,483	4,192	4,483
Total assets	**2,968,791**	**2,976,005**	**2,958,629**	**2,984,164**	**2,955,935**	**2,984,164**
Liabilities – reported ($m)						
Hong Kong currency notes in circulation	**41,476**	41,880	41,020	40,420	40,086	40,420
Deposits by banks	**92,548**	100,448	86,743	82,080	91,739	82,080
Customer accounts	**1,687,982**	1,669,091	1,650,019	1,642,780	1,568,714	1,642,780
Repurchase agreements – non-trading	**121,158**	112,798	107,896	111,901	118,844	111,901
Items in the course of transmission to other banks	**7,563**	15,100	6,540	4,343	14,389	4,343
Trading liabilities	**89,212**	89,637	85,755	75,266	80,338	75,266
Financial liabilities designated at fair value	**146,086**	151,686	151,673	157,439	156,459	157,439
Derivatives	**189,169**	200,156	229,599	303,001	285,239	303,001
Debt securities in issue	**82,903**	84,218	96,039	95,492	102,406	95,492
Accruals, deferred income and other liabilities	**164,487**	164,800	159,246	128,624	163,912	128,624
Current tax liabilities	**1,516**	929	681	690	1,274	690
Liabilities under insurance contracts	**111,015**	110,572	107,910	107,191	102,708	107,191
Provisions	**2,359**	2,814	3,168	3,678	3,297	3,678
Deferred tax liabilities	**4,125**	4,338	3,807	4,313	4,490	4,313
Subordinated liabilities	**20,503**	20,774	20,817	21,951	21,779	21,951
Total liabilities	**2,762,102**	**2,769,241**	**2,750,913**	**2,779,169**	**2,755,674**	**2,779,169**

HSBC
HSBC Holdings plc consolidated

Equity – reported ($m)						
Called up share capital	**10,376**	10,376	10,375	10,347	10,346	10,347
Share premium account	**14,601**	14,600	14,588	14,277	14,274	14,277
Other equity instruments	**22,414**	22,414	24,414	22,414	20,914	22,414
Other reserves	**3,979**	6,509	6,016	8,833	3,622	8,833
Retained earnings	**146,774**	144,319	143,817	140,572	142,748	140,572
Total shareholders' equity	**198,144**	**198,218**	**199,210**	**196,443**	**191,904**	**196,443**
Non-controlling interests	**8,545**	8,546	8,506	8,552	8,357	8,552
Total equity	**206,689**	**206,764**	**207,716**	**204,995**	**200,261**	**204,995**
Total liabilities and equity	**2,968,791**	**2,976,005**	**2,958,629**	**2,984,164**	**2,955,935**	**2,984,164**
Other balance sheet data - reported ($m)						
Loans and advances to customers (gross)	**1,051,186**	1,072,374	1,053,790	1,052,478	1,055,043	1,052,478
Risk-weighted assets[1]	**839,184**	862,292	846,835	857,520	857,024	857,520
Total shareholders' equity	**198,144**	198,218	199,210	196,443	191,904	196,443
AT1 capital	**(22,414)**	(22,414)	(24,414)	(22,414)	(20,914)	(22,414)
Preference shares	**—**	—	—	—	(1,405)	—
Perpetual capital securities	**—**	—	—	—	—	—
Ordinary shareholders' equity ('NAV')	**175,730**	**175,804**	**174,796**	**174,029**	**169,585**	**174,029**
Goodwill, PVIF and other intangibles (net of deferred tax)	**(18,019)**	(17,819)	(17,439)	(17,606)	(17,325)	(17,606)
Tangible equity ('TNAV')	**157,711**	**157,985**	**157,357**	**156,423**	**152,260**	**156,423**
	Year to date					Year ended
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Average TNAV	**158,354**	**156,412**	**157,400**	**150,101**	**148,700**	**150,101**
Fair value of own debt, DVA and other adjustments	**1,547**	3,286	1,641	422	(260)	422
Average TNAV excluding fair value of own debt, DVA and other adjustments (RoTE TNAV)	**159,901**	159,698	159,041	150,523	148,440	150,523

HSBC
HSBC Holdings plc consolidated

	Balance sheet date					Balance sheet date
Adjusted balance sheet data – at most recent balance sheet FX rates ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (net)	**1,039,677**	1,045,360	1,029,015	1,022,704	1,058,541	1,037,987
Customer accounts	**1,687,982**	1,647,240	1,632,736	1,620,546	1,592,284	1,642,780
Risk-weighted assets[1]	**839,184**	853,618	840,218	846,140	866,481	857,520
Regulatory capital – Transitional basis ($m)						
Common equity tier 1 capital	**133,195**	134,606	134,481	136,050	133,383	136,050
Additional tier 1 capital	**23,714**	23,729	25,715	24,123	24,027	24,123
Tier 2 capital	**22,069**	22,787	22,921	24,250	24,424	24,250
Total regulatory capital	**178,978**	181,122	183,117	184,423	181,834	184,423
Regulatory capital – end-point basis ($m)						
Common equity tier 1 capital	**133,195**	134,606	134,481	136,050	133,383	136,050
Additional tier 1 capital	**22,408**	22,423	24,409	22,411	20,910	22,411
Tier 2 capital	**13,016**	13,662	13,870	14,743	14,861	14,743
Total regulatory capital	**168,619**	170,691	172,760	173,204	169,154	173,204
Capital ratios – transitional basis						
Common equity tier 1 ratio	**15.9 %**	15.6 %	15.9 %	15.9 %	15.6 %	15.9 %
Tier 1 ratio	**18.7 %**	18.4 %	18.9 %	18.7 %	18.4 %	18.7 %
Total capital ratio	**21.3 %**	21.0 %	21.6 %	21.5 %	21.2 %	21.5 %
Capital ratios – end-point basis						
Common equity tier 1 ratio	**15.9 %**	15.6 %	15.9 %	15.9 %	15.6 %	15.9 %
Tier 1 ratio	**18.5 %**	18.2 %	18.8 %	18.5 %	18.0 %	18.5 %
Total capital ratio	**20.1 %**	19.8 %	20.4 %	20.2 %	19.7 %	20.2 %
Leverage exposures ($m)	**2,964,827**	2,968,472	2,930,186	2,897,113	2,857,360	2,897,113
Leverage Ratio	**5.2 %**	5.3 %	5.4 %	5.5 %	5.4 %	5.5 %

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HSBC Holdings plc consolidated

Balance sheet metrics						
NAV / share ($) at the end of the period	**$8.70**	$8.69	$8.64	$8.62	$8.41	$8.62
TNAV / share ($) at the end of the period	**$7.81**	$7.81	$7.78	$7.75	$7.55	$7.75
Ordinary $0.50 shares						
Basic number of ordinary shares in issue (m)	**20,201**	20,223	20,226	20,184	20,173	20,184
	Quarter ended					Year ended
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Ordinary shares issued during the period (m)	**—**	3	56	1	1	55
of which scrip	**—**	—	—	—	—	—
Shares bought back during the period (m)	**—**	—	—	—	—	—
Other movements in basic number of ordinary shares during the period	**(22)**	(6)	(14)	10	10	(77)
Average basic number of ordinary shares outstanding during the period (m)	**20,213**	20,227	20,191	20,179	20,166	20,169
Balance sheet data – significant items- Totals ($m)						
Risk-weighted assets – disposals	—	—	—	—	—	—
Balance sheet data – currency translation on reported items – Totals ($m)						
Loans and advances to customers (net)		(14,151)	(11,192)	(15,283)	17,201	
Customer accounts		(21,851)	(17,283)	(22,234)	23,570	
Risk-weighted assets[1]		(8,674)	(6,617)	(11,380)	9,457	

1 Risk-weighted assets figures presented in the data pack are calculated using the regulatory transitional arrangements for IFRS 9 in article 473a of the Capital Requirements Regulation.

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HSBC Holdings plc

Net Interest Margin

	Quarter to date					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Average balances during period ($m)						
Short-term funds and loans and advances to banks	**471,201**	451,441	391,270	348,680	332,291	298,255
Loans and advances to customers	**1,057,515**	1,065,218	1,062,715	1,051,692	1,051,522	1,046,795
Reverse repurchase agreements – non-trading	**200,930**	191,927	211,034	225,791	217,516	221,901
Financial investments	**422,161**	438,848	458,435	470,099	481,113	463,542
Other interest-earning assets	**56,153**	51,519	55,464	62,741	59,012	62,407
Total interest-earning assets	**2,207,960**	2,198,953	2,178,918	2,159,003	2,141,454	2,092,900
Interest income during period ($m)						
Short-term funds and loans and advances to banks	**293**	267	240	247	257	1,264
Loans and advances to customers	**6,480**	6,516	6,489	6,663	6,750	29,391
Reverse repurchase agreements – non-trading	**290**	224	262	271	256	1,819
Financial investments	**1,648**	1,676	1,715	1,797	1,895	8,143
Other interest-earning assets	**299**	292	279	323	297	1,139
Total	**9,010**	8,975	8,985	9,301	9,455	41,756
Average balances during period ($m)						
Deposits by banks	**74,569**	74,029	72,767	73,622	64,908	65,536
Customer accounts	**1,364,573**	1,366,651	1,343,405	1,318,889	1,289,726	1,254,249
Repurchase agreements – non-trading	**112,142**	107,868	108,466	107,666	115,148	125,376
Debt securities in issue – non-trading	**189,253**	194,612	203,552	210,501	221,507	219,610
Other interest-bearing liabilities	**72,692**	67,541	69,221	74,224	76,861	76,395
Total interest-bearing liabilities	**1,813,229**	1,810,701	1,797,411	1,784,902	1,768,150	1,741,166
Non-interest bearing current accounts	**320,854**	316,041	305,390	294,420	272,658	267,944
Interest expense during period ($m)						
Deposits by banks	**44**	56	51	57	47	330
Customer accounts	**1,037**	1,005	1,015	1,116	1,292	6,478
Repurchase agreements – non-trading	**96**	81	85	106	103	963
Debt securities in issue – non-trading	**870**	911	953	1,043	1,182	4,944
Other interest-bearing liabilities	**353**	338	367	360	381	1,463
Total	**2,400**	2,391	2,471	2,682	3,005	14,178
Net interest margin (%)	**1.19 %**	1.20 %	1.21 %	1.22 %	1.20 %	1.32 %

HSBC
Wealth and Personal Banking

Reported ($m)	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net interest income	**3,541**	3,561	3,505	3,550	3,478	15,085
Net fee income	**1,496**	1,413	1,628	1,326	1,391	5,408
Other operating income/(expense)	**379**	733	560	444	540	1,506
Net operating income before change in expected credit losses and other credit impairment charges	**5,416**	**5,707**	**5,693**	**5,320**	**5,409**	**21,999**
Change in expected credit losses and other credit impairment charges	**237**	34	18	(310)	(343)	(2,855)
Total operating expenses	**(3,802)**	(3,943)	(3,874)	(4,006)	(3,871)	(15,446)
of which: staff expenses	***(1,422)***	*(1,516)*	*(1,576)*	*(1,588)*	*(1,438)*	*(5,801)*
Share of profit in associates and joint ventures	**13**	3	8	4	10	6
Profit/(loss) before tax	**1,864**	**1,801**	**1,845**	**1,008**	**1,205**	**3,704**
Reported Significant items – Totals ($m)						
Revenue	**(2)**	1	(1)	(1)	(32)	(14)
ECL	**—**	—	—	—	—	—
Operating expenses	**(34)**	(149)	(68)	(10)	(189)	(422)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**5,418**	**5,655**	**5,661**	**5,370**	**5,570**	**22,013**
of which: net interest income	***3,541***	*3,527*	*3,489*	*3,583*	*3,596*	*15,090*
of which: net fee income	***1,496***	*1,404*	*1,621*	*1,335*	*1,412*	*5,408*
Change in expected credit losses and other credit impairment charges	**237**	32	17	(316)	(370)	(2,855)
Total operating expenses	**(3,768)**	(3,755)	(3,780)	(4,029)	(3,772)	(15,024)
Share of profit in associates and joint ventures	**13**	2	8	5	10	6
Profit/(loss) before tax	**1,900**	**1,934**	**1,906**	**1,030**	**1,438**	**4,140**
Earnings metrics – adjusted						
Return on average tangible equity (annualised, YTD) [1]	**17.2 %**	17.9 %	18.8 %	9.1 %	7.6 %	9.1 %

Balance sheet – reported ($m)	Balance sheet date					Balance sheet date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**485,238**	495,465	478,784	474,088	464,193	474,088
Loans and advances to customers (net)	**481,795**	491,320	474,260	469,186	459,516	469,186
Total external assets	**916,178**	912,479	880,152	881,918	851,093	881,918
Customer accounts	**844,611**	841,257	842,532	834,759	793,612	834,759
Risk-weighted assets	**177,032**	184,973	171,945	172,787	173,160	172,787
Adjusted balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**481,795**	483,765	468,200	461,925	468,288	469,186
Customer accounts	**844,611**	830,806	834,041	824,344	803,966	834,759
Risk-weighted assets	**177,032**	182,900	170,465	170,297	174,991	172,787

HSBC
Wealth and Personal Banking

Management View of Adjusted Revenue – at originally reported average FX rates ($m)[2]	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Wealth	**2,166**	**2,439**	**2,382**	**2,053**	**2,160**	**7,818**
– investment distribution	**870**	826	1,025	736	872	3,209
– life insurance manufacturing	**518**	871	568	628	601	1,816
– Private Banking	**467**	446	488	407	418	1,746
Net interest income	**161**	163	156	156	142	670
Non interest income	**306**	283	332	251	276	1,076
– asset management	**311**	296	301	282	269	1,047
Personal Banking	**3,067**	**3,093**	**3,051**	**3,043**	**2,999**	**12,938**
Net interest income	**2,710**	2,753	2,703	2,721	2,686	11,708
Non interest income	**357**	340	348	322	313	1,230
Other	**185**	175	261	225	282	1,257
Net operating income	**5,418**	**5,707**	**5,694**	**5,321**	**5,441**	**22,013**
Management View of Adjusted Revenue – at most recent period average FX rates ($m)[2]						
Wealth	**2,166**	**2,422**	**2,368**	**2,058**	**2,188**	**7,818**
– investment distribution	**870**	821	1,021	738	881	3,209
– life insurance manufacturing	**518**	866	563	627	609	1,816
– Private Banking	**467**	442	485	409	424	1,746
Net interest income	**161**	162	156	157	144	670
Non interest income	**306**	280	329	252	280	1,076
– asset management	**311**	293	299	284	274	1,047
Personal Banking	**3,067**	**3,062**	**3,038**	**3,089**	**3,098**	**12,938**
Net interest income	**2,710**	2,725	2,693	2,762	2,777	11,708
Non interest income	**357**	337	345	327	321	1,230
Other	**185**	171	255	223	284	1,257
Net operating income	**5,418**	**5,655**	**5,661**	**5,370**	**5,570**	**22,013**

Wealth and Personal Banking

Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	(1)	—	(31)	(5)
Disposals, acquisitions and investment in new businesses	**—**	—	—	(1)	(1)	(9)
Fair value movement on financial instruments	**(1)**	1	—	—	—	—
Restructuring and other related costs	**(1)**	—	—	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**(5)**	(25)	12	109	4	64
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	15	(224)	(294)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(29)**	(124)	(80)	(134)	31	(192)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	—	—	—	—	—	—
Reported Balance sheet data – significant items – Totals ($m)						
Risk-weighted assets – disposals	—	—	—	—	—	—
Reconciling items – Currency translation on reported items – Totals ($m)						
Revenue		(52)	(33)	51	127	
ECL		(2)	(1)	(6)	(27)	
Operating expenses		40	27	(31)	(87)	
Share of profit in associates and joint ventures		(1)	—	1	—	
Currency translation on revenue significant items		(1)	—	2	(2)	
Currency translation on operating expense significant items		1	1	2	3	
Currency translation on share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(7,555)	(6,060)	(7,261)	8,772	
Customer accounts		(10,451)	(8,491)	(10,415)	10,354	
Risk-weighted assets		(2,073)	(1,480)	(2,490)	1,831	

1 RoTE excluding significant items. Since 1 January 2021, the UK bank levy has no longer been excluded from the calculation of this measure. Comparative data have not been re-presented.
2 With effect from the first quarter of 2021, certain items within the management view of adjusted revenue have been renamed. 'Wealth Management' has been renamed 'Wealth' and 'Retail Banking' has been renamed 'Personal Banking'.

HSBC
Commercial Banking

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net interest income	**2,236**	2,204	2,182	2,210	2,208	9,301
Net fee income	**925**	898	888	808	787	3,225
Other operating income	**213**	219	279	128	153	768
Net operating income before change in expected credit losses and other credit impairment charges	**3,374**	**3,321**	**3,349**	**3,146**	**3,148**	**13,294**
Change in expected credit losses and other credit impairment charges	**272**	19	230	(874)	(354)	(4,754)
Total operating expenses	**(1,706)**	(1,785)	(1,759)	(1,916)	(1,587)	(6,900)
of which: staff expenses	***(605)***	*(659)*	*(640)*	*(789)*	*(619)*	*(2,606)*
Share of profit in associates and joint ventures	**—**	—	1	(1)	—	(1)
Profit/(loss) before tax	**1,940**	**1,555**	**1,821**	**355**	**1,207**	**1,639**
Reported Significant items – Totals ($m)						
Revenue	**—**	—	18	(1)	(17)	(18)
ECL	**—**	—	—	—	—	—
Operating expenses	**(33)**	(16)	(3)	(152)	48	(211)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**3,374**	**3,282**	**3,311**	**3,186**	**3,247**	**13,312**
of which: net interest income	***2,236***	*2,180*	*2,148*	*2,231*	*2,278*	*9,317*
of which: net fee income	***925***	*887*	*883*	*820*	*807*	*3,225*
Change in expected credit losses and other credit impairment charges	**272**	18	228	(891)	(363)	(4,754)
Total operating expenses	**(1,673)**	(1,750)	(1,744)	(1,782)	(1,678)	(6,689)
Share of profit in associates and joint ventures	**—**	—	1	—	—	(1)
Profit/(loss) before tax	**1,973**	**1,550**	**1,796**	**513**	**1,206**	**1,868**
Earnings metrics – adjusted						
Return on average tangible equity (annualised, YTD) [1]	**11.6 %**	11.1 %	11.5 %	1.3 %	1.1 %	1.3 %

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**352,101**	358,460	351,236	351,098	350,947	351,098
Loans and advances to customers (net)	**345,156**	350,945	343,623	343,182	343,702	343,182
Total external assets	**624,523**	624,042	605,417	570,295	555,635	570,295
Customer accounts	**488,201**	485,689	470,872	470,428	431,021	470,428
Risk-weighted assets	**326,902**	332,084	326,818	327,734	332,378	327,734
Adjusted balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**345,156**	346,592	340,400	338,621	349,233	343,182
Customer accounts	**488,201**	479,093	466,007	464,418	438,679	470,428
Risk-weighted assets	**326,902**	328,014	323,792	322,966	337,682	327,734

HSBC
Commercial Banking

	Quarter ended					Year to date
Management View of Adjusted Revenue – at originally reported average FX rates ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Global Trade and Receivables Finance	**500**	478	455	423	429	1,744
Credit and Lending	**1,520**	1,497	1,468	1,457	1,442	5,640
Global Liquidity and Cash Management [2]	**896**	879	862	898	920	4,146
Markets products, Insurance and Investments and other	**458**	466	546	369	374	1,782
– *of which: share of revenue from Markets and Securities Services and Banking products*	***266***	*265*	*259*	*231*	*221*	*920*
Net operating income	**3,374**	**3,320**	**3,331**	**3,147**	**3,165**	**13,312**
Management View of Adjusted Revenue – at most recent period average FX rates ($m)						
Global Trade and Receivables Finance	**500**	474	452	426	436	1,744
Credit and Lending	**1,520**	1,479	1,459	1,481	1,482	5,640
Global Liquidity and Cash Management [2]	**896**	870	857	908	943	4,146
Markets products, Insurance and Investments and other	**458**	459	543	371	386	1,782
– *of which: share of revenue from Markets and Securities Services and Banking products*	***266***	*262*	*257*	*234*	*227*	*920*
Net operating income	**3,374**	**3,282**	**3,311**	**3,186**	**3,247**	**13,312**
Reported Revenue significant items ($m)						
Customer redress programmes	**—**	—	19	1	(17)	(16)
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movement on financial instruments	**—**	—	1	(1)	—	(1)
Restructuring and other related costs	**—**	—	(2)	(1)	—	(1)
Reported Cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	(1)
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	(1)	(3)	(45)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(33)**	(16)	(3)	(151)	51	(165)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—

HSBC
Commercial Banking

Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	—	—	—	—	—	—
Reported Balance sheet data – significant items – Totals ($m)						
Risk-weighted assets – disposals	—	—	—	—	—	—
Reconciling items Currency translation on reported items – Totals ($m)						
Revenue		(39)	(20)	39	82	
ECL		(1)	(2)	(17)	(9)	
Operating expenses		19	12	(19)	(41)	
Share of profit in associates and joint ventures		—	—	1	—	
Currency translation on revenue significant items		—	—	—	—	
Currency translation on operating expense significant items		—	—	(1)	2	
Currency translation on share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(4,353)	(3,223)	(4,561)	5,531	
Customer accounts		(6,596)	(4,865)	(6,010)	7,658	
Risk-weighted assets		(4,070)	(3,026)	(4,768)	5,304	

1 RoTE excluding significant items. Since 1 January 2021, the UK bank levy has no longer been excluded from the calculation of this measure. Comparative data have not been re-presented.
2 With effect from January 2021, a change in the transfer pricing methodology resulted in a reduction in revenue for GLCM, offset in Other, leaving CMB quarterly revenue unchanged. All prior quarters have be re-presented on the revised basis.

HSBC
Global Banking and Markets

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net interest income	**1,020**	999	1,025	1,106	1,040	4,518
Net fee income	**923**	909	950	841	818	3,267
Other operating income	**1,568**	1,580	2,240	1,352	1,652	7,209
Net operating income before change in expected credit losses and other credit impairment charges	**3,511**	**3,488**	**4,215**	**3,299**	**3,510**	**14,994**
Change in expected credit losses and other credit impairment charges	**147**	224	190	9	(100)	(1,209)
Total operating expenses	**(2,382)**	(2,482)	(2,576)	(2,604)	(2,412)	(10,169)
of which: staff expenses	***(904)***	*(1,048)*	*(1,042)*	*(1,179)*	*(999)*	*(3,973)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**1,276**	**1,230**	**1,829**	**704**	**998**	**3,616**
Reported Significant items – Totals ($m)						
Revenue	**(93)**	(98)	(77)	(212)	(104)	(309)
ECL	**—**	—	—	—	—	—
Operating expenses	**(47)**	(44)	(29)	(134)	(130)	(905)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**3,604**	3,544	4,258	3,537	3,709	15,303
of which: net interest income	***1,020***	*990*	*1,014*	*1,102*	*1,056*	*4,518*
of which: net fee income	***923***	*899*	*939*	*834*	*825*	*3,267*
Change in expected credit losses and other credit impairment charges	**147**	224	189	8	(103)	(1,209)
Total operating expenses	**(2,335)**	(2,408)	(2,526)	(2,507)	(2,358)	(9,264)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**1,416**	**1,360**	**1,921**	**1,038**	**1,248**	**4,830**
Earnings metrics – adjusted						
Return on average tangible equity (annualised, YTD) [1]	**10.1 %**	10.7 %	12.1 %	6.7 %	6.9 %	6.7 %

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**213,087**	217,292	222,660	226,024	238,670	226,024
Loans and advances to customers (net)	**211,976**	216,098	221,223	224,364	236,902	224,364
Total external assets	**1,265,530**	1,258,694	1,281,710	1,347,440	1,380,766	1,347,440
Customer accounts	**354,466**	341,242	335,823	336,983	343,365	336,983
Risk-weighted assets	**249,081**	255,158	254,587	265,147	267,162	265,147
Adjusted balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**211,976**	213,872	219,328	220,926	239,778	224,364
Customer accounts	**354,466**	336,460	331,910	331,189	348,905	336,983
Risk-weighted assets	**249,081**	252,932	252,822	261,643	269,255	265,147

HSBC
Global Banking and Markets

Management View of Adjusted Revenue – at originally reported average FX rates ($m)[2]	Quarter ended					Year to date
	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Markets and Securities Services	**1,985**	**1,941**	**2,492**	**1,919**	**2,022**	**8,787**
Securities Services	**528**	472	452	439	409	1,792
Global Debt Markets	**164**	317	396	118	300	1,415
Global Foreign Exchange	**772**	728	952	820	827	4,046
Equities	**348**	223	419	298	226	831
Securities Financing	**222**	198	240	174	228	955
Credit and Funding Valuation Adjustments	**(49)**	3	33	70	32	(252)
Banking	**1,659**	**1,661**	**1,630**	**1,571**	**1,595**	**6,599**
Global Trade and Receivables Finance	**180**	180	178	167	173	686
Global Liquidity and Cash Management	**465**	448	444	465	454	2,005
Credit & Lending	**629**	658	654	649	672	2,622
Capital Markets & Advisory	**337**	320	291	253	278	1,033
Other	**48**	55	63	37	18	253
GBM Other	**(40)**	**(16)**	**170**	**21**	**(3)**	**(83)**
Principal Investments	**88**	64	173	74	52	114
Other	**(128)**	(80)	(3)	(53)	(55)	(197)
Net operating income	**3,604**	**3,586**	**4,292**	**3,511**	**3,614**	**15,303**

Management View of Adjusted Revenue – at most recent period average FX rates ($m)[2]	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Markets and Securities Services	**1,985**	**1,921**	**2,473**	**1,927**	**2,066**	**8,787**
Securities services	**528**	467	448	436	417	1,792
Global Debt Markets	**164**	314	394	118	306	1,415
Global Foreign Exchange	**772**	721	944	821	842	4,046
Equities	**348**	220	416	302	233	831
Securities Financing	**222**	196	239	178	233	955
Credit and Funding Valuation Adjustments	**(49)**	3	32	72	35	(252)
Banking	**1,659**	**1,646**	**1,617**	**1,575**	**1,626**	**6,599**
Global Trade and Receivables Finance	**180**	178	176	168	176	686
Global Liquidity and Cash Management	**465**	444	440	464	460	2,005
Credit & Lending	**629**	650	648	656	686	2,622
Capital Markets & Advisory	**337**	317	289	255	286	1,033
Other	**48**	57	64	32	18	253
GBM Other	**(40)**	**(23)**	**168**	**35**	**17**	**(83)**
Principal Investments	**88**	63	173	71	53	114
Other	**(128)**	(86)	(5)	(36)	(36)	(197)
Net operating income	**3,604**	**3,544**	**4,258**	**3,537**	**3,709**	**15,303**

HSBC
Global Banking and Markets

Reported Revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movement on financial instruments	**9**	(1)	(12)	(64)	(3)	(2)
Restructuring and other related costs	**(102)**	(97)	(65)	(148)	(101)	(307)
Reported Cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	1	(11)	(577)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(47)**	(44)	(29)	(135)	(119)	(326)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	(2)
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Reported Balance sheet data – significant items – Totals ($m)						
Risk-weighted assets – disposals	—	—	—	—	—	—
Reconciling items Currency translation on reported items – Totals ($m)						
Revenue		(41)	(34)	20	93	
ECL		—	(1)	(1)	(3)	
Operating expenses		31	21	(39)	(79)	
Share of profit in associates and joint ventures		—	—	—	—	
Currency translation on revenue significant items		1	—	(6)	(2)	
Currency translation on operating expense significant items		1	—	(2)	(3)	
Currency translation on share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(2,226)	(1,895)	(3,438)	2,876	
Customer accounts		(4,782)	(3,913)	(5,794)	5,540	
Risk-weighted assets		(2,226)	(1,765)	(3,504)	2,093	

1 RoTE excluding significant items. Since 1 January 2021, the UK bank levy has no longer been excluded from the calculation of this measure. Comparative data have not been re-presented.
2 With effect from the first quarter of 2021, the management view of adjusted revenue has been revised to align with changes to the management responsibilities of the business and how we assess business performance. All prior quarters have been re-presented on the new basis.

HSBC
Corporate Centre

Reported ($m)	Quarter ended 30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	Year to date 31-Dec-20
Net interest income	**(187)**	(180)	(198)	(247)	(276)	(1,326)
Net fee income	**(22)**	(9)	(3)	(8)	(15)	(26)
Other operating income	**(80)**	238	(70)	247	151	1,494
Net operating income before change in expected credit losses and other credit impairment charges	**(289)**	**49**	**(271)**	**(8)**	**(140)**	**142**
Change in expected credit losses and other credit impairment charges	**3**	7	(3)	1	12	1
Total operating expenses	**(99)**	(350)	(318)	(1,338)	(171)	(1,917)
of which: staff expenses	***(1,199)***	*(1,466)*	*(1,663)*	*(1,523)*	*(1,427)*	*(5,696)*
Share of profit in associates and joint ventures	**708**	768	876	663	(37)	1,592
Profit/(loss) before tax	**323**	**474**	**284**	**(682)**	**(336)**	**(182)**
Reported Significant items – Totals ($m)						
Revenue	**(94)**	138	(227)	147	15	404
ECL	**—**	—	—	—	—	—
Operating expenses	**(290)**	(332)	(224)	(462)	(359)	(1,435)
Share of profit in associates and joint ventures	**—**	—	—	—	(462)	(462)
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	(195)	**(86)**	**(40)**	**(147)**	**(152)**	**(262)**
of which: net interest expense	***(187)***	*(179)*	*(199)*	*(248)*	*(284)*	*(1,326)*
of which: net fee income/(expense)	***(21)***	*(8)*	*(3)*	*(9)*	*(15)*	*(26)*
Change in expected credit losses and other credit impairment charges	**3**	6	(2)	—	13	1
Total operating expenses	**191**	(23)	(100)	(881)	196	(482)
Share of profit in associates and joint ventures	**708**	767	877	675	449	2,054
Profit/(loss) before tax	**707**	**664**	**735**	**(353)**	**506**	**1,311**
Earnings metrics – adjusted						
Return on average tangible equity (annualised, YTD) [1]	**5.4 %**	5.1 %	7.4 %	3.1 %	4.6 %	3.1 %

Balance sheet – reported ($m)	Balance sheet date 30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	Balance sheet date 31-Dec-20
Loans and advances to customers (gross)	**760**	1,157	1,112	1,268	1,233	1,268
Loans and advances to customers (net)	**750**	1,148	1,101	1,255	1,220	1,255
Total external assets	**162,560**	180,790	191,350	184,511	168,441	184,511
Customer accounts	**704**	903	792	610	716	610
Risk-weighted assets	**86,169**	90,077	93,485	91,852	84,324	91,852
Adjusted balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**750**	1,131	1,087	1,232	1,242	1,255
Customer accounts	**704**	881	778	595	734	610
Risk-weighted assets	**86,169**	89,772	93,139	91,234	84,553	91,852

HSBC
Corporate Centre

	Quarter ended					Year to date
Management View of Adjusted Revenue – at originally reported average FX rates ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Central Treasury	**(35)**	(27)	(28)	(12)	(32)	156
Legacy Credit	**(35)**	7	9	3	28	(17)
Other	**(125)**	(69)	(25)	(146)	(151)	(401)
Net operating income	**(195)**	**(89)**	**(44)**	**(155)**	**(155)**	**(262)**
Memo						
Markets Treasury previously reported in Corporate Centre – now allocated to global businesses [2]	**524**	515	805	610	671	2,809
Management View of Adjusted Revenue – at most recent period average FX rates ($m)						
Central Treasury	**(35)**	(27)	(28)	(12)	(32)	156
Legacy Credit	**(35)**	6	9	3	28	(17)
Other	**(125)**	(65)	(21)	(138)	(148)	(401)
Net operating income	**(195)**	**(86)**	**(40)**	**(147)**	**(152)**	**(262)**
Memo						
Markets Treasury previously reported in Corporate Centre – now allocated to global businesses [2]	**524**	510	798	603	672	2,809
Reported Revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	(1)	1	(1)
Fair value movement on financial instruments	**(72)**	45	(228)	19	14	267
Restructuring and other related costs	**(22)**	93	1	129	—	138
Reported Cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**(2)**	(2)	(2)	(2)	(7)	(9)
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	(23)	181	(174)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	(17)	—	(17)
Restructuring and other related costs	**(288)**	(330)	(222)	(416)	(530)	(1,225)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	(4)	(3)	(10)

Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	—	—	—	—	(462)	(462)
Reported Balance sheet data – significant items – Totals ($m)						
Risk-weighted assets – disposals	—	—	—	—	—	—
Reconciling items Currency translation on reported items – Totals ($m)						
Revenue		2	4	14	1	
ECL		(1)	1	(1)	1	
Operating expenses		(1)	(6)	(11)	(3)	
Share of profit in associates and joint ventures		(1)	1	12	24	
Currency translation on revenue significant items		(1)	—	6	(2)	
Currency translation on operating expense significant items		4	—	(6)	(11)	
Currency translation on share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(17)	(14)	(23)	22	
Customer accounts		(22)	(14)	(15)	18	
Risk-weighted assets		(305)	(346)	(618)	229	

1 RoTE excluding significant items. Since 1 January 2021, the UK bank levy has no longer been excluded from the calculation of this measure. Comparative data have not been re-presented.
2 At 4Q20 we renamed our Balance Sheet Management function as Markets Treasury to reflect the activities it undertakes more accurately and its relationship to our Group Treasury function more broadly.

HSBC
Europe

Europe – TOTAL	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net interest income	**1,720**	1,614	1,528	1,521	1,391	5,695
Net fee income	**985**	961	964	927	827	3,501
Other operating income	**1,979**	2,602	2,560	2,506	2,271	9,223
Net operating income before change in expected credit losses and other credit impairment charges	**4,684**	**5,177**	**5,052**	**4,954**	**4,489**	**18,419**
Change in expected credit losses and other credit impairment charges	**657**	333	337	(513)	(353)	(3,751)
Total operating expenses	**(4,300)**	(4,557)	(4,527)	(5,715)	(4,058)	(18,874)
of which: staff expenses	***(1,667)***	*(1,900)*	*(1,971)*	*(2,293)*	*(1,848)*	*(7,324)*
Share of profit in associates and joint ventures	**101**	18	135	45	6	1
Profit/(loss) before tax	**1,142**	**971**	**997**	**(1,229)**	**84**	**(4,205)**
Reported Significant items – Totals ($m)						
Revenue	**(67)**	156	(235)	102	(90)	242
ECL	**—**	—	—	—	—	—
Operating expenses	**(340)**	(357)	(277)	(648)	(224)	(2,203)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**4,751**	**4,936**	**5,261**	**4,997**	**4,842**	**18,177**
of which: net interest income	***1,720***	*1,580*	*1,502*	*1,593*	*1,556*	*5,716*
Change in expected credit losses and other credit impairment charges	**657**	329	338	(537)	(362)	(3,751)
Total operating expenses	**(3,960)**	(4,141)	(4,229)	(5,178)	(4,014)	(16,671)
Share of profit in associates and joint ventures	**101**	17	135	47	7	1
Profit/(loss) before tax	**1,549**	**1,141**	**1,505**	**(671)**	**473**	**(2,244)**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**402,922**	408,278	411,365	414,940	404,224	414,940
Loans and advances to customers (net)	**398,308**	402,778	405,493	408,495	398,181	408,495
Total external assets	**1,273,063**	1,294,594	1,301,898	1,337,006	1,307,736	1,337,006
Customer accounts	**666,968**	663,996	643,162	629,647	593,172	629,647
Risk-weighted assets[1]	**262,727**	269,873	271,481	284,322	281,223	284,322
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**398,308**	393,228	397,392	399,568	410,739	408,495
Customer accounts	**666,968**	648,200	630,229	616,887	612,860	629,647

Europe – Wealth and Personal Banking

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**1,684**	**1,749**	**1,804**	**1,754**	**1,608**	**6,490**
of which: net interest income	***1,106***	*1,150*	*1,075*	*1,055*	*1,011*	*4,182*
Change in expected credit losses and other credit impairment charges	**239**	115	113	(78)	(114)	(1,167)
Total operating expenses	**(1,353)**	(1,445)	(1,484)	(1,595)	(1,357)	(6,003)
of which: staff expenses	***(473)***	*(513)*	*(556)*	*(597)*	*(482)*	*(1,993)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**570**	**419**	**433**	**81**	**137**	**(680)**
Reported Significant items – Totals ($m)						
Revenue	**(5)**	2	(8)	(8)	(31)	(13)
ECL	**—**	—	—	—	—	—
Operating expenses	**(8)**	(53)	(48)	39	56	(72)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**1,689**	**1,718**	**1,801**	**1,818**	**1,731**	**6,503**
of which: net interest income	***1,106***	*1,132*	*1,073*	*1,093*	*1,105*	*4,187*
Change in expected credit losses and other credit impairment charges	**239**	115	114	(83)	(118)	(1,167)
Total operating expenses	**(1,345)**	(1,370)	(1,429)	(1,676)	(1,482)	(5,931)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**583**	**463**	**486**	**59**	**131**	**(595)**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**223,077**	225,163	220,955	220,255	206,497	220,255
Loans and advances to customers (net)	**221,470**	223,159	218,760	217,870	204,244	217,870
Total external assets	**366,588**	370,719	357,796	361,385	334,722	361,385
Customer accounts	**308,793**	310,128	300,962	289,610	267,190	289,610
Risk-weighted assets	**52,312**	53,678	52,871	54,297	48,065	54,297
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**221,470**	217,907	214,362	213,379	210,992	217,870
Customer accounts	**308,793**	302,804	294,811	284,002	276,360	289,610

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Europe

Europe – Commercial Banking	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**1,208**	**1,200**	**1,210**	**1,201**	**1,134**	**4,573**
of which: net interest income	***737***	*747*	*756*	*730*	*701*	*2,766*
Change in expected credit losses and other credit impairment charges	**353**	161	192	(416)	(233)	(2,022)
Total operating expenses	**(653)**	(691)	(727)	(899)	(638)	(3,080)
of which: staff expenses	***(234)***	*(249)*	*(249)*	*(396)*	*(241)*	*(1,094)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**908**	**670**	**675**	**(114)**	**263**	**(529)**
Reported Significant items – Totals ($m)						
Revenue	**—**	1	17	(3)	(16)	(19)
ECL	**—**	—	—	—	—	—
Operating expenses	**(15)**	—	(7)	(140)	55	(190)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**1,208**	**1,180**	**1,188**	**1,247**	**1,220**	**4,592**
of which: net interest income	***737***	*734*	*734*	*759*	*764*	*2,782*
Change in expected credit losses and other credit impairment charges	**353**	158	193	(433)	(238)	(2,022)
Total operating expenses	**(638)**	(682)	(719)	(781)	(728)	(2,890)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**923**	**656**	**662**	**33**	**254**	**(320)**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**121,670**	124,224	126,733	129,719	126,195	129,719
Loans and advances to customers (net)	**119,245**	121,356	123,685	126,407	123,250	126,407
Total external assets	**263,604**	271,509	263,370	233,042	219,598	233,042
Customer accounts	**205,672**	207,253	202,858	200,647	181,865	200,647
Risk-weighted assets	**106,408**	112,444	111,942	115,252	118,664	115,252
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**119,245**	118,454	121,219	123,619	127,078	126,407
Customer accounts	**205,672**	202,272	198,830	196,486	187,874	200,647

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Europe

Europe – Global Banking and Markets	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**1,080**	**1,204**	**1,506**	**1,048**	**1,168**	**4,476**
of which: net interest income	***36***	*32*	*39*	*94*	*56*	*210*
Change in expected credit losses and other credit impairment charges	**62**	54	36	(21)	(18)	(569)
Total operating expenses	**(1,272)**	(1,326)	(1,357)	(1,400)	(1,289)	(5,717)
of which: staff expenses	***(426)***	*(477)*	*(478)*	*(599)*	*(511)*	*(1,905)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**(130)**	**(68)**	**185**	**(373)**	**(139)**	**(1,810)**
Reported Significant items – Totals ($m)						
Revenue	**(95)**	(87)	(63)	(169)	(58)	(249)
ECL	**—**	—	—	—	—	—
Operating expenses	**(31)**	(25)	(20)	(124)	(115)	(855)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**1,175**	**1,265**	**1,558**	**1,255**	**1,309**	**4,725**
of which: net interest income	***36***	*29*	*38*	*99*	*65*	*210*
Change in expected credit losses and other credit impairment charges	**62**	53	35	(22)	(19)	(569)
Total operating expenses	**(1,241)**	(1,277)	(1,325)	(1,318)	(1,245)	(4,862)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**(4)**	**41**	**268**	**(85)**	**45**	**(706)**
	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**57,608**	58,252	63,037	64,135	70,721	64,135
Loans and advances to customers (net)	**57,037**	57,632	62,420	63,402	69,888	63,402
Total external assets	**583,022**	596,433	623,448	687,630	699,711	687,630
Customer accounts	**151,799**	145,714	138,605	138,833	143,456	138,833
Risk-weighted assets	**91,018**	91,217	94,448	102,616	103,219	102,616
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**57,037**	56,250	61,196	61,774	71,847	63,402
Customer accounts	**151,799**	142,244	135,865	135,858	147,949	138,833

Europe – Corporate Centre

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**711**	**1,025**	**533**	**949**	**579**	**2,878**
of which: net interest income/(expense)	**(160)**	(316)	(343)	(358)	(376)	(1,462)
Change in expected credit losses and other credit impairment charges	**2**	1	(5)	—	13	6
Total operating expenses	**(1,020)**	(1,097)	(960)	(1,819)	(775)	(4,073)
of which: staff expenses	***(533)***	*(662)*	*(690)*	*(702)*	*(613)*	*(2,332)*
Share of profit in associates and joint ventures	**101**	19	136	46	5	1
Profit/(loss) before tax	**(206)**	**(52)**	**(296)**	**(824)**	**(178)**	**(1,188)**
Reported Significant items – Totals ($m)						
Revenue	**35**	241	(179)	283	15	524
ECL	**—**	—	—	—	—	—
Operating expenses	**(285)**	(282)	(207)	(426)	(218)	(1,087)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**676**	**776**	**713**	**678**	**581**	**2,354**
of which: net interest expense	***(160)***	*(315)*	*(343)*	*(359)*	*(377)*	*(1,462)*
Change in expected credit losses and other credit impairment charges	**2**	2	(4)	1	13	6
Total operating expenses	**(735)**	(812)	(755)	(1,403)	(560)	(2,986)
Share of profit in associates and joint ventures	**101**	18	135	47	6	1
Profit/(loss) before tax	**44**	**(16)**	**89**	**(677)**	**40**	**(625)**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**567**	641	639	829	811	829
Loans and advances to customers (net)	**557**	631	628	816	799	816
Total external assets	**59,849**	55,933	57,283	54,951	53,704	54,951
Customer accounts	**705**	902	737	557	661	557
Risk-weighted assets	**12,989**	12,534	12,220	12,157	11,275	12,157
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**557**	616	616	797	822	816
Customer accounts	**705**	880	723	542	677	557

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Europe

SIGNIFICANT ITEMS

Europe – TOTAL

	Quarter ended					Year to date
Reported revenue significant items ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Customer redress programmes	**—**	—	18	1	(48)	(21)
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**(64)**	48	(236)	(10)	12	254
Restructuring and other related costs	**(3)**	108	(17)	111	(54)	9
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**(7)**	(27)	10	107	(3)	54
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	(3)	184	(803)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	(17)	—	(17)
Restructuring and other related costs	**(333)**	(330)	(287)	(731)	(399)	(1,425)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	(4)	(6)	(12)
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Europe – Wealth and Personal Banking						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	(1)	—	(31)	(5)
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**(5)**	2	(7)	(8)	—	(8)
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**(5)**	(25)	12	109	3	64
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	(1)	(45)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(3)**	(28)	(60)	(70)	54	(91)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—

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Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Europe – Commercial Banking						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	20	—	(16)	(16)
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	(1)	—	(1)
Restructuring and other related costs	**—**	1	(3)	(2)	—	(2)
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	(1)
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	(3)	—	(44)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(15)**	—	(7)	(137)	55	(145)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Europe – Global Banking and Markets						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**9**	3	(8)	(29)	(3)	(6)
Restructuring and other related costs	**(104)**	(90)	(55)	(140)	(55)	(243)

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Europe

Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	(6)	(573)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(31)**	(25)	(20)	(124)	(109)	(280)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	(2)
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Europe – Corporate Centre						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**(73)**	45	(228)	21	15	262
Restructuring and other related costs	**108**	196	49	262	—	262
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**(2)**	(3)	(3)	(4)	(5)	(9)
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	(1)	191	(142)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	(17)	—	(17)
Restructuring and other related costs	**(283)**	(280)	(205)	(401)	(400)	(909)
Settlements and provisions in connection with legal and regulatory matters	**—**	1	1	(3)	(4)	(10)
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Reconciling items – Currency translation on reported items – Totals ($m)						
Europe – TOTAL						
Revenue		(86)	(26)	149	256	
ECL		(4)	1	(24)	(9)	
Operating expenses		63	22	(123)	(190)	
Share of profit in associates and joint ventures		(1)	—	2	1	

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Europe

Revenue significant items		(1)	—	4	(7)
Operating expense significant items		4	1	(12)	(10)
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(9,550)	(8,101)	(8,927)	12,558
Customer accounts		(15,796)	(12,933)	(12,760)	19,688
Europe – Wealth and Personal Banking					
Revenue		(29)	(11)	58	90
ECL		—	1	(5)	(4)
Operating expenses		23	7	(42)	(68)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	2	(2)
Operating expense significant items		1	—	—	1
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(5,252)	(4,398)	(4,491)	6,748
Customer accounts		(7,324)	(6,151)	(5,608)	9,170
Europe – Commercial Banking					
Revenue		(21)	(5)	45	69
ECL		(3)	1	(17)	(5)
Operating expenses		12	4	(22)	(34)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		(2)	—	2	(1)
Operating expense significant items		3	3	—	1
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(2,902)	(2,466)	(2,788)	3,828
Customer accounts		(4,981)	(4,028)	(4,161)	6,009

Europe – Global Banking and Markets					
Revenue		(27)	(12)	31	80
ECL		(1)	(1)	(1)	(1)
Operating expenses		23	11	(44)	(74)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		(1)	(1)	(7)	(3)
Operating expense significant items		(1)	(1)	(2)	(3)
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(1,382)	(1,224)	(1,628)	1,959
Customer accounts		(3,470)	(2,740)	(2,975)	4,493
Europe – Corporate Centre					
Revenue		(9)	—	17	17
ECL		1	1	1	—
Operating expenses		9	1	(17)	(15)
Share of profit in associates and joint ventures		(1)	(1)	1	1
Revenue significant items		(1)	(1)	5	—
Operating expense significant items		6	3	(7)	(12)
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(15)	(12)	(19)	23
Customer accounts		(22)	(14)	(15)	16

1 Risk-weighted assets are non-additive across geographical regions due to market risk diversification effects within the Group.

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HSBC UK – TOTAL	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net interest income	**1,593**	1,625	1,556	1,503	1,433	5,839
Net fee income	**389**	351	313	345	290	1,304
Other operating income	**162**	152	201	149	134	596
Net operating income before change in expected credit losses and other credit impairment charges	**2,144**	**2,128**	**2,070**	**1,997**	**1,857**	**7,739**
Change in expected credit losses and other credit impairment charges	**563**	281	288	(499)	(160)	(2,678)
Total operating expenses	**(1,213)**	(1,350)	(1,280)	(1,291)	(1,170)	(4,815)
of which: staff expenses	***(359)***	*(384)*	*(340)*	*(412)*	*(292)*	*(1,267)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**1,494**	**1,059**	**1,078**	**207**	**527**	**246**
Reported Significant items – Totals ($m)						
Revenue	**—**	—	17	(1)	(47)	(22)
ECL	**—**	—	—	—	—	—
Operating expenses	**(84)**	(121)	(79)	(104)	(33)	(200)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**2,144**	**2,097**	**2,051**	**2,085**	**2,032**	**7,761**
of which: net interest income	***1,593***	*1,602*	*1,539*	*1,570*	*1,579*	*5,860*
Change in expected credit losses and other credit impairment charges	**563**	279	290	(518)	(171)	(2,678)
Total operating expenses	**(1,129)**	(1,212)	(1,203)	(1,239)	(1,214)	(4,615)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**1,578**	**1,164**	**1,138**	**328**	**647**	**468**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**264,807**	268,872	266,423	265,468	249,187	265,468
Loans and advances to customers (net)	**261,952**	265,240	262,442	261,109	245,312	261,109
Total external assets	**435,607**	444,450	424,987	414,816	376,763	414,816
Customer accounts	**372,655**	378,211	365,650	354,099	319,899	354,099
Risk-weighted assets	**111,920**	116,868	115,733	116,710	115,539	116,710
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**261,952**	258,801	256,508	257,896	256,237	261,109
Customer accounts	**372,655**	369,031	357,382	349,742	334,146	354,099

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HSBC UK – Wealth and Personal Banking	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**1,163**	**1,159**	**1,100**	**1,062**	**987**	**4,199**
of which: net interest income	***947***	*982*	*903*	*875*	*833*	*3,463*
Change in expected credit losses and other credit impairment charges	**227**	112	107	(132)	(45)	(1,068)
Total operating expenses	**(745)**	(851)	(825)	(744)	(740)	(3,018)
of which: staff expenses	***(220)***	*(238)*	*(246)*	*(278)*	*(205)*	*(887)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**645**	**420**	**382**	**186**	**202**	**113**
Reported Significant items – Totals ($m)						
Revenue	**—**	—	(1)	—	(31)	(5)
ECL	**—**	—	—	—	—	—
Operating expenses	**(9)**	(40)	(46)	15	—	(33)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**1,163**	**1,142**	**1,100**	**1,109**	**1,087**	**4,204**
of which: net interest income	***947***	*967*	*903*	*914*	*922*	*3,468*
Change in expected credit losses and other credit impairment charges	**227**	110	107	(138)	(48)	(1,068)
Total operating expenses	**(736)**	(799)	(780)	(795)	(789)	(2,985)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**654**	**453**	**427**	**176**	**250**	**151**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**175,909**	177,693	173,809	171,377	159,399	171,377
Loans and advances to customers (net)	**174,630**	176,039	171,970	169,365	157,568	169,365
Total external assets	**248,705**	252,250	240,884	238,853	216,493	238,853
Customer accounts	**236,049**	238,324	230,650	218,723	197,377	218,723
Risk-weighted assets	**33,177**	34,100	33,829	34,218	32,624	34,218
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**174,630**	171,765	168,082	167,281	164,585	169,365
Customer accounts	**236,049**	232,539	225,435	216,032	206,168	218,723

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HSBC UK – Commercial Banking

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**938**	**929**	**932**	**881**	**822**	**3,348**
of which: net interest income	***643***	*643*	*651*	*630*	*603*	*2,384*
Change in expected credit losses and other credit impairment charges	**336**	171	183	(366)	(115)	(1,611)
Total operating expenses	**(387)**	(412)	(400)	(422)	(390)	(1,569)
of which: staff expenses	***(115)***	*(125)*	*(114)*	*(157)*	*(117)*	*(496)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**887**	**688**	**715**	**93**	**317**	**168**
Reported Significant items – Totals ($m)						
Revenue	**—**	—	18	(1)	(16)	(17)
ECL	**—**	—	—	—	—	—
Operating expenses	**(3)**	(3)	5	(34)	—	(35)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**938**	**915**	**914**	**921**	**895**	**3,365**
of which: net interest income	***643***	*633*	*631*	*658*	*660*	*2,400*
Change in expected credit losses and other credit impairment charges	**336**	169	183	(382)	(123)	(1,611)
Total operating expenses	**(384)**	(404)	(406)	(405)	(418)	(1,534)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**890**	**680**	**691**	**134**	**354**	**220**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**88,583**	90,826	92,219	93,517	89,228	93,517
Loans and advances to customers (net)	**87,007**	88,849	90,077	91,169	87,183	91,169
Total external assets	**175,130**	179,376	171,734	161,864	146,776	161,864
Customer accounts	**136,220**	139,324	134,629	135,108	122,270	135,108
Risk-weighted assets	**75,751**	79,698	78,712	79,688	81,081	79,688
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**87,007**	86,692	88,040	90,047	91,066	91,169
Customer accounts	**136,220**	135,942	131,585	133,446	127,715	135,108

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HSBC UK – Global Banking and Markets

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**43**	**43**	**41**	**56**	**50**	**200**
of which: net interest income	—	—	—	—	—	—
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	**(10)**	(10)	(13)	(29)	(26)	(110)
of which: staff expenses	***(4)***	*(5)*	*(6)*	*(4)*	*(3)*	*(13)*
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	**33**	**33**	**28**	**27**	**24**	**90**
Reported Significant items – Totals ($m)						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	—	—	—	—	—	—
Share of profit in associates and joint ventures	—	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**43**	**41**	**40**	**58**	**54**	**200**
of which: net interest income	—	—	—	—	—	—
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	**(10)**	(10)	(13)	(30)	(27)	(110)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	**33**	**31**	**27**	**28**	**27**	**90**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	—	—	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	**36**	35	64	79	50	79
Customer accounts	—	—	—	—	—	—
Risk-weighted assets	**848**	970	864	819	409	819
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	—	—	—	—	—	—
Customer accounts	—	—	—	—	—	—

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HSBC UK – Corporate Centre

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**(1)**	**(1)**	**(1)**	**(1)**	**(2)**	**(7)**
of which: net interest income/(expense)	***3***	*2*	*3*	*(2)*	*(3)*	*(8)*
Change in expected credit losses and other credit impairment charges	**—**	(3)	(3)	(2)	—	—
Total operating expenses	**(71)**	(77)	(41)	(96)	(13)	(117)
of which: staff expenses	***(20)***	*(15)*	*26*	*27*	*33*	*129*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**(72)**	**(81)**	**(45)**	**(99)**	**(15)**	**(124)**
Reported Significant items – Totals ($m)						
Revenue	**—**	—	1	—	—	—
ECL	**—**	—	—	—	—	—
Operating expenses	**(72)**	(77)	(36)	(86)	(32)	(132)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**(1)**	**(2)**	**(3)**	**(2)**	**(2)**	**(7)**
of which: net interest income/(expense)	***3***	*2*	*3*	*(2)*	*(3)*	*(8)*
Change in expected credit losses and other credit impairment charges	**—**	—	—	1	—	—
Total operating expenses	**1**	2	(5)	(10)	20	15
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**—**	**—**	**(8)**	**(11)**	**18**	**8**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**314**	352	395	574	561	574
Loans and advances to customers (net)	**314**	352	395	574	561	574
Total external assets	**11,735**	12,789	12,305	14,021	13,445	14,021
Customer accounts	**385**	563	371	268	252	268
Risk-weighted assets	**2,144**	2,100	2,328	1,985	1,425	1,985
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**314**	344	387	567	586	574
Customer accounts	**385**	550	362	264	263	268

HSBC
HSBC UK
UK ring-fenced bank

SIGNIFICANT ITEMS

HSBC UK – TOTAL

	Quarter ended					Year to date
Reported revenue significant items ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Customer redress programmes	**—**	—	18	—	(47)	(21)
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	—	(1)	(1)	—	(1)
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**(7)**	(27)	10	107	(3)	54
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	(17)	—	(17)
Restructuring and other related costs	**(77)**	(94)	(89)	(194)	(30)	(237)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
HSBC UK – Wealth and Personal Banking						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	(1)	—	(31)	(5)
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	—	—	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**(5)**	(25)	12	109	3	64
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(4)**	(15)	(58)	(94)	(3)	(97)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—

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UK ring-fenced bank

Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
HSBC UK – Commercial Banking						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	20	—	(16)	(16)
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	—	(2)	(1)	—	(1)
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	(1)
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(3)**	(3)	5	(34)	—	(34)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
HSBC UK – Global Banking and Markets						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	—	—	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	—	—	—	—	—
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—

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Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
HSBC UK – Corporate Centre						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	—	1	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**(2)**	(3)	(3)	(4)	(5)	(9)
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	(17)	—	(17)
Restructuring and other related costs	**(70)**	(74)	(33)	(65)	(27)	(106)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Reconciling items – Currency translation on reported items – Totals ($m)						
HSBC UK – TOTAL						
Revenue		(31)	(1)	88	125	
ECL		(2)	2	(19)	(11)	
Operating expenses		18	(1)	(58)	(78)	
Share of profit in associates and joint ventures		—	—	—	—	
Revenue significant items		—	1	1	(3)	
Operating expense significant items		1	1	(6)	(1)	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(6,439)	(5,934)	(3,213)	10,925	
Customer accounts		(9,180)	(8,268)	(4,357)	14,247	

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HSBC UK – Wealth and Personal Banking					
Revenue		(17)	(1)	47	67
ECL		(2)	—	(6)	(3)
Operating expenses		13	—	(33)	(50)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	—	(2)
Operating expense significant items		1	1	3	(1)
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(4,274)	(3,888)	(2,084)	7,017
Customer accounts		(5,785)	(5,215)	(2,691)	8,791
HSBC UK – Commercial Banking					
Revenue		(14)	—	39	56
ECL		(2)	—	(16)	(8)
Operating expenses		6	—	(19)	(27)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	—	(1)
Operating expense significant items		1	1	(2)	1
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(2,157)	(2,037)	(1,122)	3,883
Customer accounts		(3,382)	(3,044)	(1,662)	5,445
HSBC UK – Global Banking and Markets					
Revenue		(2)	(1)	2	4
ECL		—	—	—	—
Operating expenses		—	—	(1)	(1)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	—	—
Operating expense significant items		—	—	—	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		—	—	—	—
Customer accounts		—	—	—	—

HSBC
HSBC UK
UK ring-fenced bank

HSBC UK – Corporate Centre					
Revenue		(1)	(1)	(1)	—
ECL		3	3	3	—
Operating expenses		—	(2)	(6)	(1)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	—	—
Operating expense significant items		(2)	(2)	(6)	(2)
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(8)	(8)	(7)	25
Customer accounts		(13)	(9)	(4)	11

HSBC
HSBC Bank
Non ring-fenced bank

HSBC Bank – TOTAL	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net interest income	**572**	587	607	660	621	2,435
Net fee income	**498**	504	530	477	442	1,797
Other operating income	**726**	1,060	1,374	812	919	3,325
Net operating income before change in expected credit losses and other credit impairment charges	**1,796**	**2,151**	**2,511**	**1,949**	**1,982**	**7,557**
Change in expected credit losses and other credit impairment charges	**95**	52	46	(216)	9	(1,023)
Total operating expenses	**(1,749)**	(1,808)	(1,968)	(2,290)	(1,920)	(8,586)
of which: staff expenses	***(637)***	*(742)*	*(751)*	*(989)*	*(746)*	*(3,013)*
Share of profit in associates and joint ventures	**99**	17	132	45	4	(1)
Profit/(loss) before tax	**241**	**412**	**721**	**(512)**	**75**	**(2,053)**
Reported significant items – Totals ($m)						
Revenue	**(94)**	5	(64)	(46)	(58)	(124)
ECL	**—**	—	—	—	—	—
Operating expenses	**(134)**	(110)	(76)	(430)	(258)	(1,691)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**1,890**	**2,108**	**2,547**	**2,019**	**2,123**	**7,681**
of which: net interest income	***572***	*575*	*600*	*666*	*640*	*2,435*
Change in expected credit losses and other credit impairment charges	**95**	51	47	(218)	10	(1,023)
Total operating expenses	**(1,615)**	(1,669)	(1,874)	(1,895)	(1,729)	(6,895)
Share of profit in associates and joint ventures	**99**	17	132	47	4	(1)
Profit/(loss) before tax	**469**	**507**	**852**	**(47)**	**408**	**(238)**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**129,083**	130,193	135,368	139,987	145,681	139,987
Loans and advances to customers (net)	**127,407**	128,405	133,558	137,981	143,790	137,981
Total external assets	**796,973**	813,446	834,286	881,616	891,935	881,616
Customer accounts	**278,480**	270,732	262,475	260,614	257,986	260,614
Risk-weighted assets	**153,825**	153,099	157,555	167,115	166,744	167,115
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**127,407**	125,396	131,351	132,802	145,550	137,981
Customer accounts	**278,480**	264,333	257,820	253,050	263,630	260,614

HSBC Bank – Wealth and Personal Banking

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**353**	**438**	**552**	**405**	**393**	**1,326**
of which: net interest income	***190***	*201*	*208*	*211*	*213*	*852*
Change in expected credit losses and other credit impairment charges	**14**	6	6	(5)	(8)	(49)
Total operating expenses	**(309)**	(332)	(373)	(423)	(276)	(1,497)
of which: staff expenses	***(122)***	*(138)*	*(145)*	*(142)*	*(118)*	*(501)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**58**	**112**	**185**	**(23)**	**109**	**(220)**
Reported significant items – Totals ($m)						
Revenue	**—**	—	—	—	—	—
ECL	**—**	—	—	—	—	—
Operating expenses	**(4)**	(6)	(1)	(8)	72	(50)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**353**	**430**	**542**	**406**	**402**	**1,326**
of which: net interest income	***190***	*196*	*204*	*211*	*218*	*852*
Change in expected credit losses and other credit impairment charges	**14**	6	6	(5)	(9)	(49)
Total operating expenses	**(305)**	(319)	(366)	(415)	(354)	(1,447)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**62**	**117**	**182**	**(14)**	**39**	**(170)**

	Balance sheet date					Balance sheet date
Balance sheet - reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**38,135**	38,254	37,573	39,395	37,742	39,395
Loans and advances to customers (net)	**37,890**	37,987	37,297	39,099	37,456	39,099
Total external assets	**94,833**	95,856	93,534	97,989	94,102	97,989
Customer accounts	**56,910**	56,752	55,276	55,952	54,526	55,952
Risk-weighted assets	**16,033**	16,098	15,373	16,497	12,646	16,497
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**37,890**	37,111	36,747	37,227	37,314	39,099
Customer accounts	**56,910**	55,430	54,349	53,875	55,109	55,952

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HSBC Bank – Commercial Banking

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**370**	**380**	**390**	**356**	**367**	**1,451**
of which: net interest income	***204***	*220*	*221*	*222*	*223*	*880*
Change in expected credit losses and other credit impairment charges	**17**	(10)	10	(150)	(17)	(411)
Total operating expenses	**(192)**	(204)	(259)	(319)	(145)	(990)
of which: staff expenses	***(61)***	*(64)*	*(83)*	*(175)*	*(75)*	*(390)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**195**	**166**	**141**	**(113)**	**205**	**50**
Reported Significant items – Totals ($m)						
Revenue	**—**	—	—	(2)	—	(2)
ECL	**—**	—	—	—	—	—
Operating expenses	**(13)**	12	(2)	(101)	57	(145)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**370**	**373**	**385**	**358**	**375**	**1,453**
of which: net interest income	***204***	*215*	*218*	*223*	*229*	*880*
Change in expected credit losses and other credit impairment charges	**17**	(11)	10	(151)	(15)	(411)
Total operating expenses	**(179)**	(214)	(254)	(220)	(205)	(845)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**208**	**148**	**141**	**(13)**	**155**	**197**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**33,087**	33,398	34,515	36,202	36,967	36,202
Loans and advances to customers (net)	**32,237**	32,507	33,608	35,238	36,167	35,238
Total external assets	**90,108**	93,809	93,310	72,833	74,487	72,833
Customer accounts	**69,452**	67,929	68,229	65,539	59,595	65,539
Risk-weighted assets	**31,857**	33,944	34,411	36,761	38,446	36,761
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**32,237**	31,762	33,179	33,572	36,112	35,238
Customer accounts	**69,452**	66,329	67,245	63,040	60,159	65,539

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HSBC Bank
Non ring-fenced bank

HSBC Bank – Global Banking and Markets

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**1,103**	**1,217**	**1,588**	**1,104**	**1,272**	**4,842**
of which: net interest income	***179***	*181*	*187*	*232*	*195*	*774*
Change in expected credit losses and other credit impairment charges	**62**	53	35	(61)	22	(569)
Total operating expenses	**(1,128)**	(1,142)	(1,272)	(1,281)	(1,216)	(5,345)
of which: staff expenses	***(337)***	*(393)*	*(381)*	*(495)*	*(417)*	*(1,547)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**37**	**128**	**351**	**(238)**	**78**	**(1,072)**
Reported Significant items – Totals ($m)						
Revenue	**(93)**	(86)	(62)	(165)	(58)	(245)
ECL	**—**	—	—	—	—	—
Operating expenses	**(34)**	(22)	(24)	(133)	(108)	(857)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**1,196**	**1,284**	**1,642**	**1,299**	**1,397**	**5,087**
of which: net interest income	***179***	*177*	*185*	*236*	*205*	*774*
Change in expected credit losses and other credit impairment charges	**62**	53	35	(62)	21	(569)
Total operating expenses	**(1,094)**	(1,102)	(1,240)	(1,182)	(1,164)	(4,488)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**164**	**235**	**437**	**55**	**254**	**30**
	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**57,608**	58,252	63,037	64,135	70,721	64,135
Loans and advances to customers (net)	**57,037**	57,632	62,420	63,402	69,928	63,402
Total external assets	**584,157**	597,599	624,583	688,738	700,817	688,738
Customer accounts	**151,798**	145,713	138,604	138,833	143,456	138,833
Risk-weighted assets	**94,540**	92,879	97,083	104,566	105,318	104,566
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**57,037**	56,250	61,196	61,774	71,887	63,402
Customer accounts	**151,798**	142,243	135,865	135,857	147,949	138,833

HSBC

HSBC Bank

Non ring-fenced bank

HSBC Bank – Corporate Centre

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**(30)**	**116**	**(20)**	**83**	**(50)**	**(63)**
of which: net interest income/(expense)	*—*	*(13)*	*(7)*	*(4)*	*(10)*	*(70)*
Change in expected credit losses and other credit impairment charges	**2**	2	(4)	—	12	6
Total operating expenses	**(120)**	(129)	(64)	(267)	(283)	(754)
of which: staff expenses	***(117)***	*(147)*	*(143)*	*(177)*	*(136)*	*(575)*
Share of profit in associates and joint ventures	**99**	17	132	45	4	(1)
Profit/(loss) before tax	**(49)**	**6**	**44**	**(139)**	**(317)**	**(812)**
Reported Significant items – Totals ($m)						
Revenue	**(1)**	92	—	121	(1)	122
ECL	**—**	—	—	—	—	—
Operating expenses	**(83)**	(96)	(51)	(191)	(278)	(641)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**(29)**	**21**	**(21)**	**(42)**	**(51)**	**(186)**
of which: net interest income/(expense)	*—*	*(12)*	*(7)*	*(4)*	*(11)*	*(70)*
Change in expected credit losses and other credit impairment charges	**2**	2	(4)	—	13	6
Total operating expenses	**(37)**	(35)	(14)	(78)	(6)	(113)
Share of profit in associates and joint ventures	**99**	17	132	47	4	(1)
Profit/(loss) before tax	**35**	**5**	**93**	**(73)**	**(40)**	**(293)**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**254**	289	243	255	251	255
Loans and advances to customers (net)	**243**	278	233	242	238	242
Total external assets	**27,874**	26,182	22,858	22,057	22,529	22,057
Customer accounts	**320**	337	365	289	409	289
Risk-weighted assets	**11,395**	10,178	10,688	9,291	10,334	9,291
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**243**	272	229	230	236	242
Customer accounts	**320**	330	360	278	414	289

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HSBC Bank
Non ring-fenced bank

SIGNIFICANT ITEMS

HSBC Bank – TOTAL

	Quarter ended					Year to date
Reported revenue significant items ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**9**	1	(10)	(30)	(3)	(4)
Restructuring and other related costs	**(103)**	4	(54)	(16)	(55)	(120)
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	(3)	(16)	(803)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(134)**	(111)	(77)	(424)	(238)	(876)
Settlements and provisions in connection with legal and regulatory matters	**—**	1	1	(3)	(4)	(12)
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
HSBC Bank – Wealth and Personal Banking						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	—	—	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	(1)	(45)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(4)**	(6)	(1)	(8)	73	(5)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—

HSBC

HSBC Bank

Non ring-fenced bank

Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
HSBC Bank – Commercial Banking						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	(1)	—	(1)
Restructuring and other related costs	**—**	—	—	(1)	—	(1)
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	(3)	—	(44)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(13)**	12	(2)	(98)	57	(101)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
HSBC Bank – Global Banking and Markets						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**9**	3	(8)	(29)	(3)	(6)
Restructuring and other related costs	**(102)**	(89)	(54)	(136)	(55)	(239)
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	(6)	(573)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(34)**	(22)	(24)	(133)	(102)	(282)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	(2)

HSBC
HSBC Bank
Non ring-fenced bank

Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
HSBC Bank – Corporate Centre						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	2	(1)	3
Restructuring and other related costs	**(1)**	92	—	119	—	119
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	(1)	(9)	(142)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(83)**	(97)	(52)	(187)	(265)	(489)
Settlements and provisions in connection with legal and regulatory matters	**—**	1	1	(3)	(4)	(10)
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Reconciling items – Currency translation on reported items – Totals ($m)						
HSBC Bank – TOTAL						
Revenue		(39)	(27)	18	79	
ECL		(1)	1	(2)	1	
Operating expenses		32	20	(36)	(72)	
Share of profit in associates and joint ventures		—	—	2	—	
Revenue significant items		(1)	1	(6)	(4)	
Operating expense significant items		3	2	(1)	(5)	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(3,009)	(2,207)	(5,179)	1,760	
Customer accounts		(6,399)	(4,655)	(7,564)	5,644	

HSBC
HSBC Bank
Non ring-fenced bank

HSBC Bank – Wealth and Personal Banking				
Revenue	(8)	(10)	1	9
ECL	—	—	—	(1)
Operating expenses	7	6	1	(5)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	—	1	1
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(876)	(550)	(1,872)	(142)
Customer accounts	(1,322)	(927)	(2,077)	583
HSBC Bank – Commercial Banking				
Revenue	(6)	(5)	1	8
ECL	(1)	—	(1)	2
Operating expenses	3	4	—	(3)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	1	—	1	—
Operating expense significant items	1	1	2	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(745)	(429)	(1,666)	(55)
Customer accounts	(1,600)	(984)	(2,499)	564
HSBC Bank – Global Banking and Markets				
Revenue	(20)	(9)	23	64
ECL	—	—	(1)	(1)
Operating expenses	19	9	(34)	(59)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(1)	(1)	(7)	(3)
Operating expense significant items	1	1	—	(3)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(1,382)	(1,224)	(1,628)	1,959
Customer accounts	(3,470)	(2,739)	(2,976)	4,493

HSBC
HSBC Bank
Non ring-fenced bank

HSBC Bank – Corporate Centre

Revenue		(5)	(2)	(5)	(2)
ECL		—	—	—	1
Operating expenses		2	1	(3)	(5)
Share of profit in associates and joint ventures		—	—	2	—
Revenue significant items		(2)	(1)	(1)	—
Operating expense significant items		4	2	(1)	(4)
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(6)	(4)	(12)	(2)
Customer accounts		(7)	(5)	(11)	5

HSBC
Europe – Other

Europe – Other – TOTAL	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net interest income/(expense)	**(445)**	(598)	(635)	(642)	(663)	(2,579)
Net fee income	**98**	106	121	105	95	400
Other operating income	**1,091**	1,390	985	1,545	1,218	5,302
Net operating income before change in expected credit losses and other credit impairment charges	**744**	**898**	**471**	**1,008**	**650**	**3,123**
Change in expected credit losses and other credit impairment charges	**(1)**	—	3	202	(202)	(50)
Total operating expenses	**(1,338)**	(1,399)	(1,279)	(2,134)	(968)	(5,473)
of which: staff expenses	***(671)***	*(774)*	*(880)*	*(892)*	*(810)*	*(3,044)*
Share of profit in associates and joint ventures	**2**	1	3	—	2	2
Profit/(loss) before tax	**(593)**	**(500)**	**(802)**	**(924)**	**(518)**	**(2,398)**
Reported Significant items – Totals ($m)						
Revenue	**27**	151	(188)	149	15	387
ECL	**—**	—	—	—	—	—
Operating expenses	**(122)**	(126)	(122)	(114)	67	(312)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**717**	**731**	**663**	**893**	**687**	**2,736**
of which: net interest income/(expense)	***(445)***	*(597)*	*(637)*	*(643)*	*(663)*	*(2,580)*
Change in expected credit losses and other credit impairment charges	**(1)**	(1)	1	199	(201)	(50)
Total operating expenses	**(1,216)**	(1,260)	(1,152)	(2,044)	(1,071)	(5,161)
Share of profit in associates and joint ventures	**2**	—	3	—	3	2
Profit/(loss) before tax	**(498)**	**(530)**	**(485)**	**(952)**	**(582)**	**(2,473)**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**9,032**	9,213	9,574	9,485	9,356	9,485
Loans and advances to customers (net)	**8,949**	9,133	9,493	9,405	9,079	9,405
Total external assets	**40,483**	36,698	42,625	40,574	39,038	40,574
Customer accounts	**15,833**	15,053	15,037	14,934	15,287	14,934
Risk-weighted assets	**(3,018)**	(94)	(1,807)	497	(1,060)	497
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**8,949**	9,031	9,533	8,870	8,952	9,405
Customer accounts	**15,833**	14,836	15,027	14,095	15,084	14,934

HSBC
Europe – Other

HSBC Europe – Other – Wealth and Personal Banking	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**168**	**152**	**152**	**287**	**228**	**966**
of which: net interest income/(expense)	***(31)***	*(33)*	*(36)*	*(31)*	*(35)*	*(133)*
Change in expected credit losses and other credit impairment charges	**(2)**	(3)	—	59	(61)	(49)
Total operating expenses	**(299)**	(262)	(286)	(428)	(341)	(1,489)
of which: staff expenses	***(131)***	*(137)*	*(165)*	*(177)*	*(159)*	*(604)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**(133)**	**(113)**	**(134)**	**(82)**	**(174)**	**(572)**
Reported Significant items – Totals ($m)						
Revenue	**(5)**	2	(7)	(8)	—	(8)
ECL	**—**	—	—	—	—	—
Operating expenses	**5**	(7)	(1)	32	(16)	11
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**173**	**146**	**159**	**303**	**242**	**974**
of which: net interest income/(expense)	***(31)***	*(31)*	*(34)*	*(32)*	*(35)*	*(133)*
Change in expected credit losses and other credit impairment charges	**(2)**	(1)	1	60	(61)	(49)
Total operating expenses	**(304)**	(252)	(283)	(466)	(339)	(1,500)
Share of profit in associates and joint ventures	**—**	**—**	**—**	**—**	**—**	**—**
Profit/(loss) before tax	**(133)**	**(107)**	**(123)**	**(103)**	**(158)**	**(575)**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**9,033**	9,216	9,573	9,483	9,356	9,483
Loans and advances to customers (net)	**8,950**	9,133	9,493	9,406	9,220	9,406
Total external assets	**23,050**	22,613	23,378	24,543	24,127	24,543
Customer accounts	**15,834**	15,052	15,036	14,935	15,287	14,935
Risk-weighted assets	**3,102**	3,480	3,669	3,582	2,795	3,582
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**8,950**	9,031	9,533	8,871	9,093	9,406
Customer accounts	**15,834**	14,835	15,027	14,095	15,083	14,935

HSBC
Europe – Other

HSBC Europe – Other – Commercial Banking	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**(100)**	**(109)**	**(112)**	**(36)**	**(55)**	**(225)**
of which: net interest income/(expense)	***(110)***	*(116)*	*(116)*	*(122)*	*(125)*	*(498)*
Change in expected credit losses and other credit impairment charges	**—**	—	(1)	100	(101)	(1)
Total operating expenses	**(74)**	(75)	(68)	(158)	(103)	(522)
of which: staff expenses	***(58)***	*(60)*	*(52)*	*(64)*	*(49)*	*(208)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**(174)**	**(184)**	**(181)**	**(94)**	**(259)**	**(748)**
Reported Significant items – Totals ($m)						
Revenue	**—**	1	(1)	—	—	—
ECL	**—**	—	—	—	—	—
Operating expenses	**1**	(9)	(10)	(5)	(2)	(10)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**(100)**	**(108)**	**(111)**	**(32)**	**(50)**	**(225)**
of which: net interest income/(expense)	***(110)***	*(114)*	*(115)*	*(122)*	*(125)*	*(498)*
Change in expected credit losses and other credit impairment charges	**—**	—	—	100	(100)	(1)
Total operating expenses	**(75)**	(64)	(59)	(156)	(105)	(512)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**(175)**	**(172)**	**(170)**	**(88)**	**(255)**	**(738)**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**—**	—	(1)	—	—	—
Loans and advances to customers (net)	**1**	—	—	—	(100)	—
Total external assets	**(1,634)**	(1,676)	(1,674)	(1,655)	(1,665)	(1,655)
Customer accounts	**—**	—	—	—	—	—
Risk-weighted assets	**(1,200)**	(1,198)	(1,181)	(1,197)	(863)	(1,197)
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**1**	—	—	—	(100)	—
Customer accounts	**—**	1	—	—	—	—

HSBC
Europe – Other

HSBC Europe – Other – Global Banking and Markets

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**(66)**	**(56)**	**(123)**	**(112)**	**(154)**	**(565)**
of which: net interest income/(expense)	***(143)***	*(149)*	*(148)*	*(138)*	*(139)*	*(564)*
Change in expected credit losses and other credit impairment charges	**—**	1	1	40	(40)	—
Total operating expenses	**(134)**	(174)	(72)	(90)	(47)	(263)
of which: staff expenses	***(85)***	*(79)*	*(91)*	*(100)*	*(91)*	*(345)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**(200)**	**(229)**	**(194)**	**(162)**	**(241)**	**(828)**
Reported Significant items – Totals ($m)						
Revenue	**(2)**	(1)	(1)	(4)	—	(5)
ECL	**—**	—	—	—	—	—
Operating expenses	**3**	(3)	4	9	(7)	2
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**(64)**	**(60)**	**(124)**	**(102)**	**(142)**	**(560)**
of which: net interest income/(expense)	***(143)***	*(148)*	*(147)*	*(137)*	*(140)*	*(564)*
Change in expected credit losses and other credit impairment charges	**—**	—	—	40	(40)	—
Total operating expenses	**(137)**	(165)	(72)	(106)	(54)	(265)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**(201)**	**(225)**	**(196)**	**(168)**	**(236)**	**(825)**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**—**	—	—	—	—	—
Loans and advances to customers (net)	**—**	—	—	—	(40)	—
Total external assets	**(1,171)**	(1,201)	(1,199)	(1,187)	(1,156)	(1,187)
Customer accounts	**1**	1	1	—	—	—
Risk-weighted assets	**(4,370)**	(2,632)	(3,499)	(2,769)	(2,508)	(2,769)
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**—**	—	—	—	(40)	—
Customer accounts	**1**	1	—	1	—	—

HSBC
Europe – Other

HSBC Europe – Other – Corporate Centre	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**742**	910	554	867	631	2,945
of which: net interest income/(expense)	***(163)***	*(305)*	*(339)*	*(352)*	*(363)*	*(1,384)*
Change in expected credit losses and other credit impairment charges	**—**	2	2	2	1	—
Total operating expenses	**(829)**	(891)	(855)	(1,456)	(479)	(3,199)
of which: staff expenses	***(396)***	*(500)*	*(573)*	*(552)*	*(510)*	*(1,887)*
Share of profit in associates and joint ventures	**2**	2	4	1	1	2
Profit/(loss) before tax	**(85)**	**23**	**(295)**	**(586)**	**154**	**(252)**
Reported Significant items – Totals ($m)						
Revenue	**36**	149	(180)	162	16	402
ECL	**—**	—	—	—	—	—
Operating expenses	**(130)**	(109)	(120)	(149)	92	(314)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**706**	**757**	**737**	**722**	**634**	**2,543**
of which: net interest income/(expense)	***(163)***	*(305)*	*(339)*	*(353)*	*(363)*	*(1,384)*
Change in expected credit losses and other credit impairment charges	**—**	—	—	—	—	—
Total operating expenses	**(699)**	(779)	(736)	(1,315)	(574)	(2,885)
Share of profit in associates and joint ventures	**2**	1	3	—	2	2
Profit/(loss) before tax	**9**	**(21)**	**4**	**(593)**	**62**	**(340)**
	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**(1)**	—	1	—	(1)	—
Loans and advances to customers (net)	**—**	1	—	—	—	—
Total external assets	**20,240**	16,962	22,120	18,873	17,730	18,873
Customer accounts	**—**	2	1	—	—	—
Risk-weighted assets	**(550)**	256	(796)	881	(484)	881
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**—**	—	—	—	—	—
Customer accounts	**—**	—	1	—	—	—

HSBC
Europe – Other

SIGNIFICANT ITEMS						
HSBC Europe – Other – TOTAL	Quarter ended					Year to date
Reported revenue significant items ($m)	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Customer redress programmes	—	—	—	1	(1)	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(73)	47	(226)	20	15	257
Restructuring and other related costs	100	104	38	128	1	130
Reported cost significant items ($m)						
Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	200	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(122)	(125)	(121)	(113)	(131)	(312)
Settlements and provisions in connection with legal and regulatory matters	—	(1)	(1)	(1)	(2)	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	—	—	—	—	—	—
HSBC Europe – Other – Wealth and Personal Banking						
Reported revenue significant items ($m)						
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	(5)	2	(7)	(8)	—	(8)
Reported cost significant items ($m)						
Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	5	(7)	(1)	32	(16)	11
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

HSBC
Europe – Other

Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
HSBC Europe – Other – Commercial Banking						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	1	(1)	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**1**	(9)	(10)	(5)	(2)	(10)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
HSBC Europe – Other – Global Banknig and Markets						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	—	(1)
Restructuring and other related costs	**(2)**	(1)	(1)	(4)	—	(4)
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**3**	(3)	4	9	(7)	2
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—

HSBC
Europe – Other

Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
HSBC Europe – Other – Corporate Centre						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**(73)**	45	(228)	19	16	259
Restructuring and other related costs	**109**	104	48	143	—	143
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	200	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(130)**	(109)	(120)	(149)	(108)	(314)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Reconciling items – Currency translation on reported items – Totals ($m)						
HSBC Europe – Other – TOTAL						
Revenue		(16)	2	43	52	
ECL		(1)	(2)	(3)	1	
Operating expenses		13	3	(29)	(40)	
Share of profit in associates and joint ventures		(1)	—	—	1	
Revenue significant items		—	(2)	9	—	
Operating expense significant items		—	(2)	(5)	(4)	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(102)	40	(535)	(127)	
Customer accounts		(217)	(10)	(839)	(203)	

HSBC
Europe – Other

HSBC Europe – Other – Wealth and Personal Banking					
Revenue		(4)	—	10	14
ECL		2	1	1	—
Operating expenses		3	1	(10)	(13)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	2	—
Operating expense significant items		—	(1)	(4)	1
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(102)	40	(535)	(127)
Customer accounts		(217)	(9)	(840)	(204)
HSBC Europe – Other – Commercial Banking					
Revenue		(1)	—	5	5
ECL		—	1	—	1
Operating expenses		3	—	(3)	(4)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		(3)	—	1	—
Operating expense significant items		1	1	—	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		—	—	—	—
Customer accounts		1	—	—	—
HSBC Europe – Other – Global Banking and Markets					
Revenue		(5)	(2)	6	12
ECL		(1)	(1)	—	—
Operating expenses		4	2	(9)	(14)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	—	—
Operating expense significant items		(2)	(2)	(2)	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		—	—	—	—
Customer accounts		—	(1)	1	—

HSBC
Europe – Other

HSBC Europe – Other – Corporate Centre					
Revenue		(3)	3	23	19
ECL		(2)	(2)	(2)	(1)
Operating expenses		7	2	(8)	(9)
Share of profit in associates and joint ventures		(1)	(1)	(1)	1
Revenue significant items		1	—	6	—
Operating expense significant items		4	3	—	(6)
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(1)	—	—	—
Customer accounts		(2)	—	—	—

Asia – TOTAL

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net interest income	**3,140**	3,110	3,157	3,237	3,262	14,318
Net fee income	**1,496**	1,439	1,677	1,304	1,423	5,418
Other operating income/(expense)	**1,938**	1,933	1,940	1,477	1,639	7,186
Net operating income before change in expected credit losses and other credit impairment charges	**6,574**	**6,482**	**6,774**	**6,018**	**6,324**	**26,922**
Change in expected credit losses and other credit impairment charges	**(105)**	(175)	(32)	(322)	(144)	(2,284)
Total operating expenses	**(3,709)**	(3,778)	(3,694)	(3,889)	(3,343)	(13,662)
of which: staff expenses	***(1,644)***	*(1,826)*	*(1,960)*	*(1,810)*	*(1,688)*	*(6,873)*
Share of profit in associates and joint ventures	**543**	649	710	469	350	1,856
Profit/(loss) before tax	**3,303**	**3,178**	**3,758**	**2,276**	**3,187**	**12,832**
Reported Significant items – Totals ($m)						
Revenue	**57**	30	24	1	2	37
ECL	**—**	—	—	—	—	—
Operating expenses	**(125)**	(143)	(59)	(123)	(30)	(171)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	6,517	**6,418**	**6,698**	**6,009**	**6,374**	**26,885**
of which: net interest income	***3,140***	*3,091*	*3,131*	*3,233*	*3,289*	*14,318*
Change in expected credit losses and other credit impairment charges	**(105)**	(174)	(33)	(319)	(143)	(2,284)
Total operating expenses	**(3,584)**	(3,615)	(3,607)	(3,764)	(3,350)	(13,491)
Share of profit in associates and joint ventures	**543**	648	711	481	373	1,856
Profit/(loss) before tax	**3,371**	**3,277**	**3,769**	**2,407**	**3,254**	**12,966**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**491,249**	506,079	482,154	476,892	487,599	476,892
Loans and advances to customers (net)	**487,559**	502,360	478,477	473,165	484,125	473,165
Total external assets	**1,220,052**	1,215,439	1,183,554	1,185,607	1,156,196	1,185,607
Customer accounts	**771,463**	759,948	756,498	762,406	732,367	762,406
Risk-weighted assets[1]	**392,896**	407,117	387,188	384,228	385,103	384,228
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**487,559**	499,777	476,298	468,034	485,769	473,165
Customer accounts	**771,463**	756,308	753,437	754,813	733,150	762,406

Asia – Wealth and Personal Banking

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**2,764**	**2,980**	**2,928**	**2,777**	**2,946**	**12,036**
of which: net interest income	***1,614***	*1,618*	*1,654*	*1,707*	*1,705*	*7,707*
Change in expected credit losses and other credit impairment charges	**(69)**	(6)	(60)	(65)	(79)	(573)
Total operating expenses	**(1,677)**	(1,662)	(1,648)	(1,739)	(1,621)	(6,434)
of which: staff expenses	***(650)***	*(679)*	*(699)*	*(671)*	*(634)*	*(2,521)*
Share of profit in associates and joint ventures	**2**	—	*7*	*3*	*9*	*1*
Profit/(loss) before tax	**1,020**	**1,312**	**1,227**	**976**	**1,255**	**5,030**
Reported Significant items – Totals ($m)						
Revenue	**4**	(2)	7	8	—	8
ECL	**—**	—	—	—	—	—
Operating expenses	**(16)**	(19)	(12)	(36)	(3)	(39)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**2,760**	**2,967**	**2,903**	**2,764**	**2,960**	**12,028**
of which: net interest income	***1,614***	*1,607*	*1,641*	*1,704*	*1,713*	*7,707*
Change in expected credit losses and other credit impairment charges	**(69)**	(7)	(60)	(64)	(77)	(573)
Total operating expenses	**(1,661)**	(1,629)	(1,622)	(1,702)	(1,633)	(6,395)
Share of profit in associates and joint ventures	**2**	**—**	**7**	**3**	**9**	**1**
Profit/(loss) before tax	**1,032**	**1,331**	**1,228**	**1,001**	**1,259**	**5,061**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**196,771**	205,547	192,707	189,685	196,103	189,685
Loans and advances to customers (net)	**195,985**	204,738	191,826	188,759	195,190	188,759
Total external assets	**406,773**	404,637	388,060	392,684	394,055	392,684
Customer accounts	**428,522**	425,545	426,195	429,911	416,402	429,911
Risk-weighted assets	**84,006**	90,669	79,774	77,750	86,076	77,750
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**195,985**	203,387	190,532	186,286	195,646	188,759
Customer accounts	**428,522**	423,665	424,549	426,110	415,953	429,911

Asia – Commercial Banking	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**1,391**	**1,364**	**1,428**	**1,324**	**1,361**	**6,047**
of which: net interest income	***938***	*924*	*929*	*966*	*997*	*4,408*
Change in expected credit losses and other credit impairment charges	**(53)**	(160)	(20)	(303)	(33)	(1,565)
Total operating expenses	**(671)**	(701)	(647)	(706)	(620)	(2,538)
of which: staff expenses	***(235)***	*(255)*	*(242)*	*(242)*	*(233)*	*(927)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**667**	**503**	**761**	**315**	**708**	**1,944**
Reported Significant items – Totals ($m)						
Revenue	**—**	(1)	1	1	—	1
ECL	**—**	—	—	—	—	—
Operating expenses	**(6)**	(12)	1	(7)	—	(7)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**1,391**	**1,356**	**1,416**	**1,321**	**1,373**	**6,046**
of which: net interest income	***938***	*920*	*923*	*966*	*1,007*	*4,408*
Change in expected credit losses and other credit impairment charges	**(53)**	(159)	(22)	(303)	(34)	(1,565)
Total operating expenses	**(665)**	(685)	(643)	(699)	(627)	(2,531)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**673**	**512**	**751**	**319**	**712**	**1,950**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**168,089**	170,406	161,154	158,099	159,391	158,099
Loans and advances to customers (net)	**165,488**	167,805	158,672	155,652	157,196	155,652
Total external assets	**253,286**	247,119	237,138	240,566	238,299	240,566
Customer accounts	**197,645**	194,835	187,621	189,931	174,484	189,931
Risk-weighted assets	**145,206**	144,951	140,723	138,541	137,605	138,541
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**165,488**	167,160	158,327	154,417	157,851	155,652
Customer accounts	**197,645**	194,018	187,123	188,460	174,920	189,931

HSBC
Asia

Asia – Global Banking and Markets	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**1,883**	**1,756**	**2,010**	**1,663**	**1,703**	**7,491**
of which: net interest income	***679***	*654*	*668*	*686*	*683*	*2,952*
Change in expected credit losses and other credit impairment charges	**17**	(7)	51	48	(33)	(145)
Total operating expenses	**(916)**	(938)	(917)	(959)	(813)	(3,344)
of which: staff expenses	***(329)***	*(381)*	*(370)*	*(382)*	*(315)*	*(1,315)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**984**	**811**	**1,144**	**752**	**857**	**4,002**
Reported Significant items – Totals ($m)						
Revenue	**6**	(1)	—	(24)	3	5
ECL	**—**	—	—	—	—	—
Operating expenses	**(9)**	(9)	(5)	(13)	(4)	(18)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**1,877**	**1,745**	**1,988**	**1,680**	**1,718**	**7,486**
of which: net interest income	***679***	*651*	*661*	*686*	*694*	*2,952*
Change in expected credit losses and other credit impairment charges	**17**	(7)	49	48	(33)	(145)
Total operating expenses	**(907)**	(924)	(902)	(941)	(816)	(3,326)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**987**	**814**	**1,135**	**787**	**869**	**4,015**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**126,195**	129,610	127,820	128,668	131,684	128,668
Loans and advances to customers (net)	**125,893**	129,299	127,506	128,316	131,318	128,316
Total external assets	**471,367**	452,681	438,614	436,888	422,024	436,888
Customer accounts	**145,293**	139,563	142,622	142,506	141,425	142,506
Risk-weighted assets	**116,274**	118,973	112,338	112,316	112,652	112,316
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**125,893**	128,715	126,967	126,895	131,853	128,316
Customer accounts	**145,293**	138,620	141,704	140,185	142,220	142,506

Asia – Corporate Centre	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**537**	**384**	**408**	**254**	**314**	1,348
of which: net interest expense	***(92)***	*(86)*	*(94)*	*(122)*	*(123)*	*(749)*
Change in expected credit losses and other credit impairment charges	**—**	—	(2)	(2)	1	(1)
Total operating expenses	**(445)**	(477)	(482)	(486)	(289)	(1,347)
of which: staff expenses	***(429)***	*(512)*	*(649)*	*(515)*	*(507)*	*(2,111)*
Share of profit in associates and joint ventures	**541**	648	703	467	341	1,856
Profit/(loss) before tax	**633**	**555**	**627**	**233**	**367**	**1,856**
Reported Significant items – Totals ($m)						
Revenue	**48**	36	17	15	(2)	21
ECL	**—**	—	—	—	—	—
Operating expenses	**(93)**	(102)	(42)	(65)	(25)	(107)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**489**	**349**	**390**	**242**	**324**	**1,327**
of which: net interest expense	***(92)***	*(86)*	*(95)*	*(123)*	*(125)*	*(749)*
Change in expected credit losses and other credit impairment charges	**—**	—	—	—	1	(1)
Total operating expenses	**(352)**	(377)	(440)	(423)	(274)	(1,240)
Share of profit in associates and joint ventures	**541**	647	705	478	365	1,856
Profit/(loss) before tax	**678**	**619**	**655**	**297**	**416**	**1,942**
	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**193**	517	473	439	421	439
Loans and advances to customers (net)	**193**	517	472	439	421	439
Total external assets	**88,625**	111,002	119,742	115,470	101,818	115,470
Customer accounts	**4**	5	60	58	56	58
Risk-weighted assets	**47,410**	52,524	54,353	55,621	48,770	55,621
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**193**	515	471	436	420	439
Customer accounts	**4**	4	60	58	57	58

SIGNIFICANT ITEMS

Asia – TOTAL

	Quarter ended					Year to date
Revenue significant items ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**3**	(3)	(2)	(31)	2	5
Restructuring and other related costs	**54**	33	26	32	—	32
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(125)**	(143)	(59)	(123)	(30)	(171)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—

Asia – Wealth and Personal Banking

	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**(1)**	—	—	—	—	—
Restructuring and other related costs	**5**	(2)	7	8	—	8
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(16)**	(19)	(12)	(36)	(3)	(39)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—

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Asia

Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Asia – Commercial Banking						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	(1)	1	1	—	1
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(6)**	(12)	1	(7)	—	(7)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Asia – Global Banking and Markets						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**4**	(2)	(1)	(28)	3	1
Restructuring and other related costs	**2**	1	1	4	—	4
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(9)**	(9)	(5)	(13)	(4)	(18)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—

Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Asia – Corporate Centre						
Reported revenue significant items ($m)	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	(2)	(2)	4
Restructuring and other related costs	**48**	36	17	17	—	17
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(93)**	(102)	(42)	(65)	(25)	(107)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Reconciling items – Currency translation on reported items – Totals ($m)						
Asia – TOTAL						
Revenue		(34)	(53)	(9)	52	
ECL		1	(1)	3	1	
Operating expenses		21	29	2	(39)	
Share of profit in associates and joint ventures		(1)	1	12	23	
Revenue significant items		—	(1)	(1)	—	
Operating expense significant items		1	1	—	(2)	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(2,583)	(2,179)	(5,131)	1,644	
Customer accounts		(3,640)	(3,061)	(7,593)	783	

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Asia

Asia – Wealth and Personal Banking				
Revenue	(15)	(18)	(5)	14
ECL	(1)	—	1	2
Operating expenses	14	14	1	(15)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(1,351)	(1,294)	(2,473)	456
Customer accounts	(1,880)	(1,646)	(3,801)	(449)
Asia – Commercial Banking				
Revenue	(9)	(11)	(2)	12
ECL	1	(2)	—	(1)
Operating expenses	4	5	—	(7)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(645)	(345)	(1,235)	655
Customer accounts	(817)	(498)	(1,471)	436
Asia – Global Banking and Markets				
Revenue	(13)	(23)	(7)	18
ECL	—	(2)	—	—
Operating expenses	6	11	6	(7)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(1)	(1)	—	—
Operating expense significant items	1	1	1	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(584)	(539)	(1,421)	535
Customer accounts	(943)	(918)	(2,321)	795

Asia – Corporate Centre					
Revenue		1	(1)	4	8
ECL		—	2	2	—
Operating expenses		(4)	(1)	(4)	(10)
Share of profit in associates and joint ventures		(1)	2	11	24
Revenue significant items		—	—	1	—
Operating expense significant items		(2)	(1)	(2)	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(2)	(1)	(3)	(1)
Customer accounts		(1)	—	—	1

1 Risk-weighted assets are non-additive across geographical regions due to market risk diversification effects within the Group.

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Hong Kong

Hong Kong – TOTAL	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net interest income	**1,808**	1,794	1,828	1,908	1,962	9,006
Net fee income	**1,007**	971	1,139	900	998	3,724
Other operating income	**906**	904	1,025	672	830	3,615
Net operating income before change in expected credit losses and other credit impairment charges	**3,721**	**3,669**	**3,992**	**3,480**	**3,790**	**16,345**
Change in expected credit losses and other credit impairment charges	**(37)**	(6)	(85)	(219)	(89)	(824)
Total operating expenses	**(1,917)**	(1,918)	(2,027)	(2,042)	(1,810)	(7,312)
of which: staff expenses	***(604)***	*(706)*	*(885)*	*(761)*	*(737)*	*(3,035)*
Share of profit in associates and joint ventures	**5**	2	6	—	5	(2)
Profit/(loss) before tax	**1,772**	**1,747**	**1,886**	**1,219**	**1,896**	**8,207**
Reported Significant items – Totals ($m)						
Revenue	**(18)**	(16)	(9)	(31)	—	(15)
ECL	**—**	—	—	—	—	—
Operating expenses	**(44)**	(61)	(25)	(69)	(21)	(100)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**3,739**	**3,679**	**3,991**	**3,499**	**3,777**	**16,360**
of which: net interest income	***1,808***	*1,790*	*1,822*	*1,901*	*1,955*	*9,006*
Change in expected credit losses and other credit impairment charges	**(37)**	(6)	(84)	(218)	(89)	(824)
Total operating expenses	**(1,873)**	(1,853)	(1,998)	(1,968)	(1,783)	(7,212)
Share of profit in associates and joint ventures	**5**	2	6	1	5	(2)
Profit/(loss) before tax	**1,834**	**1,822**	**1,915**	**1,314**	**1,910**	**8,322**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**314,681**	330,476	308,812	304,037	320,690	304,037
Loans and advances to customers (net)	**313,162**	328,913	307,208	302,454	319,297	302,454
Total external assets	**767,628**	771,274	745,398	752,554	743,528	752,554
Customer accounts	**537,050**	529,172	526,780	531,489	517,582	531,489
Risk-weighted assets	**198,112**	209,713	195,802	195,098	204,786	195,098
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**313,162**	327,981	306,666	301,130	317,759	302,454
Customer accounts	**537,050**	527,674	525,850	529,162	515,090	531,489

Hong Kong – Wealth and Personal Banking	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**1,980**	**2,139**	**2,088**	**1,995**	**2,150**	**8,961**
of which: net interest income	***1,146***	*1,142*	*1,177*	*1,226*	*1,230*	*5,740*
Change in expected credit losses and other credit impairment charges	**(34)**	(6)	(60)	(20)	(53)	(276)
Total operating expenses	**(966)**	(917)	(939)	(979)	(957)	(3,748)
of which: staff expenses	***(373)***	*(378)*	*(419)*	*(405)*	*(375)*	*(1,517)*
Share of profit in associates and joint ventures	**3**	—	3	(2)	3	(10)
Profit/(loss) before tax	**983**	**1,216**	**1,092**	**994**	**1,143**	**4,927**
Reported Significant items – Totals ($m)						
Revenue	**1**	(4)	5	6	—	6
ECL	**—**	—	—	—	—	—
Operating expenses	**(9)**	(6)	(11)	(27)	(2)	(29)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**1,979**	**2,140**	**2,077**	**1,982**	**2,142**	**8,955**
of which: net interest income	***1,146***	*1,140*	*1,174*	*1,222*	*1,226*	*5,740*
Change in expected credit losses and other credit impairment charges	**(34)**	(6)	(60)	(20)	(53)	(276)
Total operating expenses	**(957)**	(911)	(926)	(950)	(951)	(3,719)
Share of profit in associates and joint ventures	**3**	1	4	(1)	3	(10)
Profit/(loss) before tax	**991**	**1,224**	**1,095**	**1,011**	**1,141**	**4,950**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**132,655**	141,471	129,239	125,613	135,323	125,613
Loans and advances to customers (net)	**132,311**	141,106	128,837	125,223	134,925	125,223
Total external assets	**305,294**	306,813	290,508	295,511	301,800	295,511
Customer accounts	**347,576**	345,451	346,289	347,855	338,414	347,855
Risk-weighted assets	**58,992**	65,897	56,775	54,979	63,938	54,979
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**132,311**	140,707	128,610	124,675	134,276	125,223
Customer accounts	**347,576**	344,473	345,678	346,331	336,785	347,855

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Hong Kong

Hong Kong – Commercial Banking

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**763**	**729**	**803**	**747**	**798**	**3,635**
of which: net interest income	***492***	*481*	*506*	*541*	*576*	*2,645*
Change in expected credit losses and other credit impairment charges	**(36)**	2	(51)	(217)	(14)	(489)
Total operating expenses	**(357)**	(360)	(349)	(358)	(342)	(1,359)
of which: staff expenses	***(121)***	*(124)*	*(128)*	*(129)*	*(128)*	*(508)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**370**	**371**	**403**	**172**	**442**	**1,787**
Reported Significant items – Totals ($m)						
Revenue	**—**	(1)	1	1	—	1
ECL	**—**	—	—	—	—	—
Operating expenses	**(6)**	(9)	(2)	(4)	—	(4)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**763**	**728**	**799**	**743**	**795**	**3,634**
of which: net interest income	***492***	*480*	*504*	*539*	*574*	*2,645*
Change in expected credit losses and other credit impairment charges	**(36)**	2	(51)	(217)	(14)	(489)
Total operating expenses	**(351)**	(350)	(346)	(353)	(340)	(1,355)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**376**	**380**	**402**	**173**	**441**	**1,790**
	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**103,423**	105,992	100,573	100,376	104,706	100,376
Loans and advances to customers (net)	**102,402**	104,983	99,562	99,400	103,943	99,400
Total external assets	**147,018**	146,129	139,844	147,163	150,252	147,163
Customer accounts	**131,946**	131,859	127,290	131,404	121,440	131,404
Risk-weighted assets	**73,270**	74,265	71,760	72,043	75,446	72,043
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**102,402**	104,686	99,387	98,965	103,442	99,400
Customer accounts	**131,946**	131,486	127,065	130,829	120,855	131,404

Hong Kong – Global Banking and Markets	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**862**	**756**	**918**	**691**	**742**	**3,382**
of which: net interest income	***242***	*234*	*228*	*237*	*259*	*1,203*
Change in expected credit losses and other credit impairment charges	**33**	(3)	26	19	(22)	(58)
Total operating expenses	**(471)**	(462)	(468)	(477)	(398)	(1,650)
of which: staff expenses	***(163)***	*(182)*	*(183)*	*(193)*	*(154)*	*(656)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**424**	**291**	**476**	**233**	**322**	**1,674**
Reported Significant items – Totals ($m)						
Revenue	**4**	(2)	—	(13)	—	3
ECL	**—**	—	—	—	—	—
Operating expenses	**(7)**	(4)	(2)	(11)	(3)	(15)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**858**	**757**	**915**	**701**	**739**	**3,379**
of which: net interest income	***242***	*232*	*226*	*236*	*258*	*1,203*
Change in expected credit losses and other credit impairment charges	**33**	(3)	26	19	(22)	(58)
Total operating expenses	**(464)**	(457)	(464)	(464)	(394)	(1,635)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**427**	**297**	**477**	**256**	**323**	**1,686**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**78,449**	82,536	78,567	77,650	80,278	77,650
Loans and advances to customers (net)	**78,294**	82,346	78,376	77,433	80,047	77,433
Total external assets	**260,125**	252,487	239,282	240,126	230,783	240,126
Customer accounts	**57,528**	51,862	53,182	52,211	57,709	52,211
Risk-weighted assets	**55,858**	56,976	54,256	53,901	55,249	53,901
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**78,294**	82,113	78,238	77,094	79,661	77,433
Customer accounts	**57,528**	51,715	53,089	51,982	57,431	52,211

Hong Kong – Corporate Centre

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**116**	**44**	**183**	**46**	**100**	**366**
of which: net interest expense	***(72)***	*(62)*	*(82)*	*(95)*	*(104)*	*(582)*
Change in expected credit losses and other credit impairment charges	**—**	—	—	—	—	—
Total operating expenses	**(123)**	(179)	(271)	(228)	(113)	(555)
of which: staff expenses	***53***	*(20)*	*(154)*	*(34)*	*(80)*	*(354)*
Share of profit in associates and joint ventures	**2**	2	2	2	2	8
Profit/(loss) before tax	**(5)**	**(133)**	**(86)**	**(180)**	**(11)**	**(181)**
Reported Significant items – Totals ($m)						
Revenue	**(22)**	(9)	(15)	(24)	—	(24)
ECL	**—**	—	—	—	—	—
Operating expenses	**(23)**	(41)	(9)	(27)	(15)	(51)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**138**	**54**	**200**	**72**	**100**	**390**
of which: net interest expense	***(72)***	*(63)*	*(83)*	*(95)*	*(103)*	*(582)*
Change in expected credit losses and other credit impairment charges	**—**	—	—	—	—	—
Total operating expenses	**(100)**	(136)	(262)	(201)	(99)	(504)
Share of profit in associates and joint ventures	**2**	2	2	2	2	8
Profit/(loss) before tax	**40**	**(80)**	**(60)**	**(127)**	**3**	**(106)**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**155**	477	432	398	382	398
Loans and advances to customers (net)	**155**	477	432	398	382	398
Total external assets	**55,191**	65,845	75,765	69,754	60,693	69,754
Customer accounts	**—**	—	19	19	19	19
Risk-weighted assets	**9,992**	12,575	13,011	14,175	10,153	14,175
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**155**	476	432	396	380	398
Customer accounts	**—**	—	19	19	19	19

SIGNIFICANT ITEMS

Hong Kong – TOTAL

	Quarter ended					Year to date
Reported revenue significant items ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**2**	(2)	—	(16)	—	—
Restructuring and other related costs	**(20)**	(14)	(9)	(15)	—	(15)
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(44)**	(61)	(25)	(69)	(21)	(100)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Hong Kong – Wealth and Personal Banking						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**(1)**	—	—	—	—	—
Restructuring and other related costs	**2**	(4)	5	6	—	6
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(9)**	(6)	(11)	(27)	(2)	(29)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—

Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Hong Kong – Commercial Banking						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	(1)	1	1	—	1
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(6)**	(9)	(2)	(4)	—	(4)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Hong Kong – Global Banking and Markets						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**4**	(2)	—	(16)	—	—
Restructuring and other related costs	**—**	—	—	3	—	3
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(7)**	(4)	(2)	(11)	(3)	(15)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—

Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Hong Kong – Corporate Centre						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**(22)**	(9)	(15)	(24)	—	(24)
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(23)**	(41)	(9)	(27)	(15)	(51)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Reconciling items – Currency translation on reported items – Totals ($m)						
Hong Kong – TOTAL						
Revenue		(6)	(10)	(11)	(13)	
ECL		—	1	1	—	
Operating expenses		3	5	6	6	
Share of profit in associates and joint ventures		—	—	1	—	
Revenue significant items		—	—	1	—	
Operating expense significant items		(1)	1	1	—	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(932)	(542)	(1,324)	(1,538)	
Customer accounts		(1,498)	(930)	(2,327)	(2,492)	

Hong Kong – Wealth and Personal Banking				
Revenue	(3)	(6)	(7)	(8)
ECL	—	—	—	—
Operating expenses	1	3	3	4
Share of profit in associates and joint ventures	1	1	1	—
Revenue significant items	—	—	—	—
Operating expense significant items	1	1	1	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(399)	(227)	(548)	(649)
Customer accounts	(978)	(611)	(1,524)	(1,629)
Hong Kong – Commercial Banking				
Revenue	(2)	(3)	(3)	(3)
ECL	—	—	—	—
Operating expenses	1	1	1	2
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(297)	(175)	(435)	(501)
Customer accounts	(373)	(225)	(575)	(585)
Hong Kong – Global Banking and Markets				
Revenue	(1)	(3)	(2)	(3)
ECL	—	—	—	—
Operating expenses	1	2	2	1
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	1	—
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(233)	(138)	(339)	(386)
Customer accounts	(147)	(93)	(229)	(278)

Hong Kong – Corporate Centre					
Revenue		1	2	2	—
ECL		—	—	—	—
Operating expenses		—	(1)	—	(1)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	—	—
Operating expense significant items		(2)	(1)	—	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(1)	—	(2)	(2)
Customer accounts		—	—	—	—

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Mainland China

Mainland China – TOTAL	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net interest income	**426**	414	401	395	366	1,556
Net fee income	**104**	108	125	77	88	337
Other operating income	**430**	389	354	299	287	1,195
Net operating income before change in expected credit losses and other credit impairment charges	**960**	**911**	**880**	**771**	**741**	**3,088**
Change in expected credit losses and other credit impairment charges	**(38)**	(19)	17	4	(11)	(114)
Total operating expenses	**(712)**	(680)	(626)	(641)	(554)	(2,211)
of which: staff expenses	***(411)***	*(394)*	*(386)*	*(361)*	*(322)*	*(1,287)*
Share of profit in associates and joint ventures	**539**	646	702	466	339	1,849
Profit/(loss) before tax	**749**	**858**	**973**	**600**	**515**	**2,612**
Reported Significant items - Totals ($m)						
Revenue	**3**	11	10	4	1	5
ECL	**—**	—	—	—	—	—
Operating expenses	**(10)**	(7)	(4)	(17)	(1)	(19)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**957**	**896**	**874**	**787**	**792**	**3,083**
of which: net interest income	***426***	*415*	*402*	*405*	*391*	*1,556*
Change in expected credit losses and other credit impairment charges	**(38)**	(19)	17	4	(12)	(114)
Total operating expenses	**(702)**	(672)	(623)	(640)	(592)	(2,192)
Share of profit in associates and joint ventures	**539**	646	703	477	363	1,849
Profit/(loss) before tax	**756**	**851**	**971**	**628**	**551**	**2,626**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**52,349**	51,403	48,973	46,405	43,815	46,405
Loans and advances to customers (net)	**52,066**	51,123	48,694	46,113	43,535	46,113
Total external assets	**135,509**	133,742	130,355	130,134	119,696	130,134
Customer accounts	**54,458**	57,227	54,919	56,826	47,327	56,826
Risk-weighted assets	**82,954**	83,477	81,693	80,674	76,061	80,674
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**52,066**	51,153	49,401	46,673	45,926	46,113
Customer accounts	**54,458**	57,261	55,717	57,517	49,926	56,826

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Mainland China

Mainland China – Wealth and Personal Banking	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**199**	**219**	**216**	**197**	**209**	**765**
of which: net interest income	***101***	*101*	*100*	*105*	*103*	*427*
Change in expected credit losses and other credit impairment charges	**(6)**	(4)	(2)	(11)	7	(52)
Total operating expenses	**(219)**	*(227)*	*(205)*	*(223)*	*(187)*	*(747)*
of which: staff expenses	***(98)***	*(104)*	*(95)*	*(85)*	*(83)*	*(310)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**(26)**	**(12)**	**9**	**(37)**	**29**	**(34)**
Reported Significant items – Totals ($m)						
Revenue	**—**	—	—	—	—	—
ECL	**—**	—	—	—	—	—
Operating expenses	**(1)**	—	—	(1)	—	(1)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**199**	**220**	**217**	**203**	**223**	**765**
of which: net interest income	***101***	*100*	*100*	*107*	*111*	*427*
Change in expected credit losses and other credit impairment charges	**(6)**	(4)	(2)	(11)	8	(52)
Total operating expenses	**(218)**	(227)	(207)	(228)	(200)	(746)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**(25)**	**(11)**	**8**	**(36)**	**31**	**(33)**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**11,384**	11,091	10,829	10,835	10,413	10,835
Loans and advances to customers (net)	**11,308**	11,015	10,749	10,747	10,329	10,747
Total external assets	**19,793**	18,199	17,908	17,517	16,602	17,517
Customer accounts	**13,234**	12,942	12,740	12,994	12,148	12,994
Risk-weighted assets	**5,865**	5,669	5,542	5,459	5,178	5,459
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**11,308**	11,021	10,905	10,878	10,896	10,747
Customer accounts	**13,234**	12,949	12,925	13,152	12,815	12,994

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Mainland China – Commercial Banking	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**204**	**197**	**192**	**171**	**172**	**758**
of which: net interest income	***161***	*151*	*143*	*143*	*142*	*597*
Change in expected credit losses and other credit impairment charges	**(26)**	(20)	19	(8)	(16)	(59)
Total operating expenses	**(117)**	(119)	(99)	(118)	(96)	(404)
of which: staff expenses	***(45)***	*(44)*	*(42)*	*(40)*	*(37)*	*(148)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**61**	**58**	**112**	**45**	**60**	**295**
Reported Significant items – Totals ($m)						
Revenue	**—**	—	—	—	—	—
ECL	**—**	—	—	—	—	—
Operating expenses	**—**	—	3	(3)	—	(3)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**204**	**196**	**193**	**175**	**184**	**758**
of which: net interest income	***161***	*151*	*143*	*147*	*152*	*597*
Change in expected credit losses and other credit impairment charges	**(26)**	(20)	19	(8)	(17)	(59)
Total operating expenses	**(117)**	(119)	(102)	(118)	(102)	(401)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**61**	**57**	**110**	**49**	**65**	**298**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**23,997**	23,942	21,922	19,988	17,946	19,988
Loans and advances to customers (net)	**23,821**	23,763	21,755	19,815	17,800	19,815
Total external assets	**35,821**	33,388	31,650	30,058	26,881	30,058
Customer accounts	**18,536**	18,443	16,674	16,875	14,753	16,875
Risk-weighted assets	**25,738**	25,379	24,429	23,158	20,829	23,158
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**23,821**	23,777	22,071	20,055	18,777	19,815
Customer accounts	**18,536**	18,454	16,916	17,080	15,563	16,875

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Mainland China

Mainland China – Global Banking and Markets

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**274**	**266**	**273**	**245**	**223**	**918**
of which: net interest income	***167***	*164*	*160*	*159*	*142*	*589*
Change in expected credit losses and other credit impairment charges	**(6)**	4	(1)	22	(2)	(3)
Total operating expenses	**(122)**	(123)	(116)	(114)	(100)	(409)
of which: staff expenses	***(47)***	*(49)*	*(47)*	*(48)*	*(34)*	*(150)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**146**	**147**	**156**	**153**	**121**	**506**
Reported Significant items - Totals ($m)						
Revenue	**—**	1	1	—	1	1
ECL	**—**	—	—	—	—	—
Operating expenses	**—**	—	—	—	—	—
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**274**	**265**	**272**	**251**	**237**	**917**
of which: net interest income	***167***	*165*	*161*	*164*	*151*	*589*
Change in expected credit losses and other credit impairment charges	**(6)**	5	—	23	(2)	(3)
Total operating expenses	**(122)**	(122)	(116)	(116)	(107)	(409)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**146**	**148**	**156**	**158**	**128**	**505**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**16,941**	16,343	16,195	15,556	15,431	15,556
Loans and advances to customers (net)	**16,910**	16,319	16,164	15,525	15,382	15,525
Total external assets	**51,092**	46,459	46,484	46,022	43,218	46,022
Customer accounts	**22,688**	25,842	25,468	26,923	20,393	26,923
Risk-weighted assets	**17,272**	17,633	16,790	17,154	16,530	17,154
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**16,910**	16,328	16,399	15,714	16,226	15,525
Customer accounts	**22,688**	25,857	25,838	27,250	21,513	26,923

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Mainland China – Corporate Centre	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**282**	226	200	158	137	647
of which: net interest expense	***(3)***	*(2)*	*(2)*	*(12)*	*(21)*	*(57)*
Change in expected credit losses and other credit impairment charges	**(1)**	1	1	1	—	—
Total operating expenses	**(254)**	(210)	(205)	(185)	(172)	(651)
of which: staff expenses	***(222)***	*(197)*	*(204)*	*(188)*	*(167)*	*(678)*
Share of profit in associates and joint ventures	**539**	648	702	466	339	1,849
Profit/(loss) before tax	**566**	**665**	**698**	**440**	**304**	**1,845**
Reported Significant items – Totals ($m)						
Revenue	**3**	12	10	4	—	4
ECL	**—**	—	—	—	—	—
Operating expenses	**(9)**	(8)	(8)	(14)	(1)	(16)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**279**	**215**	**191**	**158**	**147**	**643**
of which: net interest expense	***(3)***	*(1)*	*(1)*	*(11)*	*(23)*	*(57)*
Change in expected credit losses and other credit impairment charges	**(1)**	—	—	—	—	—
Total operating expenses	**(245)**	(204)	(199)	(178)	(183)	(635)
Share of profit in associates and joint ventures	**539**	646	703	477	363	1,849
Profit/(loss) before tax	**572**	657	695	457	327	1,857

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**26**	26	26	26	25	26
Loans and advances to customers (net)	**26**	26	26	26	25	26
Total external assets	**28,802**	35,696	34,314	36,537	32,994	36,537
Customer accounts	**—**	—	37	34	33	34
Risk-weighted assets	**34,079**	34,796	34,932	34,903	33,524	34,903
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**26**	26	26	26	26	26
Customer accounts	**—**	—	37	34	35	34

SIGNIFICANT ITEMS

Mainland China – TOTAL

	Quarter ended					Year to date
Reported revenue significant items ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	1	1
Restructuring and other related costs	**3**	11	10	4	—	4
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(10)**	(7)	(4)	(17)	(1)	(19)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—

Mainland China – Wealth and Personal Banking

	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	—	—	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(1)**	—	—	(1)	—	(1)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—

Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	—	—	—	—	—	—
Mainland China – Commercial Banking						
Reported revenue significant items ($m)						
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	—	—	3	(3)	—	(3)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	—	—	—	—	—	—
Mainland China – Global Banking and Markets						
Reported revenue significant items ($m)						
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	1	1	—	1	1
Restructuring and other related costs	—	—	—	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Mainland China – Corporate Centre						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**3**	12	10	4	—	4
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(9)**	(8)	(8)	(14)	(1)	(16)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Reconciling items – Currency translation on reported items – Totals ($m)						
Mainland China – TOTAL						
Revenue		(3)	3	20	52	
ECL		—	—	—	(1)	
Operating expenses		1	(1)	(16)	(39)	
Share of profit in associates and joint ventures		—	1	11	24	
Revenue significant items		1	(1)	—	—	
Operating expense significant items		—	—	—	—	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		30	707	560	2,391	
Customer accounts		34	798	691	2,599	

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Mainland China

Mainland China – Wealth and Personal Banking					
Revenue		1	1	6	14
ECL		—	—	—	1
Operating expenses		—	(2)	(6)	(13)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	—	—
Operating expense significant items		—	—	—	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		6	156	131	567
Customer accounts		7	185	158	667
Mainland China – Commercial Banking					
Revenue		(1)	1	4	12
ECL		—	—	—	(1)
Operating expenses		—	—	(3)	(6)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	—	—
Operating expense significant items		—	—	—	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		14	316	240	977
Customer accounts		11	242	205	810
Mainland China – Global Banking and Markets					
Revenue		(1)	(1)	5	15
ECL		1	1	1	—
Operating expenses		1	—	(2)	(7)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		(1)	(1)	(1)	—
Operating expense significant items		—	—	—	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		9	235	189	844
Customer accounts		15	370	327	1,120

Mainland China – Corporate Centre					
Revenue		1	1	5	10
ECL		(1)	(1)	(1)	—
Operating expenses		(1)	(1)	(6)	(12)
Share of profit in associates and joint ventures		(2)	1	11	24
Revenue significant items		—	—	1	—
Operating expense significant items		1	1	1	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		—	—	—	1
Customer accounts		—	—	—	2

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Middle East and North Africa

Middle East and North Africa – TOTAL	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net interest income	**321**	320	330	336	352	1,465
Net fee income	**187**	185	187	179	169	695
Other operating income	**119**	115	115	111	102	468
Net operating income before change in expected credit losses and other credit impairment charges	**627**	**620**	**632**	**626**	**623**	**2,628**
Change in expected credit losses and other credit impairment charges	**44**	61	55	(37)	(110)	(758)
Total operating expenses	**(358)**	(397)	(388)	(394)	(429)	(1,586)
of which: staff expenses	***(156)***	*(189)*	*(198)*	*(184)*	*(192)*	*(749)*
Share of profit/(loss) in associates and joint ventures	**65**	102	38	150	(384)	(265)
Profit/(loss) before tax	**378**	**386**	**337**	**345**	**(300)**	**19**
Reported Significant items – Totals ($m)						
Revenue	**—**	—	—	(1)	—	—
ECL	**—**	—	—	—	—	—
Operating expenses	**(15)**	(11)	(11)	(18)	(24)	(83)
Share of profit in associates and joint ventures	**—**	—	—	—	(462)	(462)
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**627**	**619**	**622**	**621**	**614**	**2,628**
of which: net interest income	***321***	*319*	*323*	*332*	*346*	*1,465*
Change in expected credit losses and other credit impairment charges	**44**	60	54	(37)	(110)	(758)
Total operating expenses	**(343)**	(386)	(371)	(372)	(396)	(1,503)
Share of profit/(loss) in associates and joint ventures	**65**	102	38	150	78	197
Profit/(loss) before tax	**393**	**395**	**343**	**362**	**186**	**564**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**28,547**	29,211	29,927	30,540	31,126	30,540
Loans and advances to customers (net)	**27,095**	27,608	28,176	28,700	29,307	28,700
Total external assets	**64,478**	63,515	65,210	64,733	63,472	64,733
Customer accounts	**42,089**	41,086	41,916	41,221	40,815	41,221
Risk-weighted assets[1]	**60,319**	59,476	59,830	60,181	59,361	60,181
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**27,095**	27,555	27,978	28,186	28,900	28,700
Customer accounts	**42,089**	40,990	41,611	40,592	40,340	41,221

Middle East and North Africa – Wealth and Personal Banking	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**211**	**197**	**206**	**204**	**202**	**874**
of which: net interest income	***127***	*125*	*129*	*133*	*131*	*575*
Change in expected credit losses and other credit impairment charges	**31**	1	7	(5)	6	(151)
Total operating expenses	**(156)**	(169)	(163)	(163)	(196)	(738)
of which: staff expenses	***(52)***	*(57)*	*(58)*	*(56)*	*(59)*	*(232)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**86**	**29**	**50**	**36**	**12**	**(15)**
Reported Significant items – Totals ($m)						
Revenue	**—**	—	—	—	—	—
ECL	**—**	—	—	—	—	—
Operating expenses	**—**	(1)	(2)	13	(17)	(45)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**211**	**198**	**204**	**203**	**199**	**874**
of which: net interest income	***127***	*123*	*126*	*130*	*131*	*575*
Change in expected credit losses and other credit impairment charges	**31**	1	7	(5)	5	(151)
Total operating expenses	**(156)**	(168)	(158)	(174)	(174)	(693)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**86**	**31**	**53**	**24**	**30**	**30**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**5,439**	5,315	5,480	5,534	5,688	5,534
Loans and advances to customers (net)	**5,227**	5,051	5,196	5,215	5,346	5,215
Total external assets	**16,504**	15,995	15,980	16,179	15,823	16,179
Customer accounts	**21,143**	21,325	21,142	20,293	19,990	20,293
Risk-weighted assets	**7,893**	7,648	7,454	7,666	7,641	7,666
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**5,227**	5,045	5,173	5,155	5,304	5,215
Customer accounts	**21,143**	21,262	20,927	19,841	19,680	20,293

Middle East and North Africa – Commercial Banking

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**158**	**153**	**145**	**134**	**141**	**603**
of which: net interest income	***99***	*95*	*89*	*85*	*93*	*390*
Change in expected credit losses and other credit impairment charges	**(16)**	(2)	18	(30)	(68)	(388)
Total operating expenses	**(74)**	(84)	(83)	(83)	(92)	(335)
of which: staff expenses	***(26)***	*(34)*	*(31)*	*(31)*	*(31)*	*(123)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**68**	**67**	**80**	**21**	**(19)**	**(120)**
Reported Significant items – Totals ($m)						
Revenue	**—**	—	—	—	—	—
ECL	**—**	—	—	—	—	—
Operating expenses	**(2)**	(2)	—	—	(1)	(1)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**158**	**154**	**143**	**133**	**139**	**603**
of which: net interest income	***99***	*93*	*86*	*83*	*91*	*390*
Change in expected credit losses and other credit impairment charges	**(16)**	(4)	16	(31)	(68)	(388)
Total operating expenses	**(72)**	(84)	(82)	(83)	(88)	(334)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**70**	**66**	**77**	**19**	**(17)**	**(119)**
	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**11,342**	11,765	11,805	12,015	12,377	12,015
Loans and advances to customers (net)	**10,197**	10,538	10,575	10,747	11,157	10,747
Total external assets	**17,205**	17,516	17,677	17,158	17,529	17,158
Customer accounts	**8,772**	8,748	8,970	8,784	8,505	8,784
Risk-weighted assets	**15,498**	15,736	15,547	15,328	15,893	15,328
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**10,197**	10,501	10,453	10,443	10,919	10,747
Customer accounts	**8,772**	8,730	8,930	8,725	8,438	8,784

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Middle East and North Africa

Middle East and North Africa – Global Banking and Markets

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**252**	**262**	**270**	**278**	**274**	**1,131**
of which: net interest income	***107***	*112*	*105*	*114*	*118*	*494*
Change in expected credit losses and other credit impairment charges	**29**	61	30	(3)	(47)	(219)
Total operating expenses	**(99)**	(112)	(112)	(117)	(115)	(434)
of which: staff expenses	***(30)***	*(37)*	*(38)*	*(39)*	*(33)*	*(135)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**182**	**211**	**188**	**158**	**112**	**478**
Reported Significant items – Totals ($m)						
Revenue	**—**	—	—	(1)	—	—
ECL	**—**	—	—	—	—	—
Operating expenses	**—**	(2)	(2)	(1)	—	(1)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**252**	**262**	**266**	**276**	**270**	**1,131**
of which: net interest income	***107***	*112*	*103*	*112*	*117*	*494*
Change in expected credit losses and other credit impairment charges	**29**	62	30	(2)	(47)	(219)
Total operating expenses	**(99)**	(111)	(109)	(116)	(113)	(433)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**182**	**213**	**187**	**158**	**110**	**479**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**11,765**	12,131	12,642	12,991	13,061	12,991
Loans and advances to customers (net)	**11,671**	12,019	12,406	12,738	12,804	12,738
Total external assets	**24,366**	23,773	25,251	24,852	24,054	24,852
Customer accounts	**12,173**	11,011	11,805	12,143	12,318	12,143
Risk-weighted assets	**15,469**	15,163	15,669	16,445	15,929	16,445
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**11,671**	12,008	12,353	12,588	12,677	12,738
Customer accounts	**12,173**	10,997	11,753	12,026	12,221	12,143

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Middle East and North Africa – Corporate Centre	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**6**	**5**	**9**	**9**	**6**	**19**
of which: net interest income/(expense)	***(11)***	*(10)*	*8*	*6*	*9*	*7*
Change in expected credit losses and other credit impairment charges	**—**	—	1	—	—	—
Total operating expenses	**(30)**	(30)	(29)	(30)	(26)	(78)
of which: staff expenses	***(48)***	*(62)*	*(72)*	*(58)*	*(69)*	*(259)*
Share of profit/(loss) in associates and joint ventures	**66**	102	38	150	(384)	(265)
Profit/(loss) before tax	**42**	**77**	**19**	**129**	**(404)**	**(324)**
Reported Significant items – Totals ($m)						
Revenue	**—**	—	—	—	—	—
ECL	**—**	—	—	—	—	—
Operating expenses	**(13)**	(8)	(9)	(31)	(5)	(36)
Share of profit in associates and joint ventures	**—**	—	—	—	(462)	(462)
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**6**	**5**	**9**	**10**	**6**	**19**
of which: net interest income/(expense)	***(11)***	*(9)*	*7*	*7*	*7*	*7*
Change in expected credit losses and other credit impairment charges	**—**	—	1	—	—	—
Total operating expenses	**(17)**	(22)	(21)	1	(21)	(42)
Share of profit/(loss) in associates and joint ventures	**66**	102	38	150	78	197
Profit/(loss) before tax	**55**	**85**	**27**	**161**	**63**	**174**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**—**	—	—	—	—	—
Loans and advances to customers (net)	**—**	—	—	—	—	—
Total external assets	**6,403**	6,231	6,303	6,544	6,065	6,544
Customer accounts	**—**	2	—	—	—	—
Risk-weighted assets	**21,459**	20,929	21,160	20,742	19,898	20,742
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**—**	—	—	—	—	—
Customer accounts	**—**	2	—	—	—	—

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Middle East and North Africa

SIGNIFICANT ITEMS	Quarter ended					Year to date
Middle East and North Africa – TOTAL						
Reported revenue significant items ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	(1)	—	—
Restructuring and other related costs	**—**	—	—	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	(4)	(19)	(64)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(15)**	(11)	(11)	(14)	(5)	(19)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	(462)	(462)
Middle East and North Africa – Wealth and Personal Banking						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	—	—	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	16	(17)	(42)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	(1)	(2)	(3)	—	(3)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—

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Middle East and North Africa

Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Middle East and North Africa – Commercial Banking						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	—	—	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	1	(1)	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(2)**	(2)	—	(1)	—	(1)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Middle East and North Africa – Global Banking and Markets						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	(1)	—	—
Restructuring and other related costs	**—**	—	—	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	(2)	(2)	(1)	—	(1)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—

Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Middle East and North Africa – Corporate Centre						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	—	—	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	(21)	(1)	(22)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(13)**	(8)	(9)	(10)	(4)	(14)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	(462)	(462)
Reconciling items – Currency translation on reported items – Totals ($m)						
Middle East and North Africa – TOTAL						
Revenue		(1)	(10)	(5)	(9)	
ECL		(1)	(1)	—	—	
Operating expenses		1	6	4	11	
Share of profit in associates and joint ventures		—	—	—	—	
Revenue significant items		—	—	1	—	
Operating expense significant items		1	—	—	2	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(53)	(198)	(514)	(407)	
Customer accounts		(96)	(305)	(629)	(475)	

Middle East and North Africa – Wealth and Personal Banking				
Revenue	1	(2)	(1)	(3)
ECL	—	—	—	(1)
Operating expenses	—	3	1	7
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	—	(1)	2
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(6)	(23)	(60)	(42)
Customer accounts	(63)	(215)	(452)	(310)
Middle East and North Africa – Commercial Banking				
Revenue	1	(2)	(1)	(2)
ECL	(2)	(2)	(1)	—
Operating expenses	(1)	1	—	3
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	1	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(37)	(122)	(304)	(238)
Customer accounts	(18)	(40)	(59)	(67)
Middle East and North Africa – Global Banking and Markets				
Revenue	—	(4)	(3)	(4)
ECL	1	—	1	—
Operating expenses	—	2	1	2
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	1	1	1	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(11)	(53)	(150)	(127)
Customer accounts	(14)	(52)	(117)	(97)

Middle East and North Africa – Corporate Centre					
Revenue		—	—	1	—
ECL		—	—	—	—
Operating expenses		—	—	1	—
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	—	—
Operating expense significant items		—	1	1	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		—	—	—	—
Customer accounts		—	—	—	—

1 Risk-weighted assets are non-additive across geographical regions due to market risk diversification effects within the Group.

North America – TOTAL	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net interest income	**712**	729	704	701	652	2,836
Net fee income	**522**	501	509	444	441	1,795
Other operating income	**216**	272	336	343	389	1,744
Net operating income before change in expected credit losses and other credit impairment charges	**1,450**	**1,502**	**1,549**	**1,488**	**1,482**	**6,375**
Change in expected credit losses and other credit impairment charges	**45**	108	104	(27)	14	(900)
Total operating expenses	**(1,137)**	(1,289)	(1,169)	(1,309)	(1,503)	(5,307)
of which: staff expenses	***(500)***	*(604)*	*(608)*	*(592)*	*(594)*	*(2,434)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**358**	**321**	**484**	**152**	**(7)**	**168**
Reported Significant items – Totals ($m)						
Revenue	**(21)**	(3)	—	12	(49)	(43)
ECL	**—**	—	—	—	—	—
Operating expenses	**(62)**	(153)	(38)	(84)	(333)	(601)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**1,471**	**1,493**	**1,551**	**1,488**	**1,552**	**6,418**
of which: net interest income	***712***	*723*	*704*	*708*	*663*	*2,836*
Change in expected credit losses and other credit impairment charges	**45**	107	104	(27)	14	(900)
Total operating expenses	**(1,075)**	(1,129)	(1,133)	(1,233)	(1,184)	(4,706)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**441**	**471**	**522**	**228**	**382**	**812**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**107,088**	107,244	109,757	109,056	111,552	109,056
Loans and advances to customers (net)	**106,422**	106,414	108,751	107,969	110,394	107,969
Total external assets	**364,292**	354,717	361,930	347,893	383,130	347,893
Customer accounts	**179,100**	176,152	182,576	182,028	177,478	182,028
Risk-weighted assets[1]	**113,170**	115,208	115,785	117,755	122,952	117,755
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**106,422**	105,105	108,182	108,077	112,868	107,969
Customer accounts	**179,100**	174,741	181,943	182,155	180,421	182,028

HSBC
North America

North America – Wealth and Personal Banking	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**463**	**483**	**495**	**482**	**486**	**1,929**
of which: net interest income	***325***	*330*	*327*	*328*	*304*	*1,276*
Change in expected credit losses and other credit impairment charges	**45**	(6)	(1)	(13)	(21)	(240)
Total operating expenses	**(440)**	(519)	(449)	(476)	(684)	(2,139)
of which: staff expenses	***(153)***	*(170)*	*(168)*	*(158)*	*(173)*	*(686)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**68**	**(42)**	**45**	**(7)**	**(219)**	**(450)**
Reported Significant items – Totals ($m)						
Revenue	**(1)**	(1)	(1)	(1)	(1)	(9)
ECL	**—**	—	—	—	—	—
Operating expenses	**(5)**	(73)	(5)	(3)	(216)	(231)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**464**	**479**	**498**	**489**	**495**	**1,938**
of which: net interest income	***325***	*327*	*328*	*331*	*309*	*1,276*
Change in expected credit losses and other credit impairment charges	**45**	(6)	(2)	(14)	(21)	(240)
Total operating expenses	**(435)**	(442)	(444)	(477)	(476)	(1,908)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**74**	**31**	**52**	**(2)**	**(2)**	**(210)**
	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**50,568**	50,420	51,328	50,266	48,573	50,266
Loans and advances to customers (net)	**50,363**	50,074	50,916	49,837	48,144	49,837
Total external assets	**110,716**	105,818	104,099	97,726	93,647	97,726
Customer accounts	**72,599**	70,486	81,025	81,278	78,399	81,278
Risk-weighted assets	**21,990**	22,412	21,989	22,175	21,677	22,175
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**50,363**	49,389	50,620	49,893	49,394	49,837
Customer accounts	**72,599**	69,724	80,676	81,347	79,961	81,278

HSBC
North America

North America – Commercial Banking	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**487**	**473**	**446**	**446**	**443**	**1,803**
of which: net interest income	***319***	*304*	*285*	*298*	*291*	*1,223*
Change in expected credit losses and other credit impairment charges	**(23)**	38	45	(7)	22	(496)
Total operating expenses	**(225)**	(241)	(238)	(238)	(238)	(941)
of which: staff expenses	***(87)***	*(101)*	*(98)*	*(101)*	*(96)*	*(385)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**239**	**270**	**253**	**201**	**227**	**366**
Reported Significant items – Totals ($m)						
Revenue	**—**	—	—	—	—	—
ECL	**—**	—	—	—	—	—
Operating expenses	**(6)**	(6)	—	(5)	(4)	(11)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**487**	**467**	**447**	**452**	**453**	**1,803**
of which: net interest income	***319***	*301*	*286*	*301*	*296*	*1,223*
Change in expected credit losses and other credit impairment charges	**(23)**	37	46	(6)	22	(496)
Total operating expenses	**(219)**	(234)	(241)	(236)	(238)	(930)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**245**	**270**	**252**	**210**	**237**	**377**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**43,578**	44,615	44,665	44,324	46,534	44,324
Loans and advances to customers (net)	**43,182**	44,197	44,208	43,842	45,988	43,842
Total external assets	**79,585**	77,260	77,268	69,976	71,025	69,976
Customer accounts	**67,329**	66,303	63,545	62,854	58,387	62,854
Risk-weighted assets	**50,207**	49,459	49,690	49,049	51,229	49,049
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**43,182**	43,638	43,965	43,887	47,048	43,842
Customer accounts	**67,329**	65,781	63,317	62,898	59,375	62,854

North America – Global Banking and Markets

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**472**	**461**	**563**	**497**	**498**	**2,432**
of which: net interest income	***77***	*91*	*96*	*92*	*91*	*450*
Change in expected credit losses and other credit impairment charges	**23**	76	60	(7)	13	(165)
Total operating expenses	**(337)**	(368)	(374)	(383)	(415)	(1,555)
of which: staff expenses	***(107)***	*(142)*	*(144)*	*(141)*	*(129)*	*(562)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**158**	**169**	**249**	**107**	**96**	**712**
Reported Significant items – Totals ($m)						
Revenue	**(3)**	(7)	(6)	(12)	(48)	(67)
ECL	**—**	—	—	—	—	—
Operating expenses	**(6)**	(5)	—	11	(11)	(26)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**475**	**465**	**569**	**511**	**549**	**2,499**
of which: net interest income	***77***	*90*	*97*	*94*	*92*	*450*
Change in expected credit losses and other credit impairment charges	**23**	76	60	(7)	14	(165)
Total operating expenses	**(331)**	(359)	(372)	(393)	(405)	(1,529)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**167**	**182**	**257**	**111**	**158**	**805**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**12,942**	12,209	13,764	14,466	16,445	14,466
Loans and advances to customers (net)	**12,877**	12,143	13,627	14,290	16,262	14,290
Total external assets	**169,097**	166,707	175,864	175,159	213,637	175,159
Customer accounts	**39,177**	39,367	38,011	37,901	40,692	37,901
Risk-weighted assets	**37,494**	39,576	39,661	42,444	45,239	42,444
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**12,877**	12,078	13,597	14,297	16,426	14,290
Customer accounts	**39,177**	39,241	37,955	37,915	41,085	37,901

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North America

North America – Corporate Centre	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**28**	85	45	64	55	212
of which: net interest expense	***(8)***	*5*	*(7)*	*(18)*	*(33)*	*(113)*
Change in expected credit losses and other credit impairment charges	**—**	—	(1)	(1)	—	—
Total operating expenses	**(135)**	(161)	(107)	(211)	(167)	(672)
of which: staff expenses	***(153)***	*(191)*	*(200)*	*(194)*	*(194)*	*(801)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**(107)**	**(76)**	**(63)**	**(148)**	**(112)**	**(460)**
Reported Significant items – Totals ($m)						
Revenue	**(17)**	3	4	25	—	33
ECL	**—**	—	—	—	—	—
Operating expenses	**(45)**	(67)	(33)	(85)	(103)	(332)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**45**	**81**	**39**	**37**	**55**	**179**
of which: net interest expense	***(8)***	*5*	*(7)*	*(18)*	*(34)*	*(113)*
Change in expected credit losses and other credit impairment charges	**—**	—	—	—	—	—
Total operating expenses	**(90)**	(95)	(75)	(127)	(64)	(340)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**(45)**	**(14)**	**(36)**	**(90)**	**(9)**	**(161)**

	Balance sheet date					Balance sheet date
Balance sheet - reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**—**	—	—	—	—	—
Loans and advances to customers (net)	**—**	—	—	—	—	—
Total external assets	**4,893**	4,933	4,698	5,031	4,821	5,031
Customer accounts	**(5)**	(5)	(5)	(5)	—	(5)
Risk-weighted assets	**3,479**	3,761	4,445	4,087	4,807	4,087
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**—**	—	—	—	—	—
Customer accounts	**(5)**	(5)	(5)	(5)	—	(5)

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North America

SIGNIFICANT ITEMS

North America – TOTAL

	Quarter ended					Year to date
Reported revenue significant items ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	(2)	—	(10)
Fair value movements on financial instruments	**(4)**	—	—	1	(2)	2
Restructuring and other related costs	**(17)**	(3)	—	13	(47)	(35)
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	(1)	(222)	(223)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(62)**	(153)	(38)	(83)	(111)	(378)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
North America – Wealth and Personal Banking						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	(1)	(1)	(1)	(1)	(9)
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**(1)**	—	—	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	(207)	(207)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(5)**	(73)	(5)	(3)	(9)	(24)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—

Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
North America – Commercial Banking						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	—	—	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	(1)	(1)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(6)**	(6)	—	(5)	(3)	(10)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
North America – Global Banking and Markets						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**(3)**	—	(1)	1	(2)	2
Restructuring and other related costs	**—**	(7)	(5)	(13)	(46)	(69)
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	(4)	(4)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(6)**	(5)	—	11	(7)	(22)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—

Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
North America – Corporate Centre						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	(1)
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**(17)**	3	4	25	—	34
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	(10)	(10)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(45)**	(67)	(33)	(85)	(93)	(322)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Reconciling items – Currency translation on reported items - Totals ($m)						
North America – TOTAL						
Revenue		(12)	2	14	21	
ECL		(1)	—	—	—	
Operating expenses		8	(2)	(9)	(15)	
Share of profit in associates and joint ventures		—	—	—	—	
Revenue significant items		—	—	2	—	
Operating expense significant items		1	—	(1)	(1)	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(1,309)	(569)	108	2,474	
Customer accounts		(1,411)	(633)	127	2,943	

North America – Wealth and Personal Banking				
Revenue	(4)	3	7	8
ECL	—	(1)	(1)	—
Operating expenses	3	(1)	(5)	(7)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	1	1	1	—
Operating expense significant items	(1)	(1)	(1)	1
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(685)	(296)	56	1,250
Customer accounts	(762)	(349)	69	1,562
North America – Commercial Banking				
Revenue	(6)	1	6	10
ECL	(1)	1	1	—
Operating expenses	2	(2)	(3)	(4)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	1	1	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(559)	(243)	45	1,060
Customer accounts	(522)	(228)	44	988
North America – Global Banking and Markets				
Revenue	(1)	1	3	3
ECL	—	—	—	1
Operating expenses	1	(1)	(2)	(1)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	2	1	1	—
Operating expense significant items	(3)	(3)	(3)	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(65)	(30)	7	164
Customer accounts	(126)	(56)	14	393

North America – Corporate Centre

Revenue		(1)	(2)	(2)	—
ECL		—	1	1	—
Operating expenses		1	1	—	(1)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	—	—
Operating expense significant items		2	2	1	(1)
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		—	—	—	—
Customer accounts		—	—	—	—

1 Risk-weighted assets are non-additive across geographical regions due to market risk diversification effects within the Group.

HSBC
US

US – TOTAL	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net interest income	**448**	464	461	472	453	1,922
Net fee income	**353**	329	343	292	300	1,218
Other operating income	**133**	191	260	273	308	1,450
Net operating income before change in expected credit losses and other credit impairment charges	**934**	**984**	**1,064**	**1,037**	**1,061**	**4,590**
Change in expected credit losses and other credit impairment charges	**41**	83	91	(22)	15	(622)
Total operating expenses	**(838)**	(973)	(876)	(996)	(1,241)	(4,194)
of which: staff expenses	***(361)***	*(449)*	*(451)*	*(441)*	*(448)*	*(1,847)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**137**	**94**	**279**	**19**	**(165)**	**(226)**
Reported Significant items – Totals ($m)						
Revenue	**(22)**	(2)	(2)	14	(49)	(41)
ECL	**—**	—	—	—	—	—
Operating expenses	**(45)**	(121)	(32)	(57)	(322)	(556)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**956**	**988**	**1,064**	**1,020**	**1,110**	**4,631**
of which: net interest income	***448***	*464*	*461*	*472*	*453*	*1,922*
Change in expected credit losses and other credit impairment charges	**41**	84	91	(22)	15	(622)
Total operating expenses	**(793)**	(851)	(844)	(940)	(919)	(3,638)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**204**	**221**	**311**	**58**	**206**	**371**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**51,913**	52,387	57,641	58,703	62,888	58,703
Loans and advances to customers (net)	**51,656**	51,985	57,090	58,082	62,242	58,082
Total external assets	**267,431**	260,185	268,289	254,085	288,538	254,085
Customer accounts	**114,064**	110,579	119,416	117,485	114,695	117,485
Risk-weighted assets	**80,303**	81,866	82,790	84,939	90,171	84,939
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**51,656**	51,985	57,090	58,082	62,242	58,082
Customer accounts	**114,064**	110,579	119,416	117,485	114,695	117,485

HSBC
US

HSBC US – Wealth and Personal Banking

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**262**	**278**	**298**	**295**	**309**	**1,210**
of which: net interest income	***198***	*199*	*202*	*203*	*195*	*817*
Change in expected credit losses and other credit impairment charges	**34**	—	2	(2)	(11)	(189)
Total operating expenses	**(289)**	(367)	(298)	(322)	(542)	(1,568)
of which: staff expenses	***(99)***	*(112)*	*(109)*	*(105)*	*(123)*	*(480)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**7**	**(89)**	**2**	**(29)**	**(244)**	**(547)**
Reported Significant items – Totals ($m)						
Revenue	**(1)**	—	—	—	(1)	(9)
ECL	**—**	—	—	—	—	—
Operating expenses	**(2)**	(70)	(4)	(1)	(215)	(228)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**263**	**280**	**300**	**297**	**310**	**1,219**
of which: net interest income	***198***	*200*	*203*	*204*	*195*	*817*
Change in expected credit losses and other credit impairment charges	**34**	—	2	(2)	(11)	(189)
Total operating expenses	**(287)**	(297)	(294)	(321)	(327)	(1,340)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**10**	**(17)**	**8**	**(26)**	**(28)**	**(310)**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**21,253**	21,565	24,068	24,056	23,812	24,056
Loans and advances to customers (net)	**21,209**	21,395	23,831	23,802	23,550	23,802
Total external assets	**67,723**	63,640	62,768	58,725	56,260	58,725
Customer accounts	**38,786**	37,160	47,757	48,241	46,706	48,241
Risk-weighted assets	**15,770**	16,097	15,717	16,134	16,001	16,134
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**21,209**	21,395	23,831	23,802	23,550	23,802
Customer accounts	**38,786**	37,160	47,757	48,241	46,706	48,241

HSBC
US

HSBC US – Commercial Banking	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**262**	**253**	**244**	**255**	**260**	**1,022**
of which: net interest income	***191***	*183*	*179*	*198*	*195*	*787*
Change in expected credit losses and other credit impairment charges	**(24)**	11	37	(10)	21	(293)
Total operating expenses	**(134)**	(152)	(150)	(146)	(152)	(590)
of which: staff expenses	***(55)***	*(66)*	*(65)*	*(64)*	*(65)*	*(252)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**104**	**112**	**131**	**99**	**129**	**139**
Reported Significant items - Totals ($m)						
Revenue	**—**	—	—	—	—	—
ECL	**—**	—	—	—	—	—
Operating expenses	**(2)**	(5)	(1)	(1)	(4)	(7)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**262**	**253**	**244**	**255**	**260**	**1,022**
of which: net interest income	***191***	*182*	*178*	*197*	*195*	*787*
Change in expected credit losses and other credit impairment charges	**(24)**	12	38	(9)	21	(293)
Total operating expenses	**(132)**	(148)	(151)	(146)	(148)	(583)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**106**	**117**	**131**	**100**	**133**	**146**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**20,645**	21,471	22,684	23,435	25,897	23,435
Loans and advances to customers (net)	**20,473**	21,290	22,491	23,222	25,670	23,222
Total external assets	**45,465**	43,057	43,654	36,147	37,905	36,147
Customer accounts	**43,845**	41,716	40,299	39,577	36,999	39,577
Risk-weighted assets	**29,111**	27,937	28,953	28,770	30,879	28,770
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**20,473**	21,290	22,491	23,222	25,670	23,222
Customer accounts	**43,845**	41,716	40,299	39,577	36,999	39,577

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US

HSBC US – Global Banking and Markets

Reported ($m)	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
	Quarter ended					Year to date
Net operating income before change in expected credit losses and other credit impairment charges	**398**	**384**	**486**	**430**	**433**	**2,149**
of which: net interest income	*67*	*79*	*87*	*84*	*87*	*394*
Change in expected credit losses and other credit impairment charges	32	73	52	(10)	6	(139)
Total operating expenses	(307)	(337)	(342)	(351)	(398)	(1,437)
of which: staff expenses	*(98)*	*(131)*	*(133)*	*(129)*	*(120)*	*(516)*
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	**123**	**120**	**196**	**69**	**41**	**573**
Reported Significant items – Totals ($m)						
Revenue	(4)	(7)	(6)	(9)	(48)	(65)
ECL	—	—	—	—	—	—
Operating expenses	(6)	(7)	(2)	11	(11)	(20)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**402**	**393**	**492**	**439**	**481**	**2,214**
of which: net interest income	*67*	*79*	*87*	*84*	*87*	*394*
Change in expected credit losses and other credit impairment charges	32	72	51	(11)	6	(139)
Total operating expenses	(301)	(330)	(339)	(361)	(386)	(1,417)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	**133**	**135**	**204**	**67**	**101**	**658**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**10,014**	9,351	10,889	11,212	13,179	11,212
Loans and advances to customers (net)	**9,974**	9,301	10,767	11,057	13,021	11,057
Total external assets	**149,575**	148,763	157,376	154,456	189,909	154,456
Customer accounts	**31,438**	31,708	31,366	29,672	30,990	29,672
Risk-weighted assets	**32,125**	34,275	33,713	36,140	38,867	36,140
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**9,974**	9,301	10,767	11,057	13,021	11,057
Customer accounts	**31,438**	31,708	31,366	29,672	30,990	29,672

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US

HSBC US – Corporate Centre

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**12**	**66**	**33**	**55**	**58**	206
of which: net interest expense	***(8)***	*2*	*(9)*	*(16)*	*(22)*	*(77)*
Change in expected credit losses and other credit impairment charges	**—**	—	—	—	—	—
Total operating expenses	**(107)**	(113)	(85)	(176)	(149)	(598)
of which: staff expenses	***(109)***	*(139)*	*(143)*	*(141)*	*(141)*	*(598)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**(95)**	**(47)**	**(52)**	**(121)**	**(91)**	**(392)**
Reported Significant items – Totals ($m)						
Revenue	**(17)**	1	1	23	—	33
ECL	**—**	—	—	—	—	—
Operating expenses	**(34)**	(37)	(24)	(65)	(91)	(299)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**29**	**62**	**29**	**29**	**58**	**173**
of which: net interest expense	**(8)**	*4*	*(7)*	*(14)*	*(22)*	*(77)*
Change in expected credit losses and other credit impairment charges	**—**	—	—	—	—	—
Total operating expenses	**(73)**	(76)	(60)	(111)	(58)	(299)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**(44)**	**(14)**	**(31)**	**(82)**	**—**	**(126)**
	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**—**	—	—	—	—	—
Loans and advances to customers (net)	**—**	—	—	—	—	—
Total external assets	**4,669**	4,725	4,492	4,757	4,463	4,757
Customer accounts	**(5)**	(5)	(5)	(5)	—	(5)
Risk-weighted assets	**3,297**	3,557	4,407	3,895	4,424	3,895
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**—**	—	—	—	—	—
Customer accounts	**(5)**	(5)	(5)	(5)	—	(5)

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SIGNIFICANT ITEMS

HSBC US – TOTAL

	Quarter ended					Year to date
Reported revenue significant items ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	(1)	(1)	(10)
Fair value movements on financial instruments	**(4)**	1	(1)	1	(2)	2
Restructuring and other related costs	**(18)**	(3)	(1)	14	(46)	(33)
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	(1)	(222)	(223)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(45)**	(121)	(32)	(56)	(100)	(333)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
HSBC US – Wealth and Personal Banking						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	(1)	(9)
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**(1)**	—	—	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	(207)	(207)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(2)**	(70)	(4)	(1)	(8)	(21)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—

HSBC US

Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
HSBC US – Commercial Banking						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	—	—	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	(1)	(1)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(2)**	(5)	(1)	(1)	(3)	(6)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
HSBC US – Global Banking and Markets						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**(4)**	—	(1)	2	(2)	2
Restructuring and other related costs	**—**	(7)	(5)	(11)	(46)	(67)
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	(4)	(4)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(6)**	(7)	(2)	11	(7)	(16)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—

HSBC
US

Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
HSBC US – Corporate Centre						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	(1)	(1)	(1)	—	(1)
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**(17)**	2	2	24	—	34
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	(10)	(10)
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(34)**	(37)	(24)	(65)	(81)	(289)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Reconciling items – Currency translation on reported items – Totals ($m)						
HSBC US – TOTAL						
Revenue		1	(1)	(1)	—	
ECL		1	—	—	—	
Operating expenses		2	(1)	(1)	—	
Share of profit in associates and joint ventures		—	—	—	—	
Revenue significant items		(1)	1	2	—	
Operating expense significant items		1	(1)	—	—	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		—	—	—	—	
Customer accounts		—	—	—	—	

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US

HSBC US – Wealth and Personal Banking					
Revenue		2	2	2	—
ECL		—	—	—	—
Operating expenses		(1)	(1)	(1)	—
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	—	—
Operating expense significant items		(1)	(1)	(1)	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		—	—	—	—
Customer accounts		—	—	—	—
HSBC US – Commercial Banking					
Revenue		—	—	—	—
ECL		1	1	1	—
Operating expenses		(1)	(1)	(1)	—
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	—	—
Operating expense significant items		—	1	—	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		—	—	—	—
Customer accounts		—	—	—	—
HSBC US – Global Banking and Markets					
Revenue		4	1	1	—
ECL		(1)	(1)	(1)	—
Operating expenses		—	—	—	—
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		2	1	1	—
Operating expense significant items		—	(1)	(1)	(1)
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		—	—	—	—
Customer accounts		—	—	—	—

HSBC US – Corporate Centre					
Revenue		(1)	(1)	(1)	—
ECL		—	—	—	—
Operating expenses		—	—	—	—
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		2	2	2	—
Operating expense significant items		—	(1)	—	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		—	—	—	—
Customer accounts		—	—	—	—

Latin America – TOTAL	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net interest income	**574**	524	486	513	484	1,960
Net fee income	**131**	126	128	116	121	467
Other operating income[1]	**72**	123	98	68	141	593
Net operating income before change in expected credit losses and other credit impairment charges	**777**	**773**	**712**	**697**	**746**	**3,020**
Change in expected credit losses and other credit impairment charges	**18**	(43)	(29)	(275)	(192)	(1,124)
Total operating expenses	**(585)**	(528)	(482)	(583)	(445)	(1,938)
of which: staff expenses	***(164)***	*(168)*	*(182)*	*(198)*	*(161)*	*(695)*
Share of profit in associates and joint ventures	**12**	2	2	2	1	5
Profit/(loss) before tax	**222**	**204**	**203**	**(159)**	**110**	**(37)**
Reported Significant items – Totals ($m)						
Revenue	**1**	(1)	(6)	(5)	(1)	3
ECL	**—**	—	—	—	—	—
Operating expenses	**(21)**	(18)	(9)	(61)	(19)	(91)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**776**	**768**	**718**	**686**	**755**	**3,017**
of which: net interest income	***574***	*519*	*481*	*490*	*483*	*1,960*
Change in expected credit losses and other credit impairment charges	**18**	(42)	(30)	(277)	(222)	(1,124)
Total operating expenses	**(564)**	(504)	(471)	(507)	(431)	(1,847)
Share of profit in associates and joint ventures	**12**	2	2	2	1	5
Profit/(loss) before tax	**242**	**224**	**219**	**(96)**	**103**	**51**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**21,380**	21,562	20,589	21,050	20,542	21,050
Loans and advances to customers (net)	**20,293**	20,351	19,310	19,658	19,333	19,658
Total external assets	**45,583**	46,407	44,163	46,859	43,516	46,859
Customer accounts	**28,362**	27,909	25,867	27,478	24,882	27,478
Risk-weighted assets[2]	**34,438**	34,845	33,035	35,240	32,897	35,240
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**20,293**	19,695	19,164	18,839	20,265	19,658
Customer accounts	**28,362**	27,001	25,518	26,099	25,513	27,478

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Latin America

Latin America – Wealth and Personal Banking	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**497**	**483**	**431**	**426**	**450**	**1,796**
of which: net interest income	***369***	*340*	*320*	*329*	*326*	*1,346*
Change in expected credit losses and other credit impairment charges	**(10)**	(71)	(41)	(148)	(136)	(725)
Total operating expenses	**(380)**	(338)	(303)	(360)	(296)	(1,260)
of which: staff expenses	***(95)***	*(94)*	*(94)*	*(104)*	*(90)*	*(369)*
Share of profit in associates and joint ventures	**12**	2	2	3	1	6
Profit/(loss) before tax	**119**	**76**	**89**	**(79)**	**19**	**(183)**
Reported Significant items – Totals ($m)						
Revenue	**—**	—	—	—	—	—
ECL	**—**	—	—	—	—	—
Operating expenses	**(4)**	(3)	(1)	(22)	(12)	(35)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**497**	**481**	**431**	**425**	**468**	**1,796**
of which: net interest income	***369***	*338*	*321*	*325*	*339*	*1,346*
Change in expected credit losses and other credit impairment charges	**(10)**	(71)	(42)	(150)	(159)	(725)
Total operating expenses	**(376)**	(333)	(302)	(331)	(288)	(1,225)
Share of profit in associates and joint ventures	**12**	**2**	**1**	**2**	**1**	**6**
Profit/(loss) before tax	**123**	**79**	**88**	**(54)**	**22**	**(148)**
	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**9,382**	9,020	8,314	8,348	7,333	8,348
Loans and advances to customers (net)	**8,750**	8,299	7,562	7,507	6,592	7,507
Total external assets	**17,319**	17,049	15,947	15,703	14,579	15,703
Customer accounts	**13,553**	13,773	13,209	13,666	11,631	13,666
Risk-weighted assets	**11,942**	11,695	10,610	11,497	10,294	11,497
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**8,750**	8,037	7,513	7,212	6,952	7,507
Customer accounts	**13,553**	13,350	13,078	13,045	12,012	13,666

HSBC
Latin America

Latin America – Commercial Banking	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**162**	**152**	**142**	**148**	**149**	**606**
of which: net interest income	***143***	*134*	*122*	*131*	*127*	*515*
Change in expected credit losses and other credit impairment charges	**11**	(14)	(4)	(116)	(42)	(282)
Total operating expenses	**(114)**	(91)	(84)	(97)	(82)	(345)
of which: staff expenses	***(22)***	*(22)*	*(22)*	*(20)*	*(18)*	*(77)*
Share of profit in associates and joint ventures	**—**	—	1	—	—	(1)
Profit/(loss) before tax	**59**	**47**	**55**	**(65)**	**25**	**(22)**
Reported Significant items – Totals ($m)						
Revenue	**—**	—	—	—	—	—
ECL	**—**	—	—	—	—	—
Operating expenses	**(2)**	(1)	—	(1)	—	(1)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**162**	**151**	**140**	**140**	**144**	**606**
of which: net interest income	***143***	*132*	*119*	*122*	*121*	*515*
Change in expected credit losses and other credit impairment charges	**11**	(14)	(4)	(118)	(45)	(282)
Total operating expenses	**(112)**	(89)	(83)	(91)	(80)	(344)
Share of profit in associates and joint ventures	**—**	—	1	—	—	(1)
Profit/(loss) before tax	**61**	**48**	**54**	**(69)**	**19**	**(21)**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**7,421**	7,450	6,879	6,940	6,451	6,940
Loans and advances to customers (net)	**7,044**	7,047	6,483	6,534	6,111	6,534
Total external assets	**11,182**	10,990	10,310	9,925	9,532	9,925
Customer accounts	**8,783**	8,550	7,878	8,212	7,779	8,212
Risk-weighted assets	**10,532**	10,427	9,607	10,008	9,390	10,008
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**7,044**	6,838	6,436	6,255	6,337	6,534
Customer accounts	**8,783**	8,292	7,807	7,849	8,073	8,212

Latin America – Global Banking and Markets

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**134**	**133**	**112**	**143**	**140**	**589**
of which: net interest income	***114***	*101*	*101*	*103*	*74*	*323*
Change in expected credit losses and other credit impairment charges	**16**	39	14	(10)	(15)	(113)
Total operating expenses	**(67)**	(64)	(61)	(73)	(54)	(243)
of which: staff expenses	***(12)***	*(12)*	*(15)*	*(19)*	*(10)*	*(57)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**83**	**108**	**65**	**60**	**71**	**233**
Reported Significant items – Totals ($m)						
Revenue	**1**	—	(7)	(6)	—	2
ECL	**—**	—	—	—	—	—
Operating expenses	**—**	—	(1)	(6)	—	(6)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**133**	**132**	**119**	**141**	**137**	**587**
of which: net interest income	***114***	*99*	*101*	*95*	*70*	*323*
Change in expected credit losses and other credit impairment charges	**16**	39	14	(10)	(17)	(113)
Total operating expenses	**(67)**	(63)	(57)	(64)	(54)	(237)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**82**	**108**	**76**	**67**	**66**	**237**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**4,577**	5,091	5,396	5,763	6,758	5,763
Loans and advances to customers (net)	**4,499**	5,005	5,265	5,618	6,630	5,618
Total external assets	**16,899**	18,219	17,694	20,991	19,163	20,991
Customer accounts	**6,025**	5,587	4,781	5,599	5,472	5,599
Risk-weighted assets	**11,343**	11,929	11,433	12,971	12,655	12,971
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**4,499**	4,820	5,214	5,372	6,975	5,618
Customer accounts	**6,025**	5,358	4,632	5,205	5,429	5,599

Latin America – Corporate Centre	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**(16)**	**4**	**28**	**(20)**	**7**	**29**
of which: net interest expense	***(52)***	*(50)*	*(59)*	*(51)*	*(43)*	*(225)*
Change in expected credit losses and other credit impairment charges	**—**	4	1	—	—	(4)
Total operating expenses	**(24)**	(36)	(34)	(52)	(14)	(90)
of which: staff expenses	***(35)***	*(39)*	*(53)*	*(55)*	*(43)*	*(192)*
Share of profit in associates and joint ventures	**—**	—	(1)	(1)	—	—
Profit/(loss) before tax	**(40)**	**(28)**	**(6)**	**(73)**	**(7)**	**(65)**
Reported Significant items – Totals ($m)						
Revenue	**—**	—	(1)	(1)	—	—
ECL	**—**	—	—	—	—	—
Operating expenses	**(15)**	(15)	(5)	(32)	(7)	(49)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**(16)**	**4**	**28**	**(19)**	**7**	**29**
of which: net interest expense	***(52)***	*(50)*	*(59)*	*(51)*	*(46)*	*(225)*
Change in expected credit losses and other credit impairment charges	**—**	4	1	—	—	(4)
Total operating expenses	**(9)**	(20)	(29)	(19)	(8)	(41)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**(25)**	**(12)**	**—**	**(38)**	**(1)**	**(16)**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**—**	—	—	—	—	—
Loans and advances to customers (net)	**—**	—	—	—	—	—
Total external assets	**182**	150	213	241	244	241
Customer accounts	**—**	—	—	—	—	—
Risk-weighted assets	**621**	794	1,385	764	558	764
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**—**	—	—	—	—	—
Customer accounts	**—**	—	—	—	—	—

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Latin America

SIGNIFICANT ITEMS	Quarter ended					Year to date
Latin America – TOTAL						
Reported revenue significant items ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**1**	—	(1)	(5)	(1)	3
Restructuring and other related costs	**—**	(1)	(5)	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(21)**	(18)	(9)	(61)	(19)	(91)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Latin America – Wealth and Personal Banking						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	—	—	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(4)**	(3)	(1)	(22)	(12)	(35)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—

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Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Latin America – Commercial Banking						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	—	—	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(2)**	(1)	—	(1)	—	(1)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Latin America – Global Banking and Markets						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**1**	—	(1)	(6)	—	2
Restructuring and other related costs	**—**	—	(6)	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	—	(1)	(6)	—	(6)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—

Latin America – Corporate Centre						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	(1)	(1)	—	—
Restructuring and other related costs	**—**	—	—	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(15)**	(15)	(5)	(32)	(7)	(49)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Reconciling items – Currency translation on reported items – Totals ($m)						
Latin America – TOTAL						
Revenue		(6)	—	(17)	9	
ECL		1	(1)	(2)	(30)	
Operating expenses		5	3	19	(3)	
Share of profit in associates and joint ventures		—	—	—	—	
Revenue significant items		—	—	(1)	1	
Operating expense significant items		(1)	1	4	2	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(656)	(146)	(819)	932	
Customer accounts		(908)	(349)	(1,379)	631	
Latin America – Wealth and Personal Banking						
Revenue		(2)	—	(1)	18	
ECL		—	(1)	(2)	(23)	
Operating expenses		3	1	11	(2)	
Share of profit in associates and joint ventures		—	(1)	(1)	—	
Revenue significant items		—	—	—	—	
Operating expense significant items		1	1	4	2	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(262)	(49)	(295)	360	
Customer accounts		(423)	(131)	(621)	381	

Latin America – Commercial Banking					
Revenue		(1)	(2)	(8)	(5)
ECL		—	—	(2)	(3)
Operating expenses		1	1	5	2
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	—	—
Operating expense significant items		—	—	—	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(209)	(47)	(279)	226
Customer accounts		(258)	(71)	(363)	294
Latin America – Global Banking and Markets					
Revenue		(2)	—	(8)	(3)
ECL		—	—	—	(2)
Operating expenses		1	2	3	—
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		(1)	—	—	—
Operating expense significant items		—	(1)	—	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(185)	(51)	(246)	345
Customer accounts		(229)	(149)	(394)	(43)
Latin America – Corporate Centre					
Revenue		—	—	1	—
ECL		—	—	—	—
Operating expenses		—	(2)	—	(1)
Share of profit in associates and joint ventures		—	1	1	—
Revenue significant items		—	1	1	—
Operating expense significant items		(1)	(2)	(1)	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		—	—	—	—
Customer accounts		—	—	—	—

1 Losses due to the impacts of hyperinflation on monetary items in Argentina. The total impact of applying IAS 29 and the hyperinflation provisions of IAS 21 in the current quarter is a decrease in the Group's profit before tax of $36m, comprising a decrease in revenue of $23m and an increase in operating expenses of $13m.
2 Risk-weighted assets are non-additive across geographical regions due to market risk diversification effects within the Group.

Mexico – TOTAL	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net interest income	**395**	376	364	357	341	1,387
Net fee income	**104**	98	102	99	93	381
Other operating income	**107**	119	90	100	105	466
Net operating income before change in expected credit losses and other credit impairment charges	**606**	**593**	**556**	**556**	**539**	**2,234**
Change in expected credit losses and other credit impairment charges	**(12)**	(33)	(35)	(256)	(220)	(1,050)
Total operating expenses	**(428)**	(381)	(344)	(412)	(317)	(1,376)
of which: staff expenses	***(122)***	*(125)*	*(118)*	*(137)*	*(110)*	*(482)*
Share of profit in associates and joint ventures	**12**	2	2	2	1	5
Profit/(loss) before tax	**178**	**181**	**179**	**(110)**	**3**	**(187)**
Reported Significant items – Totals ($m)						
Revenue	**1**	—	(16)	7	—	13
ECL	**—**	—	—	—	—	—
Operating expenses	**(14)**	(12)	2	(34)	(6)	(42)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**605**	**593**	**581**	**564**	**595**	**2,221**
of which: net interest income	*395*	*376*	*369*	*366*	*377*	*1,387*
Change in expected credit losses and other credit impairment charges	**(12)**	(33)	(36)	(263)	(243)	(1,050)
Total operating expenses	**(414)**	(367)	(352)	(388)	(343)	(1,334)
Share of profit in associates and joint ventures	**12**	2	2	2	1	5
Profit/(loss) before tax	**191**	**195**	**195**	**(85)**	**10**	**(158)**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**18,443**	18,918	18,094	18,580	17,926	18,580
Loans and advances to customers (net)	**17,439**	17,793	16,906	17,296	16,870	17,296
Total external assets	**35,074**	36,544	34,730	36,798	33,605	36,798
Customer accounts	**22,497**	22,516	20,930	22,220	19,530	22,220
Risk-weighted assets	**23,695**	25,630	24,693	26,323	24,387	26,323
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**17,439**	17,207	16,838	16,713	18,139	17,296
Customer accounts	**22,497**	21,775	20,846	21,471	20,999	22,220

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Mexico

Mexico – Wealth and Personal Banking

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**416**	**416**	**364**	**378**	**373**	**1,522**
of which: net interest income	***303***	*285*	*273*	*277*	*270*	*1,112*
Change in expected credit losses and other credit impairment charges	**(26)**	(62)	(41)	(140)	(166)	(688)
Total operating expenses	**(298)**	(265)	(236)	(275)	(220)	(955)
of which: staff expenses	***(71)***	*(72)*	*(70)*	*(65)*	*(58)*	*(247)*
Share of profit in associates and joint ventures	**12**	*2*	*2*	*3*	*1*	*6*
Profit/(loss) before tax	**104**	**91**	**89**	**(34)**	**(12)**	**(115)**
Reported Significant items – Totals ($m)						
Revenue	**—**	—	—	—	—	—
ECL	**—**	—	—	—	—	—
Operating expenses	**(3)**	(2)	—	(5)	—	(5)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**416**	**416**	**370**	**388**	**411**	**1,522**
of which: net interest income	***303***	*284*	*277*	*284*	*298*	*1,112*
Change in expected credit losses and other credit impairment charges	**(26)**	(62)	(41)	(143)	(183)	(688)
Total operating expenses	**(295)**	(264)	(241)	(278)	(243)	(950)
Share of profit in associates and joint ventures	**12**	**2**	**1**	**2**	**1**	**6**
Profit/(loss) before tax	**107**	**92**	**89**	**(31)**	**(14)**	**(110)**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**8,616**	8,334	7,659	7,674	6,688	7,674
Loans and advances to customers (net)	**8,016**	7,648	6,940	6,871	5,983	6,871
Total external assets	**14,200**	14,159	13,204	12,765	11,577	12,765
Customer accounts	**11,444**	11,661	11,138	11,651	9,584	11,651
Risk-weighted assets	**9,007**	9,312	8,706	9,177	7,979	9,177
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**8,016**	7,396	6,912	6,639	6,433	6,871
Customer accounts	**11,444**	11,277	11,093	11,258	10,305	11,651

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Mexico

Mexico – Commercial Banking	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**103**	**99**	**98**	**96**	**92**	**374**
of which: net interest income	***82***	*79*	*73*	*76*	*73*	*301*
Change in expected credit losses and other credit impairment charges	**7**	(11)	(7)	(109)	(39)	(261)
Total operating expenses	**(75)**	(56)	(50)	(62)	(53)	(219)
of which: staff expenses	***(12)***	*(14)*	*(13)*	*(13)*	*(11)*	*(47)*
Share of profit in associates and joint ventures	**—**	—	1	—	—	(1)
Profit/(loss) before tax	**35**	**32**	**42**	**(75)**	**—**	**(107)**
Reported Significant items – Totals ($m)						
Revenue	**—**	—	—	—	—	—
ECL	**—**	—	—	—	—	—
Operating expenses	**(2)**	(2)	(1)	(1)	—	(1)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**103**	**99**	**99**	**99**	**102**	**374**
of which: net interest income	***82***	*79*	*74*	*78*	*80*	*301*
Change in expected credit losses and other credit impairment charges	**7**	(11)	(7)	(112)	(43)	(261)
Total operating expenses	**(73)**	(55)	(52)	(64)	(58)	(218)
Share of profit/(loss) in associates and joint ventures	**—**	—	1	—	—	(1)
Profit/(loss) before tax	**37**	**33**	**41**	**(77)**	**1**	**(106)**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**6,043**	6,192	5,695	5,793	5,240	5,793
Loans and advances to customers (net)	**5,703**	5,826	5,335	5,436	4,994	5,436
Total external assets	**8,696**	8,666	8,096	7,803	7,267	7,803
Customer accounts	**7,376**	7,221	6,579	6,916	6,464	6,916
Risk-weighted assets	**7,439**	7,744	7,219	7,539	6,891	7,539
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**5,703**	5,634	5,314	5,252	5,370	5,436
Customer accounts	**7,376**	6,983	6,552	6,683	6,950	6,916

Mexico – Global Banking and Markets

	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**71**	**73**	**76**	**82**	**77**	**296**
of which: net interest income	***53***	*55*	*68*	*49*	*39*	*147*
Change in expected credit losses and other credit impairment (charges)/recoveries	**7**	40	12	(8)	(16)	(102)
Total operating expenses	**(36)**	(35)	(32)	(42)	(30)	(135)
of which: staff expenses	***(5)***	*(5)*	*(6)*	*(11)*	*(4)*	*(28)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**42**	**78**	**56**	**32**	**31**	**59**
Reported Significant items – Totals ($m)						
Revenue	**1**	—	(7)	(2)	—	3
ECL	**—**	—	—	—	—	—
Operating expenses	**—**	—	—	(5)	—	(5)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**70**	**73**	**83**	**86**	**85**	**293**
of which: net interest income	***53***	*55*	*69*	*50*	*43*	*147*
Change in expected credit losses and other credit impairment (charges)/recoveries	**7**	40	13	(8)	(17)	(102)
Total operating expenses	**(36)**	(35)	(32)	(38)	(33)	(130)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**41**	**78**	**64**	**40**	**35**	**61**

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**3,784**	4,391	4,741	5,112	5,997	5,112
Loans and advances to customers (net)	**3,720**	4,319	4,632	4,990	5,893	4,990
Total external assets	**12,062**	13,636	13,316	16,079	14,609	16,079
Customer accounts	**3,677**	3,635	3,214	3,653	3,482	3,653
Risk-weighted assets	**7,158**	8,291	8,312	9,412	9,357	9,412
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**3,720**	4,177	4,613	4,822	6,336	4,990
Customer accounts	**3,677**	3,516	3,201	3,529	3,744	3,653

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Mexico

Mexico – Corporate Centre	Quarter ended					Year to date
Reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	**17**	5	18	—	(3)	**43**
of which: net interest expense	***(42)***	*(42)*	*(50)*	*(45)*	*(41)*	*(173)*
Change in expected credit losses and other credit impairment charges	**—**	—	(1)	(1)	1	—
Total operating expenses	**(19)**	(24)	(25)	(33)	(14)	(68)
of which: staff expenses	***(34)***	*(34)*	*(27)*	*(48)*	*(37)*	*(160)*
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**(2)**	**(19)**	**(8)**	**(34)**	**(16)**	**(25)**
Reported Significant items – Totals ($m)						
Revenue	**—**	(1)	(10)	8	—	9
ECL	**—**	—	—	—	—	—
Operating expenses	**(9)**	(9)	4	(22)	(6)	(30)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Adjusted ($m)						
Net operating income before change in expected credit losses and other credit impairment charges	**17**	**5**	**28**	**(8)**	**(3)**	**34**
of which: net interest expense	***(42)***	*(42)*	*(52)*	*(47)*	*(45)*	*(173)*
Change in expected credit losses and other credit impairment charges	**—**	—	—	—	—	—
Total operating expenses	**(10)**	(13)	(26)	(9)	(9)	(38)
Share of profit in associates and joint ventures	**—**	—	—	—	—	—
Profit/(loss) before tax	**7**	**(8)**	**2**	**(17)**	**(12)**	(4)

	Balance sheet date					Balance sheet date
Balance sheet – reported ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Loans and advances to customers (gross)	**—**	—	—	—	1	—
Loans and advances to customers (net)	**—**	—	—	—	—	—
Total external assets	**116**	83	114	150	152	150
Customer accounts	**—**	—	—	—	—	—
Risk-weighted assets	**91**	283	456	195	160	195
Balance sheet data – at most recent balance sheet date FX rates ($m)						
Loans and advances to customers (net)	**—**	—	—	—	—	—
Customer accounts	**—**	—	—	—	—	—

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Mexico

SIGNIFICANT ITEMS

Mexico – TOTAL

	Quarter ended					Year to date
Reported revenue significant items ($m)	**30-Sep-21**	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-20	31-Dec-20
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**1**	—	(1)	(5)	—	1
Restructuring and other related costs	**—**	—	(15)	12	—	12
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(14)**	(12)	2	(34)	(6)	(42)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Mexico – Wealth and Personal Banking						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	—	—	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(3)**	(2)	—	(5)	—	(5)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—

Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Mexico – Commercial Banking						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	—	—	—	—	—
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(2)**	(2)	(1)	(1)	—	(1)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Mexico – Global Banking and Markets						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**1**	—	(1)	(5)	—	—
Restructuring and other related costs	**—**	—	(6)	3	—	3
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**—**	—	—	(5)	—	(5)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—

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Mexico

Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Mexico – Corporate Centre						
Reported revenue significant items ($m)						
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Fair value movements on financial instruments	**—**	(1)	(1)	(1)	—	—
Restructuring and other related costs	**—**	—	(9)	9	—	9
Reported cost significant items ($m)						
Costs of structural reform	**—**	—	—	—	—	—
Customer redress programmes	**—**	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	**—**	—	—	—	—	—
Impairment of goodwill and other intangibles	**—**	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	**—**	—	—	—	—	—
Restructuring and other related costs	**(9)**	(9)	4	(22)	(6)	(30)
Settlements and provisions in connection with legal and regulatory matters	**—**	—	—	—	—	—
Share of profit in associates and joint ventures significant items ($m)						
Impairment of goodwill	**—**	—	—	—	—	—
Reconciling items – Currency translation on reported items – Totals ($m)						
Mexico – TOTAL						
Revenue		—	9	15	56	
ECL		—	(1)	(7)	(23)	
Operating expenses		1	(6)	(11)	(32)	
Share of profit in associates and joint ventures		—	—	—	—	
Revenue significant items		—	—	—	—	
Operating expense significant items		(1)	—	(1)	—	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		(586)	(68)	(583)	1,269	
Customer accounts		(741)	(84)	(749)	1,469	

Mexico – Wealth and Personal Banking					
Revenue		—	6	10	38
ECL		—	—	(3)	(17)
Operating expenses		—	(5)	(8)	(23)
Share of profit in associates and joint ventures		—	(1)	(1)	—
Revenue significant items		—	—	—	—
Operating expense significant items		1	—	—	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(252)	(28)	(232)	450
Customer accounts		(384)	(45)	(393)	721
Mexico – Commercial Banking					
Revenue		—	1	3	10
ECL		—	—	(3)	(4)
Operating expenses		—	(2)	(2)	(5)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	—	—
Operating expense significant items		1	1	1	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(192)	(21)	(184)	376
Customer accounts		(238)	(27)	(233)	486
Mexico – Global Banking and Markets					
Revenue		—	1	2	8
ECL		—	1	—	(1)
Operating expenses		—	—	(1)	(3)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	1	—	—
Operating expense significant items		—	—	—	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		(142)	(19)	(168)	443
Customer accounts		(119)	(13)	(124)	262

Mexico – Corporate Centre					
Revenue		—	1	1	—
ECL		—	1	1	(1)
Operating expenses		—	1	—	(1)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		1	1	1	—
Operating expense significant items		(2)	(2)	(2)	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		—	—	—	—
Customer accounts		—	—	—	—

Summary of credit risk (excluding debt instruments measured at FVOCI) by stage distribution and ECL coverage by industry sector at 30 September 2021

	Gross carrying/nominal amount[1]					Allowance for ECL					ECL coverage %				
	Stage 1	Stage 2	Stage 3	POCI[2]	Total	Stage 1	Stage 2	Stage 3	POCI[2]	Total	Stage 1	Stage 2	Stage 3	POCI[2]	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	%	%	%	%	%
Loans and advances to customers at amortised cost	883,967	148,452	18,558	209	1,051,186	(1,410)	(3,126)	(6,898)	(75)	(11,509)	0.2 %	2.1 %	37.2 %	35.9 %	1.1 %
– personal	449,422	17,483	5,173	—	472,078	(598)	(1,423)	(1,314)	—	(3,335)	0.1 %	8.1 %	25.4 %	— %	0.7 %
– corporate and commercial	376,029	124,650	12,965	209	513,853	(778)	(1,647)	(5,542)	(75)	(8,042)	0.2 %	1.3 %	42.7 %	35.9 %	1.6 %
– non-bank financial institutions	58,516	6,319	420	—	65,255	(34)	(56)	(42)	—	(132)	0.1 %	0.9 %	10.0 %	— %	0.2 %
Loans and advances to banks at amortised cost	94,540	1,448	—	—	95,988	(9)	(5)	—	—	(14)	— %	0.3 %	— %	— %	— %
Other financial assets measured at amortised cost	878,031	6,571	311	42	884,955	(133)	(132)	(57)	(6)	(328)	— %	2.0 %	18.3 %	14.3 %	— %
Loans and other credit-related commitments	612,789	39,209	768	1	652,767	(156)	(176)	(57)	—	(389)	— %	0.4 %	7.4 %	— %	0.1 %
– personal	236,203	1,677	156	—	238,036	(20)	(1)	—	—	(21)	— %	0.1 %	— %	— %	— %
– corporate and commercial	246,578	34,420	610	1	281,609	(121)	(168)	(57)	—	(346)	— %	0.5 %	9.3 %	— %	0.1 %
– financial	130,008	3,112	2	—	133,122	(15)	(7)	—	—	(22)	— %	0.2 %	— %	— %	— %
Financial guarantees	23,759	3,285	259	1	27,304	(13)	(27)	(31)	—	(71)	0.1 %	0.8 %	12.0 %	— %	0.3 %
– personal	836	15	1	—	852	—	—	—	—	—	— %	— %	— %	— %	— %
– corporate and commercial	19,436	2,572	243	1	22,252	(11)	(26)	(30)	—	(67)	0.1 %	1.0 %	12.3 %	— %	0.3 %
– financial	3,487	698	15	—	4,200	(2)	(1)	(1)	—	(4)	0.1 %	0.1 %	6.7 %	— %	0.1 %
At 30 Sep 2021	2,493,086	198,965	19,896	253	2,712,200	(1,721)	(3,466)	(7,043)	(81)	(12,311)	0.1 %	1.7 %	35.4 %	32.0 %	0.5 %

1 Represents the maximum amount at risk should the contracts be fully drawn upon and clients default.
2 Purchased or originated credit impaired ('POCI').

Stage 2 days past due analysis at 30 September 2021

	Gross carrying amount				Allowance for ECL				ECL coverage %			
	Stage 2	Up-to-date	1 to 29 DPD[1,2]	30 and > DPD[1,2]	Stage 2	Up-to-date	1 to 29 DPD[1,2]	30 and > DPD[1,2]	Stage 2	Up-to-date	1 to 29 DPD[1,2]	30 and > DPD[1,2]
	$m	$m	$m	$m	$m	$m	$m	$m	%	%	%	%
Loans and advances to customers at amortised cost	148,452	145,122	2,038	1,292	(3,126)	(2,727)	(196)	(203)	2.1 %	1.9 %	9.6 %	15.7 %
– personal	17,483	15,392	1,280	811	(1,423)	(1,070)	(170)	(183)	8.1 %	7.0 %	13.3 %	22.6 %
– corporate and commercial	124,650	123,503	674	473	(1,647)	(1,602)	(25)	(20)	1.3 %	1.3 %	3.7 %	4.2 %
– non-bank financial institutions	6,319	6,227	84	8	(56)	(55)	(1)	—	0.9 %	0.9 %	1.2 %	— %
Loans and advances to banks at amortised cost	1,448	1,448	—	—	(5)	(5)	—	—	0.3 %	0.3 %	— %	— %
Other financial assets measured at amortised cost	6,571	6,495	36	40	(132)	(111)	(12)	(9)	2.0 %	1.7 %	33.3 %	22.5 %

1 Days past due ('DPD').
2 The days past due amounts presented above are on a contractual basis and include the benefit of any customer relief payment holidays granted.

Total personal lending for loans and advances to customers by stage distribution

	Gross carrying amount				Allowance for ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
By portfolio	$m	$m	$m	$m	$m	$m	$m	$m
First lien residential mortgages	353,030	8,575	3,189	364,794	(97)	(137)	(456)	(690)
– of which:								
interest only (including offset)	28,262	2,006	261	30,529	(5)	(23)	(77)	(105)
affordability (including US adjustable rate mortgages)	13,348	932	469	14,749	(9)	(5)	(6)	(20)
Other personal lending	96,392	8,908	1,984	107,284	(501)	(1,286)	(858)	(2,645)
– other	77,616	4,487	1,551	83,654	(279)	(522)	(590)	(1,391)
– credit cards	17,058	4,188	390	21,636	(214)	(752)	(254)	(1,220)
– second lien residential mortgages	323	45	38	406	(1)	(4)	(9)	(14)
– motor vehicle finance	1,395	188	5	1,588	(7)	(8)	(5)	(20)
At 30 Sep 2021	449,422	17,483	5,173	472,078	(598)	(1,423)	(1,314)	(3,335)
By geography								
Europe	208,721	6,097	2,262	217,080	(199)	(718)	(671)	(1,588)
– of which: UK	172,344	5,522	1,537	179,403	(175)	(686)	(423)	(1,284)
Asia	184,553	8,445	1,361	194,359	(154)	(378)	(249)	(781)
– of which: Hong Kong	125,133	4,995	192	130,320	(66)	(230)	(43)	(339)
MENA	4,961	273	208	5,442	(43)	(45)	(125)	(213)
North America	43,196	1,984	1,032	46,212	(28)	(64)	(114)	(206)
Latin America	7,991	684	310	8,985	(174)	(218)	(155)	(547)
At 30 Sep 2021	449,422	17,483	5,173	472,078	(598)	(1,423)	(1,314)	(3,335)

Total wholesale lending for loans and advances to banks and customers by stage distribution

	Gross carrying amount					Allowance for ECL				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Corporate and commercial	376,029	124,650	12,965	209	513,853	(778)	(1,647)	(5,542)	(75)	(8,042)
– agriculture, forestry and fishing	6,659	867	377	1	7,904	(10)	(23)	(103)	(1)	(137)
– mining and quarrying	7,499	2,632	506	16	10,653	(15)	(55)	(161)	(12)	(243)
– manufacturing	68,012	22,856	1,997	74	92,939	(127)	(264)	(909)	(35)	(1,335)
– electricity, gas, steam and air-conditioning supply	12,661	2,289	64	—	15,014	(13)	(20)	(23)	—	(56)
– water supply, sewerage, waste management and remediation	3,116	429	48	—	3,593	(4)	(5)	(24)	—	(33)
– construction	9,250	4,494	752	1	14,497	(29)	(47)	(422)	(1)	(499)
– wholesale and retail trade, repair of motor vehicles and motorcycles	72,822	21,028	2,957	8	96,815	(105)	(202)	(1,953)	(1)	(2,261)
– transportation and storage	20,086	8,253	706	10	29,055	(53)	(119)	(230)	—	(402)
– accommodation and food	7,399	15,224	1,019	1	23,643	(80)	(297)	(122)	(1)	(500)
– publishing, audiovisual and broadcasting	17,231	2,618	190	26	20,065	(39)	(34)	(40)	(5)	(118)
– real estate	93,129	25,407	1,934	1	120,471	(163)	(286)	(697)	—	(1,146)
– professional, scientific and technical activities	14,753	4,451	701	32	19,937	(25)	(47)	(170)	(7)	(249)
– administrative and support services	18,759	7,725	838	39	27,361	(25)	(87)	(337)	(12)	(461)
– public administration and defence, compulsory social security	1,242	375	—	—	1,617	(7)	(3)	—	—	(10)
– education	1,477	455	34	—	1,966	(5)	(8)	(6)	—	(19)
– health and care	4,077	1,032	166	—	5,275	(10)	(24)	(40)	—	(74)
– arts, entertainment and recreation	729	1,856	227	—	2,812	(8)	(51)	(55)	—	(114)
– other services	9,453	1,832	448	—	11,733	(58)	(55)	(249)	—	(362)
– activities of households	728	114	—	—	842	—	—	—	—	—
– extra-territorial organisations and bodies activities	16	—	—	—	16	—	—	—	—	—
– government	6,596	699	1	—	7,296	(2)	(10)	(1)	—	(13)
– asset-backed securities	335	14	—	—	349	—	(10)	—	—	(10)
Non-bank financial institutions	58,516	6,319	420	—	65,255	(34)	(56)	(42)	—	(132)
Loans and advances to banks	94,540	1,448	—	—	95,988	(9)	(5)	—	—	(14)
At 30 Sep 2021	529,085	132,417	13,385	209	675,096	(821)	(1,708)	(5,584)	(75)	(8,188)
By geography										
Europe	148,908	42,927	6,643	74	198,552	(403)	(805)	(1,805)	(18)	(3,031)
– of which: UK	100,639	34,394	4,837	26	139,896	(357)	(663)	(1,052)	(5)	(2,077)
Asia	289,851	71,168	3,617	90	364,726	(212)	(472)	(2,190)	(45)	(2,919)
– of which: Hong Kong	163,641	45,664	1,675	40	211,020	(135)	(278)	(745)	(22)	(1,180)
MENA	24,505	5,661	1,679	22	31,867	(79)	(108)	(1,042)	(11)	(1,240)
North America	54,349	9,873	681	—	64,903	(54)	(206)	(201)	—	(461)
Latin America	11,472	2,788	765	23	15,048	(73)	(117)	(346)	(1)	(537)
At 30 Sep 2021	529,085	132,417	13,385	209	675,096	(821)	(1,708)	(5,584)	(75)	(8,188)
Corporate and commercial										
Europe	118,784	41,406	6,301	75	166,566	(389)	(764)	(1,784)	(18)	(2,955)
– of which: UK	84,344	33,473	4,504	26	122,347	(346)	(636)	(1,030)	(5)	(2,017)
Asia	191,235	66,474	3,598	89	261,396	(189)	(459)	(2,182)	(44)	(2,874)
– of which: Hong Kong	118,904	43,020	1,676	40	163,640	(129)	(278)	(747)	(22)	(1,176)
MENA	15,523	5,533	1,667	22	22,745	(75)	(109)	(1,039)	(12)	(1,235)
North America	41,299	9,537	632	—	51,468	(52)	(200)	(190)	—	(442)
Latin America	9,188	1,700	767	23	11,678	(73)	(115)	(347)	(1)	(536)
At 30 Sep 2021	376,029	124,650	12,965	209	513,853	(778)	(1,647)	(5,542)	(75)	(8,042)

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APPENDIX II

REPRODUCTION OF THE PRESS RELEASE DATED 4 NOVEMBER 2021 CONTAINING THE GUARANTOR'S CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

The information set out below is a reproduction of the press release dated 4 November 2021 containing the Guarantor's consolidated financial results for the third quarter ended 30 September 2021.

SOCIETE GENERALE

RESULTS AT SEPTEMBER 30TH 2021

Press release
Paris, November 4th 2021,

Q3 21: EXCELLENT QUARTER, UNDERLYING GROUP NET INCOME OF EUR 1.4 BILLION(1) (EUR 1.6 BILLION ON A REPORTED BASIS)

Revenues up +14.9% vs. Q3 20 (+15.0%*) driven by growth in all the businesses, in particular a very strong momentum in Financial Services and Financing & Advisory, a very good performance by Global Markets, and continued growth in Retail Banking

Underlying gross operating income: EUR 2.4 billion(1), up 32.8%(1) vs. Q3 20, with a positive jaws effect

Still low cost of risk: 15 basis points in Q3 21, with no significant provision write-back

Profitability (ROTE): 10.9%(1) on an underlying basis and 12.7% on a reported basis in Q3 21

9M 21: UNDERLYING GROUP NET INCOME OF EUR 4.0 BILLION(1) (X5 VS. 9M 20)

Underlying gross operating income: EUR 6.6 billion(1), +61% vs. 9M 20, driven by revenue growth combined with continued good cost discipline

Cost of risk: 16 basis points

Profitability (ROTE): 10.4%(1) on an underlying basis and 10.0% on a reported basis in 9M 21

SOLID CAPITAL POSITION

Solid CET 1 ratio: 13.4%(2) at end-September 2021, after provision for distribution and including the impact of the share buyback programme, or around 440 basis points above the regulatory requirement

Organic capital generation: 61 basis points in the first 9 months of 2021

Attractive shareholder return

- **Launch of the share buyback programme,** for an amount of around EUR 470 million, scheduled for November 4th, with the programme expected to be finalised by end-2021
- **Provision for distribution per share of EUR 2.03 in 9M 21** (financing both dividend and share buyback) consistent with a payout ratio of 50% of underlying Group net income(3)

SUCCESSFUL EXECUTION OF OUR STRATEGIC PROJECTS

Detailed presentation of the new French Retail Banking operation (a full merger project progressing as scheduled)
Very satisfactory implementation of the strategy in Global Banking & Investor Solutions
Development of our differentiating assets (Boursorama, ALD, KB)

Frédéric Oudéa, the Group's Chief Executive Officer, commented:
"The Societe Generale group enjoyed an excellent quarter, with strong commercial and financial performances in all the businesses and improvement of the cost-income ratio. The group also continued to benefit from the quality of its loan portfolio, with a low cost of risk combined with a continued very prudent provisioning policy. Thanks to the unfailing commitment of the teams, the different strategic projects announced, in particular the creation of a new French Retail Bank resulting from the merger of the Societe Generale and Crédit du Nord networks, are all progressing in line with the objectives set. The group is already starting to prepare its new strategic plan 2022-2025, drawing on its strong, innovative and fast-growing businesses and its recognised leadership in terms of corporate social responsibility."

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(1) Underlying data (see methodology note No. 5 for the transition from accounting data to underlying data)
(2) Phased-in ratio; fully-loaded ratio of 13.2%
(3) After deducting interest on deeply subordinated notes and undated subordinated notes
*The footnote * in this document corresponds to data adjusted for changes in Group Structure and at constant exchange rates*

1. GROUP CONSOLIDATED RESULTS

In EURm	Q3 21	Q3 20	Change		9M 21	9M 20	Change	
Net banking income	6,672	5,809	+14.9%	+15.0%*	19,178	16,275	+17.8%	+20.0%*
Operating expenses	(4,170)	(3,825)	+9.0%	+9.0%*	(13,025)	(12,363)	+5.4%	+6.6%*
Underlying operating expenses(1)	*(4,272)*	*(4,002)*	*+6.8%*	*+6.7%**	*(12,594)*	*(12,186)*	*+3.3%*	*+4.6%**
Gross operating income	2,502	1,984	+26.1%	+26.7%*	6,153	3,912	+57.3%	+63.4%*
Underlying gross operating income(1)	*2,400*	*1,807*	*+32.8%*	*+33.5%**	*6,584*	*4,089*	*+61.0%*	*+67.0%**
Net cost of risk	(196)	(518)	-62.2%	-62.4%*	(614)	(2,617)	-76.5%	-76.0%*
Operating income	2,306	1,466	+57.3%	+58.7%*	5,539	1,295	x 4.3	x 4.6*
Underlying operating income(1)	*2,204*	*1,289*	*+70.9%*	*+72.7%**	*5,970*	*1,472*	*x 4.1*	*x 4.3**
Net profits or losses from other assets	175	(2)	n/s	n/s	186	82	x 2.3	x 2.3*
Impairment losses on goodwill	-	-	n/s	n/s	-	(684)	n/s	n/s
Income tax	(699)	(467)	+49.7%	+50.9%*	(1,386)	(1,079)	+28.4%	+31.4%*
Net income	1,781	992	+79.5%	+80.9%*	4,343	(386)	n/s	n/s
O.w. non-controlling interests	(180)	(130)	+38.5%	+38.7%*	(489)	(342)	+43.0%	+43.5%*
Reported Group net income	1,601	862	+85.7%	+87.3%*	3,854	(728)	n/s	n/s
Underlying Group net income(1)	*1,391*	*742*	*+87.4%*	*+89.3%**	*4,038*	*803*	*x 5.0*	*x 5.5**
ROE	11.1%	5.7%			8.7%	-3.0%		
ROTE	12.7%	6.5%			10.0%	-1.4%		
Underlying ROTE(1)	*10.9%*	*5.5%*			*10.4%*	*1.0%*		

(1) Adjusted for exceptional items and linearisation of IFRIC 21

Societe Generale's Board of Directors, which met on November 3rd, 2021 under the chairmanship of Lorenzo Bini Smaghi, examined the Societe Generale Group's results for Q3 and 9M 2021.

The various restatements enabling the transition from underlying data to published data are presented in the methodology notes (section 10.5).

Net banking income

Net banking income increased by +14.9% (+15.0%*) vs. Q3 20, driven by a very strong momentum in all the businesses and the beginning of the recognition of the second TLTRO allowance for around EUR 0.1 billion.

French Retail Banking continued the progress initiated for several quarters. As a result, net banking income (excluding PEL/CEL provision) increased by +5.7% vs. Q3 20, driven by the recovery in net interest income and commissions.

International Retail Banking & Financial Services enjoyed strong revenue growth (+12.8%* vs. Q3 20), driven by the excellent momentum in Financial Services to Corporates (+39.9%* vs. Q3 20) and Insurance (+10.2%* vs. Q3 20). International Retail Banking also continued to progress (+4.0%* vs. Q3 20).

Global Banking & Investor Solutions also turned in an excellent performance, with revenues up +16.1% vs. Q3 20. Financing & Advisory enjoyed very strong growth (+30.7% vs. Q3 20) while Global Markets activity remained robust (+8.4% vs. Q3 20).

In 9M 21, the Group posted strong growth of +17.8% (+20.0%*) vs. 9M 20, with a positive contribution from all the businesses, and returned to a higher revenue level than in 9M 19 (EUR 18.5 billion).

Operating expenses

In Q3 21, operating expenses totalled EUR 4,170 million on a reported basis and EUR 4,272 million on an underlying basis (restated for the linearisation of IFRIC 21 and transformation costs amounting to EUR 97 million), representing an increase of +6.8% vs. Q3 20.

Driven by a positive jaws effect, underlying gross operating income rose +32.8% to EUR 2,400 million and the underlying cost to income ratio improved by nearly 5 points (64% vs. 69% in Q3 20).

In 9M 21, costs amounted to EUR 13,025 million on a reported basis and EUR 12,594 million on an underlying basis, up +3.3% vs. 9M 20. This limited growth can be explained by the rise in variable costs linked to the growth in revenues (EUR +595 million) and the increase in the IFRIC 21 charge (EUR +67 million). The other operating expenses declined by EUR 207 million, excluding structure effect.

Cost of risk

In Q3 21, the commercial cost of risk stood at a low level of 15 basis points, or EUR 196 million, lower than in Q3 20 (40 basis points) and slightly higher than in Q2 21 (11 basis points). It breaks down into a provision on non-performing loans of EUR 266 million and a provision write-back on performing loans of EUR 70 million.

The Group's provisions on performing loans currently amount to EUR 3,486 million.

As part of the support provided to its customers during the crisis, the Group granted State Guaranteed Loans. At September 30th 2021, the residual amount of State Guaranteed Loans represented around EUR 17 billion. In France, the total amount of State Guaranteed Loans ("PGE") amounts to around EUR 15 billion and net exposure is less than EUR 2 billion.

The gross doubtful outstandings ratio amounted to 3.1%(1) at September 30th 2021, stable vs. end-June 2021. The Group's gross coverage ratio for doubtful outstandings also remained stable at 52%(2) at September 30th 2021 vs. June 30th 2021.

The cost of risk is not expected to exceed 20 basis points in 2021.

(1) NPL ratio calculated according to the EBA methodology published on July 16th, 2019
(2) Ratio between the amount of provisions on doubtful outstandings and the amount of these same outstandings

Group net income

In EURm	Q3 21	Q3 20	9M 21	9M 20
Reported Group net income	1,601	862	3,854	(728)
Underlying Group net income[1]	1,391	742	4,038	803

In %	Q3 21	Q3 20	9M 21	9M 20
ROTE	12.7%	6.5%	10.0%	-1.4%
Underlying ROTE[1]	10.9%	5.5%	10.4%	1.0%

Earnings per share amounts to EUR 4.02 in 9M 21 (EUR -1.38 in 9M 20). Underlying earnings per share amounts to EUR 4.06 over the same period (EUR 0.42 in 9M 20).

[1] *Underlying data (see methodology note No. 5 for the transition from accounting data to underlying data)*

2. THE GROUP'S FINANCIAL STRUCTURE

Group shareholders' equity totalled EUR 63.6 billion at September 30th, 2021 (EUR 61.7 billion at December 31st, 2020). Net asset value per share was EUR 65.5 and tangible net asset value per share was EUR 57.8.

The consolidated balance sheet totalled EUR 1,526 billion at September 30th, 2021 (EUR 1,462 billion at December 31st, 2020). The net amount of customer loan outstandings at September 30th, 2021, including lease financing, was EUR 468 billion (EUR 440 billion at December 31st, 2020) – excluding assets and securities purchased under resale agreements. At the same time, customer deposits amounted to EUR 487 billion, vs. EUR 451 billion at December 31st, 2020 (excluding assets and securities sold under repurchase agreements).

At October 20th, 2021, the parent company had issued EUR 31.5 billion of medium/long-term debt, having an average maturity of 5.4 years and an average spread of 38 basis points (vs. the 6-month midswap, excluding subordinated debt). The subsidiaries had issued EUR 1.4 billion. In total, the Group had issued EUR 32.9 billion of medium/long-term debt. As a result, the parent company had completed its 2021 annual financing programme on both vanilla debt and structured issuances.

The LCR (Liquidity Coverage Ratio) was well above regulatory requirements at 130% at end-September 2021, vs. 149% at end-December 2020. At the same time, the NSFR (Net Stable Funding Ratio) was at a level of 105% at end-September 2021, above the regulatory requirement of 100%.

The Group's **risk-weighted assets** (RWA), including IFRS9 phasing, amounted to EUR 363.5 billion at September 30th, 2021 (vs. EUR 351.9 billion at end-December 2020) according to CRR2/CRD5 rules. Risk-weighted assets in respect of credit risk represent 82.5% of the total, at EUR 300.0 billion, up 4.4% vs. December 31st, 2020.

At September 30th, 2021, the Group's **Common Equity Tier 1** ratio stood at 13.4%, or around 440 basis points above the regulatory requirement. The CET1 ratio at September 30th, 2021 includes an effect of +19 basis points for phasing of the IFRS 9 impact. Excluding this effect, the fully-loaded ratio amounts to 13.2%. The Tier 1 ratio stood at 15.6% at end-September 2021 (16% at end-December 2020) and the total capital ratio amounted to 18.6% (19.2% at end-December 2020).

The **leverage ratio** stood at 4.5% at September 30th, 2021 (4.8% at end-December 2020).

With a level of 29.9% of RWA and 8.6% of leverage exposure at end-September 2021, the Group's TLAC ratio is above the FSB's requirements for 2021 and 2022. At September 30th, 2021, the Group was also above its 2022 MREL requirements of 25.2% of RWA and 5.91% of leverage exposure.

The Group is rated by four rating agencies: (i) Fitch Ratings - long-term rating "A-", stable rating, senior preferred debt rating "A", short-term rating "F1" (ii) Moody's - long-term rating (senior preferred debt) "A1", stable outlook, short-term rating "P-1" (iii) R&I - long-term rating (senior preferred debt) "A", stable outlook; and (iv) S&P Global Ratings - long-term rating (senior preferred debt) "A", stable outlook, short-term rating "A-1".

3. FRENCH RETAIL BANKING

In EURm	Q3 21	Q3 20	Change	9M 21	9M 20	Change
Net banking income	1,976	1,836	+7.6%	5,729	5,470	+4.7%
Net banking income excl. PEL/CEL	*1,963*	*1,857*	*+5.7%*	*5,711*	*5,511*	*+3.6%*
Operating expenses	(1,351)	(1,292)	+4.6%	(4,101)	(3,975)	+3.2%
Gross operating income	625	544	+14.9%	1,628	1,495	+8.9%
Gross operating income excl. PEL/CEL	*612*	*565*	*+8.3%*	*1,610*	*1,536*	*+4.8%*
Net cost of risk	5	(130)	-103.8%	(124)	(821)	-84.9%
Operating income	630	414	+52.2%	1,504	674	x 2.2
Net profits or losses from other assets	(2)	3	-166.7%	2	139	-98.6%
Reported Group net income	451	283	+59.4%	1,092	562	+94.3%
Underlying Group net income (1)	*414*	*274*	*+50.9%*	*1,107*	*613*	*+80.6%*
RONE	16.4%	9.5%		13.0%	6.5%	
Underlying RONE(1)	*15.0%*	*9.2%*		*13.2%*	*7.1%*	

(1) Adjusted for the linearisation of IFRIC 21 and PEL/CEL provision

Societe Generale and Crédit du Nord networks:

Average loan outstandings were 2% lower than in Q3 20 at EUR 207 billion. They were 9% higher than in Q3 19. Average outstanding loans to individuals were up +1%, bolstered by the growth in home loan production (+58% vs. Q3 20). The production of medium/long-term loans to corporate and professional customers climbed +48% excluding State Guaranteed Loans vs. Q3 20.

Average outstanding balance sheet deposits[(2)] increased by +7% vs. Q3 20 to EUR 240 billion, still driven by sight deposits, whose rate of growth nevertheless decelerated.

As a result, the average loan/deposit ratio stood at 87% in Q3 21 vs. 95% in Q3 20.

Insurance assets under management totalled EUR 91 billion at end-September 2021. Gross life insurance inflow amounted to EUR 1.9 billion in Q3 21, with the unit-linked share accounting for 36%.

Private Banking's assets under management totalled EUR 76 billion at end-September 2021. Net inflow remained buoyant at EUR 1.1 billion in Q3 21.

Property/casualty insurance premiums were up +3% vs. Q3 20, as were personal protection insurance premiums (+3% vs. Q3 20).

Boursorama:

The bank consolidated its position as the leading online bank in France, with more than 3.1 million clients at end-September 2021, thanks to the onboarding of 163,000 new clients in Q3 21 (+26% vs. Q3 20). Boursorama has exceeded 3 million clients ahead of its onboarding plan.

This quarter, Boursorama distinguished itself by obtaining 2022 award in the rankings for best online bank awarded by Moneyvox. Boursorama was also classified No. 1 in the rankings for best bank for students in France 2021 awarded by Selectra. The bank also received an award for its retirement savings plan ("MATLA") from the business magazines Challenges and Le Particulier (Victoire d'or). In addition, the bank received the 2022 Excellence Label for personal loans awarded by Les Dossiers de l'Epargne magazine.

(2) Including BMTN (negotiable medium-term notes)

Average outstanding loans rose +28% vs. Q3 20 to EUR 13 billion. Home loan outstandings were up +30% vs. Q3 20.

Average outstanding savings including deposits and financial savings were 30% higher than in Q3 20 at EUR 35 billion, while outstanding deposits were up +29% vs. Q3 20. Life insurance outstandings were 14% higher than in Q3 20 while assets under management in UCITS increased by +35% vs. Q3 20.

Net banking income excluding PEL/CEL

Q3 21: revenues (excluding PEL/CEL) totalled EUR 1,963 million, up +5.7% vs. Q3 20. Net interest income (excluding PEL/CEL) was up +5.9% vs. Q3 20. Commissions were 5.2% higher than in Q3 20 owing particularly to an increase in financial commissions against the backdrop of recovery.

9M 21: revenues (excluding PEL/CEL) totalled EUR 5,711 million, up +3.6% vs. 9M 20. Net interest income (excluding PEL/CEL) was stable (+0.5%) vs. 9M 20. Commissions were 5.1% higher than in 9M 20, benefiting from the strong growth in financial commissions.

Operating expenses

Q3 21: operating expenses totalled EUR 1,351 million (+4.6% vs. Q3 20) and EUR 1,390 million on an underlying basis. The cost to income ratio (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 68.8%, an improvement of 0.8 points vs. Q3 20.

9M 21: operating expenses totalled EUR 4,101 million (+3.2% vs. 9M 20) and EUR 4,062 million on an underlying basis. The cost to income ratio (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 71.8%, an improvement of 0.3 points vs. 9M 20.

Cost of risk

Q3 21: the commercial cost of risk represented a write-back of EUR 5 million or -1 basis point, a significant improvement vs. Q3 20 (24 basis points), and virtually stable vs. Q2 21 (1 basis point).

9M 21: the commercial cost of risk amounted to EUR 124 million or 8 basis points, a substantial decline compared to 9M 20 (52 basis points).

Contribution to Group net income

Q3 21: the contribution to Group net income was EUR 451 million vs. EUR 283 million in Q3 20 (+59% vs. Q3 20). RONE (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 15.0% in Q3 21 (9.2% in Q3 20) and 16.1% excluding Boursorama.

9M 21: the contribution to Group net income was EUR 1,092 million (+94% vs. 9M 20). RONE (after linearisation of the IFRIC 21 charge and restated for the PEL/CEL provision) stood at 13.2% in 9M 21 (7.1% in 9M 20) and 14.2% excluding Boursorama.

4. INTERNATIONAL RETAIL BANKING & FINANCIAL SERVICES

In EURm	Q3 21	Q3 20	Change		9M 21	9M 20	Change	
Net banking income	2,107	1,891	+11.4%	*+12.8%**	5,958	5,605	+6.3%	*+9.8%**
Operating expenses	(1,015)	(999)	*+1.6%*	*+2.3%**	(3,115)	(3,124)	*-0.3%*	*+2.6%**
Gross operating income	1,092	892	*+22.4%*	*+24.7%**	2,843	2,481	*+14.6%*	*+19.0%**
Net cost of risk	(145)	(331)	*-56.2%*	*-56.7%**	(408)	(978)	*-58.3%*	*-57.0%**
Operating income	947	561	*+68.8%*	*+75.0%**	2,435	1,503	*+62.0%*	*+69.0%**
Net profits or losses from other assets	4	(2)	*n/s*	*n/s*	10	9	*+11.1%*	*+11.1%**
Reported Group net income	584	337	*+73.3%*	*+80.0%**	1,498	928	*+61.4%*	*+69.4%**
Underlying Group net income (1)	*570*	*323*	*+76.5%*	*+83.7%**	*1,512*	*942*	*+60.5%*	*+68.3%**
RONE	22.6%	12.9%			19.7%	11.6%		
Underlying RONE(1)	*22.1%*	*12.3%*			*19.9%*	*11.8%*		

(1) Adjusted for the linearisation of IFRIC 21

International Retail Banking's loan and deposit production experienced an increase in all geographical regions. Outstanding loans totalled EUR 90.9 billion. They rose +4.3%* vs. end-September 2020. Outstanding deposits were 9.6%* higher than in September 2020, at EUR 90.1 billion.

For the Europe scope, outstanding loans were up +5.1%* vs. September 2020 at EUR 58.1 billion, driven by all the regions: +4.4%* in the Czech Republic, +7.5%* in Romania, and +5.2%* in Western Europe. Outstanding deposits increased by +12.1%*.

In Russia, outstanding loans enjoyed healthy growth (+8.0%*), with a robust performance in home loans and in the corporate customers segment with outstanding loans up +15%* and +7%* respectively vs. Q3 20. Outstanding deposits also rose (+3.6%*).

In Africa, Mediterranean Basin and French Overseas Territories, outstanding loans rose +0.9%*. Outstanding deposits, up +7.2%*, enjoyed a healthy momentum.

In the Insurance business, the life insurance savings business saw outstandings increase +8%* at end-September 2021 vs. September 2020 to EUR 132 billion. The share of unit-linked products in outstandings was 35%, an increase of +5 points vs. September 2020.

Financial Services to Corporates also enjoyed a healthy momentum. Operational Vehicle Leasing and Fleet Management had 1.7 million contracts, including 1.4 million financed vehicles, an increase of 0.6% vs. end-September 2020. Equipment Finance's new leasing business was up +11%* vs. Q3 20 (+12%* in 9M 21), while outstanding loans were stable vs. end-September 2020, at EUR 14.3 billion (excluding factoring).

Net banking income

Net banking income amounted to EUR 2,107 million in Q3 21, up +12.8%* vs. Q3 20. Revenues amounted to EUR 5,958 million in 9M 21, up +9.8%* vs. 9M 20.

International Retail Banking's net banking income totalled EUR 1,271 million in Q3 21, an increase of +4.0%* vs. Q3 20. Thanks to a healthy commercial momentum and an increase in commissions (+17%* vs. Q3 20), revenues in Europe were 6.2%* higher than in Q3 20. Activity in the individual customers segment remained particularly robust in specialised consumer finance, with revenues up +14%* vs. Q3 20. For the SG Russia[(2)] scope, revenues were down -4.8%* (-1.4%* vs. 9M 20) despite a healthy momentum in the corporate customers and home loan segments. The Africa, Mediterranean Basin and

[(2)] *SG Russia encompasses the entities Rosbank, Rosbank Insurance, ALD Automotive and their consolidated subsidiaries*

French Overseas Territories scope posted revenues up +4.4%* vs. Q3 20. International Retail Banking's net banking income totalled EUR 3,689 million in 9M 21, up +2.6%* vs. 9M 20.

The Insurance business posted net banking income up +10.2%* vs. Q3 20, at EUR 246 million in Q3 21. The gross premiums of the life insurance savings business were 59%* higher in Q3 21 than in Q3 20, with an attractive share of unit-linked products (43%). Protection insurance saw an increase of +7%* vs. Q3 20. Property/casualty premiums rose +10%* (including +8%* in France and +17%* internationally), as did personal protection insurance (+5%* vs. Q3 20). The Insurance business' net banking income was 8.8%* higher in 9M 21 than in 9M 20 at EUR 720 million.

Financial Services to Corporates' net banking income was substantially higher (+39.9%*) than in Q3 20, at EUR 590 million. This performance was driven primarily by the activities of ALD which posted an increase in leasing margins (+12%[1] vs. Q3 20) and the used car sale result (EUR 1,126 per unit in 9M 21). Financial Services to Corporates' net banking income totalled EUR 1,549 million in 9M 21, up +32.6%* vs. 9M 20.

Operating expenses

Operating expenses totalled EUR 1,015 million, an increase of +2.3%* on a reported basis and +2.3%* also on an underlying basis vs. Q3 20, in conjunction with the growth in revenue. As a result, the quarter generated a positive jaws effect. The cost to income ratio stood at 48.2% in Q3 21. Operating expenses amounted to EUR 3,115 million in 9M 21, an increase of +2.6%* vs. 9M 20.

In International Retail Banking, operating expenses were up +3.4%* vs. Q3 20. Operating expenses were slightly higher (+2.0%*) in 9M 21 than in 9M 20.

In the **Insurance** business, operating expenses were in line with the expansion ambitions and rose +4.5%* vs. Q3 20 and +4.3%* vs. 9M 20.

In **Financial Services to Corporates**, operating expenses increased by +2.0%* vs. Q3 20 and +4.1%* vs. 9M 20.

Cost of risk

Q3 21: the commercial cost of risk amounted to 43 basis points (EUR 145 million), vs. 37 basis points in Q2 21 and 102 basis points in Q3 20.

9M 21: the cost of risk amounted to 41 basis points (EUR 408 million). It was 98 basis points in 9M 20.

Contribution to Group net income

The contribution to Group net income totalled EUR 584 million in Q3 21 (+80.0%* vs. Q3 20) and EUR 1,498 million in 9M 21 (+69.4%* vs. 9M 20). Underlying RONE stood at 22.1% in Q3 21 (vs. 12.3% in Q3 20) and 19.9% in 9M 21 (11.8% in 9M 20).

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[1] *Based on ALD local data*

5. GLOBAL BANKING & INVESTOR SOLUTIONS

In EURm	Q3 21	Q3 20	Change		9M 21	9M 20	Change	
Net banking income	2,361	2,034	+16.1%	+15.4%*	7,210	5,541	+30.1%	+32.5%*
Operating expenses	(1,608)	(1,478)	+8.8%	+8.2%*	(5,307)	(5,025)	+5.6%	+6.9%*
Gross operating income	753	556	+35.4%	+34.5%*	1,903	516	x 3.7	x 4*
Net cost of risk	(57)	(57)	-	-	(83)	(818)	-89.9%	-89.5%*
Operating income	696	499	+39.5%	+38.4%*	1,820	(302)	n/s	n/s
Group net income	563	381	+47.8%	+46.6%*	1,441	(223)	n/s	n/s
Underlying Group net income (1)	*467*	*295*	*+58.0%*	*+56.4%**	*1,537*	*(137)*	*n/s*	*n/s*
RONE	14.7%	10.3%			13.1%	-2.1%		
Underlying RONE(1)	*12.2%*	*7.9%*			*14.0%*	*-1.3%*		

(1) Adjusted for the linearisation of IFRIC 21

Net banking income

In Q3 21, **Global Banking & Investor Solutions** enjoyed a healthy momentum in its businesses, with revenues of EUR 2,361 million, substantially higher (+16.1%) than in Q3 20.
In 9M 21, revenues rose +30.1% vs. 9M 20 (EUR 7,210 million vs. EUR 5,541 million), and were higher than 9M 19 revenues (EUR 6,518 million).

In Global Markets & Investor Services, net banking income totalled EUR 1,349 million (+8.4% vs. Q3 20). It amounted to EUR 4,388 million in 9M 21 (+46.1% vs. 9M 20).

The Equity market was active, driven by commercial activity that remained buoyant throughout the quarter. The business posted revenues of EUR 814 million, up +53% vs. Q3 20, with a good performance in all activities. Volumes were particularly high on investment solutions products (structured products and listed products) and on prime services products.
Revenues totalled EUR 2,423 million in 9M 21 (vs. EUR 682 million in 9M 20).

Market conditions were less favourable for the Fixed Income franchise model: substantial spread compression on financing, coupled with reduced client demand in Fixed Income markets. The environment was also unfavourable in Asia. However, commercial activity remained resilient on the Corporates franchise. Fixed Income & Currency activities posted revenues of EUR 380 million in Q3 21, down -33% vs. a good Q3 20.
Revenues were 21% lower in 9M 21 compared to the exceptionally high level in 9M 20.

Securities Services' revenues saw a further increase, with revenues up +6.9% vs. Q3 20, at EUR 155 million. They were 10% higher in 9M 21 than in 9M 20, at EUR 490 million.
Securities Services' assets under custody amounted to EUR 4,475 billion, slightly higher than at end-June 2021. Over the same period, assets under administration were up +2.9%, at EUR 680 billion.

Financing & Advisory delivered the best historical performance, with revenues of EUR 757 million in Q3 21, up +31% vs. Q3 20. They amounted to EUR 2,110 million in 9M 21, significantly higher (+13%) than in 9M 20 (+15%* when adjusted for changes in Group structure and at constant exchange rates).

Investment Banking enjoyed an excellent quarter, driven by the strong momentum of advisory, M&A and Leveraged Buyout activities. Revenues from Asset Finance, Natural Resources and Infrastructure activities and the Asset-Backed Products platform also showed a substantial increase.

Global Transaction and Payment Services continued to enjoy strong growth, up +23% vs. Q3 20.

Asset and Wealth Management's net banking income totalled EUR 255 million in Q3 21 (+21% vs. Q3 20). It was 6% higher in 9M 21.

Private Banking posted a substantial increase in its revenues (+20% vs. Q3 20) to EUR 184 million. The business benefited from a favourable market environment and strong commercial activity. Net inflow amounted to EUR +2.2 billion during the quarter.
Net banking income totalled EUR 528 million in 9M 21, up +2.3% vs. 9M 20 (when restated for an exceptional impact of EUR +29 million related to an insurance payout received in 2020, it is up +8.4%).
Net inflow was high (EUR +6.8 billion in the first nine months) and positive in all geographical regions.
Assets under management totalled EUR 127 billion. They rose +11% vs. end-September 2020.

Lyxor's net banking income amounted to EUR 64 million, an increase of +21% vs. Q3 20. Assets under management were up +28% vs. end-September 2020, at EUR 169 billion.
Revenues were 17% higher in 9M 21 than in 9M 20, with net inflow of EUR +14 billion.

Operating expenses

Q3 21: operating expenses totalled EUR 1,608 million and EUR 1,733 million on an underlying basis. Higher underlying costs (+9.3% vs. Q3 20) can be explained by the rise in variable costs related to the increase in earnings and IFRIC 21 charges. Thanks to a very positive jaws effect, there was an improvement in the cost to income ratio of 5 points (68% vs. 73% in Q3 20).
9M 21: operating expenses were up +5.6% on a reported basis and +5.4% on an underlying basis.

Net cost of risk

Q3 21: the commercial cost of risk amounted to 14 basis points (or EUR 57 million), the same level as in Q3 20.
9M 21: it was at a low level of 7 basis points, well below 9M 20 (66 basis points) which was adversely affected by the health crisis.

Contribution to Group net income

Q3 21: the contribution to Group net income was EUR 563 million on a reported basis (+48% vs. Q3 20) and EUR 467 million on an underlying basis (+58% vs. Q3 20).
9M 21: it was EUR 1,441 million and EUR 1,537 million respectively.

Global Banking & Investor Solutions posted a significant underlying RONE of 12.2% in Q3 21 and 14.0% in 9M 21.

6. CORPORATE CENTRE

In EURm	Q3 21	Q3 20	9M 21	9M 20
Net banking income	228	48	281	(341)
Operating expenses	(196)	(56)	(502)	(239)
Underlying operating expenses (1)	*(110)*	*(69)*	*(259)*	*(226)*
Gross operating income	32	(8)	(221)	(580)
Underlying gross operating income (1)	*118*	*(21)*	*22*	*(567)*
Net cost of risk	1	-	1	-
Impairment losses on goodwill	-	-	-	(684)
Income tax	(166)	(84)	(6)	(534)
Reported Group net income	3	(139)	(177)	(1,995)
Underlying Group net income (1)	*(69)*	*(137)*	*(132)*	*(586)*

(1) Adjusted for the linearisation of IFRIC 21

The Corporate Centre includes:
- the property management of the Group's head office,
- the Group's equity portfolio,
- the Treasury function for the Group,
- certain costs related to cross-functional projects as well as certain costs incurred by the Group and not re-invoiced to the businesses.

The Corporate Centre's net banking income totalled EUR 228 million in Q3 21 vs. EUR +48 million in Q3 20 and EUR +281 million in 9M 21 vs. EUR -341 million in 9M 20.

Operating expenses totalled EUR 196 million in Q3 21 vs. EUR 56 million in Q3 20. They include the Group's transformation costs for a total amount of EUR 97 million relating to the activities of French Retail Banking (EUR 46 million), Global Banking & Investor Solutions (EUR 23 million) and the Corporate Centre (EUR 28 million). Underlying costs came to EUR 110 million in Q3 21 compared to EUR 69 million in Q3 20.

Operating expenses totalled EUR 502 million in 9M 21 vs. EUR 239 million in 9M 20. They include the Group's transformation costs for a total amount of EUR 232 million relating to the activities of French Retail Banking (EUR 106 million), Global Banking & Investor Solutions (EUR 66 million) and the Corporate Centre (EUR 60 million). Underlying costs came to EUR 259 million in 9M 21 compared to EUR 226 million in 9M 20.

Gross operating income totalled EUR 32 million in Q3 21 vs. EUR -8 million in Q3 20 and EUR -221 million in 9M 21 vs. EUR -580 million in 9M 20. Underlying gross operating income came to EUR +22 million in 9M 21.

The **Corporate Centre's contribution to Group net income was EUR 3 million** in Q3 21 vs. EUR -139 million in Q3 20 and EUR -177 million in 9M 21 vs. EUR -1,995 million in 9M 20. It includes a capital gain on a property sale amounting to EUR 185 million, before tax is taken into account (EUR 132 million net of tax).

7. CONCLUSION

The Group delivered an excellent performance in the first 9 months of 2021. All the businesses experienced healthy revenue growth, compared to the first 9 months of 2020, and a improvement in their cost to income ratio due to disciplined cost management.

At end-September 2021, the Group's CET1 ratio stood at 13.4%[1] comfortably above its regulatory requirement, after taking account of the distribution provision of EUR 2.03[2] (financing both dividend and share buyback) and the capital impact of the announced share buyback programme of around EUR 470 million. Authorised by the ECB on September 30th 2021, the Group intends to implement the programme as from November 4th and by end-2021. During this period, the group will suspend the liquidity contract.

Furthermore, the Group continues to execute its strategy with the achievement, this quarter, of a new key milestone. On October 12th, the Group provided information on the model and the detailed organisational structure of its new French Retail Bank. The project to merge the networks is therefore progressing according to the announced timetable. The other businesses are successfully rolling out their strategy presented at the dedicated Investor Days.

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(1) *Phased-in ratio; fully-loaded ratio of 13.2%*

(2) *Based on a payout ratio of 50% of underlying Group net income after deducting interest on deeply subordinated notes and undated subordinated notes*

8. 2021 FINANCIAL CALENDAR

2021 Financial communication calendar	
February 10th, 2022	Fourth quarter and FY 2021 results
May 5th, 2022	First quarter 2022 results
May 17th, 2022	2022 General Meeting
August 3rd, 2022	Second quarter and first half 2022 results
November 4th, 2022	Third quarter and nine-month 2022 results

The Alternative Performance Measures, notably the notions of net banking income for the pillars, operating expenses, IFRIC 21 adjustment, (commercial) cost of risk in basis points, ROE, ROTE, RONE, net assets, tangible net assets, and the amounts serving as a basis for the different restatements carried out (in particular the transition from published data to underlying data) are presented in the methodology notes, as are the principles for the presentation of prudential ratios.

This document contains forward-looking statements relating to the targets and strategies of the Societe Generale Group.
These forward-looking statements are based on a series of assumptions, both general and specific, in particular the application of accounting principles and methods in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union, as well as the application of existing prudential regulations.

These forward-looking statements have also been developed from scenarios based on a number of economic assumptions in the context of a given competitive and regulatory environment. The Group may be unable to:
- anticipate all the risks, uncertainties or other factors likely to affect its business and to appraise their potential consequences;
- evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this document and the related presentation.

Therefore, although Societe Generale believes that these statements are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, including matters not yet known to it or its management or not currently considered material, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among others, overall trends in general economic activity and in Societe Generale's markets in particular, regulatory and prudential changes, and the success of Societe Generale's strategic, operating and financial initiatives.

More detailed information on the potential risks that could affect Societe Generale's financial results can be found in the section "Risk Factors" in our Universal Registration Document filed with the French Autorité des Marchés Financiers (which is available on https://investors.societegenerale.com/en).

Investors are advised to take into account factors of uncertainty and risk likely to impact the operations of the Group when considering the information contained in such forward-looking statements. Other than as required by applicable law, Societe Generale does not undertake any obligation to update or revise any forward-looking information or statements. Unless otherwise specified, the sources for the business rankings and market positions are internal.

9. APPENDIX 1: FINANCIAL DATA

GROUP NET INCOME BY CORE BUSINESS

In EURm	Q3 21	Q3 20	Change	9M 21	9M 20	Change
French Retail Banking	451	283	59.4%	1,092	562	94.3%
International Retail Banking and Financial Services	584	337	73.3%	1,498	928	61.4%
Global Banking and Investor Solutions	563	381	47.8%	1,441	(223)	n/s
Core Businesses	1,598	1,001	59.6%	4,031	1,267	x 3.2
Corporate Centre	3	(139)	n/s	(177)	(1,995)	91.1%
Group	1,601	862	85.7%	3,854	(728)	n/s

CONSOLIDATED BALANCE SHEET

	30.09.2021	31.12.2020
Cash, due from central banks	176,531	168,179
Financial assets at fair value through profit or loss	436,594	429,458
Hedging derivatives	14,021	20,667
Financial assets measured at fair value through other comprehensive income	45,780	52,060
Securities at amortised cost	18,687	15,635
Due from banks at amortised cost	66,144	53,380
Customer loans at amortised cost	475,923	448,761
Revaluation differences on portfolios hedged against interest rate risk	172	378
Investment of insurance activities	174,240	166,854
Tax assets	4,307	5,001
Other assets	78,469	67,341
Non-current assets held for sale	390	6
Investments accounted for using the equity method	95	100
Tangible and intangible assets	31,180	30,088
Goodwill	3,821	4,044
Total	**1,526,354**	**1,461,952**

	30.09.2021	31.12.2020
Central banks	6,684	1,489
Financial liabilities at fair value through profit or loss	386,465	390,247
Hedging derivatives	9,576	12,461
Debt securities issued	133,194	138,957
Due to banks	148,430	135,571
Customer deposits	497,155	456,059
Revaluation differences on portfolios hedged against interest rate risk	4,250	7,696
Tax liabilities	1,683	1,223
Other liabilities	96,568	84,937
Non-current liabilities held for sale	125	-
Liabilities related to insurance activities contracts	152,619	146,126
Provisions	4,491	4,775
Subordinated debts	15,826	15,432
Total liabilities	**1,457,066**	**1,394,973**
SHAREHOLDERS' EQUITY		
Shareholders' equity, Group share		
Issued common stocks and capital reserves	22,364	22,333
Other equity instruments	7,534	9,295
Retained earnings	30,866	32,076
Net income	3,854	(258)
Sub-total	**64,618**	**63,446**
Unrealised or deferred capital gains and losses	(980)	(1,762)
Sub-total equity, Group share	**63,638**	**61,684**
Non-controlling interests	5,650	5,295
Total equity	**69,288**	**66,979**
Total	**1,526,354**	**1,461,952**

10. APPENDIX 2: METHODOLOGY

1 –The financial information presented in respect of Q3 and 9M 2021 was examined by the Board of Directors on November 3rd, 2021 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at that date. This information has not been audited.

2 - Net banking income

The pillars' net banking income is defined on page 41 of Societe Generale's 2021 Universal Registration Document. The terms "Revenues" or "Net Banking Income" are used interchangeably. They provide a normalised measure of each pillar's net banking income taking into account the normative capital mobilised for its activity.

3 - Operating expenses

Operating expenses correspond to the "Operating Expenses" as presented in note 8.1 to the Group's consolidated financial statements as at December 31st, 2020 (pages 466 et seq. of Societe Generale's 2021 Universal Registration Document). The term "costs" is also used to refer to Operating Expenses. The Cost/Income Ratio is defined on page 41 of Societe Generale's 2021 Universal Registration Document.

4 - IFRIC 21 adjustment

The IFRIC 21 adjustment corrects the result of the charges recognised in the accounts in their entirety when they are due (generating event) so as to recognise only the portion relating to the current quarter, i.e. a quarter of the total. It consists in smoothing the charge recognised accordingly over the financial year in order to provide a more economic idea of the costs actually attributable to the activity over the period analysed.

5 – Exceptional items – Transition from accounting data to underlying data

It may be necessary for the Group to present underlying indicators in order to facilitate the understanding of its actual performance. The transition from published data to underlying data is obtained by restating published data for exceptional items and the IFRIC 21 adjustment.

Moreover, the Group restates the revenues and earnings of the French Retail Banking pillar for PEL/CEL provision allocations or write-backs. This adjustment makes it easier to identify the revenues and earnings relating to the pillar's activity, by excluding the volatile component related to commitments specific to regulated savings.

The reconciliation enabling the transition from published accounting data to underlying data is set out in the table below:

Q3 21 (in EURm)	Operating Expenses	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	(4,170)	175	0	(699)	1,601	
(+) IFRIC 21 linearisation	*(199)*			*46*	*(149)*	
(+) Transformation charges(*)	*97*			*(27)*	*70*	*Corporate Center(1)*
(+) Capital gains on Haussmann office disposal(*)		*(185)*		*53*	*(132)*	*Corporate Center*
Underlying	(4,272)	(10)	0	(627)	1,391	

Q3 20 (in EURm)	Operating Expenses	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	(3,825)	(2)	0	(467)	862	
(+) IFRIC 21 linearisation	*(177)*			*53*	*(120)*	
Underlying	(4,002)	(2)	0	(414)	742	

9M 21 (in EURm)	Operating Expenses	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	(13,025)	186	0	(1,386)	3,854	
(+) IFRIC 21 linearisation	*199*			*(46)*	*149*	
(+) Transformation charges(*)	*232*			*(65)*	*167*	*Corporate Center(2)*
(+) Capital gains on Haussmann office disposal(*)		*(185)*		*53*	*(132)*	*Corporate Center*
Underlying	(12,594)	1	0	(1,444)	4,038	

9M 20 (in EURm)	Operating Expenses	Net profit or losses from other assets	Impairment losses on goodwill	Income tax	Group net income	Business
Reported	(12,363)	82	(684)	(1,079)	(728)	
(+) IFRIC 21 linearisation	*177*			*(53)*	*120*	
(+) Group refocusing plan		*77*			*77*	*Corporate center*
(-) Goodwill impairment(*)			*684*		*684*	*Corporate center*
(-) DTA impairment (*)				*650*	*650*	*Corporate center*
Underlying	(12,186)	159	0	(482)	803	

(*) *Exceptional item*

(1) *Transformation and/or restructuring charges in Q3 21 related to French Retail Banking (EUR 46m), Global Banking & Investor Solutions (EUR 23m) and Corporate Centre (EUR 28m)*

(2) *Transformation and/or restructuring charges in 9M 21 related to French Retail Banking (EUR 106m), Global Banking & Investor Solutions (EUR 66m) and Corporate Centre (EUR 60m)*

6 - Cost of risk in basis points, coverage ratio for doubtful outstandings

The cost of risk or commercial cost of risk is defined on pages 43 and 635 of Societe Generale's 2021 Universal Registration Document. This indicator makes it possible to assess the level of risk of each of the pillars as a percentage of balance sheet loan commitments, including operating leases.

	(In EUR m)	Q3 21	Q3 20	9M 21	9M 20
French Retail Banking	Net Cost Of Risk	(5)	130	124	821
	Gross loans Outstanding	217,332	217,156	217,549	208,604
	Cost of Risk in bp	(1)	24	8	52
International Retail Banking and Financial Services	Net Cost Of Risk	145	331	408	978
	Gross loans Outstanding	134,725	129,838	132,088	133,240
	Cost of Risk in bp	43	102	41	98
Global Banking and Investor Solutions	Net Cost Of Risk	57	57	83	818
	Gross loans Outstanding	167,410	162,429	161,432	165,389
	Cost of Risk in bp	14	14	7	66
Corporate Centre	Net Cost Of Risk	(1)	0	(1)	0
	Gross loans Outstanding	14,244	12,400	13,589	10,800
	Cost of Risk in bp	(1)	(1)	(1)	1
Societe Generale Group	Net Cost Of Risk	196	518	614	2,617
	Gross loans Outstanding	533,711	521,822	524,659	518,033
	Cost of Risk in bp	15	40	16	67

The **gross coverage ratio for doubtful outstandings** is calculated as the ratio of provisions recognised in respect of the credit risk to gross outstandings identified as in default within the meaning of the regulations, without taking account of any guarantees provided. This coverage ratio measures the maximum residual risk associated with outstandings in default ("doubtful").

7 - ROE, ROTE, RONE

The notions of ROE (Return on Equity) and ROTE (Return on Tangible Equity), as well as their calculation methodology, are specified on page 43 and 44 of Societe Generale's 2021 Universal Registration Document. This measure makes it possible to assess Societe Generale's return on equity and return on tangible equity.

RONE (Return on Normative Equity) determines the return on average normative equity allocated to the Group's businesses, according to the principles presented on page 44 of Societe Generale's 2021 Universal Registration Document.

Group net income used for the ratio numerator is book Group net income adjusted for "interest net of tax payable on deeply subordinated notes and undated subordinated notes, interest paid to holders of deeply subordinated notes and undated subordinated notes, issue premium amortisations" and "unrealised gains/losses booked under shareholders' equity, excluding conversion reserves" (see methodology note No. 9). For ROTE, income is also restated for goodwill impairment.

Details of the corrections made to book equity in order to calculate ROE and ROTE for the period are given in the table below:

ROTE calculation: calculation methodology

End of period	Q3 21	Q3 20	9M 21	9M 20
Shareholders' equity Group share	63,638	60,593	63,638	60,593
Deeply subordinated notes	(7,820)	(7,873)	(7,820)	(7,873)
Undated subordinated notes		(274)		(274)
Interest net of tax payable to holders of deeply subordinated notes & undated subordinated notes, interest paid to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations	(34)	(4)	(34)	(4)
OCI excluding conversion reserves	(613)	(875)	(613)	(875)
Dividend provision [1]	(1,726)	(178)	(1,726)	(178)
ROE equity end-of-period	53,445	51,389	53,445	51,389
Average ROE equity	52,947	51,396	52,215	52,352
Average Goodwill	(3,927)	(3,928)	(3,927)	(4,253)
Average Intangible Assets	(2,599)	(2,464)	(2,549)	(2,417)
Average ROTE equity	46,421	45,004	45,739	45,682
Group net Income (a)	1,601	862	3,854	(728)
Underlying Group net income (b)	1,391	742	4,038	803
Interest on deeply subordinated notes and undated subordinated notes (c)	(130)	(127)	(439)	(447)
Cancellation of goodwill impairment (d)				684
Ajusted Group net Income (e) = (a)+ (c)+(d)	1,471	735	3,415	(491)
Ajusted Underlying Group net Income (f)=(b)+(c)	1,261	615	3,599	356
Average ROTE equity (g)	46,421	45,004	45,739	45,682
ROTE [quarter: (4*e/g), 9M: (4/3*e/g)]	12.7%	6.5%	10.0%	-1.4%
Underlying ROTE	46,210	44,884	45,923	47,213
Underlying ROTE [quarter: (4*f/h), 9M: (4/3*f/h)]	10.9%	5.5%	10.4%	1.0%

RONE calculation: Average capital allocated to Core Businesses (in EURm)

In EURm	Q3 21	Q3 20	Change	9M 21	9M 20	Change
French Retail Banking	11,025	11,879	-7.2%	11,201	11,507	-2.7%
International Retail Banking and Financial Services	10,340	10,468	-1.2%	10,154	10,627	-4.5%
Global Banking and Investor Solutions	15,327	14,868	3.1%	14,687	14,306	2.7%
Core Businesses	36,693	37,215	-1.4%	36,042	36,440	-1.1%
Corporate Center	16,254	14,180	14.6%	16,173	15,912	1.6%
Group	52,947	51,396	3.0%	52,215	52,352	-0.3%

[1] *The provision is calculated on a payout ratio of 50% of underlying Group net income, excluding linearisation of IFRIC 21, after deducting interest on deeply subordinated notes and undated subordinated notes*

8 - Net assets and tangible net assets

Net assets and tangible net assets are defined in the methodology, page 46 of the Group's 2021 Universal Registration Document. The items used to calculate them are presented below:

End of period	9M 21	H1 21	2020
Shareholders' equity Group share	63,638	63,136	61,684
Deeply subordinated notes	(7,820)	(8,905)	(8,830)
Undated subordinated notes	-	(62)	(264)
Interest, net of tax, payable to holders of deeply subordinated notes & undated subordinated notes, interest paid to holders of deeply subordinated notes & undated subordinated notes, issue premium amortisations	(34)	(1)	19
Bookvalue of own shares in trading portfolio	(45)	(46)	301
Net Asset Value	55,739	54,122	52,910
Goodwill	(3,927)	(3,927)	(3,928)
Intangible Assets	(2,641)	(2,556)	(2,484)
Net Tangible Asset Value	49,171	47,639	46,498
Number of shares used to calculate NAPS*	850,430	850,429	848,859
Net Asset Value per Share	65.5	63.6	62.3
Net Tangible Asset Value per Share	57.8	56.0	54.8

** The number of shares considered is the number of ordinary shares outstanding as at September 30th, 2021, excluding treasury shares and buybacks, but including the trading shares held by the Group.*
In accordance with IAS 33, historical data per share prior to the date of detachment of a preferential subscription right are restated by the adjustment coefficient for the transaction.

9 - Calculation of Earnings Per Share (EPS)

The EPS published by Societe Generale is calculated according to the rules defined by the IAS 33 standard (see page 45 of Societe Generale's 2021 Universal Registration Document). The corrections made to Group net income in order to calculate EPS correspond to the restatements carried out for the calculation of ROE and ROTE. As specified on page 45 of Societe Generale's 2021 Universal Registration Document, the Group also publishes EPS adjusted for the impact of non-economic and exceptional items presented in methodology note No. 5 (underlying EPS).
The calculation of Earnings Per Share is described in the following table:

Average number of shares (thousands)	9M 21	H1 21	2020
Existing shares	853,371	853,371	853,371
Deductions			
Shares allocated to cover stock option plans and free shares awarded to staff	3,335	3,466	2,987
Other own shares and treasury shares			
Number of shares used to calculate EPS**	850,036	849,905	850,385
Group net Income	3,854	2,253	(258)
Interest on deeply subordinated notes and undated subordinated notes	(439)	(309)	(611)
Capital gain net of tax on partial buybacks			
Adjusted Group net income	3,415	1,944	(869)
EPS (in EUR)	4.02	2.29	(1.02)
Underlying EPS* (in EUR)	4.06	2.40	0.97

(*) Calculated on the basis of underlying Group net income excluding linearisation of IFRIC 21. Or EUR 4.23 taking into account the linearisation of IFRIC 21 in 9M 21.
(**) The number of shares considered is the number of ordinary shares outstanding as at September 30th, 2021, excluding treasury shares and buybacks, but including the trading shares held by the Group.

10 – The Societe Generale Group's Common Equity Tier 1 capital is calculated in accordance with applicable CRR2/CRD5 rules. The fully loaded solvency ratios are presented pro forma for current earnings, net of dividends, for the current financial year, unless specified otherwise. When there is reference to phased-in ratios, these do not include the earnings for the current financial year, unless specified otherwise. The leverage ratio is also calculated according to applicable CRR2/CRD5 rules including the phased-in following the same rationale as solvency ratios.

NB (1) The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding rules.

(2) All the information on the results for the period (notably: press release, downloadable data, presentation slides and supplement) is available on Societe Generale's website www.societegenerale.com in the "Investor" section.

Societe Generale

Societe Generale is one of the leading European financial services groups. Based on a diversified and integrated banking model, the Group combines financial strength and proven expertise in innovation with a strategy of sustainable growth, aiming to be the trusted partner for its clients, committed to the positive transformations of society and the economy.

Active in the real economy for over 150 years, with a solid position in Europe and connected to the rest of the world, Societe Generale has over 133,000 members of staff in 61 countries and supports on a daily basis 30 million individual clients, businesses and institutional investors around the world by offering a wide range of advisory services and tailored financial solutions. The Group is built on three complementary core businesses:

- **French Retail Banking**, which encompasses the Societe Generale, Crédit du Nord and Boursorama brands. Each offers a full range of financial services with omnichannel products at the cutting edge of digital innovation;
- **International Retail Banking, Insurance and Financial Services to Corporates**, with networks in Africa, Russia, Central and Eastern Europe and specialised businesses that are leaders in their markets;
- **Global Banking and Investor Solutions**, which offers recognised expertise, key international locations and integrated solutions.

Societe Generale is included in the principal socially responsible investment indices: DJSI (World and Europe), FTSE4Good (Global and Europe), Bloomberg Gender-Equality Index, Refinitiv Diversity and Inclusion Index, Euronext Vigeo (Europe and Eurozone), STOXX Global ESG Leaders indexes and MSCI Low Carbon Leaders Index (World and Europe).

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