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27 April 2021

(Hong Kong Stock Code: 5)

HSBC Holdings plc
1Q21 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, Laura Cha†, Henri de Castries†, James Anthony Forese†, Steven Guggenheimer†, Irene Lee†, José Antonio Meade Kuribreña†, Heidi Miller†, 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

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Web: www.hsbc.com

Incorporated in England with limited liability. Registered in England: number 617987

27 APRIL 2021

HSBC HOLDINGS PLC

1Q21 EARNINGS RELEASE

Noel Quinn, Group Chief Executive, said:

"We had a good start to the year in support of our customers, while achieving materially enhanced returns for our shareholders. I am pleased with our revenue and cost performance, but particularly with our significantly lower expected credit losses. Global Banking and Markets had a good quarter, and we saw solid business growth in strategic areas, including Asia Wealth and trade finance, and mortgages in Hong Kong and the UK. We also strengthened our lending pipelines in our retail and wholesale businesses.

The execution of our growth and transformation plans is proceeding well. We made further progress in reducing both costs and risk-weighted assets, and launched new products and capabilities in areas of strength.

The economic outlook has improved, although uncertainties remain. We carry good momentum into the second quarter, while maintaining conservative positions on capital, funding, liquidity and credit."

Financial performance (vs. 1Q20)

- **Reported profit after tax up 82% to \$4.6bn and reported profit before tax up 79% to \$5.8bn.** Reduced revenue continued to reflect low interest rates. This impact was partly offset as 1Q20 included materially adverse market impacts in life insurance manufacturing and valuations in Global Banking and Markets ('GBM'). In addition, there were releases of allowances for expected credit losses in the quarter, reflecting the improved economic outlook. **Adjusted profit before tax up 109% to \$6.4bn.**
- **All regions profitable in 1Q21, notably HSBC UK Bank plc reported pre-tax profits of over \$1.0bn in the quarter.** While there continues to be interest rate headwinds, expected credit losses and other credit impairment charges ('ECL') fell, reflecting the improved economic outlook.
- **Reported revenue down 5% to \$13.0bn** due to the impact of 2020 interest rate reductions in all global businesses. This was partly offset by market impacts in life insurance manufacturing and valuations in GBM.
- **Net interest margin ('NIM') of 1.21%, down 33 basis points ('bps') from 1Q20.** NIM broadly stable with 4Q20.
- **Reported ECL were a net release of \$0.4bn, compared with a \$3.0bn charge in 1Q20.** The net release in 1Q21 primarily reflected an improvement in the economic outlook from 2020. Stage 3 ECL were lower, in part as 1Q20 included a large charge related to a corporate exposure in Singapore.
- **Reported operating expenses up 9%** from higher restructuring and other related costs from our transformation programme and increased investment in technology. **Adjusted operating expenses up 3%** due to a higher performance-related pay accrual, partly offset by the impact of our cost-saving initiatives.
- **Lending increased by \$2bn on a reported basis and \$6bn on a constant currency basis in the quarter.** Lending growth was in Wealth and Personal Banking ('WPB'), notably mortgages in the UK and Hong Kong, and in Commercial Banking ('CMB') in areas of strategic focus.
- **Return on average tangible equity ('RoTE') (annualised) of 10.2%,** up 6.0 percentage points from 1Q20.
- **Common equity tier 1 ('CET1') capital ratio of 15.9%, unchanged** from 31 December 2020.

Outlook

- **The economic outlook has improved, giving us increasing confidence in our revenue growth plans.** While early signs are positive, with evidence of growth in strategic areas, including improved lending pipelines, there remain uncertainties.
- **Our 1Q21 results were favourably impacted by net ECL releases, particularly in the UK, reflecting improved economic forecasts.** There remains a high degree of uncertainty as countries emerge from the pandemic at different speeds and as government support measures unwind. **Based on the current consensus economic forecasts trajectory, we expect our ECL charge for 2021 to be below the medium-term range of 30bps to 40bps of average loans that we indicated at our 2020 annual results.**
- **We expect mid-single-digit percentage growth in customer lending during 2021.** This growth remains highly dependent on the speed at which economies recover from the Covid-19 pandemic, together with the duration of various government support measures and restrictions.
- **We continue to make progress against the strategic plan we announced in February 2021,** which responds to the fundamental changes in our operating environment and aligns to our refreshed purpose, values and ambition. We expect to provide an update at our 2021 interim results in August.
- As indicated at our 2020 annual results in February 2021, we do not intend to pay quarterly dividends during 2021. **The Group will consider whether to announce an interim dividend at our 2021 half-year results in August.**

Key financial metrics

		Quarter ended		
		31 Mar 2021	31 Dec 2020	31 Mar 2020
Footnotes				
Reported results				
Reported revenue (\$m)		12,986	11,757	13,686
Reported profit before tax (\$m)		5,779	1,385	3,229
Reported profit after tax (\$m)		4,568	935	2,508
Profit attributable to the ordinary shareholders of the parent company (\$m)		3,880	562	1,785
Cost efficiency ratio (%)		65.7	83.9	57.4
Basic earnings per share (\$)		0.19	0.03	0.09
Diluted earnings per share (\$)		0.19	0.03	0.09
Net interest margin (%)		1.21	1.22	1.54
Alternative performance measures				
Adjusted revenue (\$m)		13,273	12,025	13,713
Adjusted profit before tax (\$m)		6,390	2,248	3,063
Adjusted cost efficiency ratio (%)		61.8	77.0	58.2
Expected credit losses and other credit impairment charges ('ECL') (annualised) as % of average gross loans and advances to customers (%)		(0.17)	0.45	1.15
Return on average ordinary shareholders' equity (annualised) (%)		9.0	1.3	4.4
Return on average tangible equity (annualised) (%)		10.2	1.9	4.2
1				

For reconciliation of our reported results to an adjusted basis, including lists of significant items, see page 6. Definitions and calculations of other alternative performance measures are included in our 'Reconciliation of alternative performance measures' on page 30.

- 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 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 28. 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 UK's version of such regulation and/or directive, onshored into UK law under the European Union (Withdrawal) Act 2018, as amended.

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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.

Note to editors

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 \$2,959bn at 31 March 2021, HSBC is one of the world's largest banking and financial services organisations.

Business highlights

On 23 February 2021, we announced the next phase of our strategic plan, which responds to the fundamental changes in the operating environment and aligns to our refreshed purpose, 'Opening up a world of opportunity', as well as to our values and ambition.

Our strategy centres around four key areas:

- 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 1Q21, we saw good progress in our Wealth business, increasing Wealth balances in the quarter by 3% to over \$1.6tn, which included net new money in Global Private Banking of \$13bn and in Asset Management of \$11bn.

In France, as part of our strategic review of our retail banking operations, we are continuing with negotiations in relation to a potential sale, although no decision has yet been taken. If any sale is implemented, given the underlying performance of these operations, a loss on sale is expected. In the US, we continue to explore both organic and inorganic options for our retail banking franchise.

We continue to work towards our environmental, social and governance ('ESG') agenda, including our climate commitments announced in 2020. We are proposing a climate change resolution at our Annual General Meeting, which focuses on actions we propose to take in connection with our ambition to align our provision of finance with a net zero outcome by 2050. The resolution includes a commitment to publish and implement a policy to phase out the financing of coal-fired power and thermal coal mining by 2030 in EU and OECD markets, and by 2040 in other markets. For the purposes of the resolution, 'finance' and 'financing' means providing project finance or direct lending to, or underwriting capital markets transactions for, corporate clients of our Global Banking and Commercial Banking businesses. In addition, as part of our increasing engagement on climate, in April 2021 we became a founding signatory to the Net Zero Banking Alliance.

We will continue to target an adjusted cost base of \$31bn or less in 2022 and plan to deliver \$5bn to \$5.5bn of cost saves for 2020 to 2022, while spending \$7bn in costs to achieve. We also continue to target a gross RWA reduction of more than \$100bn by the end of 2022. We will target a RoTE of greater than or equal to 10% in the medium term (defined as a period of three to four years), while maintaining a CET1 ratio above 14%, managing in the range of 14% to 14.5% in the medium term. We also announced our updated dividend policy, which included our intention to transition towards a target payout ratio of between 40% and 55% of reported earnings per share ('EPS') from 2022 onwards, with the flexibility to adjust EPS for non-cash significant items such as goodwill or intangibles impairments.

Approach to risk management

We have in place a comprehensive risk management framework covering the whole organisation and incorporating all risk types, which is underpinned by our culture and values. This outlines the key principles, policies and practices that we employ in managing material risks, both financial and non-financial. 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.

At 31 March 2021, our CET1 ratio was 15.9%, unchanged from 31 December 2020, and our liquidity coverage ratio ('LCR') was 143%. Our capital, funding and liquidity positions are expected to help us to continue supporting our customers throughout the current 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 customers and our performance, and the future effects of the pandemic remain uncertain. The outbreak necessitated governments to respond at unprecedented levels to protect

public health, support local economies and protect livelihoods. It has affected regions at different times and to varying degrees as it has developed.

The varying government support measures and restrictions 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 level of infection, and access to and ability to roll out vaccines. Renewed outbreaks, including as a result of the emergence of new variants of the virus, emphasise the ongoing threat of Covid-19. We continue to monitor the situation.

The development of Covid-19 vaccines has raised hopes of widespread immunisation being achieved across developed countries by the end of 2021 and government restrictions being lifted. However, there is significant divergence in the speed at which vaccines have been deployed. While some developed countries have managed to offer vaccines to a large proportion of their respective populations quickly, others have lagged. Many less developed countries have struggled to secure supplies and are only just beginning their vaccination programmes. There remains uncertainty regarding the efficacy and side effects of the vaccines over various time horizons. Tensions have been evident and may continue to persist as countries compete for access to the array of vaccines either under development, pending approval or already approved.

The outbreak has also resulted in changes in the behaviours of our retail and wholesale customers, leading some to require payment holidays and others to miss or delay payments on loan balances. Together, these factors have impacted the performance of our ECL models, requiring enhanced monitoring of model outputs and use of compensating controls. These include 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 Covid-19 outbreak could adversely impact our revenue assumptions, notably volume growth.

Geopolitical and macroeconomic risks

The geopolitical and economic landscape continues to be dominated by the Covid-19 pandemic, and this is likely to remain a key driver throughout 2021. The trade and regulatory environment is increasingly fragmented as markets lay out recovery plans from the Covid-19 outbreak and look to strengthen supply chain networks. Heightened geopolitical tensions will continue to impact business sentiment, while the relationship between the UK and the EU may take time to settle following the UK's departure from the EU, despite the conclusion of a Trade and Cooperation Agreement at the end of 2020. Interest rates remain at historically low levels, although hopes for an economic recovery led by vaccine programmes have contributed to a rise in interest rate yields and a steepening of yield curves in our major markets in early 2021. Despite central bank rates remaining largely unchanged during the first quarter of 2021, the probability of interest rates falling into negative territory has receded. The steepening of yield curves has led to some changes in our interest rate risk profile particularly as the duration of our mortgage portfolios has extended.

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 in many countries seek revenue sources to pay for the Covid-19 support packages that they have implemented. Additionally, an OECD initiative to introduce a global minimum tax rate is gaining momentum and could significantly increase the Group's tax cost if implemented.

Geopolitical tensions could have potential ramifications for the Group and its customers. Evolving developments in Hong Kong, US policy on strategic Chinese industries, claims of human rights violations and other potential areas of tension may affect the Group in terms of the impact of sanctions, as well as regulatory, reputational and market risks. The US has imposed a range of sanctions and trade restrictions on Chinese persons and companies. Certain US measures are of particular relevance, including the Hong Kong Autonomy Act. China has subsequently announced a number of sanctions and trade restrictions that target or provide authority to target foreign officials and companies, including those in the US, UK and EU. How the US-China relationship will evolve over the coming months is as yet unclear. The US has recently indicated that it will cooperate with China on issues of mutual interest, such as climate change, but has also pledged to partner with its allies to confront China on certain issues. We continue to monitor the situation.

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.

The financial impact to the Group of geopolitical risks in Asia is heightened due to the strategic importance of the region, and Hong Kong in particular, in terms of profitability and prospects for growth.

UK withdrawal from the European Union

The EU and the UK agreed a Trade and Cooperation Agreement just before the end of the transition period on 31 December 2020. The agreement mainly focuses on goods and services but also covers a wide range of other areas, including competition, state aid, tax, fisheries, transport, data and security. It addressed financial services in a limited manner and, as a result, did not change HSBC's planning in relation to the UK's withdrawal from the EU.

The EU and UK agreed through a joint declaration to establish structured regulatory cooperation on financial services, with the aim of establishing a durable and stable relationship between autonomous jurisdictions.

Bilateral discussions to agree a memorandum of understanding to establish the framework for this cooperation have now concluded at a technical level and will be formalised in due course.

Once approved, the memorandum of understanding is expected to create the framework for voluntary regulatory cooperation in financial services between the UK and EU through the establishment of a Joint UK-EU Financial Regulatory Forum, which will provide a platform within which both parties will be able to discuss financial services-related issues including future equivalence determinations.

Our global presence and diversified customer base should help mitigate the direct impacts on our financial position of the absence of a comprehensive agreement on financial services between the UK and EU. Our existing wholesale and markets footprint in the EU, and in particular our subsidiary in France, provides a strong foundation for us to build upon. Over the medium to long term the UK's withdrawal from the EU may impact markets and increase economic risk, particularly in the UK, which could adversely impact our profitability and prospects for growth in this market.

For further information on the risks that the Group faces, see pages 110 to 117 of the Annual Report and Accounts 2020.

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. 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 1Q21 are computed by retranslating into US dollars for non-US dollar branches, subsidiaries, joint ventures and associates:

- the income statements for 4Q20 and 1Q20 at the average rate of exchange for 1Q21; and
- the closing prior period balance sheets at the prevailing rates of exchange at 31 March 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 33 to 38 detail the effects of significant items on each of our global business segments and geographical regions during 1Q21, 4Q20 and 1Q20.

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') (previously the Group Management Board), 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. Global businesses 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 below. Supplementary reconciliations of adjusted to reported results by global business are presented on pages 33 to 35 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 11 for the updated financial performance summary.

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Reconciliation of reported and adjusted results

		Quarter ended		
		31 Mar 2021 \$m	31 Dec 2020 \$m	31 Mar 2020 \$m
	Footnotes			
Revenue				
Reported	1	12,986	11,757	13,686
Currency translation			204	393
Significant items		287	64	(366)
– customer redress programmes		(18)	(1)	–
– disposals, acquisitions and investment in new businesses		–	2	7
– fair value movements on financial instruments	2	239	46	(357)
– restructuring and other related costs	3	66	20	(9)
– currency translation of significant items			(3)	(7)
Adjusted		13,273	12,025	13,713
Change in expected credit losses and other credit impairment charges				
Reported		435	(1,174)	(3,026)
Currency translation			(27)	(91)
Adjusted		435	(1,201)	(3,117)
Operating expenses				
Reported		(8,527)	(9,864)	(7,852)
Currency translation			(165)	(307)
Significant items		324	774	176
– customer redress programmes		(10)	(107)	1
– impairment of goodwill and other intangibles		–	8	–
– restructuring and other related costs		334	836	170
– past service costs of guaranteed minimum pension benefits equalisation		–	17	–
– settlements and provisions in connection with legal and regulatory matters		–	4	1
– currency translation of significant items			16	4
Adjusted		(8,203)	(9,255)	(7,983)
Share of profit in associates and joint ventures				
Reported		885	666	421
Currency translation			13	29
Adjusted		885	679	450
Profit before tax				
Reported		5,779	1,385	3,229
Currency translation			25	24
Significant items	4	611	838	(190)
– revenue		287	64	(366)
– operating expenses		324	774	176
Adjusted		6,390	2,248	3,063
Loans and advances to customers (net)				
Reported		1,040,207	1,037,987	1,040,282
Currency translation			(4,061)	60,888
Adjusted		1,040,207	1,033,926	1,101,170
Customer accounts				
Reported		1,650,019	1,642,780	1,440,529
Currency translation			(5,187)	75,026
Adjusted		1,650,019	1,637,593	1,515,555

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 Tax on significant items, at reported rates of foreign exchange, was a charge of \$74m in 1Q21 (4Q20: \$381m charge, 1Q20: \$4m credit). 4Q20 included tax-only significant item charges of \$117m.

Financial performance

Distribution of results by global business

	Quarter ended		
	31 Mar 2021 \$m	31 Dec 2020 \$m	31 Mar 2020 \$m
Adjusted profit/(loss) before tax			
Wealth and Personal Banking	1,914	1,028	688
Commercial Banking	1,806	518	673
Global Banking and Markets	1,935	1,055	874
Corporate Centre	735	(353)	828
Total	6,390	2,248	3,063

Distribution of results by geographical region

	Quarter ended		
	31 Mar 2021 \$m	31 Dec 2020 \$m	31 Mar 2020 \$m
Reported profit/(loss) before tax			
Europe	997	(1,229)	(511)
Asia	3,758	2,276	3,740
Middle East and North Africa	337	345	44
North America	484	152	(111)
Latin America	203	(159)	67
Total	5,779	1,385	3,229
Adjusted profit/(loss) before tax			
Europe	1,509	(673)	(713)
Asia	3,793	2,420	3,703
Middle East and North Africa	348	366	37
North America	522	228	(5)
Latin America	218	(93)	41
Total	6,390	2,248	3,063

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 33 to 38 reconcile reported to adjusted results for each of our global business segments and geographical regions.

Group

1Q21 compared with 1Q20 – reported results

Movement in reported profit before tax compared with 1Q20

	Quarter ended			
	31 Mar 2021 \$m	31 Mar 2020 \$m	Variance	
			1Q21 vs. 1Q20 \$m	%
Revenue	12,986	13,686	(700)	(5)
ECL	435	(3,026)	3,461	114
Operating expenses	(8,527)	(7,852)	(675)	(9)
Share of profit from associates and JVs	885	421	464	110
Profit before tax	5,779	3,229	2,550	79
Tax expense	(1,211)	(721)	(490)	(68)
Profit after tax	4,568	2,508	2,060	82

Reported profit

Reported profit after tax of \$4.6bn was \$2.1bn or 82% higher than in 1Q20, while reported profit before tax of \$5.8bn was \$2.6bn or 79% higher.

Reported revenue fell, reflecting the continued impact of lower global interest rates, despite the favourable impact on certain volatile items in WPB and GBM after the material adverse mark-to-market losses in 1Q20. This reduction was more than offset by a net release of reported ECL in 1Q21 due to an improvement in the forward economic outlook, mainly in the UK, compared with the significant build-up of stage 1 and stage 2 allowances in 1Q20, and as our share of profit from associates and joint ventures in Corporate Centre increased. Reported operating expenses rose due to higher restructuring and other related costs and continued investment in our digital capabilities.

The net favourable mark-to-market movements discussed above resulted primarily from materially adverse movements in 1Q20. These included:

- In WPB, there were favourable market impacts in life insurance manufacturing of \$76m in 1Q21. This compared with materially adverse market impacts of \$689m in 1Q20.
- In GBM, Markets and Securities Services ('MSS') included favourable credit and funding valuation adjustments of \$33m and favourable bid-offer adjustments of \$18m in 1Q21. This compared with adverse credit and funding valuation adjustments of \$346m and adverse bid-offer adjustments of \$310m in 1Q20. In Principal Investments, income of \$173m in 1Q21 compared with losses of \$235m in 1Q20.

These were partly offset:

- In Corporate Centre, the 1Q21 period included adverse fair value movements on our long-term debt and associated swaps of \$28m, compared with favourable movements of \$259m in 1Q20.

The increase in reported profit also included a net adverse movement in significant items of \$0.8bn, primarily related to fair value movements on financial instruments and higher restructuring and other related costs.

Reported revenue

Reported revenue of \$13.0bn was \$0.7bn or 5% lower than in 1Q20. 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 Global Liquidity and Cash Management ('GLCM') in CMB and GBM. While we grew average interest-earning assets compared with 1Q20, interest-bearing liabilities also increased, resulting in continued downward pressure on NIM.

These reductions were partly offset by market impacts in life insurance manufacturing, notably as 1Q20 included materially adverse movements, as discussed above. In GBM, revenue increased in MSS as favourable movements in credit and funding valuation

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adjustments and in bid-offer adjustments were partly offset by lower trading volatility in 1Q21. GBM revenue also benefited from valuation gains in Principal Investments, compared with losses in 1Q20.

There was a net adverse movement in significant items of \$0.7bn, which was partly offset by favourable foreign currency translation differences of \$0.4bn. The movement in significant items primarily related to fair value movements on financial instruments of \$0.6bn. In addition, 1Q21 included restructuring and other related costs of \$0.1bn associated with disposal losses related to our RWA reduction commitments. 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 \$0.4bn in 1Q21, which compared with a charge of \$3.0bn in 1Q20. The net release in 1Q21 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 1Q20 due to the worsening economic outlook at the onset of the Covid-19 outbreak. In addition, stage 3 charges were lower, in part as 1Q20 included a significant charge related to a corporate exposure in Singapore.

While we expect the full-year ECL charge for 2021 to be materially lower than in 2020, there remains a high degree of uncertainty as countries emerge from the pandemic at different speeds and as government support measures unwind. Based on the current consensus economic forecasts trajectory, we expect our ECL charge for 2021 to be below the medium-term range of 30bps to 40bps of average loans that we indicated at our 2020 annual results.

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

Reported operating expenses

Reported operating expenses of \$8.5bn were \$0.7bn or 9% higher than in 1Q20. The increase included adverse foreign currency translation differences of \$0.3bn and an adverse movement in significant items of \$0.1bn. Significant items largely comprised an increase of \$0.2bn in restructuring and other related costs, of which \$0.1bn related to severance payments.

The remaining increase reflected higher performance-related pay, which is accrued based on the profile of our profit performance, and continued investment in technology, including investments in our digital capabilities. These increases were partly offset by reductions from our cost-saving initiatives of \$0.4bn during 1Q21.

Reported share of profit from associates and JVs

Reported share of profit from associates and joint ventures of \$0.9bn was \$0.5bn higher than in 1Q20. This reflected an increased share of profit from Bank of Communications Co., Limited ('BoCom') and a recovery in asset valuations of a UK associate relative to 1Q20.

In relation to BoCom, we continue to be subject to a risk of impairment in the carrying value of our investment. For further details of our impairment review process, see page 311 of our *Annual Report and Accounts 2020*.

Tax expense

The effective tax rate for 1Q21 of 21.0% was lower than 22.3% in 1Q20, as 1Q20 included a charge arising from the remeasurement of deferred tax balances due to the cancellation of the planned reduction in the UK corporation tax rate from 19% to 17% from 1 April 2020 and from a greater adverse impact of the non-recognition of deferred tax on losses arising during the period.

It was announced in the UK Budget on 3 March 2021 that the main rate of UK corporation tax will increase with effect from 1 April 2023. The Group's UK deferred tax assets and liabilities will be remeasured to reflect this increase when the Finance Act 2021 is substantively enacted, which is expected to be either the second or third quarter of 2021. Based on the closing balances at 31 March 2021, this remeasurement would result in an increase in the Group's net deferred tax liability of approximately \$150m, the majority of which would be recorded in other comprehensive income.

Deferred tax balances will be remeasured if and when changes to statutory tax rates are substantively enacted in other jurisdictions in the year. In particular, President Biden's Made in America Tax Plan, published in April 2021, proposes an increase in the US federal rate of corporation tax from 21% to 28%.

Group

1Q21 compared with 1Q20 – adjusted results

Movement in adjusted profit before tax compared with 1Q20

	Quarter ended			
	31 Mar 2021	31 Mar 2020	Variance	
	\$m	\$m	1Q21 vs. 1Q20 \$m	%
Revenue	13,273	13,713	(440)	(3)
ECL	435	(3,117)	3,552	114
Operating expenses	(8,203)	(7,983)	(220)	(3)
Share of profit from associates and JVs	885	450	435	97
Profit before tax	6,390	3,063	3,327	109

Adjusted profit

Adjusted profit before tax of \$6.4bn was \$3.3bn higher than in 1Q20.

Adjusted revenue fell, mainly reflecting the continued impact of lower global interest rates, despite the favourable impact of certain volatile items in WPB and GBM after the large mark-to-market losses incurred in 1Q20. However, this decrease was more than offset by a net release of adjusted ECL in 1Q21 due to an improvement in the forward economic outlook, mainly in the UK, compared with the significant build-up of stage 1 and stage 2 allowances in 1Q20. Adjusted operating expenses were higher, while our share of profit from associates and joint ventures increased.

Adjusted revenue

Adjusted revenue of \$13.3bn was \$0.4bn or 3% lower than in 1Q20. 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. These decreases were

partly offset by net favourable movements in market impacts in life insurance manufacturing in WPB of \$790m, notably as 1Q20 included materially adverse movements reflecting the sharp fall in equity markets in March 2020. In GBM, MSS revenue increased, reflecting a net favourable movement in credit and funding valuation adjustments of \$397m and favourable bid-offer adjustments of \$18m (1Q20: \$310m adverse), partly offset by lower volatility resulting in a comparatively muted trading performance in 1Q21. In addition, GBM revenue benefited from favourable revaluations in Principal Investments, compared with losses in 1Q20.

Adjusted ECL

Adjusted ECL were a net release of \$0.4bn in 1Q21, compared with a charge of \$3.1bn in 1Q20. The net release in 1Q21 was across all global businesses and reflected an improvement in the economic outlook, notably in the UK. This compared with the build-up of stage 1 and stage 2 allowances in 1Q20 due to the worsening economic outlook at the onset of the Covid-19 outbreak. Stage 3 charges also fell, in part due to a significant charge in 1Q20 related to a corporate exposure in Singapore.

Adjusted operating expenses

Adjusted operating expenses of \$8.2bn were \$0.2bn or 3% higher than in 1Q20, reflecting a higher performance-related pay accrual and continued investment in technology, including our digital capabilities. These were partly offset by the effects of our cost-saving initiatives and lower marketing and travel costs.

We expect adjusted costs for 2021, excluding the UK bank levy, to be broadly in line with 2020, but reserve the option to adjust our performance-related pay accrual to reflect the performance of the Group.

The number of employees expressed in full-time equivalent staff ('FTE') at 31 March 2021 was 224,652, a decrease of 1,407 compared with 31 December 2020. The number of contractors at 31 March 2021 was 7,005, an increase of 1,313 compared with 31 December 2020.

Adjusted share of profit from associates and JVs

Adjusted share of profit from associates and joint ventures of \$0.9bn increased by \$0.4bn or 97%. This reflected an increased share of profit from BoCom and a recovery in asset valuations of a UK associate relative to 1Q20.

Wealth and Personal Banking – adjusted results

Management view of adjusted revenue¹

	Footnotes	Quarter ended			
		31 Mar	31 Dec	31 Mar	Variance
		2021	2020	2020	1Q21 vs. 1Q20
		\$m	\$m	\$m	\$m %
Wealth		2,382	2,070	1,448	934 65
– investment distribution		1,025	742	900	125 14
– life insurance manufacturing		568	630	(224)	792 >200
– Global Private Banking		488	412	530	(42) (8)
– net interest income		156	158	221	(65) (29)
– non-interest income		332	254	309	23 7
– asset management		301	286	242	59 24
Personal Banking		3,051	3,101	3,941	(890) (23)
– net interest income		2,703	2,773	3,583	(880) (25)
– non-interest income		348	328	358	(10) (3)
Other	2	261	226	383	(122) (32)
Net operating income	3	5,694	5,397	5,772	(78) (1)
RoTE excluding significant items and UK bank levy (annualised) (%)		18.8		2.1	

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').

1Q21 compared with 1Q20

Adjusted profit before tax of \$1.9bn was \$1.2bn higher than in 1Q20. This reflected a net release in adjusted ECL as the economic outlook improved, compared with the build-up of allowances in 1Q20. The impact of lower global interest rates resulted in a decrease in net interest income, which was largely offset by an increase in Wealth revenue due to a net favourable movement of \$790m in market impacts in insurance and growth in investment distribution.

Adjusted revenue of \$5.7bn was \$0.1bn or 1% lower.

In Personal Banking, revenue of \$3.1bn was down \$0.9bn or 23%.

- Net interest income was \$0.9bn lower due to narrower margins as global interest rates fell in 2020 as a result of the Covid-19 outbreak. This reduction was partly mitigated by deposit balance growth of \$61bn or 9% across all markets, particularly in the UK and Hong Kong, and higher mortgage lending of \$23bn or 7%, mainly in the UK.
- Non-interest income fell by \$10m or 3%, as since March 2020 we moved from charging fees on unarranged overdrafts to an interest-based charging model, consistent with market practice.

Earnings Release – 1Q21

In Wealth, revenue of \$2.4bn was up \$0.9bn or 65%.

- In life insurance manufacturing, revenue was \$0.8bn higher, which included a net favourable movement in market impacts of \$790m, primarily as 1Q20 included a materially adverse movement of \$714m reflecting the sharp fall in equity markets in March 2020 (1Q21 included a favourable movement of \$76m). The value of new business written was stable compared with 1Q20, as we broadened how we engage with customers, including through our improved digital capabilities, to mitigate the ongoing impact of the Covid-19 pandemic.
- In investment distribution, revenue was \$0.1bn or 14% higher, reflecting strong equity market conditions in Hong Kong, which resulted in growth in brokerage fees as transaction volumes increased by 75% and higher mutual fund sales.

These were partly offset:

- In Global Private Banking, revenue was \$42m or 8% lower, as net interest income fell by \$65m or 29% as a result of the impact of lower global interest rates. This was partly offset by growth in non-interest income of \$23m or 7%, as investment revenue increased reflecting market volatility and higher fees from advisory and discretionary mandates.

Adjusted ECL were a net release of \$18m, compared with a charge of \$1.1bn in 1Q20. ECL in 1Q21 reflected a release of allowances as the economic outlook improved, notably in the UK. This compared with the significant build-up of allowances in 1Q20 as a result of the adverse economic outlook due to the Covid-19 outbreak. Stage 3 charges in 1Q21 remained broadly consistent with the average quarterly charge during 2020, as a reduction in unsecured lending balances was offset by a slight deterioration in credit quality.

Adjusted operating expenses of \$3.8bn were \$0.1bn or 4% lower, as a reduction in discretionary expenditure more than offset the impact of inflation and our continued investment in digital and wealth initiatives.

Commercial Banking – adjusted results

Management view of adjusted revenue

	Footnotes	Quarter ended			
		31 Mar	31 Dec	31 Mar	Variance
		2021	2020	2020	1Q21 vs. 1Q20
		\$m	\$m	\$m	\$m %
Global Trade and Receivables Finance		455	429	482	(27) (6)
Credit and Lending		1,468	1,490	1,436	32 2
Global Liquidity and Cash Management		862	912	1,357	(495) (36)
Markets products, Insurance and Investments, and Other	1	546	375	583	(37) (6)
– of which: share of revenue from Markets and Securities Services and Banking products		259	235	268	(9) (3)
Net operating income	2	3,331	3,206	3,858	(527) (14)
RoTE excluding significant items and UK bank levy (annualised) (%)		11.5		2.7	

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').

1Q21 compared with 1Q20

Adjusted profit before tax of \$1.8bn was \$1.1bn higher than in 1Q20, primarily from lower adjusted ECL, as 1Q21 included a partial release of the build-up of allowances during 2020, and as 1Q20 included a significant 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 \$3.3bn was \$0.5bn or 14% lower.

- In GLCM, revenue decreased by \$0.5bn or 36%, reflecting the impact of lower global interest rates, mainly in Hong Kong and the UK. This was partly offset by a 22% increase in average deposit balances, with growth across all regions, particularly in the UK, Hong Kong and the US.
- In Global Trade and Receivables Finance ('GTRF'), revenue decreased by \$27m or 6% from lower fees and lending balances, notably in Asia and the UK, reflecting the continued impact of reduced global trade volumes as a result of the Covid-19 outbreak.
- In Markets products, Insurance and Investments, and Other, revenue reduced by \$37m or 6%, reflecting the impact of lower global interest rates on income earned on capital held in the business.

These decreases were partly offset:

- In Credit and Lending, revenue increased by \$32m or 2%, reflecting growth in average balances driven by the uptake of government-backed lending schemes.

Adjusted ECL were a net release of \$0.2bn, compared with a charge of \$1.4bn in 1Q20. ECL in 1Q21 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 stage 1 and stage 2 allowances in 1Q20 as a result of the adverse economic outlook due to the Covid-19 outbreak. The reduction in ECL also included lower stage 3 charges, mainly as 1Q20 included a significant charge related to a corporate exposure in Singapore.

Adjusted operating expenses of \$1.8bn were broadly unchanged. This was driven by continued cost discipline, partly offset by an increase in the performance-related pay accrual while we continued to invest in our digital and transactional banking capabilities.

Global Banking and Markets – adjusted results

Management view of adjusted revenue¹

	Footnotes	Quarter ended			Variance	
		31 Mar 2021	31 Dec 2020	31 Mar 2020	1Q21 vs. 1Q20	
		\$m	\$m	\$m	\$m	%
Markets and Securities Services		2,492	1,945	2,349	143	6
– Securities Services		452	442	528	(76)	(14)
– Global Debt Markets		396	119	261	135	52
– Global Foreign Exchange		952	830	1,390	(438)	(32)
– Equities		419	304	270	149	55
– Securities Financing		240	178	264	(24)	(9)
– Credit and funding valuation adjustments		33	72	(364)	397	109
Banking		1,630	1,590	1,785	(155)	(9)
– Global Trade and Receivables Finance		178	169	173	5	3
– Global Liquidity and Cash Management		444	469	615	(171)	(28)
– Credit and Lending		654	658	669	(15)	(2)
– Capital Markets and Advisory		291	256	145	146	101
– Other	2	63	38	183	(120)	(66)
GBM Other		170	39	(238)	408	171
– Principal Investments		173	72	(240)	413	172
– Other	3	(3)	(33)	2	(5)	>(200)
Net operating income	4	4,292	3,574	3,896	396	10
RoTE excluding significant items and UK bank levy (annualised) (%)		12.1		6.3		

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 Includes portfolio management, earnings on capital and other capital allocations on all Banking products.

3 Includes notional tax credits and Markets Treasury, HSBC Holdings interest expense and Argentina hyperinflation.

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

1Q21 compared with 1Q20

Adjusted profit before tax of \$1.9bn was \$1.1bn higher than in 1Q20. This mainly reflected lower adjusted ECL, as 1Q21 included a partial release of the build-up of allowances from 2020, as well as an increase in adjusted revenue.

Adjusted revenue of \$4.3bn increased by \$0.4bn compared with 1Q20.

- In Markets and Securities Services, revenue increased by \$0.1bn or 6% due to favourable movements in credit and funding valuation adjustments of \$0.4bn and as 1Q20 included a \$310m adverse bid-offer adjustment. Revenue in Global Debt Markets and Equities increased, particularly in wealth and private credit, reflecting robust client activity. These increases more than offset lower revenue in Global Foreign Exchange, which was in the context of a particularly strong performance in 1Q20. Securities Services revenue fell by \$0.1bn or 14% due to lower interest rates, notably in Asia and Europe, while fees were up 6%, mainly in Asia.
- In Banking, revenue decreased by \$0.2bn or 9%, mainly in GLCM, which fell by \$0.2bn or 28% due to the impact of lower global interest rates, although average balances grew, notably in the US, the UK and Asia. The reduction in 'Other' reflected the non-recurrence of gains in 1Q20 due to widening credit spreads on portfolio hedges. These decreases were partly offset by an increase in Capital Markets and Advisory due to a strong performance in equity underwriting, leveraged finance and advisory in 1Q21, as we grew investment banking fees, and from the non-recurrence of mark-to-market losses on syndicated positions in 1Q20.
- In GBM Other, Principal Investments revenue increased by \$0.4bn, reflecting revaluation gains on a number of funds in 1Q21, and as 1Q20 included large revaluation losses incurred as a result of the Covid-19 outbreak, mainly in Europe.

Adjusted ECL were a net release of \$0.2bn, compared with a charge of \$0.6bn in 1Q20. ECL in 1Q21 reflected a release of allowances as the economic outlook improved. This compared with the significant build-up of allowances in 1Q20 as a result of the Covid-19 outbreak.

Adjusted operating expenses of \$2.5bn were \$85m or 3% higher, as reductions related to our cost-saving initiatives were more than offset by increased performance-related pay of approximately \$100m, which is accrued based on the profile of our profit performance, and higher regulatory costs of around \$50m.

At 31 March 2021, our cumulative GBM RWA reductions as part of our transformation programme, which included accelerated saves in 4Q19, were \$54bn (31 December 2020: \$47bn). This mitigated RWA growth from asset quality deterioration, elevated market volatility and regulatory changes that have occurred since the start of the programme in January 2020.

Earnings Release – 1Q21

Corporate Centre – adjusted results

Management view of adjusted revenue

	Footnotes	Quarter ended			Variance	
		31 Mar	31 Dec	31 Mar	1Q21 vs. 1Q20	
		2021	2020	2020	1Q21 vs. 1Q20	%
		\$m	\$m	\$m	\$m	%
Central Treasury	1	(28)	(12)	265	(293)	(111)
Legacy portfolios		9	3	(93)	102	110
Other	2	(25)	(143)	15	(40)	>(200)
Net operating income	3	(44)	(152)	187	(231)	(124)
RoTE excluding significant items and UK bank levy (annualised) (%)		7.4		4.8		

- 1 Central Treasury includes valuation differences on issued long-term debt and associated swaps (1Q21: losses of \$28m; 4Q20: losses of \$12m; 1Q20: gains of \$259m).
- 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 1Q21 was \$805m (4Q20: \$609m; 1Q20: \$781m).
- 3 'Net operating income' means net operating income before change in expected credit losses and other credit impairment charges (also referred to as 'revenue').

1Q21 compared with 1Q20

Adjusted profit before tax of \$0.7bn was \$0.1bn lower than in 1Q20 due to a fall in adjusted revenue and higher adjusted operating expenses, partly offset by higher income from the share of profit from associates and joint ventures.

Adjusted revenue decreased by \$0.2bn, mainly in Central Treasury, from a net adverse fair value movement of \$287m relating to the economic hedging of interest rate and exchange rate risk on our long-term debt with associated swaps. This was partly offset by higher revenue from our legacy portfolios, as 1Q20 included valuation losses as a result of the Covid-19 outbreak.

Adjusted operating expenses, which are stated after recovery of costs from our global businesses, increased by \$0.3bn due to a higher performance-related pay accrual.

Adjusted share of profit from associates and joint ventures of \$0.9bn increased by \$0.4bn. This reflected increases in Asia of \$0.2bn, as our share of profit from BoCom grew, and in Europe of \$0.2bn, mainly from a UK associate reflecting a recovery in asset valuations relative to 1Q20.

Group

1Q21 compared with 4Q20 – reported results

Movement in reported profit before tax compared with 4Q20

	Quarter ended			Variance	
	31 Mar	31 Dec	31 Mar	1Q21 vs. 4Q20	
	2021	2020	2020	1Q21 vs. 4Q20	%
	\$m	\$m	\$m	\$m	%
Revenue	12,986	11,757	11,757	1,229	10
ECL	435	(1,174)	(1,174)	1,609	137
Operating expenses	(8,527)	(9,864)	(9,864)	1,337	14
Share of profit from associates and JVs	885	666	666	219	33
Profit before tax	5,779	1,385	1,385	4,394	>200
Tax expense	(1,211)	(450)	(450)	(761)	(169)
Profit after tax	4,568	935	935	3,633	>200

Reported profit

Reported profit after tax of \$4.6bn was \$3.6bn higher than in 4Q20.

Reported profit before tax of \$5.8bn was \$4.4bn higher than in 4Q20, driven by lower reported ECL, primarily as 1Q21 included a net release of ECL allowances due to an improvement in the economic outlook, compared with a net ECL charge in 4Q20. In addition, reported operating expenses were lower, primarily as 4Q20 included the UK bank levy, and reported revenue increased.

Results in 1Q21 included an adverse movement of certain volatile items, notably favourable movements in market impacts in life insurance manufacturing in WPB of \$76m (4Q20: \$298m favourable) and favourable credit and funding valuation adjustments in GBM of \$33m (4Q20: \$70m favourable). Results also included adverse movements on our long-term debt and associated swaps in Corporate Centre of \$28m (4Q20: \$12m adverse).

Reported profit before tax included a favourable movement of \$0.2bn in significant items, mainly due to lower restructuring and other related costs partly offset by adverse fair value movements on financial instruments.

Reported revenue

Reported revenue of \$13.0bn was \$1.2bn or 10% higher than in 4Q20, primarily reflecting increases in GBM and WPB.

In GBM, growth was driven by MSS, reflecting a seasonal increase in client activity relative to 4Q20, while in WPB, the increase was mainly due to higher investment distribution revenue.

The change in reported revenue also included net adverse movements in significant items of \$0.2bn, driven by a net adverse fair value movement on financial instruments of \$0.2bn. Foreign currency translation differences resulted in a favourable effect on the movement of reported revenue of \$0.2bn.

Reported ECL

Reported ECL were a net release of \$0.4bn in 1Q21, compared with a charge of \$1.2bn in 4Q20. The release in 1Q21 reflected an improvement in the economic outlook, notably in the UK. There were also lower stage 3 charges in 1Q21 compared with 4Q20.

Reported operating expenses

Reported operating expenses of \$8.5bn were \$1.3bn or 14% lower than in 4Q20, primarily due to the UK bank levy charge of \$0.8bn recorded in 4Q20 and a net favourable movement of \$0.5bn in significant items. These were driven by a reduction of \$0.5bn in restructuring and other related costs.

This reduction was partly offset by adverse foreign currency translation differences of \$0.2bn.

Reported share of profit from associates and JVs

Reported share of profit from associates and joint ventures of \$0.9bn increased by \$0.2bn or 33%, primarily reflecting profit growth from BoCom.

Group

1Q21 compared with 4Q20 – adjusted results

Movement in adjusted profit before tax compared with 4Q20

	Quarter ended			
	31 Mar	31 Dec	Variance	
	2021	2020	1Q21 vs. 4Q20	
	\$m	\$m	\$m	%
Revenue	13,273	12,025	1,248	10
ECL	435	(1,201)	1,636	136
Operating expenses	(8,203)	(9,255)	1,052	11
Share of profit from associates and JVs	885	679	206	30
Profit before tax	6,390	2,248	4,142	184

Adjusted profit

Adjusted profit before tax of \$6.4bn was \$4.1bn higher than in 4Q20, driven by lower ECL, primarily as 1Q21 included a net release of ECL allowances due to an improvement in the forward economic outlook, compared with a net ECL charge in 4Q20. In addition, adjusted operating expenses were lower as 4Q20 included the UK bank levy, while adjusted revenue increased.

Adjusted revenue

Adjusted revenue of \$13.3bn was \$1.2bn or 10% higher than in 4Q20, reflecting increases in GBM (up \$0.7bn) and WPB (up \$0.3bn).

In GBM, the revenue increase was driven by MSS, reflecting a seasonal increase in client activity and higher volatility. In Banking, performance was broadly unchanged as an increase in Capital Markets and Advisory fees and a favourable movement on portfolio hedges after a tightening of credit spreads in 4Q20 were offset by lower net interest income in Credit and Lending as balances fell.

In WPB, the increase reflected seasonally higher investment distribution revenue compared with 4Q20 and higher investment revenue in Global Private Banking, partly offset by a reduction in life insurance manufacturing, as a net adverse movement in market impacts of \$0.2bn was in part mitigated by a rise in the value of new business.

These increases were in part offset by the continued impact of lower interest rates in many of the key markets in which we operate, which had an adverse impact on net interest income in Personal Banking within WPB, and in GLCM within CMB and GBM.

Adjusted ECL

Adjusted ECL were a net release of \$0.4bn in 1Q21, compared with a charge of \$1.2bn in 4Q20. The release in 1Q21 reflected an improvement in the economic outlook, notably in the UK. There were also lower stage 3 charges in 1Q21 compared with 4Q20.

Adjusted operating expenses

Adjusted operating expenses of \$8.2bn were \$1.1bn or 11% lower, primarily as 4Q20 included the UK bank levy charge of \$0.8bn.

The decrease also reflected the continued impact of our cost reduction programme of \$0.1bn, a non-recurrence of commercial real estate impairment charges of \$0.2bn and a \$0.1bn reduction in marketing and travel costs. These decreases were partly offset by an increase of \$0.2bn in investments in technology to enhance our digital and automation capabilities to improve how we serve our customers.

Adjusted share of profit from associates and JVs

Adjusted share of profit from associates and joint ventures of \$0.9bn increased by \$0.2bn or 30% compared with 4Q20, primarily reflecting profit growth from BoCom.

Balance sheet – 31 March 2021 compared with 31 December 2020

At 31 March 2021, our total assets of \$3.0tn were \$26bn lower on a reported basis and included adverse effects of foreign currency translation differences of \$11bn. On a constant currency basis, our total assets were \$14bn lower.

The decrease in total assets on a constant currency basis reflected lower derivative asset balances due to adverse revaluation movements on interest rate contracts. In addition, there were decreases in reverse repurchase agreements and financial investments as we redeployed our commercial surplus into cash, which increased by \$83bn. Other assets also increased due to the seasonal reduction in settlement accounts at 31 December 2020, as clients settled trades prior to the year end.

Reported loans and advances to customers as a percentage of customer accounts was 63.0%, which was broadly unchanged compared with 31 December 2020.

Loans and advances to customers

Reported loans and advances to customers of \$1.0tn were \$2bn higher, which included adverse effects of foreign currency translation differences of \$4bn. On a constant currency basis, customer lending balances were \$6bn higher.

Customer lending increased in WPB by \$6bn to \$474bn, reflecting higher mortgage balances, notably in the UK (up \$2bn), Canada (up \$1bn) and Hong Kong (up \$1bn) as activity in housing markets globally continued to increase. There was also an increase in term lending

Earnings Release – 1Q21

in Hong Kong (up \$3bn), driven by higher secured lending and as customers borrowed to fund investments in initial public offerings. In CMB, customer lending of \$344bn was \$2bn higher, reflecting growth in trade and term balances in Asia, partly offset by a reduction of term balances in the UK. In GBM, customer lending of \$221bn fell by \$2bn, as customers repaid their credit facilities, primarily in the UK.

Customer accounts

Customer accounts of \$1.7tn increased by \$7bn on a reported basis, including adverse foreign currency translation differences of \$5bn. On a constant currency basis, customer accounts were \$12bn higher, with growth across all of our global businesses. The increase was primarily in WPB in the UK, as Covid-19 restrictions continued to result in lower consumer spending and higher deposit and savings balances.

There continued to be a movement of funds from term accounts to call accounts as customers showed a preference for liquidity while interest rates are low.

Risk-weighted assets – 31 March 2021 compared with 31 December 2020

Risk-weighted assets ('RWAs') totalled \$846.8bn at 31 March 2021, a \$10.7bn decrease compared with 31 December 2020. Excluding foreign currency translation differences, RWAs decreased by \$6.0bn, reflecting the following movements:

- a \$3.6bn reduction in RWAs due to updates to methodology and models. Risk parameter refinements in GBM and CMB drove a \$2.2bn decrease due to changes in methodology and policy. A recently implemented model under market risk was the main factor behind a \$1.4bn reduction from model updates; and
- a \$3.0bn fall in RWAs due to changes in asset quality. This was primarily driven by favourable portfolio mix changes across the global businesses, most significantly in North America.

The RWA impacts of asset size movements largely offset each other across the global businesses. A reduction in GBM credit risk RWAs of \$2.8bn was largely due to management initiatives, and a \$2.9bn fall in market risk RWAs followed emerging market bond portfolio actions and a fall in foreign exchange risk. These reductions were partly offset in the other global businesses by lending growth in Asia, and a rise in sovereign and money market exposures.

Net interest margin

	Footnotes	Quarter ended		
		31 Mar 2021	31 Dec 2020	31 Mar 2020
		\$m	\$m	\$m
Net interest income		6,514	6,619	7,612
Average interest-earning assets		2,178,918	2,159,003	1,991,702
		%	%	%
Gross interest yield	1	1.67	1.71	2.55
Less: gross interest payable	1	(0.56)	(0.60)	(1.19)
Net interest spread	2	1.11	1.11	1.36
Net interest margin	3	1.21	1.22	1.54

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 1.21% was 33 basis points ('bps') lower compared with 1Q20, as the market interest rates-driven reduction in the yield on AIEA of 88bps was partly offset by the fall in funding cost of average interest-bearing liabilities of 63bps. Excluding the impact of foreign currency translation differences, NIM fell by 31bps.

NIM was down 1bp compared with the previous quarter, predominantly driven by increased balances in low-yielding short-term funds and loans to banks, as well as further market interest rate reductions predominantly in Asia.

Notes

- Income statement comparisons, unless stated otherwise, are between the quarter ended 31 March 2021 and the quarter ended 31 March 2020. Balance sheet comparisons, unless otherwise stated, are between balances at 31 March 2021 and the corresponding balances at 31 December 2020.
- 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 23 February 2021, the Directors approved an interim dividend for 2020 of \$0.15 per ordinary share. The interim dividend will be payable on 29 April 2021 in cash in US dollars, or in sterling or Hong Kong dollars at exchange rates determined on 19 April 2021.
- As previously disclosed on 23 February 2021 in the *Annual Report and Accounts 2020*, in December 2020, the PRA announced that it intends to transition back to its standard approach to capital setting and shareholder distributions through 2021. In the meantime, for 2021 dividends the PRA is content for appropriately prudent dividends to be accrued but not paid out. The PRA aims to provide a further update ahead of the 2021 half-year results of large UK banks. The Group will not pay quarterly dividends during 2021 but will consider whether to announce an interim dividend at the 2021 half-year results in August. The Group will review whether to revert to paying quarterly dividends at or ahead of its 2021 results announcement in February 2022.

Cautionary statement regarding forward-looking statements

This *Earnings Release 1Q21* 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 'will', 'should', 'expects', 'targets', 'anticipates', 'intends', 'plans', 'believes', 'seeks', 'estimates', 'potential' and 'reasonably possible', variations of these words and 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 or the UK's exit from the EU); potential changes in 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 the unrest in Hong Kong, the continuing US-China tensions and the emerging challenges in UK-China relations, which in turn may affect demand for our products and services and could result in (among other things) regulatory, reputational and market risks for HSBC; 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, which may result in (among other things) regulatory compliance, legal, conduct, financial, resilience and operational risks for HSBC; 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; imposition of levies or taxes designed to change business mix and risk appetite; changes to tax law and tax rates; 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 exit from the EU, which may result in a prolonged period of uncertainty, unstable economic conditions and market volatility, including currency fluctuations; the imposition of a number of sanctions and trade restrictions by China and the US, including the US Hong Kong Autonomy Act, which continues to cause tensions between China and the US; 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 that we set or adhere to, 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, including management judgemental adjustments based on the expert judgement of senior credit risk managers 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, which may have a material impact on the way we prepare our financial statements; 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; and our success in addressing operational, legal and regulatory, and litigation challenges; and other risks and uncertainties we identify in 'Top and emerging risks' on pages 110 to 115 of the *Annual Report and Accounts 2020*.

Summary consolidated income statement

	Quarter ended		
	31 Mar 2021 \$m	31 Dec 2020 \$m	31 Mar 2020 \$m
Net interest income	6,514	6,619	7,612
Net fee income	3,463	2,967	3,123
Net income from financial instruments held for trading or managed on a fair value basis	2,409	1,814	3,364
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss	1,164	2,335	(3,580)
Changes in fair value of designated debt and related derivatives ¹	(113)	(47)	246
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss	257	196	(373)
Gains less losses from financial investments	307	54	312
Net insurance premium income	2,877	2,295	2,910
Other operating income/(expense)	(73)	(278)	404
Total operating income	16,805	15,955	14,018
Net insurance claims and benefits paid and movement in liabilities to policyholders	(3,819)	(4,198)	(332)
Net operating income before change in expected credit losses and other credit impairment charges²	12,986	11,757	13,686
Change in expected credit losses and other credit impairment charges	435	(1,174)	(3,026)
Net operating income	13,421	10,583	10,660
Total operating expenses	(8,527)	(9,864)	(7,852)
Operating profit	4,894	719	2,808
Share of profit in associates and joint ventures	885	666	421
Profit before tax	5,779	1,385	3,229
Tax expense	(1,211)	(450)	(721)
Profit after tax	4,568	935	2,508
Attributable to:			
– ordinary shareholders of the parent company	3,880	562	1,785
– preference shareholders of the parent company	7	23	22
– other equity holders	454	175	441
– non-controlling interests	227	175	260
Profit after tax	4,568	935	2,508
	\$	\$	\$
Basic earnings per share	0.19	0.03	0.09
Diluted earnings per share	0.19	0.03	0.09
Dividend per ordinary share (paid in the period)	—	—	—
	%	%	%
Return on average ordinary shareholders' equity (annualised)	9.0	1.3	4.4
Return on average tangible equity (annualised)	10.2	1.9	4.2
Cost efficiency ratio	65.7	83.9	57.4

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.

Summary consolidated balance sheet

	At	
	31 Mar 2021 \$m	31 Dec 2020 \$m
Assets		
Cash and balances at central banks	384,448	304,481
Trading assets	249,031	231,990
Financial assets designated and otherwise mandatorily measured at fair value through profit or loss	46,829	45,553
Derivatives	241,048	307,726
Loans and advances to banks	83,873	81,616
Loans and advances to customers ¹	1,040,207	1,037,987
Reverse repurchase agreements – non-trading	190,260	230,628
Financial investments	451,207	490,693
Other assets	271,726	253,490
Total assets	2,958,629	2,984,164
Liabilities and equity		
Liabilities		
Deposits by banks	86,743	82,080
Customer accounts	1,650,019	1,642,780
Repurchase agreements – non-trading	107,896	111,901
Trading liabilities	85,755	75,266
Financial liabilities designated at fair value	151,673	157,439
Derivatives	229,599	303,001
Debt securities in issue	96,039	95,492
Liabilities under insurance contracts	107,910	107,191
Other liabilities	235,279	204,019
Total liabilities	2,750,913	2,779,169
Equity		
Total shareholders' equity	199,210	196,443
Non-controlling interests	8,506	8,552
Total equity	207,716	204,995
Total liabilities and equity	2,958,629	2,984,164

¹ Net of impairment allowances.

Credit risk

Summary of credit risk

At 31 March 2021, gross loans and advances to customers and banks of \$1,138bn increased by \$3.6bn, compared with 31 December 2020. This included adverse foreign exchange movements of \$4.6bn.

Excluding foreign exchange movements, growth was driven by a \$5.3bn increase in personal loans and advances to customers and a \$3.2bn increase in loans and advances to banks. Wholesale loans and advances to customers decreased by \$0.3bn.

The increase in personal loans and advances to customers was driven by mortgage growth of \$3.9bn, mainly in the UK (up \$2.0bn), Canada (up \$0.8bn) and Hong Kong (up \$0.7bn). Personal loans and overdrafts increased by \$3.1bn, mainly in Hong Kong (up \$3.5bn). This was partly offset by a decrease of \$1.7bn in credit cards, mainly in the UK (down \$0.8bn) and Hong Kong (down \$0.4bn).

During the first three months of 2021, the Group experienced a release in allowances for ECL, which was driven by improving economic forecasts. Excluding foreign exchange movements, the allowance for ECL in relation to loans and advances to customers decreased by \$0.8bn from 31 December 2020. This was attributable to:

- a \$0.5bn decrease in wholesale loans and advances to customers, of which \$0.4bn was driven by stages 1 and 2; and
- a \$0.3bn decrease in personal loans and advances to customers, of which \$0.3bn was driven by stages 1 and 2.

At 31 March 2021, the allowance for ECL of \$14.6bn decreased by \$1.1bn compared with 31 December 2020, including favourable foreign exchange movements of \$0.1bn. The \$14.6bn allowance comprised \$13.8bn in respect of assets held at amortised cost, \$0.7bn 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').

Stage 3 balances at 31 March 2021 remained broadly stable compared with 31 December 2020.

The ECL release for the first three months of 2021 was \$435m, inclusive of recoveries. This comprised: \$383m in respect of wholesale lending, of which the stage 3 and purchased or originated credit impaired ('POCI') charge was \$180m; \$36m in respect of personal lending, of which the stage 3 charge was \$117m; and \$16m in respect of other financial assets measured at amortised cost and debt instruments measured at FVOCI. There remains a high degree of uncertainty in relation to ECL as countries emerge from the Covid-19 pandemic at different speeds and as government support measures unwind.

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

	At 31 Mar 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	1,053,790	(13,583)	1,052,477	(14,490)
– personal	465,440	(4,359)	460,809	(4,731)
– corporate and commercial	523,933	(9,014)	527,088	(9,494)
– non-bank financial institutions	64,417	(210)	64,580	(265)
Loans and advances to banks at amortised cost	83,903	(30)	81,658	(42)
Other financial assets measured at amortised cost	835,330	(179)	772,408	(175)
– cash and balances at central banks	384,454	(6)	304,486	(5)
– items in the course of collection from other banks	5,162	–	4,094	–
– Hong Kong Government certificates of indebtedness	41,020	–	40,420	–
– reverse repurchase agreements – non-trading	190,260	–	230,628	–
– financial investments	90,347	(89)	88,719	(80)
– prepayments, accrued income and other assets	124,087	(84)	104,061	(90)
Total gross carrying amount on-balance sheet	1,973,023	(13,792)	1,906,543	(14,707)
Loans and other credit-related commitments	667,066	(578)	659,783	(734)
– personal	235,631	(29)	236,170	(40)
– corporate and commercial	293,574	(520)	299,802	(650)
– financial	137,861	(29)	123,811	(44)
Financial guarantees	26,843	(87)	18,384	(125)
– personal	894	(1)	900	(1)
– corporate and commercial	20,900	(78)	12,946	(114)
– financial	5,049	(8)	4,538	(10)
Total nominal amount off-balance sheet	693,909	(665)	678,167	(859)
	2,666,932	(14,457)	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')	358,643	(118)	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 17 includes both financial and non-financial assets.

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 31 March 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	875,622	158,654	19,248	266	1,053,790	(1,659)	(4,494)	(7,343)	(87)	(13,583)	0.2	2.8	38.1	32.7	1.3
– personal	436,056	23,455	5,929	–	465,440	(688)	(2,184)	(1,487)	–	(4,359)	0.2	9.3	25.1	–	0.9
– corporate and commercial	381,031	129,852	12,785	265	523,933	(931)	(2,251)	(5,746)	(86)	(9,014)	0.2	1.7	44.9	32.5	1.7
– non-bank financial institutions	58,535	5,347	534	1	64,417	(40)	(59)	(110)	(1)	(210)	0.1	1.1	20.6	100.0	0.3
Loans and advances to banks at amortised cost	82,645	1,258	–	–	83,903	(24)	(6)	–	–	(30)	–	0.5	–	–	–
Other financial assets measured at amortised cost	830,993	4,137	158	42	835,330	(81)	(48)	(41)	(9)	(179)	–	1.2	25.9	21.4	–
Loan and other credit-related commitments	615,857	50,279	929	1	667,066	(221)	(282)	(75)	–	(578)	–	0.6	8.1	–	0.1
– personal	233,453	2,043	135	–	235,631	(27)	(1)	(1)	–	(29)	–	–	0.7	–	–
– corporate and commercial	248,982	43,853	738	1	293,574	(185)	(268)	(67)	–	(520)	0.1	0.6	9.1	–	0.2
– financial	133,422	4,383	56	–	137,861	(9)	(13)	(7)	–	(29)	–	0.3	12.5	–	–
Financial guarantees	22,701	3,881	260	1	26,843	(22)	(43)	(22)	–	(87)	0.1	1.1	8.5	–	0.3
– personal	865	28	1	–	894	–	(1)	–	–	(1)	–	3.6	–	–	0.1
– corporate and commercial	17,639	3,016	244	1	20,900	(19)	(38)	(21)	–	(78)	0.1	1.3	8.6	–	0.4
– financial	4,197	837	15	–	5,049	(3)	(4)	(1)	–	(8)	0.1	0.5	6.7	–	0.2
At 31 Mar 2021	2,427,818	218,209	20,595	310	2,666,932	(2,007)	(4,873)	(7,481)	(96)	(14,457)	0.1	2.2	36.3	31.0	0.5

Stage 2 days past due analysis at 31 March 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	158,654	155,314	1,834	1,506	(4,494)	(3,984)	(226)	(284)	2.8	2.6	12.3	18.9
– personal	23,455	21,027	1,282	1,146	(2,184)	(1,751)	(181)	(252)	9.3	8.3	14.1	22.0
– corporate and commercial	129,852	128,945	551	356	(2,251)	(2,174)	(45)	(32)	1.7	1.7	8.2	9.0
– non-bank financial institutions	5,347	5,342	1	4	(59)	(59)	–	–	1.1	1.1	–	–
Loans and advances to banks at amortised cost	1,258	1,258	–	–	(6)	(6)	–	–	0.5	0.5	–	–
Other financial assets measured at amortised cost	4,137	4,129	4	4	(48)	(48)	–	–	1.2	1.2	–	–

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.

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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

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. The nature of the current economic environment has led management to choose 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 world economy is expected to return to growth in 2021 following an unprecedented contraction in 2020. Across our key markets, those that put in place significant domestic restrictions have either begun to – or are expected to be able to – relax restrictions as vaccinations progress while other countries will benefit from the global recovery in economic activity. Early data from vaccination programmes have been encouraging and these programmes are expected to be successful at significantly reducing hospitalisations and deaths across our key markets, enabling economies to re-open and some resumption of travel. Differences across markets in the speed and scale of economic recovery reflect timing differences in the progression of the Covid-19 outbreak, national level differences in restrictions imposed, the coverage achieved by vaccination programmes and the scale of support measures introduced by governments. The emergence of new variants that reduce the efficacy of vaccines 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 31 March 2021. These are the consensus Central scenario, the consensus Upside scenario, the consensus Downside scenario and an additional Downside scenario.

The scenarios used are:

- The consensus Central scenario: This scenario features recovery in economic activity in 2021, supported by a successful roll-out of vaccination programmes across several of our major markets. Government support programmes will continue to assist labour markets, households and firms, while economic activity and unemployment 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 Central scenario, with GDP growth returning to pre-Covid-19 levels in 2021 in Hong Kong, mainland China, the UK 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 (%)	2.9	4.4	3.3	2.6	4.9	9.9	(1Q22)	0.9	(2.0)	(1Q22)	1.1	(9.1)	(1Q22)
Unemployment rate (%)	4.3	6.5	4.5	4.0	3.9	3.2	(4Q22)	5.0	7.9	(2Q21)	5.9	8.1	(2Q21)
House price growth (%)	2.7	(1.8)	2.3	5.2	4.1	7.6	(1Q22)	0.0	(8.3)	(1Q22)	(1.6)	(18.3)	(1Q22)
Mainland China													
GDP growth rate (%)	5.0	8.4	5.4	5.3	7.0	10.2	(3Q22)	3.4	(2.3)	(4Q21)	3.2	(9.2)	(1Q22)
Unemployment rate (%)	3.9	3.9	3.9	4.0	3.8	3.5	(1Q22)	4.0	4.1	(1Q23)	5.2	5.8	(4Q22)
House price growth (%)	4.6	4.6	5.0	5.0	6.5	13.1	(1Q22)	3.6	0.0	(1Q22)	(1.5)	(21.2)	(1Q22)
UK													
GDP growth rate (%)	3.7	4.5	5.3	2.2	5.2	19.2	(2Q21)	2.0	(0.1)	(1Q23)	2.7	(2.3)	(3Q21)
Unemployment rate (%)	5.3	6.1	5.8	5.3	4.8	4.2	(1Q23)	6.0	7.8	(4Q21)	8.0	9.1	(3Q22)
House price growth (%)	1.9	1.2	1.1	2.4	3.4	7.1	(4Q22)	(0.8)	(9.3)	(1Q22)	0.4	(14.9)	(1Q22)
US													
GDP growth rate (%)	3.1	4.8	3.6	2.4	4.4	12.6	(2Q21)	2.0	1.0	(1Q23)	1.7	(4.7)	(2Q22)
Unemployment rate (%)	4.6	5.9	4.8	4.3	3.8	2.8	(1Q23)	5.3	7.2	(4Q21)	8.8	10.6	(1Q23)
House price growth (%)	4.6	5.1	5.6	4.3	5.2	8.1	(2Q22)	3.7	2.6	(2Q22)	2.2	(7.9)	(1Q22)

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 31 December 2020 with the exception of the UK and US. The UK consensus Central scenario probability weighting has increased to 45% (31 December 2020: 40%) with a corresponding decrease in the consensus Downside scenario to 35% (31 December 2020: 40%). The US Central scenario probability weighting has increased to 70% (31 December 2020: 65%) with a corresponding decrease in the consensus Downside scenario to 20% (31 December 2020: 25%). Progress in vaccinating national populations, accompanied by a decline in recorded Covid-19 cases, led to management attaching greater probability to the Central scenario in both these markets.

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 or portfolio level to account for late-breaking events, model deficiencies and other assessments applied during management review and challenge.

At 31 March 2021, management judgements were applied to reflect credit risk dynamics not captured by our models. The drivers of the management judgemental adjustments continue to evolve with the economic environment. 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.

Wider-ranging model changes will take time to develop and need observable loss data on which models can be developed. Models will be revisited over time once the longer-term impacts of the Covid-19 outbreak are observed. Therefore, we continue to anticipate significant management judgemental adjustments for the foreseeable future.

Management judgemental adjustments made in estimating the reported ECL at 31 March 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.

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Management judgemental adjustments to ECL at 31 March 2021¹

	Retail \$bn	Wholesale \$bn	Total \$bn
Low-risk counterparties (banks, sovereigns and government entities)	0.1	(0.9)	(0.8)
Corporate lending adjustments		1.0	1.0
Retail lending probability of default adjustments	(0.1)		(0.1)
Retail model default suppression adjustment	0.8		0.8
Other retail lending adjustments	0.7		0.7
Total	1.5	—	1.5

Management judgemental adjustments to ECL at 31 December 2020¹

	Retail \$bn	Wholesale \$bn	Total \$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 suppression adjustment	1.9		1.9
Other retail lending adjustments	0.4		0.4
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 \$30m (31 December 2020: \$0.2bn decrease).

The adjustments relating to low-credit-risk exposures decreased ECL by \$0.9bn at 31 March 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.

Adjustments to corporate exposures increased ECL by \$1bn at 31 March 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, quantitative analyses and benchmarks. Considerations included potential default suppression in some sectors due to continued government intervention and late-breaking idiosyncratic developments. The increase in adjustment impact relative to 31 December 2020 was mostly driven by management judgements as a result of further improvement of macroeconomic scenarios and increased dislocation of modelled outcomes to management expectations for high-risk sectors.

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

The retail model default suppression adjustment increased ECL by \$0.8bn (31 December 2020: \$1.9bn increase). This was applied in several economies as customer relief and government support programmes continue to suppress defaults. The level of adjustment decreased during the period given the improvement in macroeconomic forecasts. Retail models are reliant on the assumption that, as macroeconomic conditions deteriorate, defaults will crystallise. We will monitor the continuation of customer relief and government support programmes that have stabilised macroeconomic conditions and therefore suppressed retail model defaults.

The retail lending probability of default adjustments decreased ECL by \$0.1bn (31 December 2020: \$0.8bn decrease). These related to severe projections of macroeconomic variables that are outside the historical observations on which IFRS 9 models have been built and calibrated to operate. This has resulted in a lower adjustment during the period given the moderation of economic forecasts, which are now within the historical observations, primarily in the UK.

Other retail lending adjustments increased ECL by \$0.7bn (31 December 2020: \$0.4bn increase). These were applied to reflect credit experts' input, quantitative analyses and benchmarks on increased levels of risk for customers in high-risk segments, those who remain in or have recently exited customer support programmes and all other data and model adjustments.

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. Based upon the sensitivity tables presented below, 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 31 March 2021, it would increase/(decrease) as presented in the below table.

Total Group ECL at 31 March 2021		Retail^{1,2}	Wholesale³
		\$bn	\$bn
Reported ECL		4.1	4.0
Scenarios			
100% consensus Central scenario		(0.4)	(0.8)
100% consensus Upside scenario		(0.8)	(1.6)
100% consensus Downside scenario		0.2	0.8
100% additional Downside scenario		1.1	4.8

Total Group ECL at 31 December 2020		Retail^{1,2}	Wholesale³
		\$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 ECL sensitivity includes only on-balance sheet financial instruments to which IFRS 9 impairment requirements are applied.

3 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 31 March 2021, Group ECL sensitivity decreased across all scenarios compared with 31 December 2020, driven by the improvement of macroeconomic forecasts.

There still remains a significant degree of uncertainty in relation to the UK economic outlook. If a 100% weight were applied to the consensus Downside and additional Downside scenarios for the UK, respectively, it would result in an increase in ECL of \$0.3bn and \$1.4bn in the wholesale portfolio and \$0.2bn and \$0.6bn in the retail portfolio.

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	342,012	11,171	3,713	356,896	(105)	(184)	(446)	(735)
– of which:								
interest only (including offset)	29,291	2,521	322	32,134	(6)	(28)	(87)	(121)
affordability (including US adjustable rate mortgages)	13,603	1,851	655	16,109	(13)	(10)	(4)	(27)
Other personal lending	94,044	12,284	2,216	108,544	(583)	(2,000)	(1,041)	(3,624)
– other	76,323	6,924	1,559	84,806	(278)	(824)	(661)	(1,763)
– credit cards	15,781	5,126	600	21,507	(294)	(1,158)	(364)	(1,816)
– second lien residential mortgages	579	86	50	715	(4)	(9)	(10)	(23)
– motor vehicle finance	1,361	148	7	1,516	(7)	(9)	(6)	(22)
At 31 Mar 2021	436,056	23,455	5,929	465,440	(688)	(2,184)	(1,487)	(4,359)
By geography								
Europe	202,553	9,600	2,450	214,603	(198)	(1,182)	(777)	(2,157)
– of which: UK	166,910	8,262	1,723	176,895	(173)	(1,149)	(508)	(1,830)
Asia	180,019	8,624	1,607	190,250	(178)	(420)	(281)	(879)
– of which: Hong Kong	121,375	5,469	231	127,075	(84)	(267)	(49)	(400)
MENA	4,864	375	241	5,480	(45)	(93)	(146)	(284)
North America	41,961	3,909	1,326	47,196	(91)	(183)	(135)	(409)
Latin America	6,659	947	305	7,911	(176)	(306)	(148)	(630)
At 31 Mar 2021	436,056	23,455	5,929	465,440	(688)	(2,184)	(1,487)	(4,359)

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

	Gross carrying amount				Allowance for ECL			
	Stage 1 \$m	Stage 2 \$m	Stage 3 \$m	Total \$m	Stage 1 \$m	Stage 2 \$m	Stage 3 \$m	Total \$m
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)

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

	Gross carrying amount					Allowance for ECL				
	Stage 1 \$m	Stage 2 \$m	Stage 3 \$m	POCI \$m	Total \$m	Stage 1 \$m	Stage 2 \$m	Stage 3 \$m	POCI \$m	Total \$m
Corporate and commercial	381,031	129,852	12,785	265	523,933	(931)	(2,251)	(5,746)	(86)	(9,014)
– agriculture, forestry and fishing	6,443	1,002	341	1	7,787	(15)	(42)	(149)	(1)	(207)
– mining and quarrying	8,808	3,050	572	16	12,446	(31)	(88)	(157)	(12)	(288)
– manufacture	64,862	24,549	2,013	81	91,505	(147)	(337)	(932)	(38)	(1,454)
– electricity, gas, steam and air-conditioning supply	13,359	2,131	71	–	15,561	(18)	(27)	(29)	–	(74)
– water supply, sewerage, waste management and remediation	2,860	398	52	–	3,310	(6)	(5)	(24)	–	(35)
– construction	9,545	4,432	740	4	14,721	(37)	(92)	(393)	(4)	(526)
– wholesale and retail trade, repair of motor vehicles and motorcycles	64,205	24,949	3,144	11	92,309	(159)	(297)	(2,002)	(2)	(2,460)
– transportation and storage	19,039	8,778	779	11	28,607	(51)	(143)	(233)	–	(427)
– accommodation and food	8,560	17,216	627	1	26,404	(88)	(346)	(141)	(1)	(576)
– publishing, audiovisual and broadcasting	16,274	3,195	141	34	19,644	(32)	(71)	(32)	(4)	(139)
– real estate	105,007	20,584	1,807	1	127,399	(168)	(264)	(686)	–	(1,118)
– professional, scientific and technical activities	16,637	6,556	586	31	23,810	(50)	(146)	(209)	(8)	(413)
– administrative and support services	18,100	7,239	906	66	26,311	(58)	(157)	(295)	(16)	(526)
– public administration and defence, compulsory social security	1,496	572	3	–	2,071	(1)	(6)	(1)	–	(8)
– education	1,435	563	29	–	2,027	(9)	(17)	(6)	–	(32)
– health and care	4,211	872	267	8	5,358	(12)	(21)	(122)	–	(155)
– arts, entertainment and recreation	825	1,870	300	–	2,995	(8)	(71)	(77)	–	(156)
– other services	10,748	1,097	406	–	12,251	(37)	(109)	(257)	–	(403)
– activities of households	815	140	–	–	955	–	–	–	–	–
– extra-territorial organisations and bodies activities	3	–	–	–	3	–	–	–	–	–
– government	7,386	645	1	–	8,032	(4)	(1)	(1)	–	(6)
– asset-backed securities	413	14	–	–	427	–	(11)	–	–	(11)
Non-bank financial institutions	58,535	5,347	534	1	64,417	(40)	(59)	(110)	(1)	(210)
Loans and advances to banks	82,645	1,258	–	–	83,903	(24)	(6)	–	–	(30)
At 31 Mar 2021	522,211	136,457	13,319	266	672,253	(995)	(2,316)	(5,856)	(87)	(9,254)
By geography										
Europe	152,882	49,615	6,407	103	209,007	(515)	(1,248)	(1,949)	(24)	(3,736)
– of which: UK	101,781	40,653	4,645	54	147,133	(468)	(1,097)	(1,189)	(9)	(2,763)
Asia	283,731	60,661	3,501	103	347,996	(236)	(408)	(2,110)	(45)	(2,799)
– of which: Hong Kong	156,750	42,785	1,668	44	201,247	(125)	(265)	(787)	(22)	(1,199)
MENA	24,017	7,500	1,903	30	33,450	(82)	(187)	(1,186)	(12)	(1,467)
North America	51,608	13,640	859	–	66,107	(98)	(229)	(272)	–	(599)
Latin America	9,973	5,041	649	30	15,693	(64)	(244)	(339)	(6)	(653)
At 31 Mar 2021	522,211	136,457	13,319	266	672,253	(995)	(2,316)	(5,856)	(87)	(9,254)

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 31 March 2021. 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 31 March 2021, the gross carrying value of loans to personal customers under relief was \$3.3bn (31 December 2020: \$5.5bn). This comprised \$2.8bn in relation to mortgages (31 December 2020: \$4.7bn) and \$0.5bn in relation to other personal lending (31 December 2020: \$0.9bn). The decrease in personal customer relief during the first quarter was driven by customers exiting relief measures. The gross carrying value of loans to wholesale customers under relief was \$35.9bn (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 31 March 2021.

Personal lending

Extant at 31 March 2021		UK	Hong Kong	US	Other major markets ^{1,2,3}	Total
Market-wide schemes						
Number of accounts in mortgage customer relief	000s	4	—	—	2	6
Drawn loan value of accounts in mortgage customer relief	\$m	891	—	—	267	1,158
Number of accounts in other personal lending customer relief	000s	13	—	—	23	36
Drawn loan value of accounts in other personal lending customer relief	\$m	117	—	—	267	384
HSBC-specific measures						
Number of accounts in mortgage customer relief	000s	—	2	2	1	5
Drawn loan value of accounts in mortgage customer relief	\$m	2	827	749	66	1,644
Number of accounts in other personal lending customer relief	000s	—	—	4	7	11
Drawn loan value of accounts in other personal lending customer relief	\$m	—	42	54	51	147
Total personal lending to major markets under market-wide schemes and HSBC-specific measures						
Number of accounts in mortgage customer relief	000s	4	2	2	3	11
Drawn loan value of accounts in mortgage customer relief	\$m	893	827	749	333	2,802
Number of accounts in other personal lending customer relief	000s	13	—	4	30	47
Drawn loan value of accounts in other personal lending customer relief	\$m	117	42	54	318	531
Market-wide schemes and HSBC-specific measures – mortgage relief as a proportion of total mortgages	%	0.6	0.9	4.1	0.4	0.8
Market-wide schemes and HSBC-specific measures – other personal lending relief as a proportion of total other personal lending loans and advances	%	0.6	0.1	2.7	0.6	0.5

Wholesale lending

Extant at 31 March 2021		UK	Hong Kong	US	Other major markets ¹	Total
Market-wide schemes						
Number of customers under market-wide measures	000s	241	3	4	5	253
Drawn loan value of customers under market-wide schemes	\$m	14,412	11,036	1,294	5,513	32,255
HSBC-specific schemes						
Number of customers under HSBC-specific measures	000s	—	—	—	—	—
Drawn loan value of customers under HSBC-specific measures	\$m	380	—	781	2,480	3,641
Total wholesale lending to major markets under market-wide schemes and HSBC-specific measures						
Number of customers	000s	241	3	4	5	253
Drawn loan value	\$m	14,792	11,036	2,075	7,993	35,896
Market-wide schemes and HSBC-specific measures as a proportion of total wholesale lending loans and advances	%	10.4	6.1	5.6	4.2	6.5

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 March 2021, the number of accounts under this moratorium was 23,000 with an associated drawn balance of \$361m.

³ In Mexico, at 31 March 2021, there were 2,000 personal lending accounts under customer relief with an associated drawn balance of \$55m.

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 in mortgage customer relief	000s	6	—	—	5	11
Drawn loan value of accounts in mortgage customer relief	\$m	1,412	—	—	908	2,320
Number of accounts in other personal lending customer relief	000s	15	—	—	28	43
Drawn loan value of accounts in other personal lending customer relief	\$m	140	—	—	386	526
HSBC-specific measures						
Number of accounts in mortgage customer relief	000s	—	3	2	3	8
Drawn loan value of accounts in mortgage customer relief	\$m	7	1,124	864	360	2,355
Number of accounts in other personal lending customer relief	000s	—	1	6	18	25
Drawn loan value of accounts in 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 in mortgage customer relief	000s	6	3	2	8	19
Drawn loan value of accounts in mortgage customer relief	\$m	1,419	1,124	864	1,268	4,675
Number of accounts in other personal lending customer relief	000s	15	1	6	46	68
Drawn loan value of accounts in 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 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 4 March 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 October 2021.

Capital adequacy

Capital adequacy metrics

	At	
	31 Mar 2021	31 Dec 2020
Risk-weighted assets ('RWAs') (\$bn)		
Credit risk	687.0	691.9
Counterparty credit risk	41.4	42.8
Market risk	24.7	28.5
Operational risk	93.7	94.3
Total risk-weighted assets	846.8	857.5
Capital on a transitional basis (\$bn)		
Common equity tier 1 ('CET1') capital	134.5	136.1
Tier 1 capital	160.2	160.2
Total capital	183.1	184.4
Capital ratios on a transitional basis (%)		
CET1	15.9	15.9
Tier 1	18.9	18.7
Total capital	21.6	21.5
Capital on an end point basis (\$bn)		
Common equity tier 1 ('CET1') capital	134.5	136.1
Tier 1 capital	158.9	158.5
Total capital	172.8	173.2
Capital ratios on an end point basis (%)		
CET1	15.9	15.9
Tier 1	18.8	18.5
Total capital	20.4	20.2
Liquidity coverage ratio ('LCR')		
Total high-quality liquid assets (\$bn)	695.1	677.9
Total net cash outflow (\$bn)	487.0	487.3
LCR ratio (%)	142.7	139.1

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, they also reflect government relief schemes intended to mitigate the impact of the Covid-19 outbreak.

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 31 March 2021, the add-back to CET1 capital amounted to \$1.2bn under the standardised ('STD') approach with a tax impact of \$0.3bn.

For further details, refer to our Pillar 3 Disclosures at 31 March 2021, which are expected to be published on or around 7 May 2021.

Capital

At 31 March 2021, our CET1 ratio of 15.9% was unchanged from 31 December 2020, reflecting a fall in RWAs, offset by a decrease in CET1 capital during the quarter by \$1.6bn. The fall in CET1 was mainly as a result of:

- a \$1.2bn decrease in FVOCI reserves due to increasing yields;
- a fall of \$1.1bn due to foreign currency translation differences;
- an increase of \$1.0bn in deductions for significant investments in financial sector entities and intangible assets;
- a \$0.7bn decrease in the IFRS 9 transitional add-back and a \$0.3bn higher deduction for excess expected loss; and
- a \$0.8bn foreseeable dividend deduction, which is a quarter of the 2020 dividend. This will be adjusted during the rest of 2021 based on various factors, including regulatory guidance.

This decrease in CET1 capital was partly offset by capital generation of \$3.5bn through profits net of dividends paid on other equity instruments.

Leverage

Leverage ratio¹

Ref*		Footnotes	At	
			31 Mar 2021 \$bn	31 Dec 2020 \$bn
20	Tier 1 capital		158.9	158.5
21	Total leverage ratio exposure		2,930.2	2,897.1
			%	%
22	Leverage ratio		5.4	5.5
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	2,559.1	2,555.5
			%	%
	UK leverage ratio – quarterly average	2	6.2	6.1
	UK leverage ratio – quarter end	2	6.3	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 5.4% at 31 March 2021, down from 5.5% at 31 December 2020, primarily due to an increase in the leverage exposure.

At 31 March 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 \$17.5bn and \$1.8bn 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	136.0	299.5	162.9	88.6	687.0
Counterparty credit risk	0.5	0.4	39.6	0.9	41.4
Market risk	1.0	0.3	20.1	3.3	24.7
Operational risk	34.4	26.6	32.0	0.7	93.7
At 31 Mar 2021	171.9	326.8	254.6	93.5	846.8

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 Jan 2021	171.2	326.8	242.2	88.8	28.5	857.5
Asset size	0.3	2.4	(2.8)	3.6	(2.9)	0.6
Asset quality	(1.5)	(0.2)	(0.5)	(0.8)	—	(3.0)
Model updates	—	(0.1)	(0.1)	—	(1.2)	(1.4)
Methodology and policy	1.9	(0.7)	(2.6)	(1.1)	0.3	(2.2)
Foreign exchange movements	(1.0)	(1.7)	(1.7)	(0.3)	—	(4.7)
Total RWA movement	(0.3)	(0.3)	(7.7)	1.4	(3.8)	(10.7)
RWAs at 31 Mar 2021	170.9	326.5	234.5	90.2	24.7	846.8

Risk-weighted assets ('RWAs') fell by \$10.7bn during 1Q21, including a decrease of \$4.7bn due to foreign currency translation differences. The \$6.0bn decrease (excluding foreign currency translation differences) comprised the movements described by the commentary below.

As measured from 1 January 2020 to 31 March 2021, our cumulative RWA reductions as part of our transformation programme were \$60.9bn. In addition, we made accelerated transformation saves of \$9.6bn in 4Q19.

Asset size

The \$0.6bn increase in RWAs due to asset size movements included growth in Corporate Centre, CMB and WPB, partly offset by reductions in GBM and market risk RWAs.

The \$3.6bn increase in Corporate Centre RWAs was mostly in North America and Asia, driven by a rise in sovereign and money market exposures.

CMB RWAs grew by \$2.4bn, mainly due to corporate loan growth in Asia, partly offset by lower lending in Europe. The \$0.3bn increase in WPB RWAs was mostly from short-term lending in Hong Kong.

The \$2.8bn fall in GBM included reductions in credit risk RWAs totalling \$1.5bn, largely due to management actions in Europe, North America and Asia, partly offset by lending growth in Asia. A \$1.3bn fall in counterparty credit risk RWAs was mainly due to management initiatives in Europe and North America, and mark-to-market movements across all regions.

A reduction in market risk RWAs of \$2.9bn included the effects of risk mitigation actions on the emerging markets bond portfolio and a fall in foreign exchange risk.

Asset quality

Changes in asset quality led to an RWA decrease of \$3.0bn across the global businesses.

RWAs fell by \$1.5bn in WPB and \$0.8bn in Corporate Centre, mostly from favourable portfolio mix changes in North America, largely around sovereign and mortgage exposures.

The \$0.2bn decrease in CMB RWAs included a drop of \$0.6bn in North America, largely due to corporate portfolio mix changes. A partly offsetting increase of \$0.4bn in Asia was primarily driven by credit migration, largely in Hong Kong.

In GBM, the \$0.5bn RWA reduction was mainly caused by portfolio mix changes in North America and Asia, partly offset by credit rating migration in Hong Kong and Europe.

Model updates

The \$1.4bn RWA reduction due to model updates predominantly related to a recently implemented market risk model for an options portfolio.

Methodology and policy

The \$2.2bn reduction in RWAs due to methodology and policy changes was almost entirely in the form of risk parameter refinements in GBM and CMB, mainly in Europe and Asia. Changes to real estate, Market Treasury and other allocation methodologies were the drivers of the \$1.9bn increase in WPB RWAs and the \$1.1bn decrease in Corporate Centre, with further offsets across CMB and GBM.

Reconciliation of 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 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 and UK bank levy is annualised profit attributable to ordinary shareholders, excluding changes in PVIF, significant items and UK bank levy (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.

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

		Quarter ended		
		31 Mar 2021 \$m	31 Dec 2020 \$m	31 Mar 2020 \$m
	Footnotes			
Profit				
Profit attributable to the ordinary shareholders of the parent company		3,880	562	1,785
Impairment of intangible assets (net of tax)	1	—	(120)	—
Increase in PVIF (net of tax)		60	309	(254)
Profit attributable to the ordinary shareholders, excluding goodwill, other intangible assets impairment and PVIF		3,940	751	1,531
Significant items (net of tax), UK bank levy and other adjustments		683		11
Profit attributable to the ordinary shareholders, excluding goodwill impairment, PVIF, significant items and UK bank levy		4,623		1,542
Equity				
Average ordinary shareholders' equity		174,923	171,774	164,566
Effect of goodwill, PVIF and other intangibles (net of deferred tax)		(17,523)	(17,465)	(17,484)
Average tangible equity		157,400	154,309	147,082
Fair value of own debt, DVA and other adjustments		1,641		(373)
Average tangible equity excluding fair value of own debt, DVA and other adjustments		159,041		146,709
Ratio		%	%	%
Return on average ordinary shareholders' equity (annualised)		9.0	1.3	4.4
Return on tangible equity (annualised)		10.2	1.9	4.2
Return on tangible equity excluding significant items and UK bank levy (annualised)		11.8		4.2

1 Includes the recognition of deferred tax relating to the impairment of intangible assets during 2020.

Return on average tangible equity by global business

	Quarter ended 31 Mar 2021				
	Wealth and Personal Banking \$m	Commercial Banking \$m	Global Banking and Markets \$m	Corporate Centre \$m	Total \$m
Profit before tax	1,845	1,821	1,829	284	5,779
Tax expense	(409)	(520)	(448)	166	(1,211)
Profit after tax	1,436	1,301	1,381	450	4,568
Less attributable to: preference shareholders, other equity holders, non-controlling interests	(182)	(179)	(188)	(139)	(688)
Profit attributable to ordinary shareholders of the parent company	1,254	1,122	1,193	311	3,880
Increase in PVIF (net of tax)	54	9	—	(3)	60
Significant items (net of tax) and UK bank levy	55	(16)	87	411	537
Other adjustments	1	(1)	—	146	146
Profit attributable to ordinary shareholders, excluding PVIF, significant items and UK bank levy	1,364	1,114	1,280	865	4,623
Average tangible shareholders' equity excluding fair value of own debt, DVA and other adjustments	29,357	39,394	42,909	47,381	159,041
RoTE excluding significant items and UK bank levy (annualised) (%)	18.8	11.5	12.1	7.4	11.8

Quarter ended 31 Mar 2020					
Profit before tax	678	659	1,048	844	3,229
Tax expense	79	(215)	(157)	(428)	(721)
Profit after tax	757	444	891	416	2,508
Less attributable to: preference shareholders, other equity holders, non-controlling interests	(204)	(199)	(159)	(161)	(723)
Profit attributable to ordinary shareholders of the parent company	553	245	732	255	1,785
Increase in PVIF (net of tax)	(235)	(16)	—	(3)	(254)
Significant items (net of tax) and UK bank levy	12	2	(125)	(72)	(183)
Other adjustments	(192)	25	19	342	194
Profit attributable to ordinary shareholders, excluding PVIF, significant items and UK bank levy	138	256	626	522	1,542
Average tangible shareholders' equity excluding fair value of own debt, DVA and other adjustments	25,956	37,668	39,771	43,314	146,709
RoTE excluding significant items and UK bank levy (annualised) (%)	2.1	2.7	6.3	4.8	4.2

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

	Quarter ended		
	31 Mar 2021 \$m	31 Dec 2020 \$m	31 Mar 2020 \$m
Total shareholders' equity	199,210	196,443	189,771
Preference shares and other equity instruments	(24,414)	(22,414)	(22,319)
Total ordinary shareholders' equity	174,796	174,029	167,452
Goodwill, PVIF and intangible assets (net of deferred tax)	(17,439)	(17,606)	(17,433)
Tangible ordinary shareholders' equity	157,357	156,423	150,019
Basic number of \$0.50 ordinary shares outstanding	20,226	20,184	20,172
	\$	\$	\$
Value per share			
Net asset value per ordinary share	8.64	8.62	8.30
Tangible net asset value per ordinary share	7.78	7.75	7.44

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

	Quarter ended		
	31 Mar 2021 \$m	31 Dec 2020 \$m	31 Mar 2020 \$m
Expected credit losses and other credit impairment charges ('ECL')	435	(1,174)	(3,026)
Currency translation		(27)	(91)
Adjusted ECL	435	(1,201)	(3,117)
Average gross loans and advances to customers	1,053,134	1,053,760	1,040,282
Currency translation	(2,085)	12,534	49,283
Average gross loans and advances to customers – at most recent balance sheet foreign exchange rates	1,051,049	1,066,294	1,089,565
Ratio	%	%	%
Expected credit losses and other credit impairment charges as % of average gross loans and advances to customers	(0.17)	0.45	1.15

Summary information – global businesses

Analysis of significant items by global business is presented below.

Reconciliation of reported and adjusted items – global businesses

	Footnotes	Quarter ended 31 Mar 2021				
		Wealth and Personal Banking \$m	Commercial Banking \$m	Global Banking and Markets \$m	Corporate Centre \$m	Total \$m
Revenue	1					
Reported		5,693	3,349	4,215	(271)	12,986
Significant items		1	(18)	77	227	287
– customer redress programmes		1	(19)	–	–	(18)
– fair value movements on financial instruments	2	–	(1)	12	228	239
– restructuring and other related costs	3	–	2	65	(1)	66
Adjusted		5,694	3,331	4,292	(44)	13,273
ECL						
Reported		18	230	190	(3)	435
Adjusted		18	230	190	(3)	435
Operating expenses						
Reported		(3,874)	(1,759)	(2,576)	(318)	(8,527)
Significant items		68	3	29	224	324
– customer redress programmes		(12)	–	–	2	(10)
– restructuring and other related costs		80	3	29	222	334
Adjusted		(3,806)	(1,756)	(2,547)	(94)	(8,203)
Share of profit in associates and joint ventures						
Reported		8	1	–	876	885
Adjusted		8	1	–	876	885
Profit before tax						
Reported		1,845	1,821	1,829	284	5,779
Significant items		69	(15)	106	451	611
– revenue		1	(18)	77	227	287
– operating expenses		68	3	29	224	324
Adjusted		1,914	1,806	1,935	735	6,390
Loans and advances to customers (net)						
Reported		474,260	343,623	221,223	1,101	1,040,207
Adjusted		474,260	343,623	221,223	1,101	1,040,207
Customer accounts						
Reported		842,532	470,872	335,823	792	1,650,019
Adjusted		842,532	470,872	335,823	792	1,650,019

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.

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

	Footnotes	Quarter ended 31 Dec 2020				Total \$m
		Wealth and Personal Banking \$m	Commercial Banking \$m	Global Banking and Markets \$m	Corporate Centre \$m	
Revenue	1					
Reported		5,320	3,146	3,299	(8)	11,757
Currency translation		79	59	56	10	204
Significant items		(2)	1	219	(154)	64
– customer redress programmes		–	(1)	–	–	(1)
– disposals, acquisitions and investment in new businesses		1	–	–	1	2
– fair value movements on financial instruments	2	–	1	64	(19)	46
– restructuring and other related costs	3	–	1	148	(129)	20
– currency translation on significant items		(3)	–	7	(7)	(3)
Adjusted		5,397	3,206	3,574	(152)	12,025
ECL						
Reported		(310)	(874)	9	1	(1,174)
Currency translation		(5)	(20)	(2)	–	(27)
Adjusted		(315)	(894)	7	1	(1,201)
Operating expenses						
Reported		(4,006)	(1,916)	(2,604)	(1,338)	(9,864)
Currency translation		(61)	(33)	(60)	(11)	(165)
Significant items		8	155	138	473	774
– customer redress programmes		(109)	–	–	2	(107)
– impairment of goodwill and other intangibles		(15)	1	(1)	23	8
– past service costs of guaranteed minimum pension benefits equalisation		–	–	–	17	17
– restructuring and other related costs		134	151	135	416	836
– settlements and provisions in connection with legal and regulatory matters		–	–	–	4	4
– currency translation on significant items		(2)	3	4	11	16
Adjusted		(4,059)	(1,794)	(2,526)	(876)	(9,255)
Share of profit in associates and joint ventures						
Reported		4	(1)	–	663	666
Currency translation		1	1	–	11	13
Adjusted		5	–	–	674	679
Profit before tax						
Reported		1,008	355	704	(682)	1,385
Currency translation		14	7	(6)	10	25
Significant items		6	156	357	319	838
– revenue		(2)	1	219	(154)	64
– operating expenses		8	155	138	473	774
Adjusted		1,028	518	1,055	(353)	2,248
Loans and advances to customers (net)						
Reported		469,186	343,182	224,364	1,255	1,037,987
Currency translation		(1,229)	(1,300)	(1,527)	(5)	(4,061)
Adjusted		467,957	341,882	222,837	1,250	1,033,926
Customer accounts						
Reported		834,759	470,428	336,983	610	1,642,780
Currency translation		(2,172)	(1,164)	(1,847)	(4)	(5,187)
Adjusted		832,587	469,264	335,136	606	1,637,593

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)

	Footnotes	Quarter ended 31 Mar 2020				Total \$m
		Wealth and Personal Banking \$m	Commercial Banking \$m	Global Banking and Markets \$m	Corporate Centre \$m	
Revenue	1					
Reported		5,614	3,733	3,945	394	13,686
Currency translation		151	125	145	(28)	393
Significant items		7	—	(194)	(179)	(366)
– customer redress programmes		—	—	—	—	—
– disposals, acquisitions and investment in new businesses		7	—	—	—	7
– fair value movements on financial instruments	2	—	—	(186)	(171)	(357)
– restructuring and other related costs		—	—	—	(9)	(9)
– currency translation on significant items		—	—	(8)	1	(7)
Adjusted		5,772	3,858	3,896	187	13,713
ECL						
Reported		(1,108)	(1,375)	(545)	2	(3,026)
Currency translation		(26)	(50)	(15)	—	(91)
Adjusted		(1,134)	(1,425)	(560)	2	(3,117)
Operating expenses						
Reported		(3,824)	(1,699)	(2,352)	23	(7,852)
Currency translation		(130)	(63)	(127)	13	(307)
Significant items		8	2	17	149	176
– customer redress programmes		1	—	—	—	1
– restructuring and other related costs		7	2	14	147	170
– settlements and provisions in connection with legal and regulatory matters		—	—	2	(1)	1
– currency translation on significant items		—	—	1	3	4
Adjusted		(3,946)	(1,760)	(2,462)	185	(7,983)
Share of profit in associates and joint ventures						
Reported		(4)	—	—	425	421
Currency translation		—	—	—	29	29
Adjusted		(4)	—	—	454	450
Profit/(loss) before tax						
Reported		678	659	1,048	844	3,229
Currency translation		(5)	12	3	14	24
Significant items		15	2	(177)	(30)	(190)
– revenue		7	—	(194)	(179)	(366)
– operating expenses		8	2	17	149	176
Adjusted		688	673	874	828	3,063
Loans and advances to customers (net)						
Reported		425,692	350,638	262,670	1,282	1,040,282
Currency translation		28,561	19,227	13,012	88	60,888
Adjusted		454,253	369,865	275,682	1,370	1,101,170
Customer accounts						
Reported		749,294	379,842	310,977	416	1,440,529
Currency translation		34,114	21,318	19,533	61	75,026
Adjusted		783,408	401,160	330,510	477	1,515,555

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.

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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

	Footnotes	At 31 Mar 2021				
		Wealth and Personal Banking \$bn	Commercial Banking \$bn	Global Banking and Markets \$bn	Corporate Centre \$bn	Total \$bn
Risk-weighted assets						
Reported		171.9	326.8	254.6	93.5	846.8
Adjusted	1	171.9	326.8	254.6	93.5	846.8
At 31 Dec 2020						
Risk-weighted assets						
Reported		172.8	327.7	265.1	91.9	857.5
Currency translation		(1.0)	(1.7)	(1.7)	(0.3)	(4.7)
Adjusted	1	171.8	326.0	263.4	91.6	852.8
At 31 Mar 2020						
Risk-weighted assets						
Reported		161.1	326.6	285.4	84.0	857.1
Currency translation		6.7	18.0	9.9	1.2	35.8
Adjusted	1	167.8	344.6	295.3	85.2	892.9

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

Summary information – geographical regions

Analysis of significant items by geographical regions is presented below.

Reconciliation of reported results to adjusted results – geographical regions

	Footnotes	Quarter ended 31 Mar 2021					
		Europe \$m	Asia \$m	MENA \$m	North America \$m	Latin America \$m	Total \$m
Revenue	1						
Reported	2	5,052	6,774	632	1,549	712	12,986
Significant items	2	235	(24)	—	—	6	287
– customer redress programmes		(18)	—	—	—	—	(18)
– fair value movements on financial instruments	3	236	2	—	—	1	239
– restructuring and other related costs	2,4	17	(26)	—	—	5	66
Adjusted	2	5,287	6,750	632	1,549	718	13,273
ECL							
Reported		337	(32)	55	104	(29)	435
Adjusted		337	(32)	55	104	(29)	435
Operating expenses							
Reported	2	(4,527)	(3,694)	(388)	(1,169)	(482)	(8,527)
Significant items	2	277	59	11	38	9	324
– customer redress programmes		(10)	—	—	—	—	(10)
– restructuring and other related costs	2	287	59	11	38	9	334
Adjusted	2	(4,250)	(3,635)	(377)	(1,131)	(473)	(8,203)
Share of profit in associates and joint ventures							
Reported		135	710	38	—	2	885
Adjusted		135	710	38	—	2	885
Profit before tax							
Reported		997	3,758	337	484	203	5,779
Significant items		512	35	11	38	15	611
– revenue	2	235	(24)	—	—	6	287
– operating expenses	2	277	59	11	38	9	324
Adjusted		1,509	3,793	348	522	218	6,390
Loans and advances to customers (net)							
Reported		405,493	478,477	28,176	108,751	19,310	1,040,207
Adjusted		405,493	478,477	28,176	108,751	19,310	1,040,207
Customer accounts							
Reported		643,162	756,498	41,916	182,576	25,867	1,650,019
Adjusted		643,162	756,498	41,916	182,576	25,867	1,650,019

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.

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

Quarter ended 31 Dec 2020							
	Footnotes	Europe \$m	Asia \$m	MENA \$m	North America \$m	Latin America \$m	Total \$m
Revenue	1						
Reported	2	4,954	6,018	626	1,488	697	11,757
Currency translation	2	171	40	5	12	(12)	204
Significant items	2	(108)	—	—	(14)	6	64
– customer redress programmes		(1)	—	—	—	—	(1)
– disposals, acquisitions and investment in new businesses		—	—	—	2	—	2
– fair value movements on financial instruments	3	10	31	1	(1)	5	46
– restructuring and other related costs	2,4	(111)	(32)	—	(13)	—	20
– currency translation on significant items	2	(6)	1	(1)	(2)	1	(3)
Adjusted	2	5,017	6,058	631	1,486	691	12,025
ECL							
Reported		(513)	(322)	(37)	(27)	(275)	(1,174)
Currency translation		(27)	1	(1)	—	—	(27)
Adjusted		(540)	(321)	(38)	(27)	(275)	(1,201)
Operating expenses							
Reported	2	(5,715)	(3,889)	(394)	(1,309)	(583)	(9,864)
Currency translation	2	(149)	(32)	(2)	(7)	13	(165)
Significant items	2	667	124	19	85	59	774
– customer redress programmes		(107)	—	—	—	—	(107)
– impairment of goodwill and other intangibles		3	—	4	1	—	8
– past service costs of guaranteed minimum pension benefits equalisation		17	—	—	—	—	17
– restructuring and other related costs	2	731	123	14	83	61	836
– settlements and provisions in connection with legal and regulatory matters		4	—	—	—	—	4
– currency translation on significant items	2	19	1	1	1	(2)	16
Adjusted	2	(5,197)	(3,797)	(377)	(1,231)	(511)	(9,255)
Share of profit in associates and joint ventures							
Reported		45	469	150	—	2	666
Currency translation		2	11	—	—	—	13
Adjusted		47	480	150	—	2	679
Profit/(loss) before tax							
Reported		(1,229)	2,276	345	152	(159)	1,385
Currency translation		(3)	20	2	5	1	25
Significant items		559	124	19	71	65	838
– revenue	2	(108)	—	—	(14)	6	64
– operating expenses	2	667	124	19	85	59	774
Adjusted		(673)	2,420	366	228	(93)	2,248
Loans and advances to customers (net)							
Reported		408,495	473,165	28,700	107,969	19,658	1,037,987
Currency translation		(754)	(2,973)	(319)	663	(678)	(4,061)
Adjusted		407,741	470,192	28,381	108,632	18,980	1,033,926
Customer accounts							
Reported		629,647	762,406	41,221	182,028	27,478	1,642,780
Currency translation		—	(4,559)	(387)	781	(1,022)	(5,187)
Adjusted		629,647	757,847	40,834	182,809	26,456	1,637,593

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.

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

Quarter ended 31 Mar 2020							
		Europe \$m	Asia \$m	MENA \$m	North America \$m	Latin America \$m	Total \$m
	<i>Footnotes</i>						
Revenue	1						
Reported	2	4,420	7,559	690	1,704	863	13,686
Currency translation	2	342	137	(15)	26	(70)	393
Significant items		(236)	(100)	(1)	(15)	(14)	(366)
– disposals, acquisitions and investment in new businesses		—	—	—	7	—	7
– fair value movements on financial instruments	3	(229)	(98)	(1)	(13)	(16)	(357)
– restructuring and other related costs		—	—	—	(9)	—	(9)
– currency translation on significant items		(7)	(2)	—	—	2	(7)
Adjusted	2	4,526	7,596	674	1,715	779	13,713
ECL							
Reported		(868)	(1,000)	(333)	(508)	(317)	(3,026)
Currency translation		(69)	(38)	1	(7)	22	(91)
Adjusted		(937)	(1,038)	(332)	(515)	(295)	(3,117)
Operating expenses							
Reported	2	(3,962)	(3,284)	(369)	(1,307)	(480)	(7,852)
Currency translation	2	(290)	(73)	8	(15)	36	(307)
Significant items		58	1	—	117	—	176
– customer redress programmes		1	—	—	—	—	1
– restructuring and other related costs		53	1	—	116	—	170
– settlements and provisions in connection with legal and regulatory matters		1	—	—	—	—	1
– currency translation on significant items		3	—	—	1	—	4
Adjusted	2	(4,194)	(3,356)	(361)	(1,205)	(444)	(7,983)
Share of profit in associates and joint ventures							
Reported		(101)	465	56	—	1	421
Currency translation		(7)	36	—	—	—	29
Adjusted		(108)	501	56	—	1	450
Profit/(loss) before tax							
Reported		(511)	3,740	44	(111)	67	3,229
Currency translation		(24)	62	(6)	4	(12)	24
Significant items		(178)	(99)	(1)	102	(14)	(190)
– revenue		(236)	(100)	(1)	(15)	(14)	(366)
– operating expenses		58	1	—	117	—	176
Adjusted		(713)	3,703	37	(5)	41	3,063
Loans and advances to customers (net)							
Reported		386,221	481,512	29,651	122,858	20,040	1,040,282
Currency translation		38,303	14,924	(528)	5,998	2,191	60,888
Adjusted		424,524	496,436	29,123	128,856	22,231	1,101,170
Customer accounts							
Reported		531,992	690,917	40,553	153,893	23,174	1,440,529
Currency translation		53,333	14,485	(805)	6,167	1,846	75,026
Adjusted		585,325	705,402	39,748	160,060	25,020	1,515,555

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.

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 June 2021 to holders of record on 31 May 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*, Laura Cha†, Henri de Castries†, James Anthony Forese†, Steven Guggenheimer†, Irene Lee†, José Antonio Meade Kuribreña†, Heidi Miller†, Eileen K Murray†, David Nish†, Noel Quinn, Ewen Stevenson, Jackson Tai† and Pauline van der Meer Mohr†.

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Terms and abbreviations

1Q21	First quarter of 2021
1Q20	First quarter of 2020
4Q20	Fourth quarter of 2020
AIEA	Average interest-earning assets
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
C&L	Credit and Lending
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 the UK bank levy
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
EPS	Earnings per share
ESG	Environmental, social and governance
FTE	Full-time equivalent staff
FVOCI	Fair value through other comprehensive income
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
IRB	Internal ratings-based
JV	Joint venture
LCR	Liquidity coverage ratio
LGD	Loss given default
Mainland China	People's Republic of China excluding Hong Kong and Macau
MENA	Middle East and North Africa
MSS	Markets and Securities Services
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 insurance contracts
Revenue	Net operating income before ECL
RoE	Return on average ordinary shareholders' equity
RoTE	Return on average tangible equity
RWAs	Risk-weighted assets
SABB	The Saudi British Bank
ServCo group	Separately incorporated group of service companies set up in response to UK ring-fencing proposals
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

1Q 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 *Earnings Release 1Q21*, 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 103 of our *Annual Report and Accounts 2020*. 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 1Q21 exchange rates for the income statement or at the prevailing rates of exchange on 31 March 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.

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	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Reported (\$m)						
Net interest income	6,514	6,619	6,450	6,897	7,612	27,578
Net fee income	3,463	2,967	2,981	2,803	3,123	11,874
Other operating income	3,009	2,171	2,496	3,359	2,951	10,977
Net operating income before change in expected credit losses and other credit impairment charges¹	12,986	11,757	11,927	13,059	13,686	50,429
Change in expected credit losses and other credit impairment charges	435	(1,174)	(785)	(3,832)	(3,026)	(8,817)
Total operating expenses ¹	(8,527)	(9,864)	(8,041)	(8,675)	(7,852)	(34,432)
<i>of which: staff expenses</i>	<i>(4,921)</i>	<i>(5,079)</i>	<i>(4,483)</i>	<i>(4,206)</i>	<i>(4,308)</i>	<i>(18,076)</i>
Share of profit in associates and joint ventures	885	666	(27)	537	421	1,597
Profit/(loss) before tax	5,779	1,385	3,074	1,089	3,229	8,777
Tax expense	(1,211)	(450)	(1,035)	(472)	(721)	(2,678)
Profit/(loss) after tax	4,568	935	2,039	617	2,508	6,099
Profit/(loss) attributable to:						
- ordinary shareholders of the parent company ("PAOS")	3,880	562	1,359	192	1,785	3,898
- preference shareholders of the parent company	7	23	22	23	22	90
- other equity holders of the parent company	454	175	449	176	441	1,241
- non-controlling interests	227	175	209	226	260	870
(Increase)/decrease in present value of in-force insurance business ("PVIF") (net of tax)	60	309	(252)	(56)	(254)	(253)
Impairment of goodwill and other intangible assets (net of tax)	—	(120)	2	1,154	—	1,036
PAOS net of PVIF and goodwill impairment	3,940	751	1,109	1,290	1,531	4,681
Reported significant items - Totals (\$m)						
Revenue	(287)	(67)	(138)	(91)	359	63
ECL	—	—	—	—	—	—
Operating expenses	(324)	(758)	(630)	(1,413)	(172)	(2,973)
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 charges¹	13,273	12,025	12,453	13,838	13,713	50,366
<i>of which: net interest income</i>	<i>6,496</i>	<i>6,718</i>	<i>6,691</i>	<i>7,204</i>	<i>7,817</i>	<i>27,599</i>
<i>of which: net fee income</i>	<i>3,463</i>	<i>3,000</i>	<i>3,049</i>	<i>2,931</i>	<i>3,226</i>	<i>11,874</i>
Change in expected credit losses and other credit impairment charges	435	(1,201)	(819)	(4,134)	(3,117)	(8,817)
Total operating expenses ¹	(8,203)	(9,255)	(7,663)	(7,689)	(7,983)	(31,459)
Share of profit in associates and joint ventures	885	679	458	596	450	2,059
Profit/(loss) before tax	6,390	2,248	4,429	2,611	3,063	12,149

HSBC

HSBC Holdings plc consolidated

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Earnings metrics						
Return on average equity (annualised)	9.0 %	1.3 %	3.2 %	0.5 %	4.4 %	2.3 %
Return on average tangible equity (annualised)	10.2 %	1.9 %	2.9 %	3.5 %	4.2 %	3.1 %
Earnings per share (\$)	0.19	0.03	0.07	0.01	0.09	0.19
Adjusted ECL / average gross loans (annualised)	(0.17)%	0.45 %	0.30 %	1.51 %	1.15 %	0.81 %
Dividends						
Dividends per share - declared in respect of the period (\$)	—	0.15	—	—	—	0.15
Dividends paid during the period, net of scrip (\$m)	—	—	—	—	—	—
Value of scrip issued during period (\$m)	—	—	—	—	—	—
Revenue significant items (\$m)						
Customer redress programmes	18	1	(48)	26	—	(21)
Disposals, acquisitions and investment in new businesses	—	(2)	—	(1)	(7)	(10)
Fair value movements on financial instruments	(239)	(46)	11	(58)	357	264
Restructuring and other related costs	(66)	(20)	(101)	(58)	9	(170)
Cost significant items (\$m)						
Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	10	107	(3)	(49)	(1)	54
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	(8)	(57)	(1,025)	—	(1,090)
Past service costs of guaranteed minimum pension benefits equalisation	—	(17)	—	—	—	(17)
Restructuring and other related costs	(334)	(836)	(567)	(335)	(170)	(1,908)
Settlements and provisions in connection with legal and regulatory matters	—	(4)	(3)	(4)	(1)	(12)
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)						
Revenue		204	382	679	393	
ECL		(27)	(34)	(302)	(91)	
Operating expenses		(165)	(268)	(536)	(307)	
Share of profit in associates and joint ventures		13	23	59	29	
Currency translation on revenue significant items		3	(6)	(9)	7	
Currency translation on operating expense significant items		(16)	(16)	(109)	(4)	
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.

Assets - reported (\$m)

Cash and balances at central banks						
Items in the course of collection from other banks						
Hong Kong Government certificates of indebtedness						
Trading assets						
Financial assets designated and otherwise mandatorily measured at fair value through profit or loss						
Derivatives						
Loans and advances to banks						
Loans and advances to customers (net)						
Reverse repurchase agreements – non-trading						
Financial investments						
Prepayments, accrued income and other assets						
Current tax assets						
Interests in associates and joint ventures						
Goodwill and intangible assets						
Deferred tax assets						
Total assets						

Liabilities - reported (\$m)

Hong Kong currency notes in circulation						
Deposits by banks						
Customer accounts						
Repurchase agreements - non-trading						
Items in the course of transmission to other banks						
Trading liabilities						
Financial liabilities designated at fair value						
Derivatives						
Debt securities in issue						
Accruals, deferred income and other liabilities						
Current tax liabilities						
Liabilities under insurance contracts						
Provisions						
Deferred tax liabilities						
Subordinated liabilities						
Total liabilities						

Balance sheet date						Balance sheet date
31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20	31-Dec-20
384,448	304,481	285,508	249,673	187,386	304,481	304,481
5,162	4,094	6,165	6,289	4,649	4,094	4,094
41,020	40,420	40,086	39,519	38,704	40,420	40,420
249,031	231,990	222,355	208,964	215,634	231,990	231,990
46,829	45,553	44,253	41,785	40,650	45,553	45,553
241,048	307,726	294,678	313,781	371,283	307,726	307,726
83,873	81,616	83,854	77,015	84,547	81,616	81,616
1,040,207	1,037,987	1,041,340	1,018,681	1,040,282	1,037,987	1,037,987
190,260	230,628	221,179	226,345	222,774	230,628	230,628
451,207	490,693	475,302	494,109	446,668	490,693	490,693
172,708	156,412	191,040	197,425	216,224	156,412	156,412
568	954	734	821	740	954	954
27,543	26,684	25,087	24,800	24,547	26,684	26,684
20,275	20,443	20,162	19,438	20,146	20,443	20,443
4,450	4,483	4,192	4,153	3,576	4,483	4,483
2,958,629	2,984,164	2,955,935	2,922,798	2,917,810	2,984,164	2,984,164
41,020	40,420	40,086	39,519	38,704	40,420	40,420
86,743	82,080	91,739	82,715	75,504	82,080	82,080
1,650,019	1,642,780	1,568,714	1,532,380	1,440,529	1,642,780	1,642,780
107,896	111,901	118,844	112,799	150,243	111,901	111,901
6,540	4,343	14,389	6,296	4,710	4,343	4,343
85,755	75,266	80,338	79,612	74,410	75,266	75,266
151,673	157,439	156,459	156,608	155,184	157,439	157,439
229,599	303,001	285,239	303,059	356,616	303,001	303,001
96,039	95,492	102,406	110,114	99,410	95,492	95,492
159,246	128,624	163,912	173,181	196,244	128,624	128,624
681	690	1,274	1,141	914	690	690
107,910	107,191	102,708	98,832	94,979	107,191	107,191
3,168	3,678	3,297	3,209	3,190	3,678	3,678
3,807	4,313	4,490	4,491	5,262	4,313	4,313
20,817	21,951	21,779	23,621	23,640	21,951	21,951
2,750,913	2,779,169	2,755,674	2,727,577	2,719,539	2,779,169	2,779,169

HSBC

HSBC Holdings plc consolidated

Equity - reported (\$m)

Called up share capital	10,375	10,347	10,346	10,346	10,345	10,347
Share premium account	14,588	14,277	14,274	14,268	14,263	14,277
Other equity instruments	24,414	22,414	20,914	20,914	20,914	22,414
Other reserves	6,016	8,833	3,622	(301)	(2,250)	8,833
Retained earnings	143,817	140,572	142,748	141,809	146,499	140,572
Total shareholders' equity	199,210	196,443	191,904	187,036	189,771	196,443
Non-controlling interests	8,506	8,552	8,357	8,185	8,500	8,552
Total equity	207,716	204,995	200,261	195,221	198,271	204,995
Total liabilities and equity	2,958,629	2,984,164	2,955,935	2,922,798	2,917,810	2,984,164

Other balance sheet data - reported (\$m)

Loans and advances to customers (gross)	1,053,790	1,052,478	1,055,043	1,031,908	1,050,667	1,052,478
Risk-weighted assets ¹	846,835	857,520	857,024	854,552	857,078	857,520
Total shareholders' equity	199,210	196,443	191,904	187,036	189,771	196,443
AT1 capital	(24,414)	(22,414)	(20,914)	(20,914)	(20,914)	(22,414)
Preference shares	—	—	(1,405)	(1,405)	(1,405)	—
Perpetual capital securities	—	—	—	—	—	—
Ordinary shareholders' equity ("NAV")	174,796	174,029	169,585	164,717	167,452	174,029
Goodwill, PVIF and other intangibles (net of deferred tax)	(17,439)	(17,606)	(17,325)	(16,838)	(17,433)	(17,606)
Tangible equity ("TNAV")	157,357	156,423	152,260	147,879	150,019	156,423

	Year to date					Year ended
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Average TNAV	157,400	150,101	148,700	148,015	147,082	150,101
Fair value of own debt, DVA and other adjustments	1,641	422	(260)	(852)	(373)	422
Average TNAV excluding fair value of own debt, DVA and other adjustments (RoTE TNAV)	159,041	150,523	148,440	147,163	146,709	150,523

HSBC

HSBC Holdings plc consolidated

Adjusted balance sheet data - at most recent balance sheet FX rates (\$m)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (net)	1,040,207	1,033,926	1,070,143	1,070,799	1,101,170	1,037,987
Customer accounts	1,650,019	1,637,593	1,609,317	1,605,317	1,515,555	1,642,780
Risk-weighted assets ¹	846,835	852,836	873,338	885,848	892,929	857,520

Regulatory capital - Transitional basis (\$m)

Common equity tier 1 capital	134,481	136,050	133,383	128,446	125,218	136,050
Additional tier 1 capital	25,715	24,123	24,027	24,031	24,026	24,123
Tier 2 capital	22,921	24,250	24,424	24,765	24,713	24,250
Total regulatory capital	183,117	184,423	181,834	177,242	173,957	184,423

Regulatory capital - end-point basis (\$m)

Common equity tier 1 capital	134,481	136,050	133,383	128,446	125,218	136,050
Additional tier 1 capital	24,409	22,411	20,910	20,914	20,909	22,411
Tier 2 capital	13,870	14,743	14,861	15,021	15,001	14,743
Total regulatory capital	172,760	173,204	169,154	164,381	161,128	173,204

Capital ratios - transitional basis

Common equity tier 1 ratio	15.9 %	15.9 %	15.6 %	15.0 %	14.6 %	15.9 %
Tier 1 ratio	18.9 %	18.7 %	18.4 %	17.8 %	17.4 %	18.7 %
Total capital ratio	21.6 %	21.5 %	21.2 %	20.7 %	20.3 %	21.5 %

Capital ratios - end-point basis

Common equity tier 1 ratio	15.9 %	15.9 %	15.6 %	15.0 %	14.6 %	15.9 %
Tier 1 ratio	18.8 %	18.5 %	18.0 %	17.5 %	17.0 %	18.5 %
Total capital ratio	20.4 %	20.2 %	19.7 %	19.2 %	18.8 %	20.2 %
Leverage exposures (\$m)	2,930,186	2,897,113	2,857,360	2,801,386	2,782,705	2,897,113
Leverage Ratio	5.4 %	5.5 %	5.4 %	5.3 %	5.3 %	5.5 %

HSBC

HSBC Holdings plc consolidated

Balance sheet metrics

NAV / share (\$) at the end of the period	\$ 8.64	\$ 8.62	\$ 8.41	\$ 8.17	\$ 8.30	\$ 8.62
TNAV / share (\$) at the end of the period	\$ 7.78	\$ 7.75	\$ 7.55	\$ 7.34	\$ 7.44	\$ 7.75

Ordinary \$0.50 shares

Basic number of ordinary shares in issue (m)	20,226	20,184	20,173	20,162	20,172	20,184
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	Quarter ended					Year ended
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Ordinary shares issued during the period (m)	56	1	1	1	52	55
<i>of which scrip</i>	—	—	—	—	—	—
Shares bought back during the period (m)	—	—	—	—	—	—
Other movements in basic number of ordinary shares during the period	(14)	10	10	(11)	(86)	(77)
Average basic number of ordinary shares outstanding during the period (m)	20,191	20,179	20,166	20,190	20,161	20,169

Balance sheet data - significant items- Totals (\$m)

Risk-weighted assets - disposals	—	—	—	—	—	—
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Balance sheet data - currency translation on reported items- Totals (\$m)

Loans and advances to customers (net)		(4,061)	28,803	52,118	60,888	
Customer accounts		(5,187)	40,603	72,937	75,026	
Risk-weighted assets ¹		(4,684)	16,314	31,296	35,851	

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

Average balances during period (\$m)

Short-term funds and loans and advances to banks

Loans and advances to customers

Reverse repurchase agreements – non-trading

Financial investments

Other interest-earning assets

Total interest-earning assets

Interest income during period (\$m)

Short-term funds and loans and advances to banks

Loans and advances to customers

Reverse repurchase agreements – non-trading

Financial investments

Other interest-earning assets

Total

Average balances during period (\$m)

Deposits by banks

Customer accounts

Repurchase agreements – non-trading

Debt securities in issue – non-trading

Other interest-bearing liabilities

Total interest-bearing liabilities

Non-interest bearing current accounts

Interest expense during period (\$m)

Deposits by banks

Customer accounts

Repurchase agreements – non-trading

Debt securities in issue – non-trading

Other interest-bearing liabilities

Total

Net interest margin (%)

	Quarter to date					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Average balances during period (\$m)						
Short-term funds and loans and advances to banks	391,270	348,680	332,291	286,614	224,505	298,255
Loans and advances to customers	1,062,715	1,051,692	1,051,522	1,047,307	1,036,554	1,046,795
Reverse repurchase agreements – non-trading	211,034	225,791	217,516	211,848	232,455	221,901
Financial investments	458,435	470,099	481,113	467,079	435,609	463,542
Other interest-earning assets	55,464	62,741	59,012	65,330	62,579	62,407
Total interest-earning assets	2,178,918	2,159,003	2,141,454	2,078,178	1,991,702	2,092,900
Interest income during period (\$m)						
Short-term funds and loans and advances to banks	240	247	257	277	483	1,264
Loans and advances to customers	6,489	6,663	6,750	7,444	8,534	29,391
Reverse repurchase agreements – non-trading	262	271	256	384	908	1,819
Financial investments	1,715	1,797	1,895	2,048	2,403	8,143
Other interest-earning assets	279	323	297	219	300	1,139
Total	8,985	9,301	9,455	10,372	12,628	41,756
Average balances during period (\$m)						
Deposits by banks	72,767	73,622	64,908	66,641	56,890	65,536
Customer accounts	1,343,405	1,318,889	1,289,726	1,228,367	1,178,914	1,254,249
Repurchase agreements – non-trading	108,466	107,666	115,148	122,228	156,767	125,376
Debt securities in issue – non-trading	203,552	210,501	221,507	224,735	221,774	219,610
Other interest-bearing liabilities	69,221	74,224	76,861	80,124	74,389	76,395
Total interest-bearing liabilities	1,797,411	1,784,902	1,768,150	1,722,095	1,688,734	1,741,166
Non-interest bearing current accounts	305,390	294,420	272,658	266,841	237,514	267,944
Interest expense during period (\$m)						
Deposits by banks	51	57	47	92	134	330
Customer accounts	1,015	1,116	1,292	1,670	2,400	6,478
Repurchase agreements – non-trading	85	106	103	130	624	963
Debt securities in issue – non-trading	953	1,043	1,182	1,257	1,462	4,944
Other interest-bearing liabilities	367	360	381	326	396	1,463
Total	2,471	2,682	3,005	3,475	5,016	14,178
Net interest margin (%)	1.21 %	1.22 %	1.20 %	1.33 %	1.54 %	1.32 %

HSBC

Wealth and Personal Banking

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Reported (\$m)						
Net interest income	3,505	3,550	3,478	3,689	4,368	15,085
Net fee income	1,628	1,326	1,391	1,224	1,467	5,408
Other operating income/(expense)	560	444	540	743	(221)	1,506
Net operating income before change in expected credit losses and other credit impairment charges	5,693	5,320	5,409	5,656	5,614	21,999
Change in expected credit losses and other credit impairment charges	18	(310)	(343)	(1,094)	(1,108)	(2,855)
Total operating expenses	(3,874)	(4,006)	(3,871)	(3,745)	(3,824)	(15,446)
<i>of which: staff expenses</i>	<i>(1,576)</i>	<i>(1,588)</i>	<i>(1,438)</i>	<i>(1,322)</i>	<i>(1,453)</i>	<i>(5,801)</i>
Share of profit in associates and joint ventures	8	4	10	(4)	(4)	6
Profit/(loss) before tax	1,845	1,008	1,205	813	678	3,704
Reported Significant items - Totals (\$m)						
Revenue	(1)	(1)	(32)	26	(7)	(14)
ECL	—	—	—	—	—	—
Operating expenses	(68)	(10)	(189)	(215)	(8)	(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	5,694	5,397	5,599	5,902	5,772	22,013
<i>of which: net interest income</i>	<i>3,506</i>	<i>3,602</i>	<i>3,614</i>	<i>3,839</i>	<i>4,478</i>	<i>15,090</i>
<i>of which: net fee income</i>	<i>1,629</i>	<i>1,341</i>	<i>1,419</i>	<i>1,276</i>	<i>1,507</i>	<i>5,408</i>
Change in expected credit losses and other credit impairment charges	18	(315)	(366)	(1,184)	(1,134)	(2,855)
Total operating expenses	(3,806)	(4,059)	(3,799)	(3,735)	(3,946)	(15,024)
Share of profit in associates and joint ventures	8	5	10	(4)	(4)	6
Profit/(loss) before tax	1,914	1,028	1,444	979	688	4,140
Earnings metrics - adjusted						
Return on average tangible equity (annualised, YTD) ¹	18.8 %	9.1 %	7.6 %	6.0 %	2.1 %	9.1 %
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	478,784	474,088	464,193	434,000	429,462	474,088
Loans and advances to customers (net)	474,260	469,186	459,516	429,487	425,692	469,186
Total external assets	880,152	881,918	851,093	814,719	760,446	881,918
Customer accounts	842,532	834,759	793,612	775,870	749,294	834,759
Risk-weighted assets	171,945	172,787	173,160	161,744	161,095	172,787
Adjusted balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	474,260	467,957	474,254	455,026	454,253	469,186
Customer accounts	842,532	832,587	811,981	808,332	783,408	834,759
Risk-weighted assets	171,945	171,779	176,432	167,836	167,778	172,787

Management View of Adjusted Revenue - at originally reported average FX rates (\$m)²

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Wealth	2,382	2,053	2,160	2,183	1,423	7,818
– investment distribution	1,025	736	872	719	883	3,209
– life insurance manufacturing	568	628	601	793	(206)	1,816
– Private Banking	488	407	418	410	511	1,746
Net interest income	156	156	142	159	213	670
Non interest income	332	251	276	251	298	1,076
– asset management	301	282	269	261	235	1,047
Personal Banking	3,051	3,043	2,999	3,063	3,831	12,938
Net interest income	2,703	2,721	2,686	2,818	3,482	11,708
Non interest income	348	322	313	245	349	1,230
Other	261	225	282	384	367	1,257
Net operating income	5,694	5,321	5,441	5,630	5,621	22,013

Management View of Adjusted Revenue - at most recent period average FX rates (\$m)²

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Wealth	2,382	2,070	2,195	2,249	1,448	7,818
– investment distribution	1,025	742	885	738	900	3,209
– life insurance manufacturing	568	630	607	807	(224)	1,816
– Private Banking	488	412	427	429	530	1,746
Net interest income	156	158	145	166	221	670
Non interest income	332	254	282	263	309	1,076
– asset management	301	286	276	275	242	1,047
Personal Banking	3,051	3,101	3,109	3,238	3,941	12,938
Net interest income	2,703	2,773	2,787	2,978	3,583	11,708
Non interest income	348	328	322	260	358	1,230
Other	261	226	295	415	383	1,257
Net operating income	5,694	5,397	5,599	5,902	5,772	22,013

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Wealth and Personal Banking

Reported revenue significant items (\$m)

Customer redress programmes	(1)	—	(31)	26	—	(5)
Disposals, acquisitions and investment in new businesses	—	(1)	(1)	—	(7)	(9)
Fair value movement on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—

Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	12	109	4	(48)	(1)	64
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	15	(224)	(85)	—	(294)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(80)	(134)	31	(82)	(7)	(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	—	—	—	—	—	—
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Reported Balance sheet data - significant items- Totals (\$m)

Risk-weighted assets - disposals	—	—	—	—	—	—
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Reconciling items - Currency translation on reported items- Totals (\$m)

Revenue	79	156	273	151	
ECL	(5)	(23)	(90)	(26)	
Operating expenses	(61)	(114)	(221)	(130)	
Share of profit in associates and joint ventures	1	—	—	—	
Currency translation on revenue significant items	3	(2)	1	—	
Currency translation on operating expense significant items	2	3	(16)	—	
Currency translation on share of profit in associates and joint ventures significant items	—	—	—	—	
Loans and advances to customers (net)	(1,229)	14,738	25,539	28,561	
Customer accounts	(2,172)	18,369	32,462	34,114	
Risk-weighted assets	(1,008)	3,272	6,092	6,683	

1 RoTE excluding significant items and UK bank levy (%).

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

Reported (\$m)

Net interest income	
Net fee income	
Other operating income	
Net operating income before change in expected credit losses and other credit impairment charges	
Change in expected credit losses and other credit impairment charges	
Total operating expenses	
<i>of which: staff expenses</i>	
Share of profit in associates and joint ventures	
Profit/(loss) before tax	

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	
<i>of which: net interest income</i>	
<i>of which: net fee income</i>	
Change in expected credit losses and other credit impairment charges	
Total operating expenses	
Share of profit in associates and joint ventures	
Profit/(loss) before tax	

Earnings metrics - adjusted

Return on average tangible equity (annualised, YTD)¹

Balance sheet - reported (\$m)

Loans and advances to customers (gross)	
Loans and advances to customers (net)	
Total external assets	
Customer accounts	
Risk-weighted assets	

Adjusted balance sheet data -- at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)	
Customer accounts	
Risk-weighted assets	

Quarter ended						Year to date
31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20		31-Dec-20
2,182	2,210	2,208	2,287	2,596		9,301
888	808	787	734	896		3,225
279	128	153	246	241		768
3,349	3,146	3,148	3,267	3,733		13,294
230	(874)	(354)	(2,151)	(1,375)		(4,754)
(1,759)	(1,916)	(1,587)	(1,698)	(1,699)		(6,900)
(640)	(789)	(619)	(577)	(621)		(2,606)
1	(1)	—	—	—		(1)
1,821	355	1,207	(582)	659		1,639
18	(1)	(17)	—	—		(18)
—	—	—	—	—		—
(3)	(152)	48	(105)	(2)		(211)
—	—	—	—	—		—
3,331	3,206	3,267	3,452	3,858		13,312
2,162	2,246	2,292	2,403	2,667		9,317
888	824	812	778	934		3,225
230	(894)	(364)	(2,306)	(1,425)		(4,754)
(1,756)	(1,794)	(1,689)	(1,688)	(1,760)		(6,689)
1	—	—	(1)	—		(1)
1,806	518	1,214	(543)	673		1,868
11.5 %	1.3 %	1.1 %	(1.6)%	2.7 %		1.3 %
Balance sheet date						Balance sheet date
31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20		31-Dec-20
351,236	351,098	350,947	351,687	356,015		351,098
343,623	343,182	343,702	344,567	350,638		343,182
605,417	570,295	555,635	549,530	518,904		570,295
470,872	470,428	431,021	418,263	379,842		470,428
326,818	327,734	332,378	330,887	326,654		327,734
343,623	341,882	352,625	360,964	369,865		343,182
470,872	469,264	443,334	440,030	401,160		470,428
326,818	326,046	340,988	346,795	344,620		327,734

Management View of Adjusted Revenue - at originally reported average FX rates (\$m)

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Global Trade and Receivables Finance	455	423	429	423	469	1,744
Credit and Lending	1,468	1,457	1,442	1,359	1,382	5,640
Global Liquidity and Cash Management ²	862	898	920	1,003	1,325	4,146
Markets products, Insurance and Investments and other	546	369	374	482	557	1,782
– of which: share of revenue from Markets and Securities Services and Banking products	259	231	221	211	257	920
Net operating income	3,331	3,147	3,165	3,267	3,733	13,312

Management View of Adjusted Revenue - at most recent period average FX rates (\$m)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Global Trade and Receivables Finance	455	429	439	443	482	1,744
Credit and Lending	1,468	1,490	1,490	1,441	1,436	5,640
Global Liquidity and Cash Management ²	862	912	947	1,048	1,357	4,146
Markets products, Insurance and Investments and other	546	375	391	520	583	1,782
– of which: share of revenue from Markets and Securities Services and Banking products	259	235	229	223	268	920
Net operating income	3,331	3,206	3,267	3,452	3,858	13,312

Reported Revenue significant items (\$m)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
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)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	(1)	—	(1)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	(1)	(3)	(41)	—	(45)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(3)	(151)	51	(63)	(2)	(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	—	—	—	—	—	—
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Reported Balance sheet data - significant items- Totals (\$m)

Risk-weighted assets - disposals	—	—	—	—	—	—
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Reconciling items Currency translation on reported items - Totals (\$m)

Revenue	59	102	185	125
ECL	(20)	(10)	(155)	(50)
Operating expenses	(33)	(51)	(106)	(63)
Share of profit in associates and joint ventures	1	—	(1)	—
Currency translation on revenue significant items	—	—	—	—
Currency translation on operating expense significant items	(3)	3	(11)	—
Currency translation on share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(1,300)	8,923	16,397	19,227
Customer accounts	(1,164)	12,313	21,767	21,318
Risk-weighted assets	(1,688)	8,610	15,908	17,966

1 RoTE excluding significant items and UK bank levy (%).

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

Reported (\$m)

Net interest income	1,025	1,106	1,040	1,123	1,249	4,518
Net fee income	950	841	818	843	765	3,267
Other operating income	2,240	1,352	1,652	2,274	1,931	7,209
Net operating income before change in expected credit losses and other credit impairment charges	4,215	3,299	3,510	4,240	3,945	14,994
Change in expected credit losses and other credit impairment charges	190	9	(100)	(573)	(545)	(1,209)
Total operating expenses ¹	(2,576)	(2,604)	(2,412)	(2,801)	(2,352)	(10,169)
<i>of which: staff expenses</i>	<i>(1,042)</i>	<i>(1,179)</i>	<i>(999)</i>	<i>(853)</i>	<i>(942)</i>	<i>(3,973)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	1,829	704	998	866	1,048	3,616

Reported Significant items - Totals (\$m)

Revenue	(77)	(212)	(104)	(179)	186	(309)
ECL	—	—	—	—	—	—
Operating expenses	(29)	(134)	(130)	(625)	(16)	(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	4,292	3,574	3,743	4,666	3,896	15,303
<i>of which: net interest income</i>	<i>1,025</i>	<i>1,117</i>	<i>1,068</i>	<i>1,166</i>	<i>1,271</i>	<i>4,518</i>
<i>of which: net fee income</i>	<i>949</i>	<i>844</i>	<i>833</i>	<i>875</i>	<i>791</i>	<i>3,267</i>
Change in expected credit losses and other credit impairment charges	190	7	(102)	(628)	(560)	(1,209)
Total operating expenses	(2,547)	(2,526)	(2,377)	(2,340)	(2,462)	(9,264)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	1,935	1,055	1,264	1,698	874	4,830

Earnings metrics - adjusted

Return on average tangible equity (annualised, YTD) ²	12.1 %	6.7 %	6.9 %	7.7 %	6.3 %	6.7 %
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Balance sheet - reported (\$m)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	222,660	226,024	238,670	244,937	263,888	226,024
Loans and advances to customers (net)	221,223	224,364	236,902	243,355	262,670	224,364
Total external assets	1,281,710	1,347,440	1,380,766	1,390,006	1,474,089	1,347,440
Customer accounts	335,823	336,983	343,365	337,573	310,977	336,983
Risk-weighted assets	254,587	265,147	267,162	277,633	285,377	265,147

Adjusted balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)	221,223	222,837	242,004	253,448	275,682	224,364
Customer accounts	335,823	335,136	353,255	356,220	330,510	336,983
Risk-weighted assets	254,587	263,445	271,096	285,931	295,358	265,147

Management View of Adjusted Revenue - at originally reported average FX rates (\$m)³

Markets and Securities Services

Securities Services	2,492	1,919	2,022	2,558	2,287	8,787
Global Debt Markets	452	439	409	434	510	1,792
Global Foreign Exchange	396	118	300	733	264	1,415
Equities	952	820	827	1,053	1,346	4,046
Securities Financing	419	298	226	47	260	831
Credit and Funding Valuation Adjustments	240	174	228	300	253	955

Banking

Global Trade and Receivables Finance	33	70	32	(9)	(346)	(252)
Global Liquidity and Cash Management	1,630	1,571	1,595	1,692	1,741	6,599
Banking Credit & Lending	178	167	173	180	166	686
Banking Capital Markets & Advisory	444	465	454	483	603	2,005
Banking Other	654	649	672	652	649	2,622

GBM Other

Principal Investments	291	253	278	362	140	1,033
Other	63	37	18	15	183	253

Net operating income

Management View of Adjusted Revenue - at most recent period average FX rates (\$m)³

Markets and Securities Services

Securities services	2,492	1,945	2,082	2,676	2,349	8,787
Global Debt Markets	452	442	421	457	528	1,792
Global Foreign Exchange	396	119	307	774	261	1,415
Equities	952	830	850	1,097	1,390	4,046
Securities Financing	419	304	235	45	270	831
Credit and Funding Valuation Adjustments	240	178	234	315	264	955

Banking

Global Trade and Receivables Finance	33	72	35	(12)	(364)	(252)
Global Liquidity and Cash Management	1,630	1,590	1,639	1,774	1,785	6,599
Banking Credit & Lending	178	169	178	191	173	686
Banking Capital Markets & Advisory	444	469	464	501	615	2,005
Banking Other	654	658	691	682	669	2,622

GBM Other

Principal Investments	291	256	287	386	145	1,033
Other	63	38	19	14	183	253

Net operating income

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Markets and Securities Services	2,492	1,919	2,022	2,558	2,287	8,787
Securities Services	452	439	409	434	510	1,792
Global Debt Markets	396	118	300	733	264	1,415
Global Foreign Exchange	952	820	827	1,053	1,346	4,046
Equities	419	298	226	47	260	831
Securities Financing	240	174	228	300	253	955
Credit and Funding Valuation Adjustments	33	70	32	(9)	(346)	(252)
Banking	1,630	1,571	1,595	1,692	1,741	6,599
Global Trade and Receivables Finance	178	167	173	180	166	686
Global Liquidity and Cash Management	444	465	454	483	603	2,005
Banking Credit & Lending	654	649	672	652	649	2,622
Banking Capital Markets & Advisory	291	253	278	362	140	1,033
Banking Other	63	37	18	15	183	253
GBM Other	170	21	(3)	169	(269)	(83)
Principal Investments	173	74	52	223	(235)	114
Other	(3)	(53)	(55)	(54)	(34)	(197)
Net operating income	4,292	3,511	3,614	4,419	3,759	15,303
Markets and Securities Services	2,492	1,945	2,082	2,676	2,349	8,787
Securities services	452	442	421	457	528	1,792
Global Debt Markets	396	119	307	774	261	1,415
Global Foreign Exchange	952	830	850	1,097	1,390	4,046
Equities	419	304	235	45	270	831
Securities Financing	240	178	234	315	264	955
Credit and Funding Valuation Adjustments	33	72	35	(12)	(364)	(252)
Banking	1,630	1,590	1,639	1,774	1,785	6,599
Global Trade and Receivables Finance	178	169	178	191	173	686
Global Liquidity and Cash Management	444	469	464	501	615	2,005
Banking Credit & Lending	654	658	691	682	669	2,622
Banking Capital Markets & Advisory	291	256	287	386	145	1,033
Banking Other	63	38	19	14	183	253
GBM Other	170	39	22	216	(238)	(83)
Principal Investments	173	72	54	229	(240)	114
Other	(3)	(33)	(32)	(13)	2	(197)
Net operating income	4,292	3,574	3,743	4,666	3,896	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	(12)	(64)	(3)	(121)	186	(2)
Restructuring and other related costs	(65)	(148)	(101)	(58)	—	(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)	(567)	—	(577)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(29)	(135)	(119)	(58)	(14)	(326)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	(2)	(2)

Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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Reported Balance sheet data - significant items- Totals (\$m)

Risk-weighted assets - disposals	—	—	—	—	—	—
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Reconciling items Currency translation on reported items - Totals (\$m)

Revenue	56	127	235	145	
ECL	(2)	(2)	(55)	(15)	
Operating expenses	(60)	(100)	(228)	(127)	
Share of profit in associates and joint ventures	—	—	—	—	
Currency translation on revenue significant items	(7)	(2)	(12)	8	
Currency translation on operating expense significant items	(4)	(5)	(64)	(1)	
Currency translation on share of profit in associates and joint ventures significant items	—	—	—	—	
Loans and advances to customers (net)	(1,527)	5,102	10,093	13,012	
Customer accounts	(1,847)	9,890	18,647	19,533	
Risk-weighted assets	(1,702)	3,934	8,298	9,981	

1 Includes the goodwill impairment recognised on the Global Banking and Markets cash-generating unit, for which goodwill is monitored on a global basis and has not been reflected in the geographical regions' or countries' data.

2 RoTE excluding significant items and UK bank levy (%).

3 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

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Reported (\$m)						
Net interest income	(198)	(247)	(276)	(202)	(601)	(1,326)
Net fee income	(3)	(8)	(15)	2	(5)	(26)
Other operating income	(70)	247	151	96	1,000	1,494
Net operating income before change in expected credit losses and other credit impairment charges	(271)	(8)	(140)	(104)	394	142
Change in expected credit losses and other credit impairment charges	(3)	1	12	(14)	2	1
Total operating expenses	(318)	(1,338)	(171)	(431)	23	(1,917)
<i>of which: staff expenses</i>	<i>(1,663)</i>	<i>(1,523)</i>	<i>(1,427)</i>	<i>(1,454)</i>	<i>(1,292)</i>	<i>(5,696)</i>
Share of profit in associates and joint ventures	876	663	(37)	541	425	1,592
Profit/(loss) before tax	284	(682)	(336)	(8)	844	(182)
Reported Significant items - Totals (\$m)						
Revenue	(227)	147	15	62	180	404
ECL	—	—	—	—	—	—
Operating expenses	(224)	(462)	(359)	(468)	(146)	(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	(44)	(152)	(156)	(182)	187	(262)
<i>of which: net interest expense</i>	<i>(197)</i>	<i>(247)</i>	<i>(283)</i>	<i>(204)</i>	<i>(599)</i>	<i>(1,326)</i>
<i>of which: net fee income/(expense)</i>	<i>(3)</i>	<i>(9)</i>	<i>(15)</i>	<i>2</i>	<i>(6)</i>	<i>(26)</i>
Change in expected credit losses and other credit impairment charges	(3)	1	13	(16)	2	1
Total operating expenses	(94)	(876)	202	74	185	(482)
Share of profit in associates and joint ventures	876	674	448	601	454	2,054
Profit/(loss) before tax	735	(353)	507	477	828	1,311
Earnings metrics - adjusted						
Return on average tangible equity (annualised, YTD) ¹	7.4 %	3.1 %	4.6 %	4.7 %	4.8 %	3.1 %
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	1,112	1,268	1,233	1,284	1,302	1,268
Loans and advances to customers (net)	1,101	1,255	1,220	1,272	1,282	1,255
Total external assets	191,350	184,511	168,441	168,543	164,371	184,511
Customer accounts	792	610	716	674	416	610
Risk-weighted assets	93,485	91,852	84,324	84,288	83,952	91,852
Adjusted balance sheet data -- at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	1,101	1,250	1,260	1,361	1,370	1,255
Customer accounts	792	606	747	735	477	610
Risk-weighted assets	93,485	91,566	84,822	85,286	85,173	91,852

HSBC

Corporate Centre

Management View of Adjusted Revenue - at originally reported average FX rates (\$m)

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Central Treasury	(28)	(12)	(32)	(64)	265	156
Legacy Credit	9	3	28	43	(91)	(17)
Other	(25)	(146)	(151)	(145)	40	(401)
Net operating income	(44)	(155)	(155)	(166)	214	(262)

Memo

Markets Treasury previously reported in Corporate Centre - now allocated to global businesses ²	805	610	671	772	756	2,809
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Management View of Adjusted Revenue - at most recent period average FX rates (\$m)

Central Treasury	(28)	(12)	(32)	(64)	265	156
Legacy Credit	9	3	28	42	(93)	(17)
Other	(25)	(143)	(152)	(160)	15	(401)
Net operating income	(44)	(152)	(156)	(182)	187	(262)

Memo

Markets Treasury previously reported in Corporate Centre - now allocated to global businesses ²	805	609	678	801	781	2,809
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Reported Revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	(1)	1	(1)	—	(1)
Fair value movement on financial instruments	(228)	19	14	63	171	267
Restructuring and other related costs	1	129	—	—	9	138

Reported Cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	(2)	(2)	(7)	—	—	(9)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	(23)	181	(332)	—	(174)
Past service costs of guaranteed minimum pension benefits equalisation	—	(17)	—	—	—	(17)
Restructuring and other related costs	(222)	(416)	(530)	(132)	(147)	(1,225)
Settlements and provisions in connection with legal and regulatory matters	—	(4)	(3)	(4)	1	(10)

HSBC Corporate Centre

Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	(462)	—	—	(462)
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Reported Balance sheet data - significant items- Totals (\$m)

Risk-weighted assets - disposals	—	—	—	—	—	—
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Reconciling items Currency translation on reported items - Totals (\$m)

Revenue	10	(3)	(14)	(28)
ECL	—	1	(2)	—
Operating expenses	(11)	(3)	19	13
Share of profit in associates and joint ventures	11	23	60	29
Currency translation on revenue significant items	7	(2)	2	(1)
Currency translation on operating expense significant items	(11)	(17)	(18)	(3)
Currency translation on share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(5)	40	89	88
Customer accounts	(4)	31	61	61
Risk-weighted assets	(286)	498	998	1,221

1 RoTE excluding significant items and UK bank levy(%).

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.

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Europe - TOTAL						
Reported (\$m)						
Net interest income	1,528	1,521	1,391	1,337	1,446	5,695
Net fee income	964	927	827	811	936	3,501
Other operating income	2,560	2,506	2,271	2,408	2,038	9,223
Net operating income before change in expected credit losses and other credit impairment charges	5,052	4,954	4,489	4,556	4,420	18,419
Change in expected credit losses and other credit impairment charges	337	(513)	(353)	(2,017)	(868)	(3,751)
Total operating expenses	(4,527)	(5,715)	(4,058)	(5,139)	(3,962)	(18,874)
<i>of which: staff expenses</i>	<i>(1,971)</i>	<i>(2,293)</i>	<i>(1,848)</i>	<i>(1,666)</i>	<i>(1,517)</i>	<i>(7,324)</i>
Share of profit in associates and joint ventures	135	45	6	50	(100)	1
Profit/(loss) before tax	997	(1,229)	84	(2,550)	(510)	(4,205)
Reported Significant items - Totals (\$m)						
Revenue	(235)	102	(90)	—	230	242
ECL	—	—	—	—	—	—
Operating expenses	(277)	(648)	(224)	(1,276)	(55)	(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	5,287	5,017	4,863	5,040	4,526	18,177
<i>of which: net interest income</i>	<i>1,511</i>	<i>1,603</i>	<i>1,565</i>	<i>1,521</i>	<i>1,614</i>	<i>5,716</i>
Change in expected credit losses and other credit impairment charges	337	(540)	(362)	(2,236)	(937)	(3,751)
Total operating expenses	(4,250)	(5,197)	(4,033)	(4,199)	(4,194)	(16,671)
Share of profit in associates and joint ventures	135	47	6	57	(108)	1
Profit/(loss) before tax	1,509	(673)	474	(1,338)	(713)	(2,244)
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	411,365	414,940	404,224	384,410	390,277	414,940
Loans and advances to customers (net)	405,493	408,495	398,181	378,729	386,222	408,495
Total external assets	1,301,898	1,337,006	1,307,736	1,262,665	1,264,233	1,337,006
Customer accounts	643,162	629,647	593,172	562,505	531,992	629,647
Risk-weighted assets ¹	271,481	284,322	281,223	278,500	280,541	284,322
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	405,493	407,741	419,118	416,789	424,524	408,495
Customer accounts	643,162	629,647	625,458	620,233	585,324	629,647

HSBC Europe

Europe - Wealth and Personal Banking

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	1,804	1,754	1,608	1,621	1,507	6,490
<i>of which: net interest income</i>	1,075	1,055	1,011	989	1,127	4,182
Change in expected credit losses and other credit impairment charges	113	(78)	(114)	(497)	(478)	(1,167)
Total operating expenses	(1,484)	(1,595)	(1,357)	(1,534)	(1,517)	(6,003)
<i>of which: staff expenses</i>	(556)	(597)	(482)	(433)	(481)	(1,993)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	433	81	137	(410)	(488)	(680)
Revenue	(8)	(8)	(31)	26	—	(13)
ECL	—	—	—	—	—	—
Operating expenses	(48)	39	56	(168)	1	(72)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Net operating income before change in expected credit losses and other credit impairment charges	1,812	1,825	1,738	1,768	1,633	6,503
<i>of which: net interest income</i>	1,077	1,098	1,109	1,072	1,221	4,187
Change in expected credit losses and other credit impairment charges	113	(84)	(118)	(551)	(516)	(1,167)
Total operating expenses	(1,436)	(1,685)	(1,491)	(1,503)	(1,630)	(5,931)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	489	56	129	(286)	(513)	(595)
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	220,955	220,255	206,497	191,671	191,599	220,255
Loans and advances to customers (net)	218,760	217,870	204,244	189,581	189,955	217,870
Total external assets	357,796	361,385	334,722	313,304	293,536	361,385
Customer accounts	300,962	289,610	267,190	251,921	242,663	289,610
Risk-weighted assets	52,871	54,297	48,065	45,066	46,510	54,297
Loans and advances to customers (net)	218,760	217,774	215,323	209,051	208,867	217,870
Customer accounts	300,962	289,936	282,093	278,200	267,106	289,610

HSBC Europe

Europe - Commercial Banking

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	1,210	1,201	1,134	1,072	1,166	4,573
<i>of which: net interest income</i>	<i>756</i>	<i>730</i>	<i>701</i>	<i>646</i>	<i>689</i>	<i>2,766</i>
Change in expected credit losses and other credit impairment charges	192	(416)	(233)	(1,154)	(219)	(2,022)
Total operating expenses	(727)	(899)	(638)	(788)	(755)	(3,080)
<i>of which: staff expenses</i>	<i>(249)</i>	<i>(396)</i>	<i>(241)</i>	<i>(221)</i>	<i>(236)</i>	<i>(1,094)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	675	(114)	263	(870)	192	(529)
Reported Significant items - Totals (\$m)						
Revenue	17	(3)	(16)	—	—	(19)
ECL	—	—	—	—	—	—
Operating expenses	(7)	(140)	55	(103)	(2)	(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	1,193	1,253	1,226	1,200	1,271	4,592
<i>of which: net interest income</i>	<i>737</i>	<i>763</i>	<i>767</i>	<i>728</i>	<i>753</i>	<i>2,782</i>
Change in expected credit losses and other credit impairment charges	192	(435)	(239)	(1,279)	(238)	(2,022)
Total operating expenses	(720)	(785)	(732)	(753)	(808)	(2,890)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	665	33	255	(832)	225	(320)
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	126,733	129,719	126,195	122,473	121,582	129,719
Loans and advances to customers (net)	123,685	126,407	123,250	119,628	119,668	126,407
Total external assets	263,370	233,042	219,598	210,014	187,824	233,042
Customer accounts	202,858	200,647	181,865	169,771	155,036	200,647
Risk-weighted assets	111,942	115,252	118,664	115,515	112,848	115,252
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	123,685	126,140	129,663	131,563	131,547	126,407
Customer accounts	202,858	200,526	191,728	187,165	170,548	200,647

HSBC Europe

Europe - Global Banking and Markets

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	1,506	1,048	1,168	1,353	907	4,476
of which: net interest income	39	94	56	(1)	61	210
Change in expected credit losses and other credit impairment charges	36	(21)	(18)	(357)	(173)	(569)
Total operating expenses	(1,357)	(1,400)	(1,289)	(1,746)	(1,282)	(5,717)
of which: staff expenses	(478)	(599)	(511)	(362)	(433)	(1,905)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	185	(373)	(139)	(750)	(548)	(1,810)
Reported Significant items - Totals (\$m)						
Revenue	(63)	(169)	(58)	(92)	70	(249)
ECL	—	—	—	—	—	—
Operating expenses	(20)	(124)	(115)	(604)	(12)	(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	1,569	1,264	1,317	1,612	942	4,725
of which: net interest income	39	101	66	14	77	210
Change in expected credit losses and other credit impairment charges	36	(23)	(18)	(396)	(187)	(569)
Total operating expenses	(1,337)	(1,324)	(1,252)	(1,275)	(1,380)	(4,862)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	268	(83)	47	(59)	(625)	(706)
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	63,037	64,135	70,721	69,387	76,198	64,135
Loans and advances to customers (net)	62,420	63,402	69,888	68,652	75,722	63,402
Total external assets	623,448	687,630	699,711	685,382	726,591	687,630
Customer accounts	138,605	138,833	143,456	140,202	133,703	138,833
Risk-weighted assets	94,448	102,616	103,219	106,312	109,687	102,616
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	62,420	63,013	73,294	75,220	83,146	63,402
Customer accounts	138,605	138,633	150,947	154,198	147,022	138,833

HSBC Europe

Europe - Corporate Centre

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest income/(expense)

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest expense

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	533	949	579	510	840	2,878
<i>of which: net interest income/(expense)</i>	<i>(343)</i>	<i>(358)</i>	<i>(376)</i>	<i>(297)</i>	<i>(431)</i>	<i>(1,462)</i>
Change in expected credit losses and other credit impairment charges	(5)	—	13	(9)	2	6
Total operating expenses	(960)	(1,819)	(775)	(1,071)	(408)	(4,073)
<i>of which: staff expenses</i>	<i>(690)</i>	<i>(702)</i>	<i>(613)</i>	<i>(650)</i>	<i>(367)</i>	<i>(2,332)</i>
Share of profit in associates and joint ventures	136	46	5	50	(100)	1
Profit/(loss) before tax	(296)	(824)	(178)	(520)	334	(1,188)
Reported Significant items - Totals (\$m)						
Revenue	(179)	283	15	66	160	524
ECL	—	—	—	—	—	—
Operating expenses	(207)	(426)	(218)	(401)	(42)	(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	712	677	581	458	678	2,354
<i>of which: net interest expense</i>	<i>(343)</i>	<i>(358)</i>	<i>(377)</i>	<i>(293)</i>	<i>(436)</i>	<i>(1,462)</i>
Change in expected credit losses and other credit impairment charges	(5)	1	13	(11)	2	6
Total operating expenses	(753)	(1,404)	(560)	(667)	(375)	(2,986)
Share of profit in associates and joint ventures	136	47	6	57	(108)	1
Profit/(loss) before tax	90	(679)	40	(163)	197	(625)
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	639	829	811	879	898	829
Loans and advances to customers (net)	628	816	799	868	877	816
Total external assets	57,283	54,951	53,704	53,965	56,282	54,951
Customer accounts	737	557	661	611	590	557
Risk-weighted assets	12,220	12,157	11,275	11,607	11,496	12,157
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	628	813	839	955	964	816
Customer accounts	737	552	691	671	648	557

HSBC Europe

SIGNIFICANT ITEMS

Europe - TOTAL

Reported revenue significant items (\$m)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Customer redress programmes	18	1	(48)	26	—	(21)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(236)	(10)	12	22	230	254
Restructuring and other related costs	(17)	111	(54)	(48)	—	9

Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	10	107	(3)	(49)	(1)	54
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	(3)	184	(984)	—	(803)
Past service costs of guaranteed minimum pension benefits equalisation	—	(17)	—	—	—	(17)
Restructuring and other related costs	(287)	(731)	(399)	(242)	(53)	(1,425)
Settlements and provisions in connection with legal and regulatory matters	—	(4)	(6)	(1)	(1)	(12)

Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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Europe - Wealth and Personal Banking

Reported revenue significant items (\$m)

Customer redress programmes	(1)	—	(31)	26	—	(5)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	(7)	(8)	—	—	—	(8)

Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	12	109	3	(47)	(1)	64
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	(1)	(44)	—	(45)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(60)	(70)	54	(77)	2	(91)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

HSBC Europe

Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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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	(3)	(2)	—	—	—	(2)

Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	(1)	—	(1)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	(3)	—	(41)	—	(44)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(7)	(137)	55	(61)	(2)	(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	—	—	—	—	—	—
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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	(8)	(29)	(3)	(44)	70	(6)
Restructuring and other related costs	(55)	(140)	(55)	(48)	—	(243)

HSBC 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)	(567)	—	(573)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(20)	(124)	(109)	(37)	(10)	(280)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	(2)	(2)

Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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Europe - Corporate Centre

Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(228)	21	15	66	160	262
Restructuring and other related costs	49	262	—	—	—	262

Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	(3)	(4)	(5)	—	—	(9)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	(1)	191	(332)	—	(142)
Past service costs of guaranteed minimum pension benefits equalisation	—	(17)	—	—	—	(17)
Restructuring and other related costs	(205)	(401)	(400)	(65)	(43)	(909)
Settlements and provisions in connection with legal and regulatory matters	1	(3)	(4)	(4)	1	(10)

Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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Reconciling items - Currency translation on reported items- Totals (\$m)

Europe - TOTAL

Revenue	171	277	478	342
ECL	(27)	(9)	(219)	(69)
Operating expenses	(149)	(214)	(448)	(290)
Share of profit in associates and joint ventures	2	—	7	(8)

HSBC Europe

Revenue significant items	6	(7)	(6)	6
Operating expense significant items	(19)	(15)	(112)	(3)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(754)	20,937	38,060	38,302
Customer accounts	—	32,286	57,728	53,332
Europe - Wealth and Personal Banking				
Revenue	65	97	175	126
ECL	(6)	(4)	(54)	(38)
Operating expenses	(51)	(75)	(154)	(113)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	2	(2)	2	—
Operating expense significant items	—	3	(17)	(1)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(96)	11,079	19,470	18,912
Customer accounts	326	14,903	26,279	24,443
Europe - Commercial Banking				
Revenue	51	75	128	105
ECL	(19)	(6)	(125)	(19)
Operating expenses	(28)	(37)	(79)	(55)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	2	(1)	—	—
Operating expense significant items	(2)	2	(11)	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(267)	6,413	11,935	11,879
Customer accounts	(121)	9,863	17,394	15,512

HSBC Europe

Europe - Global Banking and Markets

Revenue	39	88	159	112
ECL	(2)	—	(39)	(14)
Operating expenses	(52)	(82)	(198)	(111)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(8)	(3)	(8)	7
Operating expense significant items	(4)	(4)	(65)	(1)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(389)	3,406	6,568	7,424
Customer accounts	(200)	7,491	13,996	13,319

Europe - Corporate Centre

Revenue	19	17	15	(1)
ECL	1	—	(2)	—
Operating expenses	(20)	(20)	(17)	(11)
Share of profit in associates and joint ventures	1	1	7	(8)
Revenue significant items	8	—	1	1
Operating expense significant items	(9)	(17)	(20)	(2)
Share of profit in associates and joint ventures significant items	0	0	0	0
Loans and advances to customers (net)	(3)	40	87	87
Customer accounts	(5)	30	60	58

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

Reported (\$m)					
Net interest income	1,556	1,503	1,433	1,369	1,534
Net fee income	313	345	290	278	391
Other operating income	201	149	134	106	207
Net operating income before change in expected credit losses and other credit impairment charges	2,070	1,997	1,857	1,753	2,132
Change in expected credit losses and other credit impairment charges	288	(499)	(160)	(1,450)	(569)
Total operating expenses	(1,280)	(1,291)	(1,170)	(1,160)	(1,194)
<i>of which: staff expenses</i>	(340)	(412)	(292)	(271)	(292)
Share of profit in associates and joint ventures	—	—	—	—	—
Profit/(loss) before tax	1,078	207	527	(857)	369

Reported Significant items - Totals (\$m)

Revenue	17	(1)	(47)	26	—	(22)
ECL	—	—	—	—	—	—
Operating expenses	(79)	(104)	(33)	(55)	(8)	(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	2,053	2,086	2,033	1,918	2,300	7,761
<i>of which: net interest income</i>	1,539	1,571	1,580	1,492	1,654	5,860
Change in expected credit losses and other credit impairment charges	288	(519)	(171)	(1,613)	(613)	(2,678)
Total operating expenses	(1,201)	(1,240)	(1,215)	(1,228)	(1,278)	(4,615)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	1,140	327	647	(923)	409	468

Balance sheet - reported (\$m)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	266,423	265,468	249,187	232,333	232,714	265,468
Loans and advances to customers (net)	262,442	261,109	245,312	228,617	230,181	261,109
Total external assets	424,987	414,816	376,763	352,756	328,350	414,816
Customer accounts	365,650	354,099	319,899	297,598	275,930	354,099
Risk-weighted assets	115,733	116,710	115,539	108,863	109,378	116,710

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)	262,442	263,863	262,165	255,815	255,288	261,109
Customer accounts	365,650	357,833	341,876	333,003	306,027	354,099

Quarter ended						Year to date
31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20		31-Dec-20
1,556	1,503	1,433	1,369	1,534		5,839
313	345	290	278	391		1,304
201	149	134	106	207		596
2,070	1,997	1,857	1,753	2,132		7,739
288	(499)	(160)	(1,450)	(569)		(2,678)
(1,280)	(1,291)	(1,170)	(1,160)	(1,194)		(4,815)
(340)	(412)	(292)	(271)	(292)		(1,267)
—	—	—	—	—		—
1,078	207	527	(857)	369		246
17	(1)	(47)	26	—		(22)
—	—	—	—	—		—
(79)	(104)	(33)	(55)	(8)		(200)
—	—	—	—	—		—
2,053	2,086	2,033	1,918	2,300		7,761
1,539	1,571	1,580	1,492	1,654		5,860
288	(519)	(171)	(1,613)	(613)		(2,678)
(1,201)	(1,240)	(1,215)	(1,228)	(1,278)		(4,615)
—	—	—	—	—		—
1,140	327	647	(923)	409		468
Balance sheet date						Balance sheet date
31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20		31-Dec-20
266,423	265,468	249,187	232,333	232,714		265,468
262,442	261,109	245,312	228,617	230,181		261,109
424,987	414,816	376,763	352,756	328,350		414,816
365,650	354,099	319,899	297,598	275,930		354,099
115,733	116,710	115,539	108,863	109,378		116,710
262,442	263,863	262,165	255,815	255,288		261,109
365,650	357,833	341,876	333,003	306,027		354,099

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HSBC UK - Wealth and Personal Banking

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet -- reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	1,100	1,062	987	945	1,205	4,199
<i>of which: net interest income</i>	<i>903</i>	<i>875</i>	<i>833</i>	<i>812</i>	<i>943</i>	<i>3,463</i>
Change in expected credit losses and other credit impairment charges	107	(132)	(45)	(485)	(406)	(1,068)
Total operating expenses	(825)	(744)	(740)	(770)	(764)	(3,018)
<i>of which: staff expenses</i>	<i>(246)</i>	<i>(278)</i>	<i>(205)</i>	<i>(194)</i>	<i>(210)</i>	<i>(887)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	382	186	202	(310)	35	113
Reported Significant items - Totals (\$m)						
Revenue	(1)	—	(31)	26	—	(5)
ECL	—	—	—	—	—	—
Operating expenses	(46)	15	—	(49)	1	(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	1,101	1,110	1,087	1,021	1,299	4,204
<i>of which: net interest income</i>	<i>904</i>	<i>914</i>	<i>922</i>	<i>874</i>	<i>1,017</i>	<i>3,468</i>
Change in expected credit losses and other credit impairment charges	107	(138)	(48)	(538)	(438)	(1,068)
Total operating expenses	(779)	(795)	(790)	(801)	(824)	(2,985)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	429	177	249	(318)	37	151
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	173,809	171,377	159,399	147,285	147,806	171,377
Loans and advances to customers (net)	171,970	169,365	157,568	145,530	146,488	169,365
Total external assets	240,884	238,853	216,493	201,081	188,626	238,853
Customer accounts	230,650	218,723	197,377	184,439	178,048	218,723
Risk-weighted assets	33,829	34,218	32,624	30,358	31,149	34,218
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	171,970	171,152	168,393	162,844	162,466	169,365
Customer accounts	230,650	221,030	210,937	206,381	197,469	218,723

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HSBC UK - Commercial Banking

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	932	881	822	771	874	3,348
<i>of which: net interest income</i>	<i>651</i>	<i>630</i>	<i>603</i>	<i>556</i>	<i>595</i>	<i>2,384</i>
Change in expected credit losses and other credit impairment charges	183	(366)	(115)	(967)	(163)	(1,611)
Total operating expenses	(400)	(422)	(390)	(376)	(381)	(1,569)
<i>of which: staff expenses</i>	<i>(114)</i>	<i>(157)</i>	<i>(117)</i>	<i>(108)</i>	<i>(114)</i>	<i>(496)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	715	93	317	(572)	330	168
Reported Significant items - Totals (\$m)						
Revenue	18	(1)	(16)	—	—	(17)
ECL	—	—	—	—	—	—
Operating expenses	5	(34)	—	(1)	—	(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	914	921	895	856	942	3,365
<i>of which: net interest income</i>	<i>631</i>	<i>658</i>	<i>661</i>	<i>618</i>	<i>641</i>	<i>2,400</i>
Change in expected credit losses and other credit impairment charges	183	(382)	(123)	(1,074)	(175)	(1,611)
Total operating expenses	(405)	(405)	(418)	(415)	(411)	(1,534)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	692	134	354	(633)	356	220
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	92,219	93,517	89,228	84,416	84,267	93,517
Loans and advances to customers (net)	90,077	91,169	87,183	82,454	83,052	91,169
Total external assets	171,734	161,864	146,776	138,449	124,794	161,864
Customer accounts	134,629	135,108	122,270	112,829	97,577	135,108
Risk-weighted assets	78,712	79,688	81,081	76,769	76,277	79,688
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	90,077	92,130	93,173	92,264	92,111	91,169
Customer accounts	134,629	136,533	130,670	126,252	108,220	135,108

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HSBC UK - Global Banking and Markets

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	41	56	50	42	52	200
<i>of which: net interest income</i>	—	—	—	—	—	—
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	(13)	(29)	(26)	(16)	(39)	(110)
<i>of which: staff expenses</i>	(6)	(4)	(3)	(3)	(3)	(13)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	28	27	24	26	13	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	41	58	54	47	57	200
<i>of which: net interest income</i>	—	—	—	—	—	—
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	(13)	(30)	(27)	(19)	(42)	(110)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	28	28	27	28	15	90
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	—	—	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	64	79	50	34	95	79
Customer accounts	—	—	—	—	—	—
Risk-weighted assets	864	819	409	414	361	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

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest income/(expense)

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest income/(expense)

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	(1)	(1)	(2)	(5)	1	(7)
<i>of which: net interest income/(expense)</i>	3	(2)	(3)	1	(4)	(8)
Change in expected credit losses and other credit impairment charges	(3)	(2)	—	2	—	—
Total operating expenses	(41)	(96)	(13)	2	(10)	(117)
<i>of which: staff expenses</i>	26	27	33	34	35	129
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(45)	(99)	(15)	(1)	(9)	(124)
Reported Significant items - Totals (\$m)						
Revenue	1	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(36)	(86)	(32)	(5)	(9)	(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	(2)	(2)	(2)	(5)	2	(7)
<i>of which: net interest income/(expense)</i>	3	(2)	(3)	—	(4)	(8)
Change in expected credit losses and other credit impairment charges	(3)	1	—	(1)	—	—
Total operating expenses	(5)	(10)	20	7	(1)	15
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(10)	(11)	18	1	1	8
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	395	574	561	632	641	574
Loans and advances to customers (net)	395	574	561	633	641	574
Total external assets	12,305	14,021	13,445	13,192	14,835	14,021
Customer accounts	371	268	252	330	305	268
Risk-weighted assets	2,328	1,985	1,425	1,322	1,591	1,985
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	395	580	599	708	711	574
Customer accounts	371	270	269	369	339	268

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UK ring-fenced bank

SIGNIFICANT ITEMS

HSBC UK - TOTAL

Reported revenue significant items (\$m)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Customer redress programmes	18	—	(47)	26	—	(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	10	107	(3)	(49)	(1)	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	(89)	(194)	(30)	(6)	(7)	(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	—	—	—	—	—	—
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HSBC UK - Wealth and Personal Banking

Reported revenue significant items (\$m)

Customer redress programmes	(1)	—	(31)	26	—	(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	12	109	3	(47)	(1)	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	(58)	(94)	(3)	(2)	2	(97)
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	—	—	—	—	—	—
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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)	—	(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	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	—	—	—	—	—	—
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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

—

—

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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

(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

(33)

(65)

(27)

(5)

(9)

(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

89

126

193

168

ECL

(20)

(11)

(163)

(44)

Operating expenses

(59)

(79)

(128)

(93)

Share of profit in associates and joint ventures

—

—

—

—

Revenue significant items

1

(3)

2

—

Operating expense significant items

(6)

(1)

(5)

(1)

Share of profit in associates and joint ventures significant items

—

—

—

—

Loans and advances to customers (net)

2,754

16,853

27,198

25,107

Customer accounts

3,734

21,977

35,405

30,097

HSBC

HSBC UK

UK ring-fenced bank

HSBC UK - Wealth and Personal Banking

Revenue	48	67	104	94
ECL	(6)	(3)	(53)	(32)
Operating expenses	(33)	(51)	(85)	(60)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	(2)	2	—
Operating expense significant items	3	(1)	(5)	(1)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	1,787	10,825	17,314	15,978
Customer accounts	2,307	13,560	21,942	19,421

HSBC UK - Commercial Banking

Revenue	39	56	85	68
ECL	(16)	(8)	(107)	(12)
Operating expenses	(19)	(27)	(41)	(30)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	(1)	—	—
Operating expense significant items	(2)	1	(1)	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	961	5,990	9,810	9,059
Customer accounts	1,425	8,400	13,423	10,643

HSBC UK - Global Banking and Markets

Revenue	2	4	5	5
ECL	—	—	—	—
Operating expenses	(1)	(1)	(3)	(3)
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
ECL		3	—	(3)	—
Operating expenses		(6)	(1)	1	—
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	—	—
Operating expense significant items		(6)	(2)	1	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		6	38	75	70
Customer accounts		2	17	39	34

HSBC
HSBC Bank
Non ring-fenced bank

HSBC Bank - TOTAL

Reported (\$m)

Net interest income	607	660	621	606	548	2,435
Net fee income	530	477	442	438	440	1,797
Other operating income	1,374	812	919	1,176	418	3,325
Net operating income before change in expected credit losses and other credit impairment charges	2,511	1,949	1,982	2,220	1,406	7,557
Change in expected credit losses and other credit impairment charges	46	(216)	9	(565)	(251)	(1,023)
Total operating expenses	(1,968)	(2,290)	(1,920)	(2,594)	(1,782)	(8,586)
<i>of which: staff expenses</i>	(751)	(989)	(746)	(593)	(685)	(3,013)
Share of profit in associates and joint ventures	132	45	4	50	(100)	(1)
Profit/(loss) before tax	721	(512)	75	(889)	(727)	(2,053)

Reported significant items - Totals (\$m)

Revenue	(64)	(46)	(58)	(92)	72	(124)
ECL	—	—	—	—	—	—
Operating expenses	(76)	(430)	(258)	(988)	(15)	(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	2,575	2,040	2,141	2,523	1,460	7,681
<i>of which: net interest income</i>	607	674	648	667	595	2,435
Change in expected credit losses and other credit impairment charges	46	(220)	10	(625)	(273)	(1,023)
Total operating expenses	(1,892)	(1,913)	(1,745)	(1,767)	(1,912)	(6,895)
Share of profit in associates and joint ventures	132	47	4	56	(108)	(1)
Profit/(loss) before tax	861	(46)	410	187	(833)	(238)

Balance sheet - reported (\$m)

Loans and advances to customers (gross)	135,368	139,987	145,681	143,289	148,773	139,987
Loans and advances to customers (net)	133,558	137,981	143,790	141,397	147,323	137,981
Total external assets	834,286	881,616	891,935	869,877	895,705	881,616
Customer accounts	262,475	260,614	257,986	250,312	242,276	260,614
Risk-weighted assets	157,555	167,115	166,744	170,634	172,062	167,115

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)	133,558	135,042	148,035	152,129	160,241	137,981
Customer accounts	262,475	257,705	268,478	272,272	264,880	260,614

Quarter ended						Year to date
31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20		31-Dec-20
607	660	621	606	548		2,435
530	477	442	438	440		1,797
1,374	812	919	1,176	418		3,325
2,511	1,949	1,982	2,220	1,406		7,557
46	(216)	9	(565)	(251)		(1,023)
(1,968)	(2,290)	(1,920)	(2,594)	(1,782)		(8,586)
(751)	(989)	(746)	(593)	(685)		(3,013)
132	45	4	50	(100)		(1)
721	(512)	75	(889)	(727)		(2,053)
(64)	(46)	(58)	(92)	72		(124)
—	—	—	—	—		—
(76)	(430)	(258)	(988)	(15)		(1,691)
—	—	—	—	—		—
2,575	2,040	2,141	2,523	1,460		7,681
607	674	648	667	595		2,435
46	(220)	10	(625)	(273)		(1,023)
(1,892)	(1,913)	(1,745)	(1,767)	(1,912)		(6,895)
132	47	4	56	(108)		(1)
861	(46)	410	187	(833)		(238)
Balance sheet date						Balance sheet date
31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20		31-Dec-20
135,368	139,987	145,681	143,289	148,773		139,987
133,558	137,981	143,790	141,397	147,323		137,981
834,286	881,616	891,935	869,877	895,705		881,616
262,475	260,614	257,986	250,312	242,276		260,614
157,555	167,115	166,744	170,634	172,062		167,115
133,558	135,042	148,035	152,129	160,241		137,981
262,475	257,705	268,478	272,272	264,880		260,614

HSBC

HSBC Bank

Non ring-fenced bank

HSBC Bank - Wealth and Personal Banking

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	552	405	393	448	80	1,326
<i>of which: net interest income</i>	<i>208</i>	<i>211</i>	<i>213</i>	<i>211</i>	<i>217</i>	<i>852</i>
Change in expected credit losses and other credit impairment charges	6	(5)	(8)	(13)	(23)	(49)
Total operating expenses	(373)	(423)	(276)	(443)	(355)	(1,497)
<i>of which: staff expenses</i>	<i>(145)</i>	<i>(142)</i>	<i>(118)</i>	<i>(114)</i>	<i>(127)</i>	<i>(501)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	185	(23)	109	(8)	(298)	(220)
Reported significant items - Totals (\$m)						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(1)	(8)	72	(114)	—	(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	552	411	407	488	91	1,326
<i>of which: net interest income</i>	<i>207</i>	<i>214</i>	<i>221</i>	<i>232</i>	<i>235</i>	<i>852</i>
Change in expected credit losses and other credit impairment charges	6	(5)	(9)	(14)	(25)	(49)
Total operating expenses	(372)	(423)	(360)	(361)	(386)	(1,447)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	186	(17)	38	113	(320)	(170)
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	37,573	39,395	37,742	35,598	35,002	39,395
Loans and advances to customers (net)	37,297	39,099	37,456	35,336	34,749	39,099
Total external assets	93,534	97,989	94,102	88,566	81,577	97,989
Customer accounts	55,276	55,952	54,526	52,887	50,892	55,952
Risk-weighted assets	15,373	16,497	12,646	12,123	12,353	16,497
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	37,297	37,786	37,871	37,362	37,405	39,099
Customer accounts	55,276	54,797	56,052	56,861	55,291	55,952

HSBC

HSBC Bank

Non ring-fenced bank

HSBC Bank - Commercial Banking

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	390	356	367	375	353	1,451
<i>of which: net interest income</i>	<i>221</i>	<i>222</i>	<i>223</i>	<i>215</i>	<i>220</i>	<i>880</i>
Change in expected credit losses and other credit impairment charges	10	(150)	(17)	(187)	(57)	(411)
Total operating expenses	(259)	(319)	(145)	(308)	(218)	(990)
<i>of which: staff expenses</i>	<i>(83)</i>	<i>(175)</i>	<i>(75)</i>	<i>(66)</i>	<i>(74)</i>	<i>(390)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	141	(113)	205	(120)	78	50
Reported Significant items - Totals (\$m)						
Revenue	—	(2)	—	—	—	(2)
ECL	—	—	—	—	—	—
Operating expenses	(2)	(101)	57	(101)	—	(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	390	363	381	411	383	1,453
<i>of which: net interest income</i>	<i>221</i>	<i>226</i>	<i>232</i>	<i>236</i>	<i>238</i>	<i>880</i>
Change in expected credit losses and other credit impairment charges	10	(153)	(16)	(205)	(62)	(411)
Total operating expenses	(257)	(224)	(208)	(226)	(236)	(845)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	143	(14)	157	(20)	85	197
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	34,515	36,202	36,967	38,057	37,315	36,202
Loans and advances to customers (net)	33,608	35,238	36,167	37,174	36,615	35,238
Total external assets	93,310	72,833	74,487	73,060	64,539	72,833
Customer accounts	68,229	65,539	59,595	56,942	57,459	65,539
Risk-weighted assets	34,411	36,761	38,446	39,526	37,504	36,761
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	33,608	34,009	36,590	39,299	39,436	35,238
Customer accounts	68,229	63,993	61,059	60,913	62,328	65,539

HSBC

HSBC Bank

Non ring-fenced bank

HSBC Bank - Global Banking and Markets

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	1,588	1,104	1,272	1,452	1,014	4,842
<i>of which: net interest income</i>	<i>187</i>	<i>232</i>	<i>195</i>	<i>139</i>	<i>208</i>	<i>774</i>
Change in expected credit losses and other credit impairment charges	35	(61)	22	(357)	(173)	(569)
Total operating expenses	(1,272)	(1,281)	(1,216)	(1,682)	(1,166)	(5,345)
<i>of which: staff expenses</i>	<i>(381)</i>	<i>(495)</i>	<i>(417)</i>	<i>(286)</i>	<i>(349)</i>	<i>(1,547)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	351	(238)	78	(587)	(325)	(1,072)
Reported Significant items - Totals (\$m)						
Revenue	(62)	(165)	(58)	(92)	70	(245)
ECL	—	—	—	—	—	—
Operating expenses	(24)	(133)	(108)	(604)	(12)	(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	1,650	1,308	1,404	1,685	1,030	5,087
<i>of which: net interest income</i>	<i>186</i>	<i>238</i>	<i>206</i>	<i>155</i>	<i>225</i>	<i>774</i>
Change in expected credit losses and other credit impairment charges	35	(63)	22	(396)	(187)	(569)
Total operating expenses	(1,248)	(1,188)	(1,170)	(1,189)	(1,247)	(4,488)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	437	57	256	100	(404)	30
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	63,037	64,135	70,721	69,387	76,198	64,135
Loans and advances to customers (net)	62,420	63,402	69,928	68,652	75,722	63,402
Total external assets	624,583	688,738	700,817	686,410	725,077	688,738
Customer accounts	138,604	138,833	143,456	140,202	133,639	138,833
Risk-weighted assets	97,083	104,566	105,318	107,964	111,804	104,566
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	62,420	63,013	73,334	75,220	83,146	63,402
Customer accounts	138,604	138,632	150,946	154,197	146,952	138,833

HSBC

HSBC Bank

Non ring-fenced bank

HSBC Bank - Corporate Centre

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest income/(expense)

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest income/(expense)

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	(20)	83	(50)	(55)	(41)	(63)
<i>of which: net interest income/(expense)</i>	<i>(7)</i>	<i>(4)</i>	<i>(10)</i>	<i>41</i>	<i>(97)</i>	<i>(70)</i>
Change in expected credit losses and other credit impairment charges	(4)	—	12	(8)	2	6
Total operating expenses	(64)	(267)	(283)	(161)	(43)	(754)
<i>of which: staff expenses</i>	<i>(143)</i>	<i>(177)</i>	<i>(136)</i>	<i>(127)</i>	<i>(135)</i>	<i>(575)</i>
Share of profit in associates and joint ventures	132	45	4	50	(100)	(1)
Profit/(loss) before tax	44	(139)	(317)	(174)	(182)	(812)
Reported Significant items - Totals (\$m)						
Revenue	—	121	(1)	—	2	122
ECL	—	—	—	—	—	—
Operating expenses	(51)	(191)	(278)	(169)	(3)	(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	(20)	(42)	(51)	(61)	(45)	(186)
<i>of which: net interest income/(expense)</i>	<i>(7)</i>	<i>(4)</i>	<i>(11)</i>	<i>45</i>	<i>(103)</i>	<i>(70)</i>
Change in expected credit losses and other credit impairment charges	(4)	—	13	(9)	2	6
Total operating expenses	(13)	(80)	(6)	7	(42)	(113)
Share of profit in associates and joint ventures	132	47	4	56	(108)	(1)
Profit/(loss) before tax	95	(75)	(40)	(7)	(193)	(293)
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	243	255	251	247	258	255
Loans and advances to customers (net)	233	242	238	235	237	242
Total external assets	22,858	22,057	22,529	21,841	24,512	22,057
Customer accounts	365	289	409	281	286	289
Risk-weighted assets	10,688	9,291	10,334	11,021	10,401	9,291
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	233	233	240	247	254	242
Customer accounts	365	282	421	301	309	289

HSBC

HSBC Bank

Non ring-fenced bank

SIGNIFICANT ITEMS

HSBC Bank - TOTAL

Reported revenue significant items (\$m)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(10)	(30)	(3)	(43)	72	(4)
Restructuring and other related costs	(54)	(16)	(55)	(49)	—	(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)	(784)	—	(803)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(77)	(424)	(238)	(200)	(14)	(876)
Settlements and provisions in connection with legal and regulatory matters	1	(3)	(4)	(4)	(1)	(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)	(44)	—	(45)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(1)	(8)	73	(70)	—	(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) — (41) — (44)

Past service costs of guaranteed minimum pension benefits equalisation

— — — — — —

Restructuring and other related costs

(2) (98) 57 (60) — (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

(8) (29) (3) (44) 70 (6)

Restructuring and other related costs

(54) (136) (55) (48) — (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) (567) — (573)

Past service costs of guaranteed minimum pension benefits equalisation

— — — — — —

Restructuring and other related costs

(24) (133) (102) (37) (10) (282)

Settlements and provisions in connection with legal and regulatory matters

— — — — (2) (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) — 2 3

Restructuring and other related costs

— 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) (132) — (142)

Past service costs of guaranteed minimum pension benefits equalisation

— — — — — —

Restructuring and other related costs

(52) (187) (265) (33) (4) (489)

Settlements and provisions in connection with legal and regulatory matters

1 (3) (4) (4) 1 (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

40 97 203 132

ECL

(4) 1 (60) (22)

Operating expenses

(61) (93) (264) (146)

Share of profit in associates and joint ventures

2 — 6 (8)

Revenue significant items

(5) (4) (8) 6

Operating expense significant items

(8) (10) (103) (1)

Share of profit in associates and joint ventures significant items

— — — —

Loans and advances to customers (net)

(2,939) 4,245 10,732 12,918

Customer accounts

(2,909) 10,492 21,960 22,604

HSBC

HSBC Bank

Non ring-fenced bank

HSBC Bank - Wealth and Personal Banking

Revenue	6	14	40	11
ECL	—	(1)	(1)	(2)
Operating expenses	(7)	(10)	(42)	(31)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	1	2	(10)	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(1,313)	415	2,026	2,656
Customer accounts	(1,155)	1,526	3,974	4,399

HSBC Bank - Commercial Banking

Revenue	6	14	36	30
ECL	(3)	1	(18)	(5)
Operating expenses	(6)	(5)	(29)	(18)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	1	—	—	—
Operating expense significant items	—	1	(10)	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(1,229)	423	2,125	2,821
Customer accounts	(1,546)	1,464	3,971	4,869

HSBC Bank - Global Banking and Markets

Revenue	31	71	133	93
ECL	(2)	—	(39)	(14)
Operating expenses	(42)	(67)	(176)	(94)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(8)	(3)	(8)	7
Operating expense significant items	(2)	(5)	(65)	(1)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(389)	3,406	6,568	7,424
Customer accounts	(201)	7,490	13,995	13,313

HSBC
HSBC Bank
Non ring-fenced bank

HSBC Bank - Corporate Centre

Revenue	(2)	(2)	(6)	(2)
ECL	—	1	(1)	—
Operating expenses	(7)	(11)	(18)	(3)
Share of profit in associates and joint ventures	2	—	6	(8)
Revenue significant items	2	—	—	—
Operating expense significant items	(3)	(10)	(17)	(1)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(9)	2	12	17
Customer accounts	(7)	12	20	23

HSBC

Europe - Other

Europe - Other - TOTAL

	Quarter ended					Year to date
Reported (\$m)	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net interest income/(expense)	(635)	(642)	(663)	(638)	(636)	(2,579)
Net fee income	121	105	95	95	105	400
Other operating income	985	1,545	1,218	1,126	1,413	5,302
Net operating income before change in expected credit losses and other credit impairment charges	471	1,008	650	583	882	3,123
Change in expected credit losses and other credit impairment charges	3	202	(202)	(2)	(48)	(50)
Total operating expenses	(1,279)	(2,134)	(968)	(1,385)	(986)	(5,473)
<i>of which: staff expenses</i>	<i>(880)</i>	<i>(892)</i>	<i>(810)</i>	<i>(802)</i>	<i>(540)</i>	<i>(3,044)</i>
Share of profit in associates and joint ventures	3	—	2	—	—	2
Profit/(loss) before tax	(802)	(924)	(518)	(804)	(152)	(2,398)
Reported Significant items - Totals (\$m)						
Revenue	(188)	149	15	66	157	387
ECL	—	—	—	—	—	—
Operating expenses	(122)	(114)	67	(233)	(32)	(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	659	939	763	723	867	2,736
<i>of which: net interest income/(expense)</i>	<i>(635)</i>	<i>(646)</i>	<i>(668)</i>	<i>(645)</i>	<i>(641)</i>	<i>(2,580)</i>
Change in expected credit losses and other credit impairment charges	3	199	(201)	1	(52)	(50)
Total operating expenses	(1,157)	(2,090)	(1,154)	(1,331)	(1,104)	(5,161)
Share of profit in associates and joint ventures	3	—	1	1	1	2
Profit/(loss) before tax	(492)	(952)	(591)	(606)	(288)	(2,473)
	Balance sheet date					Balance sheet date
Balance sheet - reported (\$m)	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	9,574	9,485	9,356	8,788	8,790	9,485
Loans and advances to customers (net)	9,493	9,405	9,079	8,715	8,717	9,405
Total external assets	42,625	40,574	39,038	40,032	40,178	40,574
Customer accounts	15,037	14,934	15,287	14,595	13,786	14,934
Risk-weighted assets	(1,807)	497	(1,060)	(997)	(899)	497
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	9,493	8,836	8,919	8,845	8,996	9,405
Customer accounts	15,037	14,110	15,104	14,958	14,417	14,934

HSBC

Europe - Other

HSBC Europe - Other - Wealth and Personal Banking

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	152	287	228	228	223	966
<i>of which: net interest income/(expense)</i>	<i>(36)</i>	<i>(31)</i>	<i>(35)</i>	<i>(34)</i>	<i>(33)</i>	<i>(133)</i>
Change in expected credit losses and other credit impairment charges	—	59	(61)	1	(48)	(49)
Total operating expenses	(286)	(428)	(341)	(321)	(399)	(1,489)
<i>of which: staff expenses</i>	<i>(165)</i>	<i>(177)</i>	<i>(159)</i>	<i>(125)</i>	<i>(143)</i>	<i>(604)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(134)	(82)	(174)	(92)	(224)	(572)
Reported Significant items - Totals (\$m)						
Revenue	(7)	(8)	—	—	—	(8)
ECL	—	—	—	—	—	—
Operating expenses	(1)	32	(16)	(5)	—	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	159	305	244	258	244	974
<i>of which: net interest income/(expense)</i>	<i>(34)</i>	<i>(32)</i>	<i>(35)</i>	<i>(36)</i>	<i>(27)</i>	<i>(133)</i>
Change in expected credit losses and other credit impairment charges	—	59	(61)	1	(52)	(49)
Total operating expenses	(285)	(468)	(340)	(342)	(422)	(1,500)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(126)	(104)	(157)	(83)	(230)	(575)
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	9,573	9,483	9,356	8,788	8,790	9,483
Loans and advances to customers (net)	9,493	9,406	9,220	8,715	8,717	9,406
Total external assets	23,378	24,543	24,127	23,657	23,333	24,543
Customer accounts	15,036	14,935	15,287	14,595	13,723	14,935
Risk-weighted assets	3,669	3,582	2,795	2,585	3,008	3,582
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	9,493	8,836	9,059	8,845	8,996	9,406
Customer accounts	15,036	14,109	15,103	14,958	14,346	14,935

HSBC

Europe - Other

HSBC Europe - Other - Commercial Banking

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest income/(expense)

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest income/(expense)

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	(112)	(36)	(55)	(74)	(60)	(225)
<i>of which: net interest income/(expense)</i>	(116)	(122)	(125)	(125)	(126)	(498)
Change in expected credit losses and other credit impairment charges	(1)	100	(101)	—	—	(1)
Total operating expenses	(68)	(158)	(103)	(104)	(157)	(522)
<i>of which: staff expenses</i>	(52)	(64)	(49)	(47)	(48)	(208)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(181)	(94)	(259)	(178)	(217)	(748)
Revenue	(1)	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(10)	(5)	(2)	(1)	(2)	(10)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Net operating income before change in expected credit losses and other credit impairment charges	(111)	(30)	(50)	(67)	(53)	(225)
<i>of which: net interest income/(expense)</i>	(115)	(121)	(125)	(130)	(122)	(498)
Change in expected credit losses and other credit impairment charges	(1)	100	(100)	—	—	(1)
Total operating expenses	(58)	(156)	(106)	(111)	(161)	(512)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(170)	(86)	(256)	(178)	(214)	(738)
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	(1)	—	—	—	—	—
Loans and advances to customers (net)	—	—	(100)	—	—	—
Total external assets	(1,674)	(1,655)	(1,665)	(1,495)	(1,508)	(1,655)
Customer accounts	—	—	—	—	—	—
Risk-weighted assets	(1,181)	(1,197)	(863)	(780)	(933)	(1,197)
Loans and advances to customers (net)	—	—	(100)	—	—	—
Customer accounts	—	—	—	—	—	—

HSBC

Europe - Other

HSBC Europe - Other - Global Banking and Markets

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest income/(expense)

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest income/(expense)

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	(123)	(112)	(154)	(141)	(158)	(565)
<i>of which: net interest income/(expense)</i>	(148)	(138)	(139)	(140)	(147)	(564)
Change in expected credit losses and other credit impairment charges	1	40	(40)	—	—	—
Total operating expenses	(72)	(90)	(47)	(48)	(78)	(263)
<i>of which: staff expenses</i>	(91)	(100)	(91)	(73)	(81)	(345)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(194)	(162)	(241)	(189)	(236)	(828)
Revenue	(1)	(4)	—	—	(1)	(5)
ECL	—	—	—	—	—	—
Operating expenses	4	9	(7)	—	—	2
Share of profit in associates and joint ventures	—	—	—	—	—	—
Net operating income before change in expected credit losses and other credit impairment charges	(122)	(102)	(141)	(121)	(143)	(560)
<i>of which: net interest income/(expense)</i>	(147)	(137)	(139)	(154)	(133)	(564)
Change in expected credit losses and other credit impairment charges	1	40	(40)	—	—	—
Total operating expenses	(76)	(106)	(53)	(66)	(93)	(265)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(197)	(168)	(234)	(187)	(236)	(825)
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	—	—	—	—	—	—
Loans and advances to customers (net)	—	—	(40)	—	—	—
Total external assets	(1,199)	(1,187)	(1,156)	(1,062)	1,420	(1,187)
Customer accounts	1	—	—	—	63	—
Risk-weighted assets	(3,499)	(2,769)	(2,508)	(2,066)	(2,478)	(2,769)
Loans and advances to customers (net)	—	—	(40)	—	—	—
Customer accounts	1	1	1	1	70	—

HSBC

Europe - Other

HSBC Europe - Other - Corporate Centre

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest income/(expense)

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Reported Significant items - Totals (\$m)

Revenue

ECL

Operating expenses

Adjusted (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest income/(expense)

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	554	867	631	570	877	2,945
<i>of which: net interest income/(expense)</i>	<i>(339)</i>	<i>(352)</i>	<i>(363)</i>	<i>(339)</i>	<i>(330)</i>	<i>(1,384)</i>
Change in expected credit losses and other credit impairment charges	2	2	1	(3)	—	—
Total operating expenses	(855)	(1,456)	(479)	(912)	(352)	(3,199)
<i>of which: staff expenses</i>	<i>(573)</i>	<i>(552)</i>	<i>(510)</i>	<i>(557)</i>	<i>(268)</i>	<i>(1,887)</i>
Share of profit in associates and joint ventures	4	1	1	—	—	2
Profit/(loss) before tax	(295)	(586)	154	(345)	525	(252)
Reported Significant items - Totals (\$m)						
Revenue	(180)	162	16	66	158	402
ECL	—	—	—	—	—	—
Operating expenses	(120)	(149)	92	(227)	(30)	(314)
Adjusted (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	734	766	710	653	819	2,543
<i>of which: net interest income/(expense)</i>	<i>(339)</i>	<i>(356)</i>	<i>(368)</i>	<i>(325)</i>	<i>(358)</i>	<i>(1,384)</i>
Change in expected credit losses and other credit impairment charges	2	—	—	—	—	—
Total operating expenses	(735)	(1,360)	(655)	(812)	(428)	(2,885)
Share of profit in associates and joint ventures	4	—	1	1	1	2
Profit/(loss) before tax	5	(594)	56	(158)	392	(340)
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	1	—	(1)	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	22,120	18,873	17,730	18,932	16,933	18,873
Customer accounts	1	—	—	—	—	—
Risk-weighted assets	(796)	881	(484)	(736)	(496)	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

Reported revenue significant items (\$m)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Customer redress programmes	—	1	(1)	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(226)	20	15	65	157	257
Restructuring and other related costs	38	128	1	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	(200)	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(121)	(113)	(131)	(36)	(32)	(312)
Settlements and provisions in connection with legal and regulatory matters	(1)	(1)	(2)	3	—	—

Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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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	(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	(1)	32	(16)	(5)	—	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	—	—	—	—	—	—
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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)	—	—	—	—	—

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)	(5)	(2)	(1)	(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	—	—	—	—	—	—
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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)	(1)
Restructuring and other related costs	(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	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	—	—	—	—	—	—
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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	(228)	19	16	66	158	259
Restructuring and other related costs	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	(200)	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(120)	(149)	(108)	(27)	(30)	(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	—	—	—	—	—	—
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Reconciling items - Currency translation on reported items- Totals (\$m)

HSBC Europe - Other - TOTAL

Revenue	99	128	206	144
ECL	(3)	1	3	(4)
Operating expenses	(85)	(123)	(183)	(151)
Share of profit in associates and joint ventures	—	(1)	1	1
Revenue significant items	19	—	—	2
Operating expense significant items	(15)	(4)	(4)	(1)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(569)	(160)	130	279
Customer accounts	(824)	(183)	363	631

HSBC

Europe - Other

HSBC Europe - Other - Wealth and Personal Banking

Revenue	11	16	30	21
ECL	—	—	—	(4)
Operating expenses	(12)	(14)	(27)	(23)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	1	—	—	—
Operating expense significant items	(4)	1	(1)	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(570)	(161)	130	279
Customer accounts	(826)	(184)	363	623

HSBC Europe - Other - Commercial Banking

Revenue	6	5	7	7
ECL	—	1	—	—
Operating expenses	(3)	(5)	(8)	(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)	—	—	—	—
Customer accounts	—	—	—	—

HSBC Europe - Other - Global Banking and Markets

Revenue	7	13	20	15
ECL	—	—	—	—
Operating expenses	(9)	(13)	(18)	(15)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	1	—	—	1
Operating expense significant items	(2)	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	—	—	—	—
Customer accounts	1	1	1	7

HSBC

Europe - Other

HSBC Europe - Other - Corporate Centre

Revenue	77	94	149	101
ECL	(2)	(1)	3	—
Operating expenses	(63)	(89)	(130)	(107)
Share of profit in associates and joint ventures	(1)	—	1	1
Revenue significant items	16	(1)	—	1
Operating expense significant items	(10)	(5)	(3)	(1)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	—	—	—	—
Customer accounts	—	—	—	—

Asia - TOTAL

Reported (\$m)					
Net interest income	3,157	3,237	3,262	3,691	4,128
Net fee income	1,677	1,304	1,423	1,259	1,432
Other operating income/(expense)	1,940	1,477	1,639	2,071	1,999
Net operating income before change in expected credit losses and other credit impairment charges	6,774	6,018	6,324	7,021	7,559
Change in expected credit losses and other credit impairment charges	(32)	(322)	(144)	(818)	(1,000)
Total operating expenses	(3,694)	(3,889)	(3,343)	(3,146)	(3,284)
<i>of which: staff expenses</i>	<i>(1,960)</i>	<i>(1,810)</i>	<i>(1,688)</i>	<i>(1,618)</i>	<i>(1,757)</i>
Share of profit in associates and joint ventures	710	469	350	572	465
Profit/(loss) before tax	3,758	2,276	3,187	3,629	3,740

Reported Significant items - Totals (\$m)

Revenue	24	1	2	(64)	98	37
ECL	—	—	—	—	—	—
Operating expenses	(59)	(123)	(30)	(17)	(1)	(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	6,750	6,058	6,425	7,268	7,596	26,885
<i>of which: net interest income</i>	<i>3,156</i>	<i>3,259</i>	<i>3,316</i>	<i>3,785</i>	<i>4,202</i>	<i>14,318</i>
Change in expected credit losses and other credit impairment charges	(32)	(321)	(145)	(845)	(1,038)	(2,284)
Total operating expenses	(3,635)	(3,797)	(3,378)	(3,231)	(3,356)	(13,491)
Share of profit in associates and joint ventures	710	480	373	626	501	1,856
Profit/(loss) before tax	3,793	2,420	3,275	3,818	3,703	12,966

Balance sheet - reported (\$m)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	482,154	476,892	487,599	478,222	484,408	476,892
Loans and advances to customers (net)	478,477	473,165	484,125	474,739	481,512	473,165
Total external assets	1,183,554	1,185,607	1,156,196	1,136,614	1,110,489	1,185,607
Customer accounts	756,498	762,406	732,367	723,072	690,917	762,406
Risk-weighted assets ¹	387,188	384,228	385,103	374,684	373,453	384,228

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)	478,477	470,192	488,068	483,289	496,436	473,165
Customer accounts	756,498	757,847	736,323	732,349	705,402	762,406

HSBC Asia

Asia - Wealth and Personal Banking

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	2,928	2,777	2,946	3,194	3,119	12,036
<i>of which: net interest income</i>	<i>1,654</i>	<i>1,707</i>	<i>1,705</i>	<i>1,946</i>	<i>2,349</i>	<i>7,707</i>
Change in expected credit losses and other credit impairment charges	(60)	(65)	(79)	(246)	(183)	(573)
Total operating expenses	(1,648)	(1,739)	(1,621)	(1,502)	(1,572)	(6,434)
<i>of which: staff expenses</i>	<i>(699)</i>	<i>(671)</i>	<i>(634)</i>	<i>(588)</i>	<i>(628)</i>	<i>(2,521)</i>
Share of profit in associates and joint ventures	7	3	9	(6)	(5)	1
Profit/(loss) before tax	1,227	976	1,255	1,440	1,359	5,030
Reported Significant items - Totals (\$m)						
Revenue	7	8	—	—	—	8
ECL	—	—	—	—	—	—
Operating expenses	(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	2,921	2,783	2,980	3,249	3,167	12,028
<i>of which: net interest income</i>	<i>1,654</i>	<i>1,717</i>	<i>1,726</i>	<i>1,984</i>	<i>2,386</i>	<i>7,707</i>
Change in expected credit losses and other credit impairment charges	(60)	(65)	(78)	(254)	(191)	(573)
Total operating expenses	(1,636)	(1,717)	(1,646)	(1,547)	(1,610)	(6,395)
Share of profit in associates and joint ventures	7	3	9	(6)	(5)	1
Profit/(loss) before tax	1,232	1,004	1,265	1,442	1,361	5,061
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	192,707	189,685	196,103	181,905	178,524	189,685
Loans and advances to customers (net)	191,826	188,759	195,190	181,000	177,724	188,759
Total external assets	388,060	392,684	394,055	377,310	351,096	392,684
Customer accounts	426,195	429,911	416,402	412,834	402,816	429,911
Risk-weighted assets	79,774	77,750	86,076	77,923	76,396	77,750
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	191,826	187,567	196,934	184,500	183,903	188,759
Customer accounts	426,195	427,766	417,604	416,007	408,683	429,911

HSBC Asia

Asia - Commercial Banking

Reported (\$m)	
Net operating income before change in expected credit losses and other credit impairment charges	
<i>of which: net interest income</i>	
Change in expected credit losses and other credit impairment charges	
Total operating expenses	
<i>of which: staff expenses</i>	
Share of profit in associates and joint ventures	
Profit/(loss) before tax	

Reported Significant items - Totals (\$m)

Revenue	1	1	—	—	—	1
ECL	—	—	—	—	—	—
Operating expenses	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	1,427	1,331	1,383	1,579	1,858	6,046
<i>of which: net interest income</i>	929	972	1,013	1,146	1,348	4,408
Change in expected credit losses and other credit impairment charges	(20)	(304)	(34)	(501)	(770)	(1,565)
Total operating expenses	(648)	(704)	(631)	(616)	(631)	(2,531)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	759	323	718	462	457	1,950

Balance sheet - reported (\$m)

Loans and advances to customers (gross)	161,154	158,099	159,391	160,814	163,806	158,099
Loans and advances to customers (net)	158,672	155,652	157,196	158,573	162,017	155,652
Total external assets	237,138	240,566	238,299	238,331	230,421	240,566
Customer accounts	187,621	189,931	174,484	173,342	158,802	189,931
Risk-weighted assets	140,723	138,541	137,605	136,586	135,833	138,541

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)	158,672	154,760	158,247	161,025	166,352	155,652
Customer accounts	187,621	188,949	175,405	175,539	161,920	189,931

Quarter ended						Year to date
31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20		31-Dec-20
1,428	1,324	1,361	1,537	1,825		6,047
929	966	997	1,118	1,327		4,408
(20)	(303)	(33)	(488)	(741)		(1,565)
(647)	(706)	(620)	(597)	(615)		(2,538)
(242)	(242)	(233)	(221)	(231)		(927)
—	—	—	—	—		—
761	315	708	452	469		1,944
1	1	—	—	—		1
—	—	—	—	—		—
1	(7)	—	—	—		(7)
—	—	—	—	—		—
1,427	1,331	1,383	1,579	1,858		6,046
929	972	1,013	1,146	1,348		4,408
(20)	(304)	(34)	(501)	(770)		(1,565)
(648)	(704)	(631)	(616)	(631)		(2,531)
—	—	—	—	—		—
759	323	718	462	457		1,950
Balance sheet date						Balance sheet date
31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20		31-Dec-20
161,154	158,099	159,391	160,814	163,806		158,099
158,672	155,652	157,196	158,573	162,017		155,652
237,138	240,566	238,299	238,331	230,421		240,566
187,621	189,931	174,484	173,342	158,802		189,931
140,723	138,541	137,605	136,586	135,833		138,541
158,672	154,760	158,247	161,025	166,352		155,652
187,621	188,949	175,405	175,539	161,920		189,931

HSBC Asia

Asia - Global Banking and Markets

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	2,010	1,663	1,703	1,973	2,152	7,491
<i>of which: net interest income</i>	<i>668</i>	<i>686</i>	<i>683</i>	<i>754</i>	<i>829</i>	<i>2,952</i>
Change in expected credit losses and other credit impairment charges	51	48	(33)	(84)	(76)	(145)
Total operating expenses	(917)	(959)	(813)	(775)	(797)	(3,344)
<i>of which: staff expenses</i>	<i>(370)</i>	<i>(382)</i>	<i>(315)</i>	<i>(304)</i>	<i>(314)</i>	<i>(1,315)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	1,144	752	857	1,114	1,279	4,002
Reported Significant items - Totals (\$m)						
Revenue	—	(24)	3	(62)	88	5
ECL	—	—	—	—	—	—
Operating expenses	(5)	(13)	(4)	(1)	—	(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	2,010	1,701	1,739	2,106	2,118	7,486
<i>of which: net interest income</i>	<i>668</i>	<i>693</i>	<i>701</i>	<i>783</i>	<i>850</i>	<i>2,952</i>
Change in expected credit losses and other credit impairment charges	51	48	(33)	(89)	(77)	(145)
Total operating expenses	(912)	(952)	(826)	(801)	(818)	(3,326)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	1,149	797	880	1,216	1,223	4,015
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	127,820	128,668	131,684	135,097	141,674	128,668
Loans and advances to customers (net)	127,506	128,316	131,318	134,760	141,367	128,316
Total external assets	438,614	436,888	422,024	422,379	435,833	436,888
Customer accounts	142,622	142,506	141,425	136,835	129,475	142,506
Risk-weighted assets	112,338	112,316	112,652	112,695	114,744	112,316
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	127,506	127,429	132,466	137,358	145,775	128,316
Customer accounts	142,622	141,074	143,257	140,739	134,971	142,506

HSBC Asia

Asia - Corporate Centre

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest expense

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest expense

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	408	254	314	317	463	1,348
<i>of which: net interest expense</i>	<i>(94)</i>	<i>(122)</i>	<i>(123)</i>	<i>(127)</i>	<i>(377)</i>	<i>(749)</i>
Change in expected credit losses and other credit impairment charges	(2)	(2)	1	—	—	(1)
Total operating expenses	(482)	(486)	(289)	(272)	(300)	(1,347)
<i>of which: staff expenses</i>	<i>(649)</i>	<i>(515)</i>	<i>(507)</i>	<i>(505)</i>	<i>(584)</i>	<i>(2,111)</i>
Share of profit in associates and joint ventures	703	467	341	578	470	1,856
Profit/(loss) before tax	627	233	367	623	633	1,856
Reported Significant items - Totals (\$m)						
Revenue	17	15	(2)	(2)	10	21
ECL	—	—	—	—	—	—
Operating expenses	(42)	(65)	(25)	(16)	(1)	(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	391	242	325	333	454	1,327
<i>of which: net interest expense</i>	<i>(95)</i>	<i>(123)</i>	<i>(125)</i>	<i>(128)</i>	<i>(382)</i>	<i>(749)</i>
Change in expected credit losses and other credit impairment charges	(2)	—	1	(1)	—	(1)
Total operating expenses	(440)	(425)	(275)	(268)	(296)	(1,240)
Share of profit in associates and joint ventures	703	478	364	632	506	1,856
Profit/(loss) before tax	652	295	415	696	664	1,942
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	473	439	421	406	404	439
Loans and advances to customers (net)	472	439	421	406	404	439
Total external assets	119,742	115,470	101,818	98,594	93,139	115,470
Customer accounts	60	58	56	61	(176)	58
Risk-weighted assets	54,353	55,621	48,770	47,480	46,480	55,621
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	472	437	421	406	406	439
Customer accounts	60	58	57	64	(172)	58

HSBC

Asia

SIGNIFICANT ITEMS

Asia - TOTAL

Revenue significant items (\$m)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(2)	(31)	2	(64)	98	5
Restructuring and other related costs	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	(59)	(123)	(30)	(17)	(1)	(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	—	—	—	—	—	—
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Asia - 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	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	(12)	(36)	(3)	—	—	(39)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

HSBC

Asia

Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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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

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	(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	—	—	—	—	—	—
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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	(1)	(28)	3	(62)	88	1
Restructuring and other related costs	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	(5)	(13)	(4)	(1)	—	(18)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

HSBC

Asia

Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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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)	(2)	10	4
Restructuring and other related costs	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	(42)	(65)	(25)	(16)	(1)	(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	—	—	—	—	—	—
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Reconciling items - Currency translation on reported items- Totals (\$m)

Asia - TOTAL

Revenue	40	103	182	137
ECL	1	(1)	(27)	(38)
Operating expenses	(32)	(67)	(101)	(73)
Share of profit in associates and joint ventures	11	23	54	36
Revenue significant items	(1)	—	(1)	2
Operating expense significant items	(1)	(2)	1	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(2,973)	3,943	8,550	14,924
Customer accounts	(4,559)	3,956	9,277	14,485

HSBC Asia

Asia - Wealth and Personal Banking

Revenue	14	34	55	48
ECL	—	1	(8)	(8)
Operating expenses	(14)	(28)	(45)	(38)
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)	(1,192)	1,744	3,500	6,179
Customer accounts	(2,145)	1,202	3,173	5,867

Asia - Commercial Banking

Revenue	8	22	42	33
ECL	(1)	(1)	(13)	(29)
Operating expenses	(5)	(11)	(19)	(16)
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)	(892)	1,051	2,452	4,335
Customer accounts	(982)	921	2,197	3,118

Asia - Global Banking and Markets

Revenue	13	39	70	56
ECL	—	—	(5)	(1)
Operating expenses	(5)	(17)	(27)	(21)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(1)	—	(1)	2
Operating expense significant items	1	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(887)	1,148	2,598	4,408
Customer accounts	(1,432)	1,832	3,904	5,496

HSBC Asia

Asia - Corporate Centre

Revenue	4	9	14	1
ECL	2	—	(1)	—
Operating expenses	(7)	(11)	(10)	3
Share of profit in associates and joint ventures	11	23	54	36
Revenue significant items	1	—	—	—
Operating expense significant items	(3)	—	2	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(2)	—	—	2
Customer accounts	—	1	3	4

1 Risk-weighted assets are non-additive across geographical regions due to market risk diversification effects within the Group.

HSBC Hong Kong

Hong Kong - TOTAL

	Quarter ended					Year to date
Reported (\$m)	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net interest income	1,828	1,908	1,962	2,365	2,771	9,006
Net fee income	1,139	900	998	858	968	3,724
Other operating income	1,025	672	830	1,111	1,002	3,615
Net operating income before change in expected credit losses and other credit impairment charges	3,992	3,480	3,790	4,334	4,741	16,345
Change in expected credit losses and other credit impairment charges	(85)	(219)	(89)	(383)	(133)	(824)
Total operating expenses	(2,027)	(2,042)	(1,810)	(1,702)	(1,758)	(7,312)
<i>of which: staff expenses</i>	<i>(885)</i>	<i>(761)</i>	<i>(737)</i>	<i>(737)</i>	<i>(800)</i>	<i>(3,035)</i>
Share of profit in associates and joint ventures	6	—	5	(4)	(3)	(2)
Profit/(loss) before tax	1,886	1,219	1,896	2,245	2,847	8,207
Reported Significant items - Totals (\$m)						
Revenue	(9)	(31)	—	(45)	61	(15)
ECL	—	—	—	—	—	—
Operating expenses	(25)	(69)	(21)	(10)	—	(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	4,001	3,508	3,786	4,375	4,688	16,360
<i>of which: net interest income</i>	<i>1,827</i>	<i>1,906</i>	<i>1,960</i>	<i>2,363</i>	<i>2,776</i>	<i>9,006</i>
Change in expected credit losses and other credit impairment charges	(85)	(218)	(89)	(383)	(133)	(824)
Total operating expenses	(2,002)	(1,973)	(1,787)	(1,691)	(1,762)	(7,212)
Share of profit in associates and joint ventures	6	1	5	(4)	(3)	(2)
Profit/(loss) before tax	1,920	1,318	1,915	2,297	2,790	8,322
	Balance sheet date					Balance sheet date
Balance sheet - reported (\$m)	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	308,812	304,037	320,690	310,178	313,639	304,037
Loans and advances to customers (net)	307,208	302,454	319,297	308,798	312,462	302,454
Total external assets	745,398	752,554	743,528	729,458	711,640	752,554
Customer accounts	526,780	531,489	517,582	514,381	496,508	531,489
Risk-weighted assets	195,802	195,098	204,786	195,711	194,694	195,098
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	307,208	301,663	318,321	307,860	311,592	302,454
Customer accounts	526,780	530,098	516,001	512,819	495,125	531,489

HSBC Hong Kong

Hong Kong - Wealth and Personal Banking

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	2,088	1,995	2,150	2,439	2,377	8,961
<i>of which: net interest income</i>	1,177	1,226	1,230	1,466	1,818	5,740
Change in expected credit losses and other credit impairment charges	(60)	(20)	(53)	(113)	(90)	(276)
Total operating expenses	(939)	(979)	(957)	(885)	(927)	(3,748)
<i>of which: staff expenses</i>	(419)	(405)	(375)	(356)	(381)	(1,517)
Share of profit in associates and joint ventures	3	(2)	3	(6)	(5)	(10)
Profit/(loss) before tax	1,092	994	1,143	1,435	1,355	4,927
Reported Significant items - Totals (\$m)						
Revenue	5	6	—	—	—	6
ECL	—	—	—	—	—	—
Operating expenses	(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	2,083	1,988	2,148	2,437	2,382	8,955
<i>of which: net interest income</i>	1,177	1,225	1,229	1,465	1,821	5,740
Change in expected credit losses and other credit impairment charges	(60)	(20)	(53)	(113)	(90)	(276)
Total operating expenses	(928)	(953)	(954)	(884)	(929)	(3,719)
Share of profit in associates and joint ventures	3	(1)	3	(6)	(5)	(10)
Profit/(loss) before tax	1,098	1,014	1,144	1,434	1,358	4,950
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	129,239	125,613	135,323	123,235	121,865	125,613
Loans and advances to customers (net)	128,837	125,223	134,925	122,838	121,477	125,223
Total external assets	290,508	295,511	301,800	289,777	267,371	295,511
Customer accounts	346,289	347,855	338,414	337,340	331,215	347,855
Risk-weighted assets	56,775	54,979	63,938	56,110	55,339	54,979
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	128,837	124,895	134,513	122,465	121,139	125,223
Customer accounts	346,289	346,944	337,380	336,315	330,293	347,855

HSBC Hong Kong

Hong Kong - Commercial Banking

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	803	747	798	923	1,167	3,635
of which: net interest income	506	541	576	676	852	2,645
Change in expected credit losses and other credit impairment charges	(51)	(217)	(14)	(239)	(19)	(489)
Total operating expenses	(349)	(358)	(342)	(334)	(325)	(1,359)
of which: staff expenses	(128)	(129)	(128)	(126)	(125)	(508)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	403	172	442	350	823	1,787
Revenue	1	1	—	—	—	1
ECL	—	—	—	—	—	—
Operating expenses	(2)	(4)	—	—	—	(4)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Net operating income before change in expected credit losses and other credit impairment charges	802	745	798	922	1,169	3,634
of which: net interest income	506	540	575	676	854	2,645
Change in expected credit losses and other credit impairment charges	(51)	(217)	(14)	(239)	(19)	(489)
Total operating expenses	(347)	(354)	(341)	(334)	(326)	(1,355)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	404	174	443	349	824	1,790
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	100,573	100,376	104,706	104,013	104,849	100,376
Loans and advances to customers (net)	99,562	99,400	103,943	103,249	104,273	99,400
Total external assets	139,844	147,163	150,252	150,092	143,305	147,163
Customer accounts	127,290	131,404	121,440	121,474	111,996	131,404
Risk-weighted assets	71,760	72,043	75,446	73,696	73,351	72,043
Loans and advances to customers (net)	99,562	99,140	103,625	102,936	103,982	99,400
Customer accounts	127,290	131,060	121,069	121,105	111,684	131,404

HSBC Hong Kong

Hong Kong - Global Banking and Markets

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	918	691	742	915	1,034	3,382
of which: net interest income	228	237	259	335	372	1,203
Change in expected credit losses and other credit impairment charges	26	19	(22)	(31)	(24)	(58)
Total operating expenses	(468)	(477)	(398)	(380)	(395)	(1,650)
of which: staff expenses	(183)	(193)	(154)	(155)	(154)	(656)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	476	233	322	504	615	1,674
Revenue	—	(13)	—	(45)	61	3
ECL	—	—	—	—	—	—
Operating expenses	(2)	(11)	(3)	(1)	—	(15)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Net operating income before change in expected credit losses and other credit impairment charges	918	704	741	959	975	3,379
of which: net interest income	227	236	259	335	372	1,203
Change in expected credit losses and other credit impairment charges	26	19	(22)	(31)	(24)	(58)
Total operating expenses	(466)	(466)	(395)	(379)	(396)	(1,635)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	478	257	324	549	555	1,686
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	78,567	77,650	80,278	82,562	86,558	77,650
Loans and advances to customers (net)	78,376	77,433	80,047	82,343	86,345	77,433
Total external assets	239,282	240,126	230,783	232,282	245,096	240,126
Customer accounts	53,182	52,211	57,709	55,546	53,508	52,211
Risk-weighted assets	54,256	53,901	55,249	55,600	55,814	53,901
Loans and advances to customers (net)	78,376	77,231	79,802	82,093	86,105	77,433
Customer accounts	53,182	52,074	57,533	55,378	53,359	52,211

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Hong Kong - Corporate Centre

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest expense

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest expense

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	183	46	100	57	163	366
<i>of which: net interest expense</i>	(82)	(95)	(104)	(112)	(271)	(582)
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	(271)	(228)	(113)	(103)	(111)	(555)
<i>of which: staff expenses</i>	(154)	(34)	(80)	(100)	(140)	(354)
Share of profit in associates and joint ventures	2	2	2	2	2	8
Profit/(loss) before tax	(86)	(180)	(11)	(44)	54	(181)
Reported Significant items - Totals (\$m)						
Revenue	(15)	(24)	—	—	—	(24)
ECL	—	—	—	—	—	—
Operating expenses	(9)	(27)	(15)	(9)	—	(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	198	71	100	56	163	390
<i>of which: net interest expense</i>	(83)	(96)	(104)	(112)	(271)	(582)
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	(262)	(201)	(98)	(94)	(111)	(504)
Share of profit in associates and joint ventures	2	2	2	2	2	8
Profit/(loss) before tax	(62)	(128)	4	(36)	54	(106)
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	432	398	382	368	367	398
Loans and advances to customers (net)	432	398	382	368	367	398
Total external assets	75,765	69,754	60,693	57,307	55,868	69,754
Customer accounts	19	19	19	21	(211)	19
Risk-weighted assets	13,011	14,175	10,153	10,305	10,190	14,175
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	432	397	381	367	366	398
Customer accounts	19	19	19	21	(210)	19

HSBC Hong Kong

SIGNIFICANT ITEMS

Hong Kong - TOTAL

Reported revenue significant items (\$m)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	(16)	—	(45)	61	—
Restructuring and other related costs	(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	(25)	(69)	(21)	(10)	—	(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	—	—	—	—	—	—
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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	—	—	—	—	—	—
Restructuring and other related costs	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	(11)	(27)	(2)	—	—	(29)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

HSBC Hong Kong

Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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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

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)	(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	—	—	—	—	—	—
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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	—	(16)	—	(45)	61	—
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	(2)	(11)	(3)	(1)	—	(15)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

HSBC Hong Kong

Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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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	(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	(9)	(27)	(15)	(9)	—	(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	—	—	—	—	—	—
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Reconciling items - Currency translation on reported items- Totals (\$m)

Hong Kong - TOTAL

Revenue	(2)	(4)	(4)	8
ECL	1	—	—	—
Operating expenses	1	2	2	(4)
Share of profit in associates and joint ventures	1	—	—	—
Revenue significant items	1	—	—	—
Operating expense significant items	1	—	1	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(791)	(976)	(938)	(870)
Customer accounts	(1,391)	(1,581)	(1,562)	(1,383)

HSBC Hong Kong

Hong Kong - Wealth and Personal Banking

Revenue	(1)	(2)	(2)	5
ECL	—	—	—	—
Operating expenses	—	1	1	(2)
Share of profit in associates and joint ventures	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)	(328)	(412)	(373)	(338)
Customer accounts	(911)	(1,034)	(1,025)	(922)

Hong Kong - Commercial Banking

Revenue	(1)	—	(1)	2
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)	(260)	(318)	(313)	(291)
Customer accounts	(344)	(371)	(369)	(312)

Hong Kong - Global Banking and Markets

Revenue	—	(1)	(1)	2
ECL	—	—	—	—
Operating expenses	—	—	—	(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)	(202)	(245)	(250)	(240)
Customer accounts	(137)	(176)	(168)	(149)

HSBC Hong Kong

Hong Kong - Corporate Centre

Revenue		1	—	(1)	—
ECL		—	—	—	—
Operating expenses		—	—	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)		(1)	(1)	(1)	(1)
Customer accounts		—	—	—	1

HSBC Mainland China

Mainland China - TOTAL

	Quarter ended					Year to date
Reported (\$m)	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net interest income	401	395	366	397	398	1,556
Net fee income	125	77	88	82	90	337
Other operating income	354	299	287	327	282	1,195
Net operating income before change in expected credit losses and other credit impairment charges	880	771	741	806	770	3,088
Change in expected credit losses and other credit impairment charges	17	4	(11)	(44)	(63)	(114)
Total operating expenses	(626)	(641)	(554)	(494)	(522)	(2,211)
<i>of which: staff expenses</i>	<i>(386)</i>	<i>(361)</i>	<i>(322)</i>	<i>(280)</i>	<i>(324)</i>	<i>(1,287)</i>
Share of profit in associates and joint ventures	702	466	339	576	468	1,849
Profit/(loss) before tax	973	600	515	844	653	2,612
Reported Significant items - Totals (\$m)						
Revenue	10	4	1	(2)	2	5
ECL	—	—	—	—	—	—
Operating expenses	(4)	(17)	(1)	(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	870	785	790	882	828	3,083
<i>of which: net interest income</i>	<i>402</i>	<i>405</i>	<i>391</i>	<i>434</i>	<i>428</i>	<i>1,556</i>
Change in expected credit losses and other credit impairment charges	17	4	(12)	(48)	(68)	(114)
Total operating expenses	(622)	(639)	(591)	(540)	(563)	(2,192)
Share of profit in associates and joint ventures	702	476	362	630	503	1,849
Profit/(loss) before tax	967	626	549	924	700	2,626
	Balance sheet date					Balance sheet date
Balance sheet - reported (\$m)	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	48,973	46,405	43,815	43,675	44,059	46,405
Loans and advances to customers (net)	48,694	46,113	43,535	43,338	43,735	46,113
Total external assets	130,355	130,134	119,696	115,597	113,710	130,134
Customer accounts	54,919	56,826	47,327	47,557	45,492	56,826
Risk-weighted assets	81,693	80,674	76,061	74,611	74,624	80,674
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	48,694	46,005	45,268	46,819	47,337	46,113
Customer accounts	54,919	56,693	49,211	51,377	49,239	56,826

HSBC Mainland China

Mainland China - Wealth and Personal Banking

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	216	197	209	196	163	765
<i>of which: net interest income</i>	<i>100</i>	<i>105</i>	<i>103</i>	<i>110</i>	<i>109</i>	<i>427</i>
Change in expected credit losses and other credit impairment charges	(2)	(11)	7	(23)	(25)	(52)
Total operating expenses	(205)	(223)	(187)	(163)	(174)	(747)
<i>of which: staff expenses</i>	<i>(95)</i>	<i>(85)</i>	<i>(83)</i>	<i>(66)</i>	<i>(76)</i>	<i>(310)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	9	(37)	29	10	(36)	(34)
Reported Significant items - Totals (\$m)						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	—	(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	216	202	223	215	175	765
<i>of which: net interest income</i>	<i>99</i>	<i>107</i>	<i>110</i>	<i>121</i>	<i>117</i>	<i>427</i>
Change in expected credit losses and other credit impairment charges	(2)	(11)	7	(25)	(27)	(52)
Total operating expenses	(205)	(228)	(199)	(179)	(187)	(746)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	9	(37)	31	11	(39)	(33)
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	10,829	10,835	10,413	10,006	9,960	10,835
Loans and advances to customers (net)	10,749	10,747	10,329	9,906	9,870	10,747
Total external assets	17,908	17,517	16,602	15,806	15,802	17,517
Customer accounts	12,740	12,994	12,148	11,869	11,815	12,994
Risk-weighted assets	5,542	5,459	5,178	4,974	4,937	5,459
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	10,749	10,722	10,740	10,701	10,683	10,747
Customer accounts	12,740	12,964	12,631	12,823	12,788	12,994

HSBC Mainland China

Mainland China - Commercial Banking

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	192	171	172	212	203	758
<i>of which: net interest income</i>	<i>143</i>	<i>143</i>	<i>142</i>	<i>154</i>	<i>158</i>	<i>597</i>
Change in expected credit losses and other credit impairment charges	19	(8)	(16)	(16)	(19)	(59)
Total operating expenses	(99)	(118)	(96)	(87)	(103)	(404)
<i>of which: staff expenses</i>	<i>(42)</i>	<i>(40)</i>	<i>(37)</i>	<i>(32)</i>	<i>(39)</i>	<i>(148)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	112	45	60	109	81	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	192	174	183	232	218	758
<i>of which: net interest income</i>	<i>143</i>	<i>146</i>	<i>152</i>	<i>168</i>	<i>170</i>	<i>597</i>
Change in expected credit losses and other credit impairment charges	19	(8)	(17)	(18)	(20)	(59)
Total operating expenses	(102)	(118)	(102)	(95)	(111)	(401)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	109	48	64	119	87	298
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	21,922	19,988	17,946	18,662	18,578	19,988
Loans and advances to customers (net)	21,755	19,815	17,800	18,469	18,383	19,815
Total external assets	31,650	30,058	26,881	27,147	27,373	30,058
Customer accounts	16,674	16,875	14,753	15,263	14,276	16,875
Risk-weighted assets	24,429	23,158	20,829	21,423	21,279	23,158
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	21,755	19,768	18,508	19,952	19,897	19,815
Customer accounts	16,674	16,835	15,340	16,489	15,452	16,875

HSBC Mainland China

Mainland China - Global Banking and Markets

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	273	245	223	224	226	918
<i>of which: net interest income</i>	<i>160</i>	<i>159</i>	<i>142</i>	<i>134</i>	<i>154</i>	<i>589</i>
Change in expected credit losses and other credit impairment charges	(1)	22	(2)	(4)	(19)	(3)
Total operating expenses	(116)	(114)	(100)	(94)	(101)	(409)
<i>of which: staff expenses</i>	<i>(47)</i>	<i>(48)</i>	<i>(34)</i>	<i>(30)</i>	<i>(38)</i>	<i>(150)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	156	153	121	126	106	506
Reported Significant items - Totals (\$m)						
Revenue	1	—	1	(2)	2	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	272	250	237	247	241	917
<i>of which: net interest income</i>	<i>161</i>	<i>163</i>	<i>151</i>	<i>146</i>	<i>166</i>	<i>589</i>
Change in expected credit losses and other credit impairment charges	(1)	23	(2)	(5)	(20)	(3)
Total operating expenses	(116)	(116)	(107)	(103)	(109)	(409)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	155	157	128	139	112	505
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	16,195	15,556	15,431	14,983	15,496	15,556
Loans and advances to customers (net)	16,164	15,525	15,382	14,940	15,458	15,525
Total external assets	46,484	46,022	43,218	41,618	42,115	46,022
Customer accounts	25,468	26,923	20,393	20,391	19,370	26,923
Risk-weighted assets	16,790	17,154	16,530	16,118	17,138	17,154
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	16,164	15,489	15,994	16,140	16,732	15,525
Customer accounts	25,468	26,860	21,205	22,029	20,965	26,923

HSBC Mainland China

Mainland China - Corporate Centre

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest expense

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest expense

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	200	158	137	174	178	647
of which: net interest expense	(2)	(12)	(21)	(1)	(23)	(57)
Change in expected credit losses and other credit impairment charges	1	1	—	(1)	—	—
Total operating expenses	(205)	(185)	(172)	(150)	(144)	(651)
of which: staff expenses	(204)	(188)	(167)	(152)	(171)	(678)
Share of profit in associates and joint ventures	702	466	339	576	468	1,849
Profit/(loss) before tax	698	440	304	599	502	1,845
Revenue	10	4	—	—	—	4
ECL	—	—	—	—	—	—
Operating expenses	(8)	(14)	(1)	(1)	—	(16)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Net operating income before change in expected credit losses and other credit impairment charges	190	158	147	188	194	643
of which: net interest expense	(1)	(11)	(23)	(2)	(25)	(57)
Change in expected credit losses and other credit impairment charges	1	—	—	—	—	—
Total operating expenses	(197)	(177)	(183)	(163)	(156)	(635)
Share of profit in associates and joint ventures	702	476	362	630	503	1,849
Profit/(loss) before tax	696	457	326	655	541	1,857
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	26	26	25	24	25	26
Loans and advances to customers (net)	26	26	25	23	24	26
Total external assets	34,314	36,537	32,994	31,026	28,420	36,537
Customer accounts	37	34	33	34	31	34
Risk-weighted assets	34,932	34,903	33,524	32,096	31,270	34,903
Loans and advances to customers (net)	26	26	26	26	26	26
Customer accounts	37	34	34	36	34	34

HSBC

Mainland China

SIGNIFICANT ITEMS

Mainland China - TOTAL

Reported revenue significant items (\$m)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	Year to date 31-Dec-20
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	1	(2)	2	1
Restructuring and other related costs	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	(4)	(17)	(1)	(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	—	—	—	—	—	—
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Mainland China - 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	—	(1)	—	—	—	(1)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

HSBC

Mainland China

Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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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	—	—	—	—	—	—
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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	(2)	2	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	—	—	—	—	—	—

HSBC Mainland China

Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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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	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	(8)	(14)	(1)	(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	—	—	—	—	—	—
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Reconciling items - Currency translation on reported items- Totals (\$m)

Mainland China - TOTAL

Revenue	18	50	75	60
ECL	—	(1)	(4)	(5)
Operating expenses	(15)	(38)	(47)	(41)
Share of profit in associates and joint ventures	10	23	54	35
Revenue significant items	—	—	1	—
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(108)	1,733	3,481	3,602
Customer accounts	(133)	1,884	3,820	3,747

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Mainland China

Mainland China - Wealth and Personal Banking

Revenue	5	14	19	12
ECL	—	—	(2)	(2)
Operating expenses	(6)	(12)	(16)	(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)	(25)	411	795	813
Customer accounts	(30)	483	954	973

Mainland China - Commercial Banking

Revenue	3	11	20	15
ECL	—	(1)	(2)	(1)
Operating expenses	(3)	(6)	(8)	(8)
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)	(47)	708	1,483	1,514
Customer accounts	(40)	587	1,226	1,176

Mainland China - Global Banking and Markets

Revenue	4	15	22	17
ECL	1	—	(1)	(1)
Operating expenses	(2)	(7)	(9)	(8)
Share of profit in associates and joint ventures	—	—	—	—
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)	(36)	612	1,200	1,274
Customer accounts	(63)	812	1,638	1,595

HSBC Mainland China

Mainland China - Corporate Centre

Revenue	5	10	14	16
ECL	(1)	—	1	—
Operating expenses	(5)	(12)	(14)	(12)
Share of profit in associates and joint ventures	10	23	54	35
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)	—	1	3	2
Customer accounts	—	1	2	3

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Middle East and North Africa

Middle East and North Africa - TOTAL

Reported (\$m)					
Net interest income	330	336	352	383	394
Net fee income	187	179	169	171	176
Other operating income	115	111	102	135	120
Net operating income before change in expected credit losses and other credit impairment charges	632	626	623	689	690
Change in expected credit losses and other credit impairment charges	55	(37)	(110)	(278)	(333)
Total operating expenses	(388)	(394)	(429)	(394)	(369)
<i>of which: staff expenses</i>	(198)	(184)	(192)	(180)	(193)
Share of profit/(loss) in associates and joint ventures	38	150	(384)	(87)	56
Profit/(loss) before tax	337	345	(300)	(70)	44

Reported Significant items - Totals (\$m)

Revenue	—	(1)	—	—	1	—
ECL	—	—	—	—	—	—
Operating expenses	(11)	(18)	(24)	(41)	—	(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	632	631	623	686	674	2,628
<i>of which: net interest income</i>	<i>330</i>	<i>339</i>	<i>352</i>	<i>381</i>	<i>387</i>	<i>1,465</i>
Change in expected credit losses and other credit impairment charges	55	(38)	(110)	(278)	(332)	(758)
Total operating expenses	(377)	(377)	(405)	(351)	(361)	(1,503)
Share of profit/(loss) in associates and joint ventures	38	150	78	(87)	56	197
Profit/(loss) before tax	348	366	186	(30)	37	564

Balance sheet - reported (\$m)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	29,927	30,540	31,126	31,388	31,273	30,540
Loans and advances to customers (net)	28,176	28,700	29,307	29,615	29,651	28,700
Total external assets	65,210	64,733	63,472	64,583	63,810	64,733
Customer accounts	41,916	41,221	40,815	41,197	40,553	41,221
Risk-weighted assets ¹	59,830	60,181	59,361	58,585	59,114	60,181

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)	28,176	28,381	29,112	29,194	29,123	28,700
Customer accounts	41,916	40,834	40,591	40,682	39,748	41,221

Quarter ended						Year to date
31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20		31-Dec-20
330	336	352	383	394		1,465
187	179	169	171	176		695
115	111	102	135	120		468
632	626	623	689	690		2,628
55	(37)	(110)	(278)	(333)		(758)
(388)	(394)	(429)	(394)	(369)		(1,586)
(198)	(184)	(192)	(180)	(193)		(749)
38	150	(384)	(87)	56		(265)
337	345	(300)	(70)	44		19
—	(1)	—	—	1		—
—	—	—	—	—		—
(11)	(18)	(24)	(41)	—		(83)
—	—	(462)	—	—		(462)
632	631	623	686	674		2,628
330	339	352	381	387		1,465
55	(38)	(110)	(278)	(332)		(758)
(377)	(377)	(405)	(351)	(361)		(1,503)
38	150	78	(87)	56		197
348	366	186	(30)	37		564
Balance sheet date						Balance sheet date
31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20		31-Dec-20
29,927	30,540	31,126	31,388	31,273		30,540
28,176	28,700	29,307	29,615	29,651		28,700
65,210	64,733	63,472	64,583	63,810		64,733
41,916	41,221	40,815	41,197	40,553		41,221
59,830	60,181	59,361	58,585	59,114		60,181
28,176	28,381	29,112	29,194	29,123		28,700
41,916	40,834	40,591	40,682	39,748		41,221

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Middle East and North Africa

Middle East and North Africa - Wealth and Personal Banking

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	206	204	202	219	249	874
<i>of which: net interest income</i>	<i>129</i>	<i>133</i>	<i>131</i>	<i>154</i>	<i>157</i>	<i>575</i>
Change in expected credit losses and other credit impairment charges	7	(5)	6	(102)	(50)	(151)
Total operating expenses	(163)	(163)	(196)	(207)	(172)	(738)
<i>of which: staff expenses</i>	<i>(58)</i>	<i>(56)</i>	<i>(59)</i>	<i>(56)</i>	<i>(61)</i>	<i>(232)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	50	36	12	(90)	27	(15)
Reported Significant items - Totals (\$m)						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(2)	13	(17)	(41)	—	(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	206	206	202	218	243	874
<i>of which: net interest income</i>	<i>127</i>	<i>131</i>	<i>132</i>	<i>154</i>	<i>156</i>	<i>575</i>
Change in expected credit losses and other credit impairment charges	7	(5)	6	(101)	(50)	(151)
Total operating expenses	(161)	(178)	(179)	(164)	(167)	(693)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	52	23	29	(47)	26	30
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	5,480	5,534	5,688	5,762	6,099	5,534
Loans and advances to customers (net)	5,196	5,215	5,346	5,370	5,777	5,215
Total external assets	15,980	16,179	15,823	15,674	15,423	16,179
Customer accounts	21,142	20,293	19,990	19,757	18,967	20,293
Risk-weighted assets	7,454	7,666	7,641	7,404	7,617	7,666
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	5,196	5,177	5,326	5,314	5,694	5,215
Customer accounts	21,142	20,017	19,848	19,401	18,451	20,293

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Middle East and North Africa

Middle East and North Africa - Commercial Banking

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	145	134	141	152	176	603
<i>of which: net interest income</i>	<i>89</i>	<i>85</i>	<i>93</i>	<i>99</i>	<i>113</i>	<i>390</i>
Change in expected credit losses and other credit impairment charges	18	(30)	(68)	(147)	(143)	(388)
Total operating expenses	(83)	(83)	(92)	(79)	(81)	(335)
<i>of which: staff expenses</i>	<i>(31)</i>	<i>(31)</i>	<i>(31)</i>	<i>(30)</i>	<i>(31)</i>	<i>(123)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	80	21	(19)	(74)	(48)	(120)
Reported Significant items - Totals (\$m)						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	—	—	(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	145	136	141	150	171	603
<i>of which: net interest income</i>	<i>88</i>	<i>85</i>	<i>93</i>	<i>98</i>	<i>109</i>	<i>390</i>
Change in expected credit losses and other credit impairment charges	18	(31)	(67)	(147)	(141)	(388)
Total operating expenses	(83)	(84)	(90)	(78)	(79)	(334)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	80	21	(16)	(75)	(49)	(119)
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	11,805	12,015	12,377	12,608	12,400	12,015
Loans and advances to customers (net)	10,575	10,747	11,157	11,449	11,349	10,747
Total external assets	17,677	17,158	17,529	17,873	17,792	17,158
Customer accounts	8,970	8,784	8,505	9,079	8,986	8,784
Risk-weighted assets	15,547	15,328	15,893	16,343	16,180	15,328
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	10,575	10,564	11,045	11,204	11,031	10,747
Customer accounts	8,970	8,747	8,467	9,002	8,846	8,784

Middle East and North Africa - Global Banking and Markets

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	270	278	274	315	264	1,131
of which: net interest income	105	114	118	129	133	494
Change in expected credit losses and other credit impairment charges	30	(3)	(47)	(29)	(140)	(219)
Total operating expenses	(112)	(117)	(115)	(101)	(101)	(434)
of which: staff expenses	(38)	(39)	(33)	(32)	(31)	(135)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	188	158	112	185	23	478
Reported Significant items - Totals (\$m)						
Revenue	—	(1)	—	—	1	—
ECL	—	—	—	—	—	—
Operating expenses	(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	270	280	274	314	258	1,131
of which: net interest income	105	114	119	129	131	494
Change in expected credit losses and other credit impairment charges	30	(2)	(48)	(29)	(140)	(219)
Total operating expenses	(110)	(117)	(115)	(100)	(100)	(433)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	190	161	111	185	18	479
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	12,642	12,991	13,061	13,018	12,774	12,991
Loans and advances to customers (net)	12,406	12,738	12,804	12,796	12,525	12,738
Total external assets	25,251	24,852	24,054	24,740	24,047	24,852
Customer accounts	11,805	12,143	12,318	12,361	12,599	12,143
Risk-weighted assets	15,669	16,445	15,929	15,019	15,408	16,445
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	12,406	12,640	12,741	12,676	12,398	12,738
Customer accounts	11,805	12,070	12,276	12,279	12,451	12,143

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Middle East and North Africa

Middle East and North Africa - Corporate Centre

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	9	9	6	3	1	19
<i>of which: net interest income/(expense)</i>	<i>8</i>	<i>6</i>	<i>9</i>	<i>1</i>	<i>(9)</i>	<i>7</i>
Change in expected credit losses and other credit impairment charges	1	—	—	—	—	—
Total operating expenses	(29)	(30)	(26)	(7)	(15)	(78)
<i>of which: staff expenses</i>	<i>(72)</i>	<i>(58)</i>	<i>(69)</i>	<i>(62)</i>	<i>(70)</i>	<i>(259)</i>
Share of profit/(loss) in associates and joint ventures	38	150	(384)	(87)	56	(265)
Profit/(loss) before tax	19	129	(404)	(91)	42	(324)
Reported Significant items - Totals (\$m)						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(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	9	9	6	3	2	19
<i>of which: net interest income/(expense)</i>	<i>9</i>	<i>8</i>	<i>8</i>	<i>(1)</i>	<i>(9)</i>	<i>7</i>
Change in expected credit losses and other credit impairment charges	1	—	—	—	—	—
Total operating expenses	(20)	2	(21)	(8)	(15)	(42)
Share of profit/(loss) in associates and joint ventures	38	150	78	(87)	56	197
Profit/(loss) before tax	28	161	63	(92)	43	174
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	—	—	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	6,303	6,544	6,065	6,296	6,548	6,544
Customer accounts	—	—	—	—	1	—
Risk-weighted assets	21,160	20,742	19,898	19,819	19,909	20,742
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	—	—	—	—	—	—
Customer accounts	—	—	—	—	1	—

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Middle East and North Africa

SIGNIFICANT ITEMS

Middle East and North Africa - TOTAL

Reported revenue significant items (\$m)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-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	—	—	—	—	—	—

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)	(41)	—	(64)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(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)
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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)	(41)	—	(42)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(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	—	—	—	—	—	—
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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	—	(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)	—	—	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)	(1)	—	—	—	(1)
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	—	—	—	—	—	—
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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	(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)
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Reconciling items - Currency translation on reported items- Totals (\$m)

Middle East and North Africa - TOTAL

Revenue	5	—	(3)	(15)	
ECL	(1)	—	—	1	
Operating expenses	(2)	1	2	8	
Share of profit in associates and joint ventures	—	—	—	—	
Revenue significant items	1	—	—	—	
Operating expense significant items	(1)	1	—	—	
Share of profit in associates and joint ventures significant items	—	—	—	—	
Loans and advances to customers (net)	(319)	(195)	(421)	(528)	
Customer accounts	(387)	(224)	(515)	(805)	

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Middle East and North Africa

Middle East and North Africa - Wealth and Personal Banking

Revenue	2	—	(1)	(6)
ECL	—	—	1	—
Operating expenses	(2)	1	2	5
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)	(38)	(20)	(56)	(83)
Customer accounts	(276)	(142)	(356)	(516)

Middle East and North Africa - Commercial Banking

Revenue	2	—	(2)	(5)
ECL	(1)	1	—	2
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)	(183)	(112)	(245)	(318)
Customer accounts	(37)	(38)	(77)	(140)

Middle East and North Africa - Global Banking and Markets

Revenue	1	—	(1)	(5)
ECL	1	(1)	—	—
Operating expenses	—	—	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)	(98)	(63)	(120)	(127)
Customer accounts	(73)	(42)	(82)	(148)

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Middle East and North Africa

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)	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	—	—	—	—
Customer accounts	—	—	—	1

1 Risk-weighted assets are non-additive across geographical regions due to market risk diversification effects within the Group.

HSBC North America

North America - TOTAL

Reported (\$m)					
Net interest income	704	701	652	706	777
Net fee income	509	444	441	458	452
Other operating income	336	343	389	537	475
Net operating income before change in expected credit losses and other credit impairment charges	1,549	1,488	1,482	1,701	1,704
Change in expected credit losses and other credit impairment charges	104	(27)	14	(379)	(508)
Total operating expenses	(1,169)	(1,309)	(1,503)	(1,189)	(1,306)
of which: staff expenses	(608)	(592)	(594)	(596)	(652)
Share of profit in associates and joint ventures	—	—	—	—	—
Profit/(loss) before tax	484	152	(7)	133	(110)

Reported Significant items - Totals (\$m)

Revenue	—	12	(49)	(21)	15	(43)
ECL	—	—	—	—	—	—
Operating expenses	(38)	(84)	(333)	(68)	(116)	(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	1,549	1,486	1,550	1,757	1,715	6,418
of which: net interest income	703	707	662	723	792	2,836
Change in expected credit losses and other credit impairment charges	104	(27)	14	(391)	(515)	(900)
Total operating expenses	(1,131)	(1,231)	(1,182)	(1,144)	(1,205)	(4,706)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	522	228	382	222	(5)	812

Balance sheet - reported (\$m)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	109,757	109,056	111,552	117,033	123,815	109,056
Loans and advances to customers (net)	108,751	107,969	110,394	115,813	122,858	107,969
Total external assets	361,930	347,893	383,130	409,428	435,846	347,893
Customer accounts	182,576	182,028	177,478	180,489	153,893	182,028
Risk-weighted assets ¹	115,785	117,755	122,952	130,580	133,161	117,755

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)	108,751	108,632	113,430	119,854	128,856	107,969
Customer accounts	182,576	182,809	181,090	185,140	160,060	182,028

Quarter ended						Year to date
31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20		31-Dec-20
704	701	652	706	777		2,836
509	444	441	458	452		1,795
336	343	389	537	475		1,744
1,549	1,488	1,482	1,701	1,704		6,375
104	(27)	14	(379)	(508)		(900)
(1,169)	(1,309)	(1,503)	(1,189)	(1,306)		(5,307)
(608)	(592)	(594)	(596)	(652)		(2,434)
—	—	—	—	—		—
484	152	(7)	133	(110)		168
—	12	(49)	(21)	15		(43)
—	—	—	—	—		—
(38)	(84)	(333)	(68)	(116)		(601)
—	—	—	—	—		—
1,549	1,486	1,550	1,757	1,715		6,418
703	707	662	723	792		2,836
104	(27)	14	(391)	(515)		(900)
(1,131)	(1,231)	(1,182)	(1,144)	(1,205)		(4,706)
—	—	—	—	—		—
522	228	382	222	(5)		812
Balance sheet date						Balance sheet date
31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20		31-Dec-20
109,757	109,056	111,552	117,033	123,815		109,056
108,751	107,969	110,394	115,813	122,858		107,969
361,930	347,893	383,130	409,428	435,846		347,893
182,576	182,028	177,478	180,489	153,893		182,028
115,785	117,755	122,952	130,580	133,161		117,755
108,751	108,632	113,430	119,854	128,856		107,969
182,576	182,809	181,090	185,140	160,060		182,028

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North America

North America - Wealth and Personal Banking

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	495	482	486	460	501	1,929
<i>of which: net interest income</i>	<i>327</i>	<i>328</i>	<i>304</i>	<i>294</i>	<i>350</i>	<i>1,276</i>
Change in expected credit losses and other credit impairment charges	(1)	(13)	(21)	(44)	(162)	(240)
Total operating expenses	(449)	(476)	(684)	(478)	(501)	(2,139)
<i>of which: staff expenses</i>	<i>(168)</i>	<i>(158)</i>	<i>(173)</i>	<i>(167)</i>	<i>(188)</i>	<i>(686)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	45	(7)	(219)	(62)	(162)	(450)
Reported Significant items - Totals (\$m)						
Revenue	(1)	(1)	(1)	(1)	(6)	(9)
ECL	—	—	—	—	—	—
Operating expenses	(5)	(3)	(216)	(3)	(9)	(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	496	489	494	472	517	1,938
<i>of which: net interest income</i>	<i>327</i>	<i>331</i>	<i>309</i>	<i>301</i>	<i>356</i>	<i>1,276</i>
Change in expected credit losses and other credit impairment charges	(1)	(14)	(21)	(44)	(162)	(240)
Total operating expenses	(444)	(476)	(476)	(486)	(500)	(1,908)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	51	(1)	(3)	(58)	(145)	(210)
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	51,328	50,266	48,573	47,667	46,328	50,266
Loans and advances to customers (net)	50,916	49,837	48,144	47,211	45,882	49,837
Total external assets	104,099	97,726	93,647	95,899	88,291	97,726
Customer accounts	81,025	81,278	78,399	79,799	74,030	81,278
Risk-weighted assets	21,989	22,175	21,677	22,295	21,829	22,175
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	50,916	50,180	49,678	49,183	48,682	49,837
Customer accounts	81,025	81,700	80,316	82,360	77,453	81,278

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North America

North America - Commercial Banking

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	446	446	443	433	481	1,803
of which: net interest income	285	298	291	301	333	1,223
Change in expected credit losses and other credit impairment charges	45	(7)	22	(291)	(220)	(496)
Total operating expenses	(238)	(238)	(238)	(227)	(238)	(941)
of which: staff expenses	(98)	(101)	(96)	(88)	(100)	(385)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	253	201	227	(85)	23	366
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	—	(5)	(4)	(2)	—	(11)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Net operating income before change in expected credit losses and other credit impairment charges	446	451	452	448	493	1,803
of which: net interest income	285	301	295	310	340	1,223
Change in expected credit losses and other credit impairment charges	45	(6)	22	(301)	(226)	(496)
Total operating expenses	(238)	(236)	(238)	(232)	(243)	(930)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	253	209	236	(85)	24	377
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	44,665	44,324	46,534	49,178	51,591	44,324
Loans and advances to customers (net)	44,208	43,842	45,988	48,603	51,208	43,842
Total external assets	77,268	69,976	71,025	74,105	73,664	69,976
Customer accounts	63,545	62,854	58,387	57,986	49,438	62,854
Risk-weighted assets	49,690	49,049	51,229	53,380	52,820	49,049
Loans and advances to customers (net)	44,208	44,121	47,289	50,375	53,931	43,842
Customer accounts	63,545	63,127	59,599	59,583	51,567	62,854

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North America

North America - Global Banking and Markets

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	563	497	498	708	729	2,432
<i>of which: net interest income</i>	<i>96</i>	<i>92</i>	<i>91</i>	<i>143</i>	<i>124</i>	<i>450</i>
Change in expected credit losses and other credit impairment charges	60	(7)	13	(45)	(126)	(165)
Total operating expenses	(374)	(383)	(415)	(386)	(371)	(1,555)
<i>of which: staff expenses</i>	<i>(144)</i>	<i>(141)</i>	<i>(129)</i>	<i>(144)</i>	<i>(148)</i>	<i>(562)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	249	107	96	277	232	712
Reported Significant items - Totals (\$m)						
Revenue	(6)	(12)	(48)	(20)	13	(67)
ECL	—	—	—	—	—	—
Operating expenses	—	11	(11)	(22)	(4)	(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	569	510	549	734	720	2,499
<i>of which: net interest income</i>	<i>97</i>	<i>93</i>	<i>92</i>	<i>145</i>	<i>125</i>	<i>450</i>
Change in expected credit losses and other credit impairment charges	60	(7)	13	(47)	(127)	(165)
Total operating expenses	(374)	(393)	(405)	(370)	(369)	(1,529)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	255	110	157	317	224	805
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	13,764	14,466	16,445	20,188	25,896	14,466
Loans and advances to customers (net)	13,627	14,290	16,262	19,999	25,768	14,290
Total external assets	175,864	175,159	213,637	233,737	268,209	175,159
Customer accounts	38,011	37,901	40,692	42,704	30,425	37,901
Risk-weighted assets	39,661	42,444	45,239	49,779	53,238	42,444
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	13,627	14,331	16,463	20,296	26,243	14,290
Customer accounts	38,011	37,987	41,175	43,197	31,040	37,901

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North America

North America - Corporate Centre

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest expense

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest expense

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	45	64	55	100	(7)	212
of which: net interest expense	(7)	(18)	(33)	(32)	(30)	(113)
Change in expected credit losses and other credit impairment charges	(1)	(1)	—	1	—	—
Total operating expenses	(107)	(211)	(167)	(98)	(196)	(672)
of which: staff expenses	(200)	(194)	(194)	(197)	(216)	(801)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(63)	(148)	(112)	3	(203)	(460)
Revenue	4	25	—	—	8	33
ECL	—	—	—	—	—	—
Operating expenses	(33)	(85)	(103)	(41)	(103)	(332)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Net operating income before change in expected credit losses and other credit impairment charges	41	37	55	103	(15)	179
of which: net interest expense	(7)	(18)	(34)	(33)	(30)	(113)
Change in expected credit losses and other credit impairment charges	(1)	—	—	—	—	—
Total operating expenses	(74)	(127)	(64)	(57)	(94)	(340)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(34)	(90)	(9)	46	(109)	(161)
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	—	—	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	4,698	5,031	4,821	5,687	5,682	5,031
Customer accounts	(5)	(5)	—	—	—	(5)
Risk-weighted assets	4,445	4,087	4,807	5,126	5,274	4,087
Loans and advances to customers (net)	—	—	—	—	—	—
Customer accounts	(5)	(5)	—	—	—	(5)

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North America

SIGNIFICANT ITEMS

North America - TOTAL

Reported revenue significant items (\$m)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	(2)	—	(1)	(7)	(10)
Fair value movements on financial instruments	—	1	(2)	(10)	13	2
Restructuring and other related costs	—	13	(47)	(10)	9	(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	(38)	(83)	(111)	(68)	(116)	(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	—	—	—	—	—	—
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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)	(6)	(9)
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	—	—	(207)	—	—	(207)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(5)	(3)	(9)	(3)	(9)	(24)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

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North America

Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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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	—	(5)	(3)	(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	—	—	—	—	—	—
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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	(1)	1	(2)	(10)	13	2
Restructuring and other related costs	(5)	(13)	(46)	(10)	—	(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	—	11	(7)	(22)	(4)	(22)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

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North America

Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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North America - Corporate Centre

Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	(1)	(1)
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	4	25	—	—	9	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	(33)	(85)	(93)	(41)	(103)	(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	—	—	—	—	—	—
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Reconciling items - Currency translation on reported items- Totals (\$m)

North America - TOTAL

Revenue	12	19	35	26
ECL	—	—	(12)	(7)
Operating expenses	(7)	(13)	(22)	(16)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	2	—	—	—
Operating expense significant items	(1)	(1)	1	(1)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	663	3,036	4,041	5,998
Customer accounts	781	3,612	4,651	6,167

HSBC

North America

North America - Wealth and Personal Banking

Revenue	7	7	11	9
ECL	(1)	—	—	—
Operating expenses	(4)	(7)	(11)	(8)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	1	—	—	(1)
Operating expense significant items	(1)	1	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	343	1,534	1,972	2,800
Customer accounts	422	1,917	2,561	3,423

North America - Commercial Banking

Revenue	5	9	15	12
ECL	1	—	(10)	(6)
Operating expenses	(3)	(4)	(7)	(5)
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)	279	1,301	1,772	2,723
Customer accounts	273	1,212	1,597	2,129

North America - Global Banking and Markets

Revenue	2	3	6	4
ECL	—	—	(2)	(1)
Operating expenses	(2)	(1)	(3)	(2)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	1	—	—	—
Operating expense significant items	(3)	—	3	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	41	201	297	475
Customer accounts	86	483	493	615

HSBC North America

North America - Corporate Centre

Revenue	(2)	—	3	1
ECL	1	—	(1)	—
Operating expenses	—	(1)	(1)	(2)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	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)	—	—	—	—
Customer accounts	—	—	—	—

1 Risk-weighted assets are non-additive across geographical regions due to market risk diversification effects within the Group.

US - TOTAL

Reported (\$m)

Net interest income	461	472	453	502	495	1,922
Net fee income	343	292	300	319	307	1,218
Other operating income	260	273	308	445	424	1,450
Net operating income before change in expected credit losses and other credit impairment charges	1,064	1,037	1,061	1,266	1,226	4,590
Change in expected credit losses and other credit impairment charges	91	(22)	15	(237)	(378)	(622)
Total operating expenses	(876)	(996)	(1,241)	(932)	(1,025)	(4,194)
<i>of which: staff expenses</i>	(451)	(441)	(448)	(463)	(495)	(1,847)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	279	19	(165)	97	(177)	(226)

Reported Significant items - Totals (\$m)

Revenue	(2)	14	(49)	(19)	13	(41)
ECL	—	—	—	—	—	—
Operating expenses	(32)	(57)	(322)	(65)	(112)	(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	1,066	1,020	1,110	1,286	1,213	4,631
<i>of which: net interest income</i>	461	472	453	502	495	1,922
Change in expected credit losses and other credit impairment charges	91	(22)	15	(237)	(378)	(622)
Total operating expenses	(844)	(940)	(919)	(867)	(913)	(3,638)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	313	58	206	182	(78)	371

Balance sheet - reported (\$m)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	57,641	58,703	62,888	68,751	76,560	58,703
Loans and advances to customers (net)	57,090	58,082	62,242	68,036	75,994	58,082
Total external assets	268,289	254,085	288,538	317,121	346,561	254,085
Customer accounts	119,416	117,485	114,695	120,236	99,714	117,485
Risk-weighted assets	82,790	84,939	90,171	97,347	101,298	84,939

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)	57,090	58,082	62,242	68,036	75,993	58,082
Customer accounts	119,416	117,485	114,695	120,236	99,714	117,485

Quarter ended						Year to date
31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20		31-Dec-20
461	472	453	502	495		1,922
343	292	300	319	307		1,218
260	273	308	445	424		1,450
1,064	1,037	1,061	1,266	1,226		4,590
91	(22)	15	(237)	(378)		(622)
(876)	(996)	(1,241)	(932)	(1,025)		(4,194)
(451)	(441)	(448)	(463)	(495)		(1,847)
—	—	—	—	—		—
279	19	(165)	97	(177)		(226)
(2)	14	(49)	(19)	13		(41)
—	—	—	—	—		—
(32)	(57)	(322)	(65)	(112)		(556)
—	—	—	—	—		—
1,066	1,020	1,110	1,286	1,213		4,631
461	472	453	502	495		1,922
91	(22)	15	(237)	(378)		(622)
(844)	(940)	(919)	(867)	(913)		(3,638)
—	—	—	—	—		—
313	58	206	182	(78)		371
Balance sheet date						Balance sheet date
31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20		31-Dec-20
57,641	58,703	62,888	68,751	76,560		58,703
57,090	58,082	62,242	68,036	75,994		58,082
268,289	254,085	288,538	317,121	346,561		254,085
119,416	117,485	114,695	120,236	99,714		117,485
82,790	84,939	90,171	97,347	101,298		84,939
57,090	58,082	62,242	68,036	75,993		58,082
119,416	117,485	114,695	120,236	99,714		117,485

HSBC US

HSBC US - Wealth and Personal Banking

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	298	295	309	295	311	1,210
<i>of which: net interest income</i>	<i>202</i>	<i>203</i>	<i>195</i>	<i>191</i>	<i>228</i>	<i>817</i>
Change in expected credit losses and other credit impairment charges	2	(2)	(11)	(37)	(139)	(189)
Total operating expenses	(298)	(322)	(542)	(345)	(359)	(1,568)
<i>of which: staff expenses</i>	<i>(109)</i>	<i>(105)</i>	<i>(123)</i>	<i>(119)</i>	<i>(133)</i>	<i>(480)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	2	(29)	(244)	(87)	(187)	(547)
Reported Significant items - Totals (\$m)						
Revenue	—	—	(1)	(1)	(7)	(9)
ECL	—	—	—	—	—	—
Operating expenses	(4)	(1)	(215)	(3)	(9)	(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	298	297	310	296	317	1,219
<i>of which: net interest income</i>	<i>203</i>	<i>204</i>	<i>195</i>	<i>191</i>	<i>227</i>	<i>817</i>
Change in expected credit losses and other credit impairment charges	2	(2)	(11)	(37)	(140)	(189)
Total operating expenses	(294)	(321)	(327)	(342)	(349)	(1,340)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	6	(26)	(28)	(83)	(172)	(310)
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	24,068	24,056	23,812	24,034	24,033	24,056
Loans and advances to customers (net)	23,831	23,802	23,550	23,739	23,746	23,802
Total external assets	62,768	58,725	56,260	60,033	56,425	58,725
Customer accounts	47,757	48,241	46,706	48,484	46,139	48,241
Risk-weighted assets	15,717	16,134	16,001	16,525	16,452	16,134
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	23,831	23,802	23,550	23,739	23,746	23,802
Customer accounts	47,757	48,241	46,706	48,484	46,139	48,241

HSBC US - Commercial Banking

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	244	255	260	246	261	1,022
<i>of which: net interest income</i>	<i>179</i>	<i>198</i>	<i>195</i>	<i>194</i>	<i>200</i>	<i>787</i>
Change in expected credit losses and other credit impairment charges	37	(10)	21	(181)	(123)	(293)
Total operating expenses	(150)	(146)	(152)	(144)	(148)	(590)
<i>of which: staff expenses</i>	<i>(65)</i>	<i>(64)</i>	<i>(65)</i>	<i>(58)</i>	<i>(65)</i>	<i>(252)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	131	99	129	(79)	(10)	139
Reported Significant items - Totals (\$m)						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(1)	(1)	(4)	(2)	—	(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	244	255	260	245	261	1,022
<i>of which: net interest income</i>	<i>178</i>	<i>197</i>	<i>195</i>	<i>194</i>	<i>202</i>	<i>787</i>
Change in expected credit losses and other credit impairment charges	37	(9)	21	(181)	(123)	(293)
Total operating expenses	(149)	(146)	(148)	(142)	(148)	(583)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	132	100	133	(78)	(10)	146
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	22,684	23,435	25,897	28,210	30,480	23,435
Loans and advances to customers (net)	22,491	23,222	25,670	27,947	30,315	23,222
Total external assets	43,654	36,147	37,905	41,032	42,201	36,147
Customer accounts	40,299	39,577	36,999	37,091	30,173	39,577
Risk-weighted assets	28,953	28,770	30,879	32,654	33,782	28,770
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	22,491	23,222	25,670	27,947	30,315	23,222
Customer accounts	40,299	39,577	36,999	37,091	30,173	39,577

HSBC US

HSBC US - Global Banking and Markets

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	486	430	433	623	663	2,149
<i>of which: net interest income</i>	<i>87</i>	<i>84</i>	<i>87</i>	<i>135</i>	<i>88</i>	<i>394</i>
Change in expected credit losses and other credit impairment charges	52	(10)	6	(19)	(116)	(139)
Total operating expenses	(342)	(351)	(398)	(354)	(334)	(1,437)
<i>of which: staff expenses</i>	<i>(133)</i>	<i>(129)</i>	<i>(120)</i>	<i>(134)</i>	<i>(133)</i>	<i>(516)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	196	69	41	250	213	573
Reported Significant items - Totals (\$m)						
Revenue	(6)	(9)	(48)	(18)	10	(65)
ECL	—	—	—	—	—	—
Operating expenses	(2)	11	(11)	(19)	(1)	(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	492	439	481	641	653	2,214
<i>of which: net interest income</i>	<i>87</i>	<i>84</i>	<i>87</i>	<i>135</i>	<i>88</i>	<i>394</i>
Change in expected credit losses and other credit impairment charges	52	(11)	6	(19)	(116)	(139)
Total operating expenses	(340)	(361)	(386)	(335)	(333)	(1,417)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	204	67	101	287	204	658
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	10,889	11,212	13,179	16,508	22,047	11,212
Loans and advances to customers (net)	10,767	11,057	13,021	16,351	21,933	11,057
Total external assets	157,376	154,456	189,909	210,734	242,533	154,456
Customer accounts	31,366	29,672	30,990	34,660	23,402	29,672
Risk-weighted assets	33,713	36,140	38,867	43,285	46,126	36,140
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	10,767	11,057	13,021	16,351	21,933	11,057
Customer accounts	31,366	29,672	30,990	34,660	23,402	29,672

HSBC US

HSBC US - Corporate Centre

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest expense

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest expense

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	33	55	58	102	(9)	206
<i>of which: net interest expense</i>	<i>(9)</i>	<i>(16)</i>	<i>(22)</i>	<i>(18)</i>	<i>(21)</i>	<i>(77)</i>
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	(85)	(176)	(149)	(89)	(184)	(598)
<i>of which: staff expenses</i>	<i>(143)</i>	<i>(141)</i>	<i>(141)</i>	<i>(152)</i>	<i>(164)</i>	<i>(598)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(52)	(121)	(91)	13	(193)	(392)
Reported Significant items - Totals (\$m)						
Revenue	1	23	—	—	10	33
ECL	—	—	—	—	—	—
Operating expenses	(24)	(65)	(91)	(41)	(102)	(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	32	29	58	103	(17)	173
<i>of which: net interest expense</i>	<i>(7)</i>	<i>(14)</i>	<i>(22)</i>	<i>(19)</i>	<i>(22)</i>	<i>(77)</i>
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	(61)	(111)	(58)	(47)	(82)	(299)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(29)	(82)	—	56	(99)	(126)
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	—	—	—	(1)	—	—
Loans and advances to customers (net)	—	—	—	(1)	—	—
Total external assets	4,492	4,757	4,463	5,322	5,402	4,757
Customer accounts	(5)	(5)	—	1	—	(5)
Risk-weighted assets	4,407	3,895	4,424	4,883	4,938	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)

HSBC US

SIGNIFICANT ITEMS

HSBC US - TOTAL

Reported revenue significant items (\$m)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	(1)	(1)	(1)	(7)	(10)
Fair value movements on financial instruments	(1)	1	(2)	(7)	10	2
Restructuring and other related costs	(1)	14	(46)	(11)	10	(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	(32)	(56)	(100)	(65)	(112)	(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	—	—	—	—	—	—
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HSBC US - Wealth and Personal Banking

Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	(1)	(1)	(7)	(9)
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	—	—	(207)	—	—	(207)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(4)	(1)	(8)	(3)	(9)	(21)
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	—	—	—	—	—	—
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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	(1)	(1)	(3)	(2)	—	(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	—	—	—	—	—	—
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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	(1)	2	(2)	(8)	10	2
Restructuring and other related costs	(5)	(11)	(46)	(10)	—	(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	(2)	11	(7)	(19)	(1)	(16)
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	—	—	—	—	—	—
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HSBC US - Corporate Centre

Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	(1)	(1)	—	—	—	(1)
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	2	24	—	—	10	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	(24)	(65)	(81)	(41)	(102)	(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	—	—	—	—	—	—
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Reconciling items - Currency translation on reported items- Totals (\$m)

HSBC US - TOTAL

Revenue	(1)	—	1	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(1)	—	—	—	—	—
Share of profit in associates and joint ventures	—	—	—	—	—	—
Revenue significant items	2	—	—	—	—	—
Operating expense significant items	—	—	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	(1)	—
Customer accounts	—	—	—	—	—	—

HSBC US

HSBC US - Wealth and Personal Banking

Revenue	2	—	—	(1)
ECL	—	—	—	(1)
Operating expenses	(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 - Commercial Banking

Revenue	—	—	(1)	—
ECL	1	—	—	—
Operating expenses	(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 US - Global Banking and Markets

Revenue	1	—	—	—
ECL	(1)	—	—	—
Operating expenses	—	—	—	—
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	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	—	—	—	—

HSBC US

HSBC US - Corporate Centre

Revenue		(1)	—	1	1
ECL		—	—	—	—
Operating expenses		—	—	1	(1)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		2	—	—	(1)
Operating expense significant items		—	—	—	(1)
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		—	—	1	—
Customer accounts		—	—	(1)	—

HSBC

Latin America

Latin America - TOTAL

Reported (\$m)					
Net interest income	486	513	484	450	513
Net fee income	128	116	121	104	126
Other operating income ¹	98	68	141	160	224
Net operating income before change in expected credit losses and other credit impairment charges	712	697	746	714	863
Change in expected credit losses and other credit impairment charges	(29)	(275)	(192)	(340)	(317)
Total operating expenses	(482)	(583)	(445)	(430)	(480)
<i>of which: staff expenses</i>	(182)	(198)	(161)	(147)	(189)
Share of profit in associates and joint ventures	2	2	1	1	1
Profit/(loss) before tax	203	(159)	110	(55)	67

Reported Significant items - Totals (\$m)

Revenue	(6)	(5)	(1)	(7)	16	3
ECL	—	—	—	—	—	—
Operating expenses	(9)	(61)	(19)	(11)	—	(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	718	691	760	754	779	3,017
<i>of which: net interest income</i>	485	499	488	464	469	1,960
Change in expected credit losses and other credit impairment charges	(29)	(275)	(216)	(383)	(295)	(1,124)
Total operating expenses	(473)	(511)	(433)	(433)	(444)	(1,847)
Share of profit in associates and joint ventures	2	2	1	1	1	5
Profit/(loss) before tax	218	(93)	112	(61)	41	51

Balance sheet - reported (\$m)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	20,589	21,050	20,542	20,855	20,895	21,050
Loans and advances to customers (net)	19,310	19,658	19,333	19,785	20,040	19,658
Total external assets	44,163	46,859	43,516	45,451	44,670	46,859
Customer accounts	25,867	27,478	24,882	25,117	23,174	27,478
Risk-weighted assets ²	33,035	35,240	32,897	33,278	32,895	35,240

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)	19,310	18,980	20,415	21,672	22,231	19,658
Customer accounts	25,867	26,456	25,855	26,913	25,020	27,478

Quarter ended						Year to date
31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20		31-Dec-20
486	513	484	450	513		1,960
128	116	121	104	126		467
98	68	141	160	224		593
712	697	746	714	863		3,020
(29)	(275)	(192)	(340)	(317)		(1,124)
(482)	(583)	(445)	(430)	(480)		(1,938)
(182)	(198)	(161)	(147)	(189)		(695)
2	2	1	1	1		5
203	(159)	110	(55)	67		(37)
(6)	(5)	(1)	(7)	16		3
—	—	—	—	—		—
(9)	(61)	(19)	(11)	—		(91)
—	—	—	—	—		—
718	691	760	754	779		3,017
485	499	488	464	469		1,960
(29)	(275)	(216)	(383)	(295)		(1,124)
(473)	(511)	(433)	(433)	(444)		(1,847)
2	2	1	1	1		5
218	(93)	112	(61)	41		51
Balance sheet date						Balance sheet date
31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20		31-Dec-20
20,589	21,050	20,542	20,855	20,895		21,050
19,310	19,658	19,333	19,785	20,040		19,658
44,163	46,859	43,516	45,451	44,670		46,859
25,867	27,478	24,882	25,117	23,174		27,478
33,035	35,240	32,897	33,278	32,895		35,240
19,310	18,980	20,415	21,672	22,231		19,658
25,867	26,456	25,855	26,913	25,020		27,478

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Latin America

Latin America - Wealth and Personal Banking

	Quarter ended					Year to date
Reported (\$m)	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	431	426	450	420	500	1,796
of which: net interest income	320	329	326	306	385	1,346
Change in expected credit losses and other credit impairment charges	(41)	(148)	(136)	(207)	(234)	(725)
Total operating expenses	(303)	(360)	(296)	(280)	(324)	(1,260)
of which: staff expenses	(94)	(104)	(90)	(78)	(97)	(369)
Share of profit in associates and joint ventures	2	3	1	1	1	6
Profit/(loss) before tax	89	(79)	19	(66)	(57)	(183)
Reported Significant items - Totals (\$m)						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(1)	(22)	(12)	(1)	—	(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	431	423	467	450	472	1,796
of which: net interest income	320	325	338	327	360	1,346
Change in expected credit losses and other credit impairment charges	(41)	(148)	(155)	(233)	(215)	(725)
Total operating expenses	(302)	(333)	(290)	(292)	(299)	(1,225)
Share of profit in associates and joint ventures	2	2	1	1	1	6
Profit/(loss) before tax	90	(56)	23	(74)	(41)	(148)
	Balance sheet date					Balance sheet date
Balance sheet - reported (\$m)	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	8,314	8,348	7,333	6,994	6,914	8,348
Loans and advances to customers (net)	7,562	7,507	6,592	6,324	6,355	7,507
Total external assets	15,947	15,703	14,579	14,238	13,794	15,703
Customer accounts	13,209	13,666	11,631	11,560	10,819	13,666
Risk-weighted assets	10,610	11,497	10,294	9,875	9,290	11,497
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	7,562	7,257	6,994	6,978	7,107	7,507
Customer accounts	13,209	13,169	12,120	12,364	11,716	13,666

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Latin America

Latin America - Commercial Banking

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	142	148	149	145	164	606
<i>of which: net interest income</i>	<i>122</i>	<i>131</i>	<i>127</i>	<i>122</i>	<i>135</i>	<i>515</i>
Change in expected credit losses and other credit impairment charges	(4)	(116)	(42)	(71)	(53)	(282)
Total operating expenses	(84)	(97)	(82)	(78)	(88)	(345)
<i>of which: staff expenses</i>	<i>(22)</i>	<i>(20)</i>	<i>(18)</i>	<i>(17)</i>	<i>(22)</i>	<i>(77)</i>
Share of profit in associates and joint ventures	1	—	—	(1)	—	(1)
Profit/(loss) before tax	55	(65)	25	(5)	23	(22)
Reported Significant items - Totals (\$m)						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	—	(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	142	143	147	144	144	606
<i>of which: net interest income</i>	<i>122</i>	<i>125</i>	<i>123</i>	<i>121</i>	<i>117</i>	<i>515</i>
Change in expected credit losses and other credit impairment charges	(4)	(117)	(45)	(79)	(51)	(282)
Total operating expenses	(84)	(93)	(81)	(78)	(79)	(344)
Share of profit in associates and joint ventures	1	—	—	(1)	—	(1)
Profit/(loss) before tax	55	(67)	21	(14)	14	(21)
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	6,879	6,940	6,451	6,614	6,636	6,940
Loans and advances to customers (net)	6,483	6,534	6,111	6,314	6,398	6,534
Total external assets	10,310	9,925	9,532	9,531	9,516	9,925
Customer accounts	7,878	8,212	7,779	8,086	7,580	8,212
Risk-weighted assets	9,607	10,008	9,390	9,549	9,325	10,008
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	6,483	6,298	6,381	6,796	7,004	6,534
Customer accounts	7,878	7,915	8,133	8,741	8,279	8,212

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Latin America

Latin America - Global Banking and Markets

	Quarter ended					Year to date
Reported (\$m)	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	112	143	140	151	155	589
of which: net interest income	101	103	74	68	78	323
Change in expected credit losses and other credit impairment charges	14	(10)	(15)	(58)	(30)	(113)
Total operating expenses	(61)	(73)	(54)	(53)	(63)	(243)
of which: staff expenses	(15)	(19)	(10)	(12)	(16)	(57)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	65	60	71	40	62	233
Reported Significant items - Totals (\$m)						
Revenue	(7)	(6)	—	(7)	15	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	119	144	139	160	120	587
of which: net interest income	102	99	71	67	62	323
Change in expected credit losses and other credit impairment charges	14	(10)	(17)	(67)	(29)	(113)
Total operating expenses	(60)	(65)	(55)	(55)	(57)	(237)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	73	69	67	38	34	237
	Balance sheet date					Balance sheet date
Balance sheet - reported (\$m)	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	5,396	5,763	6,758	7,247	7,345	5,763
Loans and advances to customers (net)	5,265	5,618	6,630	7,147	7,287	5,618
Total external assets	17,694	20,991	19,163	21,406	21,133	20,991
Customer accounts	4,781	5,599	5,472	5,471	4,775	5,599
Risk-weighted assets	11,433	12,971	12,655	13,046	13,483	12,971
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	5,265	5,425	7,040	7,898	8,120	5,618
Customer accounts	4,781	5,372	5,601	5,808	5,026	5,599

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Latin America

Latin America - Corporate Centre

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges	28	(20)	7	(2)	44	29
of which: net interest expense	(59)	(51)	(43)	(46)	(85)	(225)
Change in expected credit losses and other credit impairment charges	1	—	—	(4)	—	(4)
Total operating expenses	(34)	(52)	(14)	(19)	(5)	(90)
of which: staff expenses	(53)	(55)	(43)	(40)	(54)	(192)
Share of profit in associates and joint ventures	(1)	(1)	—	1	—	—
Profit/(loss) before tax	(6)	(73)	(7)	(24)	39	(65)

Reported Significant items - Totals (\$m)

Revenue	(1)	(1)	—	—	1	—
ECL	—	—	—	—	—	—
Operating expenses	(5)	(32)	(7)	(10)	—	(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	29	(20)	7	—	43	29
of which: net interest expense	(59)	(51)	(46)	(51)	(71)	(225)
Change in expected credit losses and other credit impairment charges	1	—	—	(4)	—	(4)
Total operating expenses	(29)	(19)	(8)	(8)	(10)	(41)
Share of profit in associates and joint ventures	(1)	—	—	—	—	—
Profit/(loss) before tax	—	(39)	(1)	(12)	33	(16)

Balance sheet - reported (\$m)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	—	—	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	213	241	244	276	227	241
Customer accounts	—	—	—	—	—	—
Risk-weighted assets	1,385	764	558	808	797	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

Latin America - TOTAL

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

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

Settlements and provisions in connection with legal and regulatory matters

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(1)	(5)	(1)	(7)	16	3
Restructuring and other related costs	(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	(9)	(61)	(19)	(11)	—	(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	(1)	(22)	(12)	(1)	—	(35)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

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Latin America

Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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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	—	(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	—	—	—	—	—	—
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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)	(6)	—	(7)	15	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	—	—	—	—	—	—
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HSBC

Latin America

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)	—	—	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	(5)	(32)	(7)	(10)	—	(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	—	—	—	—	—	—
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Reconciling items - Currency translation on reported items- Totals (\$m)

Latin America - TOTAL

Revenue	(12)	14	32	(70)	
ECL	—	(24)	(43)	22	
Operating expenses	13	(6)	(12)	36	
Share of profit in associates and joint ventures	—	—	—	—	
Revenue significant items	(1)	1	(1)	(2)	
Operating expense significant items	2	1	2	—	
Share of profit in associates and joint ventures significant items	—	—	—	—	
Loans and advances to customers (net)	(678)	1,082	1,887	2,191	
Customer accounts	(1,022)	973	1,796	1,846	

Latin America - Wealth and Personal Banking

Revenue	(3)	17	30	(28)	
ECL	—	(19)	(26)	19	
Operating expenses	7	(4)	(13)	25	
Share of profit in associates and joint ventures	(1)	—	—	—	
Revenue significant items	—	—	—	—	
Operating expense significant items	2	2	—	—	
Share of profit in associates and joint ventures significant items	—	—	—	—	
Loans and advances to customers (net)	(250)	402	654	752	
Customer accounts	(497)	489	804	897	

HSBC

Latin America

Latin America - Commercial Banking

Revenue	(5)	(2)	(1)	(20)
ECL	(1)	(3)	(8)	2
Operating expenses	3	1	—	9
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)	(236)	270	482	606
Customer accounts	(297)	354	655	699

Latin America - Global Banking and Markets

Revenue	(5)	(1)	1	(21)
ECL	—	(2)	(9)	1
Operating expenses	2	(1)	(2)	6
Share of profit in associates and joint ventures	—	—	—	—
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)	(193)	410	751	833
Customer accounts	(227)	129	337	251

Latin America - Corporate Centre

Revenue	—	—	2	(1)
ECL	—	—	—	—
Operating expenses	—	(1)	3	(5)
Share of profit in associates and joint ventures	1	—	(1)	—
Revenue significant items	1	—	—	(1)
Operating expense significant items	(1)	—	2	—
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 \$46.8m, comprising a decrease in revenue of \$46.5m, an increase in ECL of \$0.2m and an increase in operating expenses of \$0.1m.

2 Risk-weighted assets are non-additive across geographical regions due to market risk diversification effects within the Group.

Mexico - TOTAL

Reported (\$m)

Net interest income	364	357	341	313	376	1,387
Net fee income	102	99	93	87	102	381
Other operating income	90	100	105	101	160	466
Net operating income before change in expected credit losses and other credit impairment charges	556	556	539	501	638	2,234
Change in expected credit losses and other credit impairment charges	(35)	(256)	(220)	(315)	(259)	(1,050)
Total operating expenses	(344)	(412)	(317)	(304)	(343)	(1,376)
<i>of which: staff expenses</i>	(118)	(137)	(110)	(102)	(133)	(482)
Share of profit in associates and joint ventures	2	2	1	1	1	5
Profit/(loss) before tax	179	(110)	3	(117)	37	(187)

Reported Significant items - Totals (\$m)

Revenue	(16)	7	—	(6)	12	13
ECL	—	—	—	—	—	—
Operating expenses	2	(34)	(6)	(2)	—	(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	572	555	585	581	617	2,221
<i>of which: net interest income</i>	363	360	370	359	370	1,387
Change in expected credit losses and other credit impairment charges	(35)	(259)	(239)	(360)	(255)	(1,050)
Total operating expenses	(346)	(383)	(338)	(346)	(337)	(1,334)
Share of profit in associates and joint ventures	2	2	1	1	1	5
Profit/(loss) before tax	193	(85)	9	(124)	26	(158)

Balance sheet - reported (\$m)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	18,094	18,580	17,926	18,130	18,108	18,580
Loans and advances to customers (net)	16,906	17,296	16,870	17,220	17,395	17,296
Total external assets	34,730	36,798	33,605	35,043	34,731	36,798
Customer accounts	20,930	22,220	19,530	19,759	18,046	22,220
Risk-weighted assets	24,693	26,323	24,387	24,773	24,159	26,323

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)	16,906	16,781	18,213	19,481	20,060	17,296
Customer accounts	20,930	21,558	21,084	22,353	20,809	22,220

Quarter ended						Year to date
31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20		31-Dec-20
364	357	341	313	376		1,387
102	99	93	87	102		381
90	100	105	101	160		466
556	556	539	501	638		2,234
(35)	(256)	(220)	(315)	(259)		(1,050)
(344)	(412)	(317)	(304)	(343)		(1,376)
(118)	(137)	(110)	(102)	(133)		(482)
2	2	1	1	1		5
179	(110)	3	(117)	37		(187)
(16)	7	—	(6)	12		13
—	—	—	—	—		—
2	(34)	(6)	(2)	—		(42)
—	—	—	—	—		—
572	555	585	581	617		2,221
363	360	370	359	370		1,387
(35)	(259)	(239)	(360)	(255)		(1,050)
(346)	(383)	(338)	(346)	(337)		(1,334)
2	2	1	1	1		5
193	(85)	9	(124)	26		(158)
Balance sheet date						Balance sheet date
31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20		31-Dec-20
18,094	18,580	17,926	18,130	18,108		18,580
16,906	17,296	16,870	17,220	17,395		17,296
34,730	36,798	33,605	35,043	34,731		36,798
20,930	22,220	19,530	19,759	18,046		22,220
24,693	26,323	24,387	24,773	24,159		26,323
16,906	16,781	18,213	19,481	20,060		17,296
20,930	21,558	21,084	22,353	20,809		22,220

HSBC Mexico

Mexico - Wealth and Personal Banking

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	364	378	373	342	429	1,522
of which: net interest income	273	277	270	247	318	1,112
Change in expected credit losses and other credit impairment charges	(41)	(140)	(166)	(199)	(183)	(688)
Total operating expenses	(236)	(275)	(220)	(213)	(247)	(955)
of which: staff expenses	(70)	(65)	(58)	(54)	(70)	(247)
Share of profit in associates and joint ventures	2	3	1	1	1	6
Profit/(loss) before tax	89	(34)	(12)	(69)	—	(115)
Reported Significant items - Totals (\$m)						
Revenue	—	—	—	—	—	—
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	364	382	404	392	422	1,522
of which: net interest income	273	280	293	282	313	1,112
Change in expected credit losses and other credit impairment charges	(41)	(141)	(180)	(228)	(180)	(688)
Total operating expenses	(236)	(273)	(239)	(243)	(243)	(950)
Share of profit in associates and joint ventures	2	2	1	1	1	6
Profit/(loss) before tax	89	(30)	(14)	(78)	—	(110)
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	7,659	7,674	6,688	6,357	6,261	7,674
Loans and advances to customers (net)	6,940	6,871	5,983	5,728	5,736	6,871
Total external assets	13,204	12,765	11,577	11,207	11,159	12,765
Customer accounts	11,138	11,651	9,584	9,316	8,815	11,651
Risk-weighted assets	8,706	9,177	7,979	7,763	7,196	9,177
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	6,940	6,666	6,459	6,480	6,614	6,871
Customer accounts	11,138	11,304	10,347	10,539	10,164	11,651

HSBC Mexico

Mexico - Commercial Banking

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest income

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit/(loss) in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	98	96	92	85	101	374
<i>of which: net interest income</i>	73	76	73	72	80	301
Change in expected credit losses and other credit impairment charges	(7)	(109)	(39)	(64)	(49)	(261)
Total operating expenses	(50)	(62)	(53)	(49)	(55)	(219)
<i>of which: staff expenses</i>	(13)	(13)	(11)	(10)	(13)	(47)
Share of profit in associates and joint ventures	1	—	—	(1)	—	(1)
Profit/(loss) before tax	42	(75)	—	(29)	(3)	(107)
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(1)	(1)	—	—	—	(1)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Net operating income before change in expected credit losses and other credit impairment charges	98	97	100	97	99	374
<i>of which: net interest income</i>	73	77	79	83	79	301
Change in expected credit losses and other credit impairment charges	(7)	(110)	(42)	(73)	(48)	(261)
Total operating expenses	(49)	(63)	(57)	(56)	(54)	(218)
Share of profit/(loss) in associates and joint ventures	1	—	—	(1)	—	(1)
Profit/(loss) before tax	43	(76)	1	(33)	(3)	(106)
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Loans and advances to customers (gross)	5,695	5,793	5,240	5,332	5,435	5,793
Loans and advances to customers (net)	5,335	5,436	4,994	5,129	5,289	5,436
Total external assets	8,096	7,803	7,267	7,201	7,514	7,803
Customer accounts	6,579	6,916	6,464	6,747	6,262	6,916
Risk-weighted assets	7,219	7,539	6,891	6,976	6,974	7,539
Loans and advances to customers (net)	5,335	5,274	5,392	5,802	6,100	5,436
Customer accounts	6,579	6,710	6,978	7,633	7,221	6,916

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Mexico - Global Banking and Markets

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	76	82	77	75	62	296
<i>of which: net interest income</i>	<i>68</i>	<i>49</i>	<i>39</i>	<i>36</i>	<i>23</i>	<i>147</i>
Change in expected credit losses and other credit impairment (charges)/recoveries	12	(8)	(16)	(51)	(27)	(102)
Total operating expenses	(32)	(42)	(30)	(29)	(34)	(135)
<i>of which: staff expenses</i>	<i>(6)</i>	<i>(11)</i>	<i>(4)</i>	<i>(6)</i>	<i>(7)</i>	<i>(28)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	56	32	31	(5)	1	59
Reported Significant items - Totals (\$m)						
Revenue	(7)	(2)	—	(6)	11	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	83	84	84	92	50	293
<i>of which: net interest income</i>	<i>68</i>	<i>49</i>	<i>43</i>	<i>41</i>	<i>22</i>	<i>147</i>
Change in expected credit losses and other credit impairment (charges)/recoveries	12	(8)	(17)	(59)	(27)	(102)
Total operating expenses	(32)	(37)	(33)	(33)	(33)	(130)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	63	39	34	—	(10)	61
	Balance sheet date					Balance sheet date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	4,741	5,112	5,997	6,441	6,412	5,112
Loans and advances to customers (net)	4,632	4,990	5,893	6,363	6,370	4,990
Total external assets	13,316	16,079	14,609	16,509	15,915	16,079
Customer accounts	3,214	3,653	3,482	3,696	2,969	3,653
Risk-weighted assets	8,312	9,412	9,357	9,767	9,633	9,412
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	4,632	4,841	6,362	7,199	7,346	4,990
Customer accounts	3,214	3,544	3,759	4,181	3,424	3,653

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Mexico - Corporate Centre

Reported (\$m)

Net operating income before change in expected credit losses and other credit impairment charges

of which: net interest expense

Change in expected credit losses and other credit impairment charges

Total operating expenses

of which: staff expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

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

of which: net interest expense

Change in expected credit losses and other credit impairment charges

Total operating expenses

Share of profit in associates and joint ventures

Profit/(loss) before tax

Balance sheet - reported (\$m)

Loans and advances to customers (gross)

Loans and advances to customers (net)

Total external assets

Customer accounts

Risk-weighted assets

Balance sheet data - at most recent balance sheet date FX rates (\$m)

Loans and advances to customers (net)

Customer accounts

	Quarter ended					Year to date
	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	18	—	(3)	—	46	43
of which: net interest expense	(50)	(45)	(41)	(42)	(45)	(173)
Change in expected credit losses and other credit impairment charges	(1)	(1)	1	—	—	—
Total operating expenses	(25)	(33)	(14)	(14)	(7)	(68)
of which: staff expenses	(27)	(48)	(37)	(32)	(43)	(160)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(8)	(34)	(16)	(14)	39	(25)
Reported Significant items - Totals (\$m)						
Revenue	(10)	8	—	—	1	9
ECL	—	—	—	—	—	—
Operating expenses	4	(22)	(6)	(2)	—	(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	28	(8)	(3)	—	45	34
of which: net interest expense	(51)	(46)	(44)	(48)	(44)	(173)
Change in expected credit losses and other credit impairment charges	(1)	—	—	—	—	—
Total operating expenses	(29)	(9)	(9)	(14)	(7)	(38)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(2)	(17)	(12)	(14)	38	(4)
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	—	—	1	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	114	150	152	126	143	150
Customer accounts	—	—	—	—	—	—
Risk-weighted assets	456	195	160	267	356	195
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	—	—	—	—	—	—
Customer accounts	—	—	—	—	—	—

HSBC Mexico

SIGNIFICANT ITEMS

Mexico - TOTAL

Reported revenue significant items (\$m)

	31-Mar-21	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	Year to date 31-Dec-20
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(1)	(5)	—	(6)	12	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	2	(34)	(6)	(2)	—	(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	—	—	—	—	—	—
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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	—	(5)	—	—	—	(5)
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	—	—	—	—	—	—
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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	(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	—	—	—	—	—	—
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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)	(5)	—	(6)	11	—
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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Share of profit in associates and joint ventures significant items (\$m)

Impairment of goodwill	—	—	—	—	—	—
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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	4	(22)	(6)	(2)	—	(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	—	—	—	—	—	—
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Reconciling items - Currency translation on reported items- Totals (\$m)

Mexico - TOTAL

Revenue	6	46	73	(10)	
ECL	(3)	(19)	(45)	4	
Operating expenses	(5)	(27)	(44)	6	
Share of profit in associates and joint ventures	—	—	—	—	
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)	(515)	1,343	2,261	2,665	
Customer accounts	(662)	1,554	2,594	2,763	

HSBC Mexico

Mexico - Wealth and Personal Banking

Revenue	4	31	50	(7)
ECL	(1)	(14)	(29)	3
Operating expenses	(3)	(19)	(30)	4
Share of profit in associates and joint ventures	(1)	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	(205)	476	752	878
Customer accounts	(347)	763	1,223	1,349

Mexico - Commercial Banking

Revenue	1	8	12	(2)
ECL	(1)	(3)	(9)	1
Operating expenses	(1)	(4)	(7)	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)	(162)	398	673	811
Customer accounts	(206)	514	886	959

Mexico - Global Banking and Markets

Revenue	—	7	10	(1)
ECL	—	(1)	(8)	—
Operating expenses	—	(3)	(4)	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)	(149)	469	836	976
Customer accounts	(109)	277	485	455

HSBC Mexico

Mexico - Corporate Centre

Revenue		1	—	—	(1)
ECL		1	(1)	—	—
Operating expenses		—	(1)	(2)	—
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		1	—	—	(1)
Operating expense significant items		(2)	—	—	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		—	—	—	—
Customer accounts		—	—	—	—

HSBC
Credit risk

Summary of credit risk (excluding debt instruments measured at FVOCI) by stage distribution and ECL coverage by industry sector at 31 March 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	875,622	158,654	19,248	266	1,053,790	(1,659)	(4,494)	(7,343)	(87)	(13,583)	0.2 %	2.6 %	38.1 %	32.7 %	1.3 %
– personal	436,056	23,455	5,929	—	465,440	(688)	(2,184)	(1,487)	—	(4,359)	0.2 %	9.3 %	25.1 %	— %	0.9 %
– corporate and commercial	381,031	129,852	12,785	265	523,933	(931)	(2,251)	(5,746)	(86)	(9,014)	0.2 %	1.7 %	44.9 %	32.5 %	1.7 %
– non-bank financial institutions	58,535	5,347	534	1	64,417	(40)	(59)	(110)	(1)	(210)	0.1 %	1.1 %	20.6 %	100.0 %	0.3 %
Loans and advances to banks at amortised cost	82,645	1,258	—	—	83,903	(24)	(6)	—	—	(30)	— %	0.5 %	— %	— %	— %
Other financial assets measured at amortised cost	830,993	4,137	158	42	835,330	(81)	(48)	(41)	(9)	(179)	— %	1.2 %	25.9 %	21.4 %	— %
Loans and other credit-related commitments	615,857	50,279	929	1	667,066	(221)	(282)	(75)	—	(578)	— %	0.6 %	8.1 %	— %	0.1 %
– personal	233,453	2,043	135	—	235,631	(27)	(1)	(1)	—	(29)	— %	— %	0.7 %	— %	— %
– corporate and commercial	248,982	43,853	738	1	293,574	(185)	(268)	(67)	—	(520)	0.1 %	0.6 %	9.1 %	— %	0.2 %
– financial	133,422	4,383	56	—	137,861	(9)	(13)	(7)	—	(29)	— %	0.3 %	12.5 %	— %	— %
Financial guarantees	22,701	3,881	260	1	26,843	(22)	(43)	(22)	—	(87)	0.1 %	1.1 %	8.5 %	— %	0.3 %
– personal	865	28	1	—	894	—	(1)	—	—	(1)	— %	3.6 %	— %	— %	0.1 %
– corporate and commercial	17,639	3,016	244	1	20,900	(19)	(38)	(21)	—	(78)	0.1 %	1.3 %	8.6 %	— %	0.4 %
– financial	4,197	837	15	—	5,049	(3)	(4)	(1)	—	(8)	0.1 %	0.5 %	6.7 %	— %	0.2 %
At 31 Mar 2021	2,427,818	218,209	20,595	310	2,666,932	(2,007)	(4,873)	(7,481)	(96)	(14,457)	0.1 %	2.2 %	36.3 %	31.0 %	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 31 March 2021

	Gross carrying amount				Allowance for ECL				ECL coverage %			
	Of which:	Of which:	Of which:	Stage 2	Of which:	Of which:	Of which:	Stage 2	Of which:	Of which:	Of which:	Stage 2
	Stage 2	Up-to-date	1 to 29 DPD ^{1,2}		Up-to-date	1 to 29 DPD ^{1,2}	30 and > DPD ^{1,2}		Up-to-date	1 to 29 DPD ^{1,2}	30 and > DPD ^{1,2}	
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	%	%	%	%	%
Loans and advances to customers at amortised cost	158,654	155,314	1,834	1,506	(4,494)	(3,984)	(226)	2.8 %	2.6 %	12.3 %	18.9 %	
– personal	23,455	21,027	1,282	1,146	(2,184)	(1,751)	(252)	9.3 %	8.3 %	14.1 %	22.0 %	
– corporate and commercial	129,852	128,945	551	356	(2,251)	(2,174)	(45)	1.7 %	1.7 %	8.2 %	9.0 %	
– non-bank financial institutions	5,347	5,342	1	4	(59)	(59)	—	1.1 %	1.1 %	— %	— %	
Loans and advances to banks at amortised cost	1,258	1,258	—	—	(6)	(6)	—	0.5 %	0.5 %	— %	— %	
Other financial assets measured at amortised cost	4,137	4,129	4	4	(48)	(48)	—	1.2 %	1.2 %	— %	— %	

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

By portfolio	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
First lien residential mortgages	342,012	11,171	3,713	356,896	(105)	(184)	(446)	(735)
– of which:								
– interest only (including offset)	29,291	2,521	322	32,134	(6)	(28)	(87)	(121)
– affordability (including US adjustable rate mortgages)	13,603	1,851	655	16,109	(13)	(10)	(4)	(27)
Other personal lending	94,044	12,284	2,216	108,544	(583)	(2,000)	(1,041)	(3,624)
– other	76,323	6,924	1,559	84,806	(278)	(824)	(661)	(1,763)
– credit cards	15,781	5,126	600	21,507	(294)	(1,158)	(364)	(1,816)
– second lien residential mortgages	579	86	50	715	(4)	(9)	(10)	(23)
– motor vehicle finance	1,361	148	7	1,516	(7)	(9)	(6)	(22)
At 31 Mar 2021	436,056	23,455	5,929	465,440	(688)	(2,184)	(1,487)	(4,359)
By geography								
Europe	202,553	9,600	2,450	214,603	(198)	(1,182)	(777)	(2,157)
– of which: UK	166,910	8,262	1,723	176,895	(173)	(1,149)	(508)	(1,830)
Asia	180,019	8,624	1,607	190,250	(178)	(420)	(281)	(879)
– of which: Hong Kong	121,375	5,469	231	127,075	(84)	(267)	(49)	(400)
MENA	4,864	375	241	5,480	(45)	(93)	(146)	(284)
North America	41,961	3,909	1,326	47,196	(91)	(183)	(135)	(409)
Latin America	6,659	947	305	7,911	(176)	(306)	(148)	(630)
At 31 Mar 2021	436,056	23,455	5,929	465,440	(688)	(2,184)	(1,487)	(4,359)

HSBC
Credit risk

Total wholesale lending for loans and advances to banks and customers by stage distribution

	Gross carrying amount					Allowance for ECL				
	Stage 1 \$m	Stage 2 \$m	Stage 3 \$m	POCI \$m	Total \$m	Stage 1 \$m	Stage 2 \$m	Stage 3 \$m	POCI \$m	Total \$m
Corporate and commercial	381,031	129,852	12,785	265	523,933	(931)	(2,251)	(5,746)	(86)	(9,014)
– agriculture, forestry and fishing	6,443	1,002	341	1	7,787	(15)	(42)	(149)	(1)	(207)
– mining and quarrying	8,808	3,050	572	16	12,446	(31)	(88)	(157)	(12)	(288)
– manufacturing	64,862	24,549	2,013	81	91,505	(147)	(337)	(932)	(38)	(1,454)
– electricity, gas, steam and air-conditioning supply	13,359	2,131	71	—	15,561	(18)	(27)	(29)	—	(74)
– water supply, sewerage, waste management and remediation	2,860	398	52	—	3,310	(6)	(5)	(24)	—	(35)
– construction	9,545	4,432	740	4	14,721	(37)	(92)	(393)	(4)	(526)
– wholesale and retail trade, repair of motor vehicles and motorcycles	64,205	24,949	3,144	11	92,309	(159)	(297)	(2,002)	(2)	(2,460)
– transportation and storage	19,039	8,778	779	11	28,607	(51)	(143)	(233)	—	(427)
– accommodation and food	8,560	17,216	627	1	26,404	(88)	(346)	(141)	(1)	(576)
– publishing, audiovisual and broadcasting	16,274	3,195	141	34	19,644	(32)	(71)	(32)	(4)	(139)
– real estate	105,007	20,584	1,807	1	127,399	(168)	(264)	(686)	—	(1,118)
– professional, scientific and technical activities	16,637	6,556	586	31	23,810	(50)	(146)	(209)	(8)	(413)
– administrative and support services	18,100	7,239	906	66	26,311	(58)	(157)	(295)	(16)	(526)
– public administration and defence, compulsory social security	1,496	572	3	—	2,071	(1)	(6)	(1)	—	(8)
– education	1,435	563	29	—	2,027	(9)	(17)	(6)	—	(32)
– health and care	4,211	872	267	8	5,358	(12)	(21)	(122)	—	(155)
– arts, entertainment and recreation	825	1,870	300	—	2,995	(8)	(71)	(77)	—	(156)
– other services	10,748	1,097	406	—	12,251	(37)	(109)	(257)	—	(403)
– activities of households	815	140	—	—	955	—	—	—	—	—
– extra-territorial organisations and bodies activities	3	—	—	—	3	—	—	—	—	—
– government	7,386	645	1	—	8,032	(4)	(1)	(1)	—	(6)
– asset-backed securities	413	14	—	—	427	—	(11)	—	—	(11)
Non-bank financial institutions	58,535	5,347	534	1	64,417	(40)	(59)	(110)	(1)	(210)
Loans and advances to banks	82,645	1,258	—	—	83,903	(24)	(6)	—	—	(30)
At 31 Mar 2021	522,211	136,457	13,319	266	672,253	(995)	(2,316)	(5,856)	(87)	(9,254)
By geography										
Europe	152,882	49,615	6,407	103	209,007	(515)	(1,248)	(1,949)	(24)	(3,736)
– of which: UK	101,781	40,653	4,645	54	147,133	(468)	(1,097)	(1,189)	(9)	(2,763)
Asia	283,731	60,661	3,501	103	347,996	(236)	(408)	(2,110)	(45)	(2,799)
– of which: Hong Kong	156,750	42,785	1,668	44	201,247	(125)	(265)	(787)	(22)	(1,199)
MENA	24,017	7,500	1,903	30	33,450	(82)	(187)	(1,186)	(12)	(1,467)
North America	51,608	13,640	859	—	66,107	(98)	(229)	(272)	—	(599)
Latin America	9,973	5,041	649	30	15,693	(64)	(244)	(339)	(6)	(653)
At 31 Mar 2021	522,211	136,457	13,319	266	672,253	(995)	(2,316)	(5,856)	(87)	(9,254)
Corporate and commercial										
Europe	120,381	47,629	5,931	101	174,042	(479)	(1,205)	(1,870)	(22)	(3,576)
– of which: UK	82,799	39,177	4,238	54	126,268	(440)	(1,069)	(1,143)	(9)	(2,661)
Asia	198,519	57,813	3,479	103	259,914	(216)	(401)	(2,102)	(45)	(2,764)
– of which: Hong Kong	120,864	40,885	1,666	44	163,459	(124)	(264)	(785)	(22)	(1,195)
MENA	14,871	7,249	1,888	31	24,039	(81)	(185)	(1,180)	(13)	(1,459)
North America	39,994	13,233	840	—	54,067	(97)	(220)	(255)	—	(572)
Latin America	7,266	3,928	647	30	11,871	(58)	(240)	(339)	(6)	(643)
At 31 Mar 2021	381,031	129,852	12,785	265	523,933	(931)	(2,251)	(5,746)	(86)	(9,014)

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