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23 February 2021

(Hong Kong Stock Code: 5)

**HSBC Holdings plc
2020 RESULTS - HIGHLIGHTS**

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

23 February 2021

HSBC HOLDINGS PLC

2020 RESULTS – HIGHLIGHTS

Noel Quinn, Group Chief Executive, said:

“In 2020, our people delivered an exceptional level of support for our customers in very tough circumstances, while our strong balance sheet and liquidity gave reassurance to those who rely on us. We achieved this while delivering a solid financial performance in the context of the pandemic – particularly in Asia – and laying firm foundations for our future growth. I am proud of everything our people achieved and grateful for the loyalty of our customers during a very turbulent year.

The growth plans we are announcing today aim to establish HSBC as a dynamic, efficient and agile global bank with a digital-first mindset, capable of providing a world-leading service to our customers and strong returns for our investors. We intend to deliver them at pace.”

2020 financial performance (vs 2019)

- **Reported profit after tax down 30% to \$6.1bn and reported profit before tax down 34% to \$8.8bn** from higher expected credit losses and other credit impairment charges ('ECL') and lower revenue, partly offset by a fall in operating expenses. Reported results in 2020 included a \$1.3bn impairment of software intangibles, while reported results in 2019 included a \$7.3bn impairment of goodwill. **Adjusted profit before tax down 45% to \$12.1bn.**
- **Reported revenue down 10% to \$50.4bn**, primarily due to the progressive impact of lower interest rates across our global businesses, in part offset by higher revenue in Global Markets. **Adjusted revenue down 8% to \$50.4bn.**
- **Net interest margin ('NIM') of 1.32% in 2020, down 26 basis points ('bps') from 2019**, due to the impact of lower global interest rates.
- **Reported ECL up \$6.1bn to \$8.8bn**, mainly due to the impact of the Covid-19 outbreak and the forward economic outlook. Allowance for ECL on loans and advances to customers up from \$8.7bn at 31 December 2019 to \$14.5bn at 31 December 2020.
- **Reported operating expenses down 19% to \$34.4bn**, mainly due to the non-recurrence of a \$7.3bn impairment of goodwill. **Adjusted operating expenses down 3% to \$31.5bn**, as cost-saving initiatives and lower performance-related pay and discretionary expenditure more than offset the growth in investment spend.
- **During 2020, deposits grew by \$204bn on a reported basis and \$173bn on a constant currency basis**, with growth in all global businesses.
- **Common equity tier 1 ('CET1') ratio of 15.9%, up 1.2 percentage points from 14.7% at 31 December 2019**, which included the impact of the cancellation of the fourth interim dividend of 2019 and changes to the capital treatment of software assets.
- After considering the requirements set out in the UK Prudential Regulation Authority's ('PRA') temporary approach to shareholder distributions for 2020, the Board has announced an **interim dividend for 2020 of \$0.15 per ordinary share**, to be paid in cash with no scrip alternative.

4Q20 financial performance (vs 4Q19)

- **Reported profit after tax up \$6.0bn to \$0.9bn and reported profit before tax up \$5.3bn to \$1.4bn**, primarily due to the non-recurrence of a \$7.3bn impairment of goodwill in 4Q19. **Adjusted profit before tax down 50% to \$2.2bn.**
- **Reported revenue down 12% and adjusted revenue down 14%**, primarily due to the impact of lower global interest rates. NIM of 1.22% in 4Q20 increased by 2bps compared with 3Q20.
- **Reported ECL up 60% to \$1.2bn**, reflecting UK economic uncertainty and higher charges related to specific exposures in Commercial Banking ('CMB').
- **Reported operating expenses down 42% to \$9.9bn**, due to the non-recurrence of a \$7.3bn goodwill impairment. **Adjusted operating expenses of \$9.1bn down \$0.1bn.**

Outlook and strategic update

We recognise a number of fundamental changes, including the prospect of prolonged low interest rates, the significant increase in digital engagement from customers and the enhanced focus on the environment, and we have aligned our strategy accordingly.

We intend to **increase our focus on areas where we are strongest, increase and accelerate our investments**, and continue to **progress with the transformation of our underperforming businesses**. As part of our climate ambitions, we have also set out our plans to **capture the opportunities presented by the transition to a low-carbon economy**.

We will continue to target an **adjusted cost base of \$31bn or less in 2022**. This reflects a further reduction in our cost base, which has been broadly offset by the adverse impact of foreign currency translation due to the weakening US dollar towards the end of 2020. In addition, we will continue to target a **gross risk-weighted assets ('RWA') reduction of over \$100bn by the end of 2022**. **We no longer expect to reach our return on average tangible equity ('RoTE') target of between 10% and 12% in 2022, as originally planned and will now target a RoTE of greater than or equal to 10% in the medium term.**

We intend to maintain a **CET1 ratio above 14%, managing in the range of 14% to 14.5% in the medium term** and managing this range down in the longer term. The Board has adopted a policy to provide sustainable dividends going forward. We intend to transition towards a target **payout ratio of between 40% and 55% of reported earnings per ordinary share ('EPS')** from 2022 onwards, with the flexibility to adjust EPS for non-cash significant items, such as goodwill or intangibles impairments.

January trading

We have had a good start to 2021, and we are cautiously optimistic for the year ahead.

Key financial metrics

	Footnotes	For the year ended		
		2020	2019	2018
Reported results				
Reported revenue (\$m)		50,429	56,098	53,780
Reported profit before tax (\$m)		8,777	13,347	19,890
Reported profit after tax (\$m)		6,099	8,708	15,025
Profit attributable to the ordinary shareholders of the parent company (\$m)		3,898	5,969	12,608
Cost efficiency ratio (%)		68.3	75.5	64.4
Basic earnings per share (\$)		0.19	0.30	0.63
Diluted earnings per share (\$)		0.19	0.30	0.63
Net interest margin (%)		1.32	1.58	1.66
Alternative performance measures				
Adjusted revenue (\$m)		50,366	54,944	52,098
Adjusted profit before tax (\$m)		12,149	22,149	21,199
Adjusted cost efficiency ratio (%)		62.5	59.2	60.9
Expected credit losses and other credit impairment charges ('ECL') as % of average gross loans and advances to customers (%)		0.81	0.25	0.16
Return on average ordinary shareholders' equity (%)		2.3	3.6	7.7
Return on average tangible equity (%)	1	3.1	8.4	8.6
Balance sheet				
		At 31 Dec		
		2020	2019	2018
Total assets (\$m)		2,984,164	2,715,152	2,558,124
Net loans and advances to customers (\$m)		1,037,987	1,036,743	981,696
Customer accounts (\$m)		1,642,780	1,439,115	1,362,643
Average interest-earning assets (\$m)		2,092,900	1,922,822	1,839,346
Loans and advances to customers as % of customer accounts (%)		63.2	72.0	72.0
Total shareholders' equity (\$m)		196,443	183,955	186,253
Tangible ordinary shareholders' equity (\$m)		156,423	144,144	140,056
Net asset value per ordinary share at period end (\$)		8.62	8.00	8.13
Tangible net asset value per ordinary share at period end (\$)	2	7.75	7.13	7.01
Capital, leverage and liquidity				
Common equity tier 1 capital ratio (%)	3	15.9	14.7	14.0
Risk-weighted assets (\$m)	3	857,520	843,395	865,318
Total capital ratio (%)	3	21.5	20.4	20.0
Leverage ratio (%)	3	5.5	5.3	5.5
High-quality liquid assets (liquidity value) (\$bn)		678	601	567
Liquidity coverage ratio (%)		139	150	154
Share count				
Period end basic number of \$0.50 ordinary shares outstanding (millions)		20,184	20,206	19,981
Period end basic number of \$0.50 ordinary shares outstanding and dilutive potential ordinary shares (millions)		20,272	20,280	20,059
Average basic number of \$0.50 ordinary shares outstanding (millions)		20,169	20,158	19,896
Dividend per ordinary share (in respect of the period) (\$)	4	0.15	0.30	0.51

For reconciliations of our reported results to an adjusted basis, including lists of significant items, see page 85 of the *Annual Report and Accounts 2020*. Definitions and calculations of other alternative performance measures are included in our 'Reconciliation of alternative performance measures' on page 103 of the *Annual Report and Accounts 2020*.

- 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 Excludes impact of \$0.10 per share dividend in the first quarter of 2019, following a June 2019 change in accounting practice on the recognition of interim dividends, from the date of declaration to the date of payment.
- 3 Unless otherwise stated, regulatory capital ratios and requirements are based on the transitional arrangements of the Capital Requirements Regulation in force at the time. These include the regulatory transitional arrangements for IFRS 9 'Financial Instruments', which are explained further on page 173 of the Annual Report and Accounts 2020. 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, as onshored into UK law under the European Union (Withdrawal) Act 2018, as amended.
- 4 The fourth interim dividend of 2019, of \$0.21 per ordinary share, was cancelled in response to a written request from the UK's Prudential Regulation Authority ('PRA'). 2019 has been re-presented accordingly.

Highlights

	Footnotes	Year ended 31 Dec	
		2020 \$m	2019 \$m
Reported			
Revenue	1	50,429	56,098
ECL		(8,817)	(2,756)
Operating expenses		(34,432)	(42,349)
Share of profit in associates and joint ventures		1,597	2,354
Profit before tax		8,777	13,347
Adjusted			
Revenue	1	50,366	54,944
ECL		(8,817)	(2,627)
Operating expenses		(31,459)	(32,519)
Share of profit in associates and joint ventures		2,059	2,351
Profit before tax		12,149	22,149
Significant items affecting adjusted performance			
Revenue			
Customer redress programmes		(21)	(163)
Disposals, acquisitions and investment in new businesses		(10)	768
Fair value movements on financial instruments	3	264	84
Restructuring and other related costs	4	(170)	—
Operating expenses			
Costs of structural reform	5	—	(158)
Customer redress programmes		54	(1,281)
Impairment of goodwill and other intangibles		(1,090)	(7,349)
Past service costs of guaranteed minimum pension benefits equalisation		(17)	—
Restructuring and other related costs	6	(1,908)	(827)
Settlements and provisions in connection with legal matters and other regulatory matters		(12)	61
Share of profit in associates and joint ventures			
Impairment of goodwill		(462)	—

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

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

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.

5 Comprises costs associated with preparations for the UK's exit from the European Union.

6 Includes impairment of software intangible assets of \$189m (of the total software intangible asset impairment of \$1,347m) and impairment of tangible assets of \$197m.

Statement by Mark E Tucker, Group Chairman

In 2020, we experienced economic and social upheaval on a scale unseen in living memory. Even before the year began, the external environment was being reshaped by a range of factors – including the impact of trade tensions between the US and China, Brexit, low interest rates and rapid technological development. The spread of the Covid-19 virus made that environment all the more complex and challenging.

The Covid-19 pandemic has severely impacted our customers, our colleagues, our shareholders and the communities we serve. The first priority was, and remains, dealing with the public health crisis, but the economic crisis that unfolded simultaneously has also been unprecedented in recent times. The financial services industry has been at the forefront of helping businesses and individuals through the difficulties they have faced, working with governments and regulators towards expected recovery and future growth. I am enormously proud of the professionalism, dedication and energy that my colleagues around the world have demonstrated as they helped ensure our customers received the support they needed – all the while managing their own, at times extremely difficult, situations at home. On behalf of the Board, I would like to express my deepest thanks to them all for the exceptional way they are responding to these most challenging circumstances.

Against this backdrop, HSBC demonstrated a resilient performance. Reported profit before tax was \$8.8bn, a fall of 34%, and adjusted profit before tax was \$12.1bn, down 45%. Within this, Global Banking and Markets performed particularly well, while Asia was once again by far the most profitable region. Deposits also increased significantly across the Group, reinforcing the strength of our funding and liquidity positions.

In response to a request from the UK's Prudential Regulation Authority, we cancelled the fourth interim dividend for 2019. We also announced that, until the end of 2020, we would make no quarterly or interim dividend payments or accruals in respect of ordinary shares. This was a difficult decision and we deeply regret the impact it has had on our shareholders. We are therefore pleased to restart dividend payments at the earliest opportunity. The Board has announced an interim dividend of \$0.15 for 2020, and adopted a policy designed to provide sustainable dividends in the future.

Board of Directors

The confirmation of Noel Quinn as permanent Group Chief Executive underlined the Board's belief that he is the best person to lead the delivery of the strategic plan. We look forward to working closely with Noel and the management team as they focus on executing our strategic priorities in 2021.

Jamie Forese, Steve Guggenheimer and Eileen Murray joined the Board as independent non-executive Directors in 2020. All three have already demonstrated the valuable skills, expertise and experience they bring across a wide range of areas, including technology. We have also announced that Dame Carolyn Fairbairn will join the Board as an independent non-executive Director. Carolyn will bring a wealth of relevant experience, and her appointment will be effective from 1 September 2021.

As reported in the Annual Report and Accounts 2019, Sir Jonathan Symonds and Kathleen Casey retired from the Board last year. Today we also announced that Laura Cha will step down from the Board immediately after our 2021 Annual General Meeting ('AGM') in May. I would like to thank Jon, Kathy and Laura for the enormous contributions they made to HSBC during their years of service. We are now in the advanced stages of a search for suitable candidates to join and strengthen the Board, and I will update further on the outcome of this search in due course.

Like the rest of the Group, the Board had to adapt its ways of working in 2020. We met virtually for much of the year, which brought benefits including less travel and more frequent, shorter meetings. It will be important for us to consider how we retain what has worked well over the last year once restrictions are lifted and it becomes possible to travel once again.

The Board enjoys the constructive discussions that we have with shareholders at the AGM in the UK and the Informal Shareholders' Meeting in Hong Kong, so it was a matter of regret that we did not meet in person in 2020. While we did maintain regular contact with shareholders throughout the year, we will resume our face-to-face engagement with shareholders in the UK, Hong Kong and more widely, as soon as is practicable.

External environment

After the significant deterioration in global economic conditions in the first half of the year due to the Covid-19 pandemic, there were signs of improvement in the second half, especially in Asia. The most impressive economic recovery has been in China – still the biggest driver of global growth – where international trade is rebounding most strongly. The signing of the Regional Comprehensive Economic Partnership should further boost intra-regional activity across Asia, while the recent political agreement between the EU and China on an investment deal should, once ratified, bolster the already significant two-way investment flows.

Covid-19 infection levels remain very high in Europe, the US and Latin America, and new variants of the virus have spread quickly. This has necessitated new lockdown measures in the UK and other countries. While the deployment of multiple vaccines means we are more optimistic about the future, there is clearly still some way to go before life can return to something like normality. Recovery will therefore take longer in these economies, with growth more likely later in 2021 in these economies.

The agreement of a trade deal between the UK and EU prior to the end of 2020 provides some certainty for cross-border trade. However, the reduced access for financial services under these new arrangements means that further work is needed to maintain the level playing field that has existed until now. Given the many benefits that the UK financial services industry brings to the UK and EU economies, equivalence must be a key priority for both parties.

The geopolitical environment remains challenging – in particular for a global bank like HSBC – and we continue to be mindful of the potential impact that it could have on our strategy. We continue to engage fully and frequently with all governments as we seek to do everything we possibly can to help our customers navigate an increasingly complex world.

Capturing future opportunities

Given the external environment, it is vital we stay focused on what we can control. The Board is confident there are many opportunities ahead for a bank with HSBC's competitive strengths. This makes it all the more important that we position ourselves to capture them.

While we prioritised supporting our customers and our people during the pandemic, we made good progress against the three strategic priorities announced in February 2020 – reallocating capital from underperforming parts of the business, reducing costs and simplifying the organisation. In particular, the Board worked closely with the management team over the course of the year on plans to accelerate

progress and investment in key areas of growth, which include our Asian franchise, our wealth business and new technology across the Group.

We are today unveiling the outcome of extensive consultation with our people and customers on the Group's purpose and values. Being clear about who we are, what we stand for and how this connects to our strategy is an important part of how we align and energise the organisation to create long-term value for all those we work with and for – our investors, customers, employees, suppliers and the communities we serve. The Board fully endorses the outcome of this work.

Our commitment to create sustainable value is demonstrated by the new climate ambitions we announced in October 2020. The most significant contribution that HSBC can make to the fight against climate change is to bring our customers with us on the transition to a low-carbon future. Our goal of being net zero for our financed emissions by 2050 sends an important signal to our investors, our customers and our people - if our clients are prepared to change their business models and make that transition, we will help and support them to do so. HSBC was also delighted to be one of the founding signatories of the Terra Carta, which was launched last month by HRH The Prince of Wales' Sustainable Markets Initiative. Further details about all of the steps we are taking towards a more sustainable future are set out in the ESG review, which for the first time is included within the Annual Report and Accounts 2020.

Finally, 2020 underlined once again that our people are the driving force behind our business. I would like to reiterate how enormously grateful I am to my colleagues for the great dedication and care they showed to our customers and to each other during such testing times. Further empowering and enabling them to do their jobs and execute our strategic priorities is the key to our future success.

Review by Noel Quinn, Group Chief Executive

In 2020, HSBC had a very clear mandate – to provide stability in a highly unstable environment for our customers, communities and colleagues. I believe we achieved that in spite of the many challenges presented by the Covid-19 pandemic and heightened geopolitical uncertainty.

Our people delivered an exceptional level of support for our customers in very tough circumstances, while our strong balance sheet and liquidity gave reassurance to those who rely on us. We achieved this while delivering a solid financial performance in the context of the pandemic – particularly in Asia – and laying firm foundations for our future growth. I am proud of everything our people achieved and grateful for the loyalty of our customers during a very turbulent year.

2020

Helping our customers emerge from the Covid-19 pandemic in a sustainable position was our most pressing priority. We did this by equipping our colleagues to work from home at the height of the pandemic, and keeping the vast majority of our branches and all of our contact centres open. Our investment in our digital capabilities – both in 2020 and in previous years – enabled our customers to access more services remotely, and we worked closely with our regulators around the world to open new digital channels in a safe and secure way. In total, we provided more than \$26bn of relief to our personal customers and more than \$52bn to our wholesale customers, both through government schemes and our own relief initiatives. We also played a vital role in keeping capital flowing for our clients, arranging more than \$1.9tn of loan, debt and equity financing for our wholesale customers during 2020.

Even in the middle of the pandemic, we continued to look to the future. In October, we announced our ambition to become a net zero bank by 2050, supporting customers through the transition to a low-carbon economy and helping to unlock next-generation climate solutions. If the Covid-19 pandemic provided a shock to the system, a climate crisis has the potential to be much more drastic in its consequences and longevity. We are therefore stepping up support for our clients in a material way, working together to build a thriving low-carbon economy and focusing our business on helping achieve that goal.

The actions we outlined in February 2020 are largely on track or ahead of where we intended them to be, despite the complications of the pandemic. We renewed and re-energised the senior management team, with around three-quarters of the Group Executive Committee in post for just over a year or less. Our business is more streamlined than it was a year ago, with three global businesses instead of four and increased back-office consolidation. Costs are down materially, with over \$1bn of gross operating costs removed during 2020. We are also already more than half-way towards our target to reduce at least \$100bn of gross risk-weighted assets by 2022.

Unfortunately, the changed interest-rate environment means we are no longer able to achieve a return on tangible equity of 10% to 12% by 2022. We will now target a return on tangible equity of 10% or above over the medium term.

The world around us changed significantly in 2020. Central bank interest rates in many countries fell to record lows. Pandemic-related lockdowns led to a rapid acceleration in the shift from physical to digital banking. Like many businesses, we learned that our people could be just as productive working from home as in the office. Also, as the world resolved to build back responsibly from the pandemic, governments, businesses and customers united to accelerate a low-carbon transition that works for all.

All of these things caused us to adjust and reinforce elements of our strategy to fit this new environment. The growth plans that we have developed are a natural progression of our February 2020 plans. They aim to play to our strengths, especially in Asia; to accelerate our technology investment plans to deliver better customer service and increased productivity; to energise our business for growth; and to invest further in our own low-carbon transition and that of our customers. They are also designed to deliver a 10% return on tangible equity over the medium term in the current low interest-rate environment.

Our purpose

As we charted the next stage of HSBC's journey, we also reflected on our purpose as a business. We consulted widely both internally and externally, speaking to thousands of colleagues and customers, and looked deeply into our history. The same themes came up again and again.

HSBC has always focused on helping customers pursue the opportunities around them, whether as individuals or businesses. Sometimes those opportunities are clear and visible, and sometimes they are far from obvious. Sometimes they arise in the next street, and sometimes on the next continent. Sometimes they exist in the status quo, and sometimes they are a product of great social or economic change. But always, they represent a chance for our customers to grow and to help those close to them – protecting, nurturing, building.

'Opening up a world of opportunity' both captures this aim and lays down a challenge for the future. Opportunity never stands still. It changes and evolves with the world around us. It is our job to keep making the most of it, and to find and capture it with a spirit of entrepreneurialism, innovation and internationalism that represents HSBC at its very best. This is the essence of what our plans intend to deliver, and what we intend to keep delivering for our customers, colleagues and communities as we navigate change and complexity together.

Financial performance

The pandemic inevitably affected our 2020 financial performance. The shutdown of much of the global economy in the first half of the year caused a large rise in expected credit losses, and cuts in central bank interest rates reduced revenue in rate-sensitive business lines. We responded by accelerating the transformation of the Group, further reducing our operating costs and moving our focus from interest-rate sensitive business lines towards fee-generating businesses. Our expected credit losses stabilised in the second half of the year in line with the changed economic outlook, but the revenue environment remained muted.

As a consequence, the Group delivered \$8.8bn of reported profit before tax, down 34% on 2019, and \$12.1bn of adjusted profits, down 45%. Our Asia business was again the major contributor, delivering \$13bn of adjusted profit before tax in 2020.

Adjusted revenue was 8% lower than in 2019. This was due mainly to the impact of interest rate cuts at the start of the year on our deposit franchises in all three global businesses. By contrast, our Global Markets business benefited from increased customer activity due to market volatility throughout the year, growing adjusted revenue by 27%.

We made strong progress in reducing our operating expenses. A combination of our cost-saving programmes, cuts in performance-related pay and lower discretionary spending due to the Covid-19 pandemic helped to reduce our adjusted operating expenses by \$1.1bn or 3%.

Our investment plans remain essential to the future of the business. We continued to invest heavily in technology while managing costs down, spending \$5.5bn during 2020.

Our funding, liquidity and capital remain strong. We grew deposits by \$173bn on a constant currency basis, with increases across all three global businesses. Our common equity tier one ratio was 15.9% on 31 December 2020.

Our shareholders

It was a difficult year for our shareholders. The Covid-19 pandemic and the impact of geopolitics weighed heavily on our share price throughout 2020. In March, we cancelled the payment of our fourth interim dividend for 2019 at the request of our lead regulator, and also agreed not to make any quarterly or interim dividend payments until the end of 2020. This particularly affected shareholders who rely on our dividend for income. It was a priority for the management team to get back to being able to pay dividends by the end of the year, and we were pleased to be able to recommend the payment of an interim dividend for 2020.

Dividends are hugely important, but so is capacity for growth. To deliver both, we are adopting a new policy designed to provide sustainable dividends, offering good income while giving management the flexibility to reinvest capital to grow the firm over the medium term. We will consider share buy-backs, over time and not in the near term, where no immediate opportunity for capital redeployment exists. We will also no longer offer a scrip dividend option, and will pay dividends entirely in cash.

The last 12 months were tough, but I am highly focused on turning our performance around in 2021 and beyond. I strongly believe that the combination of our growth plans and our new dividend policy will unlock greater value for our shareholders in the years to come.

Opening up a world of opportunity

'Opening up a world of opportunity' is more than a purpose – it is a statement of intent. Everything that we plan to do over the next decade is designed to unlock opportunity for our stakeholders, whether customers, colleagues, shareholders or communities. We intend to do this by building a dynamic, efficient and agile global bank with a digital-first mindset, capable of providing a world-leading service to our customers and strong returns for our investors. We will also need to focus intently on the areas where we excel, and to foster a commercial and entrepreneurial culture with a conviction to get things done. We believe we can achieve this in four ways.

First, we plan to focus on and invest in the areas in which we are strongest. In Wealth and Personal Banking, we aim to become a market-leader for high net worth and ultra high net worth clients in Asia and the Asian diaspora, and to invest in our biggest retail markets where the opportunity is greatest. In Commercial Banking, we want to remain a global leader in cross-border trade, and to lead the world in serving mid-market corporates internationally. In Global Banking and Markets, we intend to invest to capture trade and capital flows into and across Asia, while connecting global clients to Asia and the Middle East through our international network.

Second, we intend to increase the pace at which we digitise HSBC through higher levels of technology investment. This underpins everything that we want to achieve. It is how we intend to win new customers and retain them, to become more agile and efficient, to create richer, seamless customer journeys, and to build strong and innovative partnerships that deliver excellent benefits for our customers. We have an opportunity to meet the growing market need for sophisticated, robust and rapid payment solutions, and to lead our industry in applying digital solutions to analogue services, such as trade. We therefore intend to protect technology investment throughout the cycle, even as we reduce spending elsewhere.

Third, we want to energise HSBC for growth through a strong culture, simple ways of working, and by equipping our colleagues with the future skills they need. Giving life to our purpose will be critical to building the dynamic, entrepreneurial and inclusive culture that we want to create, as well removing the remaining structural barriers that sometimes stop our people from delivering for our customers. We need to change the way we hire to build skills and capabilities in areas that are different to what we have needed historically, including data, artificial intelligence, and sustainable business models. Our expanded HSBC University will also help to upskill and reskill our people, while fostering more of the softer skills that technology can never replace.

Fourth, we will seek to help our customers and communities to capture the opportunities presented by the transition to a low-carbon economy. Accelerating this transition is the right thing to do for the environment, but also the right thing commercially. We intend to build on our market-leading position in sustainable finance, supporting our clients with \$750bn to \$1tn of sustainable financing and investment over the next 10 years. We also intend to unlock new climate solutions by building one of the world's leading climate managers – HSBC Pollination Climate Asset Management – and helping to transform sustainable infrastructure into a global asset class. These will help us achieve our ambition to align our portfolio of financed emissions to the Paris Agreement goal to achieve net zero by 2050.

Championing inclusion

I believe passionately in building an inclusive organisation in which everyone has the opportunity to fulfil their potential. Failing to do so isn't just wrong, it is totally self-defeating. It means you don't get the best out of the talent you have, and sends the wrong signals to the people you want to recruit. An inclusive environment is the foundation of a truly diverse organisation, with all of the rewards that brings.

There is much still to do, but we are moving in the right direction. More than 30% of our senior leaders are female, in line with the goal we set to achieve by the end of 2020. I want that number to increase to at least 35% by 2025, and we have a number of initiatives in place to help achieve it. In May, we launched a new global ethnicity inclusion programme to better enable careers and career progression for colleagues from ethnic minorities, and in July, we made a series of commitments to address feedback from Black colleagues in particular. These included a commitment to more than double our number of Black senior leaders by 2025.

I am particularly proud that during a difficult year, which included a large-scale redundancy programme, employee sentiment improved within HSBC. Around 71% of my colleagues said that they found HSBC to be a great place to work, up from 66% in 2019. However, the view varies across employees from different groups. We know, for example, that employees with disabilities or who identify as ethnic minorities do not feel as engaged as others. I take these gaps very seriously. Better demographic data globally will help us benchmark and measure our progress more effectively, and we are taking concerted steps to be able to capture that information where possible.

2021 outlook

We have had a good start to 2021, and I am cautiously optimistic for the year ahead. While a spike in Covid-19 infection rates led to renewed lockdown measures in many places at the start of 2021, the development of multiple vaccines gives us hope that the world will return to some form of normality before long. Nonetheless, we remain reactive to the ebb and flow of the Covid-19 virus and prepared to take further steps to manage the economic impact where necessary.

The geopolitical uncertainty that prevailed during 2020 remains a prominent feature of our operating environment. We are hopeful that this will reduce over the course of 2021, but mindful of the potential impact on our business if levels remain elevated. We remain focused on serving the needs of our customers, colleagues and communities in all our markets.

Our people

I would like to pay tribute to my colleagues and all those who supported them throughout a difficult year. HSBC is a community of around 226,000 colleagues – but it relies just as much on the family, friends and support networks that help them be the best they can be. Our people did extraordinary things in 2020, but it asked a lot of those around them. I am hugely grateful to everyone who helped HSBC – whether directly or indirectly – in supporting our customers, communities and each other over the last 12 months.

Financial summary

	Year ended 31 Dec	
	2020	2019
	\$m	\$m
For the year		
Profit before tax	8,777	13,347
Profit attributable to:		
– ordinary shareholders of the parent company	3,898	5,969
Dividends declared on ordinary shares	–	10,269
At the year-end		
Total shareholders' equity	196,443	183,955
Total regulatory capital	184,423	172,150
Customer accounts	1,642,780	1,439,115
Total assets	2,984,164	2,715,152
Risk-weighted assets	857,520	843,395
Per ordinary share	\$	\$
Basic earnings per share	0.19	0.30
Dividend per ordinary share (in respect of the period)	0.15	0.51
Net asset value per ordinary share at period end	8.62	8.00
Tangible net asset value per ordinary share at period end	7.75	7.13
Share information		
Number of \$0.50 ordinary shares in issue (millions)	20,694	20,639
Basic number of \$0.50 ordinary shares outstanding (millions)	20,184	20,206
Basic number of \$0.50 ordinary shares outstanding and dilutive potential ordinary shares (millions)	20,272	20,280

1 Dividends recorded in the financial statements are dividends per ordinary share declared and paid in the period and are not dividends in respect of, or for, that period.

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

Distribution of results by global business

Adjusted profit before tax

	Year ended 31 Dec			
	2020		2019 ¹	
	\$m	%	\$m	%
Wealth and Personal Banking	4,140	34.1	8,883	40.1
Commercial Banking	1,868	15.4	7,170	32.4
Global Banking and Markets	4,830	39.7	5,172	23.4
Corporate Centre	1,311	10.8	924	4.2
Profit before tax	12,149	100.0	22,149	100.0

1 A change in reportable segments was made in 2020. Comparative data have been re-presented accordingly. For further guidance, see Note 10: Segmental analysis on page 311 of the Annual Report and Accounts 2020.

Distribution of results by geographical region

Reported profit/(loss) before tax

	Year ended 31 Dec			
	2020		2019	
	\$m	%	\$m	%
Europe	(4,205)	(47.9)	(4,653)	(34.9)
Asia	12,832	146.2	18,468	138.4
Middle East and North Africa	19	0.2	2,327	17.4
North America	168	1.9	767	5.7
Latin America	(37)	(0.4)	400	3.0
Global GBM goodwill impairment	–	–	(3,962)	(29.6)
Profit before tax	8,777	100.0	13,347	100.0

HSBC adjusted profit before tax and balance sheet data

	Footnotes	2020				
		Wealth and Personal Banking \$m	Commercial Banking \$m	Global Banking and Markets \$m	Corporate Centre \$m	Total \$m
Net operating income/(expense) before change in expected credit losses and other credit impairment charges	1	22,013	13,312	15,303	(262)	50,366
– external		19,990	13,741	18,162	(1,527)	50,366
– inter-segment		2,023	(429)	(2,859)	1,265	–
<i>of which: net interest income/(expense)</i>		15,090	9,317	4,518	(1,326)	27,599
Change in expected credit losses and other credit impairment charges		(2,855)	(4,754)	(1,209)	1	(8,817)
Net operating income/(expense)		19,158	8,558	14,094	(261)	41,549
Total operating expenses		(15,024)	(6,689)	(9,264)	(482)	(31,459)
Operating profit/(loss)		4,134	1,869	4,830	(743)	10,090
Share of profit in associates and joint ventures		6	(1)	–	2,054	2,059
Adjusted profit before tax		4,140	1,868	4,830	1,311	12,149
		%	%	%	%	%
Share of HSBC's adjusted profit before tax		34.1	15.4	39.7	10.8	100.0
Adjusted cost efficiency ratio		68.3	50.2	60.5	(184.0)	62.5
Adjusted balance sheet data		\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (net)		469,186	343,182	224,364	1,255	1,037,987
Interests in associates and joint ventures		447	14	143	26,080	26,684
Total external assets		881,918	570,295	1,347,440	184,511	2,984,164
Customer accounts		834,759	470,428	336,983	610	1,642,780
Adjusted risk-weighted assets	3	172,787	327,734	265,147	91,852	857,520

	Footnotes	2019 ²				
		Wealth and Personal Banking \$m	Commercial Banking \$m	Global Banking and Markets \$m	Corporate Centre \$m	Total \$m
Net operating income/(expense) before change in expected credit losses and other credit impairment charges	1	25,565	15,164	14,869	(654)	54,944
– external		21,252	16,094	20,314	(2,716)	54,944
– inter-segment		4,313	(930)	(5,445)	2,062	–
<i>of which: net interest income/(expense)</i>		17,423	10,957	5,223	(3,264)	30,339
Change in expected credit losses and other credit impairment (charges)/ recoveries		(1,348)	(1,162)	(153)	36	(2,627)
Net operating income		24,217	14,002	14,716	(618)	52,317
Total operating expenses		(15,388)	(6,832)	(9,544)	(755)	(32,519)
Operating profit/(loss)		8,829	7,170	5,172	(1,373)	19,798
Share of profit in associates and joint ventures		54	–	–	2,297	2,351
Adjusted profit before tax		8,883	7,170	5,172	924	22,149
		%	%	%	%	%
Share of HSBC's adjusted profit before tax		40.1	32.4	23.4	4.2	100.0
Adjusted cost efficiency ratio		60.2	45.1	64.2	(115.4)	59.2
Adjusted balance sheet data		\$m	\$m	\$m	\$m	\$m
Loans and advances to customers (net)		455,618	353,781	252,131	1,166	1,062,696
Interests in associates and joint ventures		449	14	16	24,941	25,420
Total external assets		793,100	523,585	1,310,772	156,354	2,783,811
Customer accounts		768,151	397,182	304,094	780	1,470,207
Adjusted risk-weighted assets	3	164,567	332,543	276,804	81,979	855,893

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

2 A change in reportable segments was made in 2020. Comparative data have been re-presented accordingly. For further guidance, see Note 10: Segmental analysis on page 311 of the Annual Report and Accounts 2020.

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

Consolidated income statement

for the year ended 31 December

	Footnotes	2020 \$m	2019 \$m
Net interest income		27,578	30,462
– interest income	1,2	41,756	54,695
– interest expense	3	(14,178)	(24,233)
Net fee income		11,874	12,023
– fee income		15,051	15,439
– fee expense		(3,177)	(3,416)
Net income from financial instruments held for trading or managed on a fair value basis		9,582	10,231
Net income/(expense) from assets and liabilities of insurance businesses, including related derivatives, measured at fair value through profit or loss		2,081	3,478
Changes in fair value of designated debt and related derivatives	4	231	90
Changes in fair value of other financial instruments mandatorily measured at fair value through profit or loss		455	812
Gains less losses from financial investments		653	335
Net insurance premium income		10,093	10,636
Other operating income		527	2,957
Total operating income		63,074	71,024
Net insurance claims and benefits paid and movement in liabilities to policyholders		(12,645)	(14,926)
Net operating income before change in expected credit losses and other credit impairment charges	5	50,429	56,098
Change in expected credit losses and other credit impairment charges		(8,817)	(2,756)
Net operating income		41,612	53,342
Employee compensation and benefits		(18,076)	(18,002)
General and administrative expenses		(11,115)	(13,828)
Depreciation and impairment of property, plant and equipment and right-of-use assets	6	(2,681)	(2,100)
Amortisation and impairment of intangible assets		(2,519)	(1,070)
Goodwill impairment		(41)	(7,349)
Total operating expenses		(34,432)	(42,349)
Operating profit		7,180	10,993
Share of profit in associates and joint ventures		1,597	2,354
Profit before tax		8,777	13,347
Tax expense		(2,678)	(4,639)
Profit for the year		6,099	8,708
Attributable to:			
– ordinary shareholders of the parent company		3,898	5,969
– preference shareholders of the parent company		90	90
– other equity holders		1,241	1,324
– non-controlling interests		870	1,325
Profit for the year		6,099	8,708
		\$	\$
Basic earnings per ordinary share		0.19	0.30
Diluted earnings per ordinary share		0.19	0.30

- 1 Interest income includes \$35,293m (2019: \$45,708m) of interest recognised on financial assets measured at amortised cost and \$5,614m (2019: \$8,259m) of interest recognised on financial assets measured at fair value through other comprehensive income.
- 2 Interest revenue calculated using the effective interest method comprises interest recognised on financial assets measured at either amortised cost or fair value through other comprehensive income.
- 3 Interest expense includes \$12,426m (2019: \$21,922m) of interest on financial instruments, excluding interest on financial liabilities held for trading or designated or otherwise mandatorily measured at fair value.
- 4 The debt instruments, issued for funding purposes, are designated under the fair value option to reduce an accounting mismatch.
- 5 Net operating income before change in expected credit losses and other credit impairment charges, also referred to as revenue.
- 6 Includes depreciation of the right-of-use assets of \$1,029m (2019: \$912m). Right-of-use assets have been recognised from 1 January 2019 following the adoption of IFRS 16. Comparatives have not been restated.

Consolidated statement of comprehensive income

for the year ended 31 December

	2020	2019
	\$m	\$m
Profit for the year	6,099	8,708
Other comprehensive income/(expense)		
Items that will be reclassified subsequently to profit or loss when specific conditions are met:		
Debt instruments at fair value through other comprehensive income	1,750	1,152
– fair value gains/(losses)	2,947	1,793
– fair value gains transferred to the income statement on disposal	(668)	(365)
– expected credit (recoveries)/losses recognised in the income statement	48	109
– income taxes	(577)	(385)
Cash flow hedges	471	206
– fair value gains/(losses)	(157)	551
– fair value losses/(gains) reclassified to the income statement	769	(286)
– income taxes	(141)	(59)
Share of other comprehensive income/(expense) of associates and joint ventures	(73)	21
– share for the year	(73)	21
Exchange differences	4,855	1,044
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit asset/liability	834	13
– before income taxes	1,223	(17)
– income taxes	(389)	30
Changes in fair value of financial liabilities designated at fair value upon initial recognition arising from changes in own credit risk	167	(2,002)
– before income taxes	190	(2,639)
– income taxes	(23)	637
Equity instruments designated at fair value through other comprehensive income	212	366
– fair value gains/(losses)	212	364
– income taxes	–	2
Effects of hyperinflation	193	217
Other comprehensive income/(expense) for the year, net of tax	8,409	1,017
Total comprehensive income for the year	14,508	9,725
Attributable to:		
– ordinary shareholders of the parent company	12,146	6,838
– preference shareholders of the parent company	90	90
– other equity holders	1,241	1,324
– non-controlling interests	1,031	1,473
Total comprehensive income for the year	14,508	9,725

Consolidated balance sheet

	At	
	31 Dec 2020 \$m	31 Dec 2019 \$m
Assets		
Cash and balances at central banks	304,481	154,099
Items in the course of collection from other banks	4,094	4,956
Hong Kong Government certificates of indebtedness	40,420	38,380
Trading assets	231,990	254,271
Financial assets designated and otherwise mandatorily measured at fair value through profit or loss	45,553	43,627
Derivatives	307,726	242,995
Loans and advances to banks	81,616	69,203
Loans and advances to customers	1,037,987	1,036,743
Reverse repurchase agreements – non-trading	230,628	240,862
Financial investments	490,693	443,312
Prepayments, accrued income and other assets	156,412	136,680
Current tax assets	954	755
Interests in associates and joint ventures	26,684	24,474
Goodwill and intangible assets	20,443	20,163
Deferred tax assets	4,483	4,632
Total assets	2,984,164	2,715,152
Liabilities and equity		
Liabilities		
Hong Kong currency notes in circulation	40,420	38,380
Deposits by banks	82,080	59,022
Customer accounts	1,642,780	1,439,115
Repurchase agreements – non-trading	111,901	140,344
Items in the course of transmission to other banks	4,343	4,817
Trading liabilities	75,266	83,170
Financial liabilities designated at fair value	157,439	164,466
Derivatives	303,001	239,497
Debt securities in issue	95,492	104,555
Accruals, deferred income and other liabilities	128,624	118,156
Current tax liabilities	690	2,150
Liabilities under insurance contracts	107,191	97,439
Provisions	3,678	3,398
Deferred tax liabilities	4,313	3,375
Subordinated liabilities	21,951	24,600
Total liabilities	2,779,169	2,522,484
Equity		
Called up share capital	10,347	10,319
Share premium account	14,277	13,959
Other equity instruments	22,414	20,871
Other reserves	8,833	2,127
Retained earnings	140,572	136,679
Total shareholders' equity	196,443	183,955
Non-controlling interests	8,552	8,713
Total equity	204,995	192,668
Total liabilities and equity	2,984,164	2,715,152

Consolidated statement of cash flows for the year ended 31 December

	Footnotes	2020 \$m	2019 \$m
Profit before tax		8,777	13,347
Adjustments for non-cash items:			
Depreciation, amortisation and impairment		5,241	10,519
Net gain from investing activities		(541)	(399)
Share of profits in associates and joint ventures		(1,597)	(2,354)
Gain on disposal of subsidiaries, businesses, associates and joint ventures		–	(929)
Change in expected credit losses gross of recoveries and other credit impairment charges		9,096	3,012
Provisions including pensions		1,164	2,423
Share-based payment expense		433	478
Other non-cash items included in profit before tax		(906)	(2,297)
Elimination of exchange differences	1	(25,749)	(3,742)
Changes in operating assets and liabilities			
Change in net trading securities and derivatives		13,150	(18,910)
Change in loans and advances to banks and customers		(14,131)	(53,760)
Change in reverse repurchase agreements – non-trading		9,950	(7,390)
Change in financial assets designated and otherwise mandatorily measured at fair value		(1,962)	(2,308)
Change in other assets		(19,610)	(21,863)
Change in deposits by banks and customer accounts		226,723	79,163
Change in repurchase agreements – non-trading		(28,443)	(25,540)
Change in debt securities in issue		(9,075)	19,268
Change in financial liabilities designated at fair value		(6,630)	20,068
Change in other liabilities		20,323	23,124
Dividends received from associates		761	633
Contributions paid to defined benefit plans		(495)	(533)
Tax paid		(4,259)	(2,267)
Net cash from operating activities		182,220	29,743
Purchase of financial investments		(496,669)	(445,907)
Proceeds from the sale and maturity of financial investments		476,990	413,186
Net cash flows from the purchase and sale of property, plant and equipment		(1,446)	(1,343)
Net cash flows from purchase/(disposal) of customer and loan portfolios		1,362	1,118
Net investment in intangible assets		(2,064)	(2,289)
Net cash flow from acquisition and disposal of subsidiaries, businesses, associates and joint ventures		(603)	(83)
Net cash from investing activities		(22,430)	(35,318)
Issue of ordinary share capital and other equity instruments		1,497	–
Cancellation of shares		–	(1,000)
Net sales/(purchases) of own shares for market-making and investment purposes		(181)	141
Redemption of preference shares and other equity instruments		(398)	–
Subordinated loan capital repaid	2	(3,538)	(4,210)
Dividends paid to shareholders of the parent company and non-controlling interests		(2,023)	(9,773)
Net cash from financing activities		(4,643)	(14,842)
Net increase/(decrease) in cash and cash equivalents		155,147	(20,417)
Cash and cash equivalents at 1 Jan		293,742	312,911
Exchange differences in respect of cash and cash equivalents		19,434	1,248
Cash and cash equivalents at 31 Dec	3	468,323	293,742
Cash and cash equivalents comprise:			
– cash and balances at central banks		304,481	154,099
– items in the course of collection from other banks		4,094	4,956
– loans and advances to banks of one month or less		51,788	41,626
– reverse repurchase agreements with banks of one month or less		65,086	65,370
– treasury bills, other bills and certificates of deposit less than three months		30,023	20,132
– cash collateral and net settlement accounts		17,194	12,376
– less: items in the course of transmission to other banks		(4,343)	(4,817)
Cash and cash equivalents at 31 Dec	3	468,323	293,742

1 Adjustment to bring changes between opening and closing balance sheet amounts to average rates. This is not done on a line-by-line basis, as details cannot be determined without unreasonable expense.

2 Subordinated liabilities changes during the year are attributable to repayments of \$(3.5)bn (2019: \$(4.2)bn) of securities. Non-cash changes during the year included foreign exchange gains/(losses) of \$0.5bn (2019: \$0.6bn) and fair value gains/(losses) of \$1.1bn (2019: \$1.4bn).

3 At 31 December 2020, \$41,912m (2019: \$35,735m) was not available for use by HSBC, of which \$16,935m (2019: \$19,353m) related to mandatory deposits at central banks.

Consolidated statement of changes in equity

for the year ended 31 December

	Other reserves									
	Called up share capital and share premium	Other equity instruments	Retained earnings ^{3,4}	Financial assets at FVOCI reserve				Total shareholders' equity	Non-controlling interests	Total equity
				Cash flow hedging reserve	Foreign exchange reserve	Merger and other reserves ^{4,5}				
\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
At 1 Jan 2020	24,278	20,871	136,679	(108)	(2)	(25,133)	27,370	183,955	8,713	192,668
Profit for the year	–	–	5,229	–	–	–	–	5,229	870	6,099
Other comprehensive income (net of tax)	–	–	1,118	1,913	459	4,758	–	8,248	161	8,409
– debt instruments at fair value through other comprehensive income	–	–	–	1,746	–	–	–	1,746	4	1,750
– equity instruments designated at fair value through other comprehensive income	–	–	–	167	–	–	–	167	45	212
– cash flow hedges	–	–	–	–	459	–	–	459	12	471
– changes in fair value of financial liabilities designated at fair value upon initial recognition arising from changes in own credit risk	–	–	167	–	–	–	–	167	–	167
– remeasurement of defined benefit asset/liability	–	–	831	–	–	–	–	831	3	834
– share of other comprehensive income of associates and joint ventures	–	–	(73)	–	–	–	–	(73)	–	(73)
– effects of hyperinflation	–	–	193	–	–	–	–	193	–	193
– exchange differences	–	–	–	–	–	4,758	–	4,758	97	4,855
Total comprehensive income for the year	–	–	6,347	1,913	459	4,758	–	13,477	1,031	14,508
Shares issued under employee remuneration and share plans	346	–	(339)	–	–	–	–	7	–	7
Capital securities issued ⁷	–	1,500	(3)	–	–	–	–	1,497	–	1,497
Dividends to shareholders	–	–	(1,331)	–	–	–	–	(1,331)	(692)	(2,023)
Redemption of securities ²	–	–	(1,450)	–	–	–	–	(1,450)	–	(1,450)
Transfers ⁵	–	–	435	–	–	–	(435)	–	–	–
Cost of share-based payment arrangements	–	–	434	–	–	–	–	434	–	434
Other movements	–	43	(200)	11	–	–	–	(146)	(500)	(646)
At 31 Dec 2020	24,624	22,414	140,572	1,816	457	(20,375)	26,935	196,443	8,552	204,995

Consolidated statement of changes in equity (continued)

	Other reserves									
	Called up share capital and share premium	Other equity instruments	Retained earnings ^{2,3}	Financial assets at FVOCI reserve	Cash flow hedging reserve	Foreign exchange reserve	Merger and other reserves ^{3,4}	Total shareholders' equity	Non-controlling interests	Total equity
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
At 1 Jan 2019	23,789	22,367	138,191	(1,532)	(206)	(26,133)	29,777	186,253	7,996	194,249
Profit for the year	—	—	7,383	—	—	—	—	7,383	1,325	8,708
Other comprehensive income (net of tax)	—	—	(1,759)	1,424	204	1,000	—	869	148	1,017
– debt instruments at fair value through other comprehensive income	—	—	—	1,146	—	—	—	1,146	6	1,152
– equity instruments designated at fair value through other comprehensive income	—	—	—	278	—	—	—	278	88	366
– cash flow hedges	—	—	—	—	204	—	—	204	2	206
– changes in fair value of financial liabilities designated at fair value upon initial recognition arising from changes in own credit risk	—	—	(2,002)	—	—	—	—	(2,002)	—	(2,002)
– remeasurement of defined benefit asset/liability	—	—	5	—	—	—	—	5	8	13
– share of other comprehensive income of associates and joint ventures	—	—	21	—	—	—	—	21	—	21
– effects of hyperinflation	—	—	217	—	—	—	—	217	—	217
– exchange differences	—	—	—	—	—	1,000	—	1,000	44	1,044
Total comprehensive income for the year	—	—	5,624	1,424	204	1,000	—	8,252	1,473	9,725
Shares issued under employee remuneration and share plans	557	—	(495)	—	—	—	—	62	—	62
Shares issued in lieu of dividends and amounts arising thereon	—	—	2,687	—	—	—	—	2,687	—	2,687
Dividends to shareholders	—	—	(11,683)	—	—	—	—	(11,683)	(777)	(12,460)
Redemption of securities ¹	—	(1,496)	(12)	—	—	—	—	(1,508)	—	(1,508)
Transfers ⁵	—	—	2,475	—	—	—	(2,475)	—	—	—
Cost of share-based payment arrangements	—	—	478	—	—	—	—	478	—	478
Cancellation of shares ⁶	(68)	—	(1,000)	—	—	—	68	(1,000)	—	(1,000)
Other movements	—	—	414	—	—	—	—	414	21	435
At 31 Dec 2019	24,278	20,871	136,679	(108)	(2)	(25,133)	27,370	183,955	8,713	192,668

- 1 During 2020, HSBC Holdings called \$1,450m 6.20% non-cumulative US dollar preference shares. For further details, see Note 31 in the Annual Report and Accounts 2020. In 2019, HSBC Holdings redeemed \$1,500m 5.625% perpetual subordinated capital securities on which there were \$12m of external issuance costs. Under IFRSs external issuance costs are classified as equity.
- 2 At 31 December 2020, retained earnings included 509,825,249 treasury shares (2019: 432,108,782). In addition, treasury shares are also held within HSBC's Insurance business retirement funds for the benefit of policyholders or beneficiaries within employee trusts for the settlement of shares expected to be delivered under employee share schemes or bonus plans, and the market-making activities in Global Markets.
- 3 Cumulative goodwill amounting to \$5,138m has been charged against reserves in respect of acquisitions of subsidiaries prior to 1 January 1998, including \$3,469m charged against the merger reserve arising on the acquisition of HSBC Bank plc. The balance of \$1,669m has been charged against retained earnings.
- 4 Statutory share premium relief under section 131 of the Companies Act 1985 (the 'Act') was taken in respect of the acquisition of HSBC Bank plc in 1992, HSBC Continental Europe in 2000 and HSBC Finance Corporation in 2003, and the shares issued were recorded at their nominal value only. In HSBC's consolidated financial statements, the fair value differences of \$8,290m in respect of HSBC Continental Europe and \$12,768m in respect of HSBC Finance Corporation were recognised in the merger reserve. The merger reserve created on the acquisition of HSBC Finance Corporation subsequently became attached to HSBC Overseas Holdings (UK) Limited ('HOHU'), following a number of intra-Group reorganisations. During 2009, pursuant to section 131 of the Companies Act 1985, statutory share premium relief was taken in respect of the rights issue and \$15,796m was recognised in the merger reserve.
- 5 In 2019, an impairment of \$2,475m was recognised and a permitted transfer of this amount was made from the merger reserve to retained earnings. During 2020, a further impairment of \$435m was recognised and a permitted transfer of this amount was made from the merger reserve to retained earnings.
- 6 For further details, see Note 31 in the Annual Report and Accounts 2020. In August 2019, HSBC announced a share buy-back of up to \$1.0bn, which was completed in September 2019.
- 7 During 2020 HSBC Holdings issued \$1,500m of perpetual subordinated contingent convertible securities.

1 Basis of preparation and significant accounting policies

The basis of preparation and summary of significant accounting policies applicable to the consolidated financial statements of HSBC and the separate financial statements of HSBC Holdings can be found in Note 1, or the relevant Note, in the Financial Statements in the *Annual Report and Accounts 2020*.

(a) Compliance with International Financial Reporting Standards

The consolidated financial statements of HSBC and the separate financial statements of HSBC Holdings comply with international accounting standards in conformity with the requirements of the Companies Act 2006 and have also applied international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. These financial statements are also prepared in accordance with International Financial Reporting Standards ('IFRSs') as issued by the International Accounting Standards Board ('IASB'), including interpretations issued by the IFRS Interpretations Committee, as there are no applicable differences from IFRSs as issued by the IASB for the periods presented. 'Interest Rate Benchmark Reform – Phase 2', which amends IFRS 9, IAS 39 'Financial Instruments,' IFRS 7 'Financial Instruments,' IFRS 4 'Insurance Contracts' and IFRS 16 'Leases', was adopted for use in the UK and the EU in January 2021 and has been early adopted as set out below. Therefore, there were no unendorsed standards effective for the year ended 31 December 2020 affecting these consolidated and separate financial statements.

Standards adopted during the year ended 31 December 2020

Interest Rate Benchmark Reform – Phase 2

Interest Rate Benchmark Reform Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 issued in August 2020 represents the second phase of the IASB's project on the effects of interest rate benchmark reform, addressing issues affecting financial statements when changes are made to contractual cash flows and hedging relationships as a result of the reform.

Under these amendments, changes made to a financial instrument measured at other than fair value through profit or loss that are economically equivalent and required by interest rate benchmark reform do not result in the derecognition or a change in the carrying amount of the financial instrument, but instead require the effective interest rate to be updated to reflect the change in the interest rate benchmark. In addition, hedge accounting will not be discontinued solely because of the replacement of the interest rate benchmark if the hedge meets other hedge accounting criteria.

These amendments apply from 1 January 2021 with early adoption permitted. HSBC adopted the amendments from 1 January 2020 and made the additional disclosures as required by the amendments. Further information is included in Note 15 and in 'Financial instruments impacted by Ibor reform' on page 113 of the *Annual Report and Accounts 2020*.

Other changes

In addition, HSBC adopted a number of interpretations and amendments to standards, which had an insignificant effect on the consolidated financial statements of HSBC and the separate financial statements of HSBC Holdings.

(b) Differences between IFRSs and Hong Kong Financial Reporting Standards

There are no significant differences between IFRSs and Hong Kong Financial Reporting Standards in terms of their application to HSBC, and consequently there would be no significant differences had the financial statements been prepared in accordance with Hong Kong Financial Reporting Standards. The 'Notes on the financial statements', taken together with the 'Report of the Directors', include the aggregate of all disclosures necessary to satisfy IFRSs and Hong Kong reporting requirements.

(c) Going concern

The financial statements are prepared on a going concern basis, as the Directors are satisfied that the Group and parent company have the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows, capital requirements and capital resources. These considerations include stressed scenarios that reflect the increasing uncertainty that the global Covid-19 outbreak has had on HSBC's operations, as well as considering potential impacts from other top and emerging risks, and the related impact on profitability, capital and liquidity.

2 Tax

Tax expense

	Footnotes	2020 \$m	2019 \$m
Current tax	1	2,700	3,768
– for this year		2,883	3,689
– adjustments in respect of prior years		(183)	79
Deferred tax		(22)	871
– origination and reversal of temporary differences		(341)	684
– effect of changes in tax rates		58	(11)
– adjustments in respect of prior years		261	198
Year ended 31 Dec	2	2,678	4,639

1 Current tax included Hong Kong profits tax of \$888m (2019: \$1,413m). The Hong Kong tax rate applying to the profits of subsidiaries assessable in Hong Kong was 16.5% (2019: 16.5%).

2 In addition to amounts recorded in the income statement, a tax charge of \$7m (2019: charge of \$6m) was recorded directly to equity.

Tax reconciliation

The tax charged to the income statement differs from the tax charge that would apply if all profits had been taxed at the UK corporation tax rate as follows:

	2020		2019	
	\$m	%	\$m	%
Profit before tax	8,777		13,347	
Tax expense				
Taxation at UK corporation tax rate of 19.00% (2019: 19.00%; 2018: 19.00%)	1,668	19.0	2,536	19.0
Impact of differently taxed overseas profits in overseas locations	178	2.0	253	1.9
Items increasing tax charge in 2020:				
– non-UK movements in unrecognised deferred tax	608	6.9	12	0.1
– UK tax losses not recognised	444	5.1	364	2.7
– other permanent disallowables	322	3.6	481	3.6
– local taxes and overseas withholding taxes	228	2.6	484	3.6
– bank levy	202	2.3	184	1.4
– adjustments in respect of prior period liabilities	78	0.9	277	2.1
– impacts of hyperinflation	65	0.7	29	0.2
– impact of changes in tax rates	58	0.6	(11)	(0.1)
– non-deductible regulatory settlements	33	0.4	5	–
– non-deductible goodwill write-down	–	–	1,421	10.7
Items reducing tax charge in 2020:				
– non-taxable income and gains	(515)	(5.8)	(844)	(6.3)
– deductions for AT1 coupon payments	(310)	(3.5)	(263)	(2.0)
– effect of profits in associates and joint ventures	(250)	(2.8)	(467)	(3.5)
– UK banking surcharge	(113)	(1.3)	29	0.2
– non-deductible UK customer compensation	(18)	(0.2)	382	2.9
– non-taxable gain on dilution of shareholding in SABB	–	–	(181)	(1.3)
– other items	–	–	(52)	(0.4)
Year ended 31 Dec	2,678	30.5	4,639	34.8

The Group's profits are taxed at different rates depending on the country or territory in which the profits arise. The key applicable tax rates for 2020 include Hong Kong (16.5%), the US (21%) and the UK (19%). If the Group's profits were taxed at the statutory rates of the countries in which the profits arose, then the tax rate for the year would have been 21.00% (2019: 20.90%). The effective tax rate for the year of 30.5% (2019: 34.8%) was lower than for 2019. The effective tax rate for 2019 included a non-deductible impairment of goodwill of \$7.3bn (10.7% increase in effective tax rate) and a higher level of non-deductible customer compensation (3.1% increase in effective tax rate compared to 2020), both of which are non-recurring items. This was partly offset by the impact of non-recognition of deferred tax, mainly in the UK (\$0.4bn) and France (\$0.4bn), being greater in 2020 than 2019 (9.2% increase in effective tax rate compared to 2019).

Following an amendment to IAS 12 effective 1 January 2019, the income tax consequences of distributions, including AT1 coupon payments, were recorded in the income statement tax expense. The 2018 reconciliation has not been restated.

Accounting for taxes involves some estimation because the tax law is uncertain and its application requires a degree of judgement, which authorities may dispute. Liabilities are recognised based on best estimates of the probable outcome, taking into account external advice where appropriate. We do not expect significant liabilities to arise in excess of the amounts provided. HSBC only recognises current and deferred tax assets where recovery is probable.

Movement of deferred tax assets and liabilities

	Loan impairment provisions	Unused tax losses and tax credits	Derivatives, FVOD ¹ and other investments	Insurance business	Expense provisions	Fixed assets	Retirement obligations	Other	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Assets	983	1,414	979	–	650	1,002	–	422	5,450
Liabilities	–	–	(558)	(1,621)	–	–	(1,613)	(401)	(4,193)
At 1 Jan 2020	983	1,414	421	(1,621)	650	1,002	(1,613)	21	1,257
Income statement	295	355	(274)	(32)	(81)	(112)	(190)	61	22
Other comprehensive income	–	–	(23)	–	–	–	(387)	(660)	(1,070)
Equity	–	–	–	–	–	–	–	–	–
Foreign exchange and other adjustments	(36)	52	(281)	31	(4)	11	(116)	304	(39)
At 31 Dec 2020	1,242	1,821	(157)	(1,622)	565	901	(2,306)	(274)	170
Assets ²	1,242	1,821	548	–	565	901	–	960	6,037
Liabilities ²	–	–	(705)	(1,622)	–	–	(2,306)	(1,234)	(5,867)
Assets	982	1,156	492	–	629	1,151	–	738	5,148
Liabilities	–	–	(376)	(1,271)	–	–	(1,387)	(283)	(3,317)
At 1 Jan 2019	982	1,156	116	(1,271)	629	1,151	(1,387)	455	1,831
Income statement	45	266	(386)	(303)	(18)	(185)	(149)	(141)	(871)
Other comprehensive income	–	–	544	–	–	–	30	(391)	183
Equity	–	–	–	–	–	–	–	–	–
Foreign exchange and other adjustments	(44)	(8)	147	(47)	39	36	(107)	98	114
At 31 Dec 2019	983	1,414	421	(1,621)	650	1,002	(1,613)	21	1,257
Assets ²	983	1,414	979	–	650	1,002	–	422	5,450
Liabilities ²	–	–	(558)	(1,621)	–	–	(1,613)	(401)	(4,193)

¹ Fair value of own debt.

² After netting off balances within countries, the balances as disclosed in the accounts are as follows: deferred tax assets \$4,483m (2019: \$4,632m) and deferred tax liabilities \$4,313m (2019: \$3,375m).

In applying judgement in recognising deferred tax assets, management has critically assessed all available information, including future business profit projections and the track record of meeting forecasts.

The Group's net deferred tax asset of \$0.2bn (2019: \$1.3bn) included \$2.4bn (2019: \$2.8bn) of deferred tax assets relating to the US, of which \$1bn related to US tax losses that expire in 13 to 17 years. Management expects the US deferred tax asset to be substantially recovered in seven to eight years, with the majority recovered in the first five years. During 2020, the Group derecognised \$250m of deferred tax asset relating to US state tax losses as management did not consider there to be sufficient evidence of future taxable profits against which to recover these losses before they expire. Management's assessment of the likely availability of future taxable profits against which to recover the US deferred tax assets takes into consideration the reversal of existing taxable temporary differences, past business performance and forecasts of future business performance. The most recent financial forecasts approved by management cover a five-year period and the forecasts have been extrapolated beyond five years by assuming that performance remains constant after the fifth year.

The Group's net deferred tax asset of \$0.2bn (2019: \$1.3bn) also includes a net UK deferred tax asset of \$0.6bn (2019: liability of \$0.5bn), of which \$0.5bn relates to UK banking tax losses created in 2020. The net UK deferred tax asset of \$0.6bn excludes the deferred tax liability arising on the UK pension scheme surplus, the reversal of which is not taken into account when estimating future taxable profits. The UK deferred tax asset is supported by forecasts of taxable profit, also taking into consideration the history of profitability in the combined UK banking entities and the fact that the loss arising in 2020 arose due to an identifiable and non-recurring reason, being the economic impacts of Covid-19.

Unrecognised deferred tax

The amount of gross temporary differences, unused tax losses and tax credits for which no deferred tax asset is recognised in the balance sheet was \$15.6bn (2019: \$9.9bn). This amount included unused UK corporation tax losses of \$9.3bn (2019: \$7.3bn). Of the total amounts unrecognised, \$11.5bn (2019: \$7.4bn) had no expiry date, \$0.7bn (2019: \$1.3bn) was scheduled to expire within 10 years and the remaining balance is expected to expire after 10 years.

Deferred tax is not recognised in respect of the Group's investments in subsidiaries and branches where HSBC is able to control the timing of remittance or other realisation and where remittance or realisation is not probable in the foreseeable future. The aggregate temporary differences relating to unrecognised deferred tax liabilities arising on investments in subsidiaries and branches is \$12.1bn (2019: \$13.4bn) and the corresponding unrecognised deferred tax liability was \$0.7bn (2019: \$1.0bn).

3 Dividends

Dividends to shareholders of the parent company

	2020			2019		
	Per share \$	Total \$m	Settled in scrip \$m	Per share \$	Total \$m	Settled in scrip \$m
Dividends paid on ordinary shares						
In respect of previous year:						
– fourth interim dividend	–	–	–	0.21	4,206	1,160
In respect of current year:						
– first interim dividend	–	–	–	0.10	2,013	375
– second interim dividend	–	–	–	0.10	2,021	795
– third interim dividend	–	–	–	0.10	2,029	357
Total	–	–	–	0.51	10,269	2,687
Total dividends on preference shares classified as equity (paid quarterly)	62.00	90		62.00	90	
Total coupons on capital securities classified as equity		1,241			1,324	
Dividends to shareholders		1,331			11,683	

On 4 January 2021, HSBC paid a coupon on its €1,250m subordinated capital securities, representing a total distribution of €30m (\$36m). No liability was recorded in the balance sheet at 31 December 2020 in respect of this coupon payment.

The distributable reserves of HSBC Holdings at 31 December 2020 were \$31.3bn.

Interim dividend for 2020

After the end of the year, the Directors approved an interim dividend in respect of the financial year ended 31 December 2020 of \$0.15 per ordinary share, a distribution of approximately \$3,055m. The interim dividend will be payable on 29 April 2021 to holders on the Principal Register in the UK, the Hong Kong Overseas Branch Register or the Bermuda Overseas Branch Register on 12 March 2021. No liability was recorded in the financial statements in respect of the interim dividend for 2020.

The dividend will be payable in US dollars, or in pounds sterling or Hong Kong dollars at the forward exchange rates quoted by HSBC Bank plc in London at or about 11.00am on 19 April 2021, or a combination of these currencies. Particulars of these arrangements will be sent to shareholders on or about 24 March 2021 and changes to currency elections must be received by 15 April 2021. The ordinary shares in London, Hong Kong and Bermuda, and American Depositary Shares ('ADSs') in New York will be quoted ex-dividend on 11 March 2021. The Group has decided to discontinue the scrip dividend option as it is dilutive, including to dividend per share progression over time.

The dividend will be payable on ADSs, each of which represents five ordinary shares, on 29 April 2021 to holders of record on 12 March 2021. The dividend of \$0.75 per ADS will be payable by the depository in US dollars. Alternatively, the cash dividend may be invested in additional ADSs by participants in the dividend reinvestment plan operated by the depository, elections must be received by 9 April 2021.

Any person who has acquired ordinary shares registered on the Principal Register in the UK, the Hong Kong Overseas Branch Register or the Bermuda Overseas Branch Register but who has not lodged the share transfer with the Principal Registrar, Hong Kong or Bermuda Overseas Branch registrar should do so before 4.00pm local time on 12 March 2021 in order to receive the dividend.

Ordinary shares may not be removed from or transferred to the Principal Register in the United Kingdom, the Hong Kong Overseas Branch Register or the Bermuda Overseas Branch Register on 12 March 2021. Any person wishing to remove ordinary shares to or from each register must do so before 4.00pm local time on 11 March 2021.

Transfer of ADSs must be lodged with the depository by 11.00am on 12 March 2021 in order to receive the dividend. ADS holders who receive a cash dividend will be charged a fee, which will be deducted by the depository, of \$0.005 per ADS per cash dividend.

4 Earnings per share

Basic earnings per ordinary share is calculated by dividing the profit attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding, excluding own shares held. Diluted earnings per ordinary share is calculated by dividing the basic earnings, which require no adjustment for the effects of dilutive potential ordinary shares, by the weighted average number of ordinary shares outstanding, excluding own shares held, plus the weighted average number of ordinary shares that would be issued on conversion of dilutive potential ordinary shares.

Profit attributable to the ordinary shareholders of the parent company

	2020	2019
	\$m	\$m
Profit attributable to shareholders of the parent company	5,229	7,383
Dividend payable on preference shares classified as equity	(90)	(90)
Coupon payable on capital securities classified as equity	(1,241)	(1,324)
Year ended 31 Dec	3,898	5,969

Basic and diluted earnings per share

	Footnotes	2020			2019		
		Profit \$m	Number of shares (millions)	Per share \$	Profit \$m	Number of shares (millions)	Per share \$
Basic	1	3,898	20,169	0.19	5,969	20,158	0.30
Effect of dilutive potential ordinary shares			73			75	
Diluted	1	3,898	20,242	0.19	5,969	20,233	0.30

1 Weighted average number of ordinary shares outstanding (basic) or assuming dilution (diluted).

The number of anti-dilutive employee share options excluded from the weighted average number of dilutive potential ordinary shares is 14.6 million(2019: 1.1 million).

5 Adjusted balance sheet reconciliation

	At			
	31 Dec 2020	31 Dec 2019		
	Reported and Adjusted \$m	Adjusted \$m	Currency translation \$m	Reported \$m
Loans and advances to customers (net)	1,037,987	1,062,696	(25,953)	1,036,743
Interests in associates and joint ventures	26,684	25,420	(946)	24,474
Total external assets	2,984,164	2,783,811	(68,659)	2,715,152
Customer accounts	1,642,780	1,470,207	(31,092)	1,439,115

6 Reconciliation of reported and adjusted items

	Footnotes	2020 \$m	2019 \$m
Revenue			
Reported	1	50,429	56,098
Currency translation			(471)
Significant items		(63)	(683)
– customer redress programmes		21	163
– disposals, acquisitions and investment in new businesses		10	(768)
– fair value movements on financial instruments	2	(264)	(84)
– restructuring and other related costs	3	170	–
– currency translation on significant items			6
Adjusted		50,366	54,944
ECL			
Reported		(8,817)	(2,756)
Currency translation			129
Adjusted		(8,817)	(2,627)
Operating expenses			
Reported		(34,432)	(42,349)
Currency translation			223
Significant items		2,973	9,607
– costs of structural reform	4	–	158
– customer redress programmes		(54)	1,281
– impairment of goodwill and other intangibles		1,090	7,349
– past service costs of guaranteed minimum pension benefits equalisation		17	–
– restructuring and other related costs	5	1,908	827
– settlements and provisions in connection with legal and regulatory matters		12	(61)
– currency translation on significant items			53
Adjusted		(31,459)	(32,519)
Share of profit in associates and joint ventures			
Reported		1,597	2,354
Currency translation			(3)
Significant items		462	–
– impairment of goodwill	6	462	–
– currency translation on significant items			–
Adjusted		2,059	2,351
Profit before tax			
Reported		8,777	13,347
Currency translation			(122)
Significant items		3,372	8,924
– revenue		(63)	(683)
– operating expenses		2,973	9,607
– share of profit in associates and joint ventures		462	–
Adjusted		12,149	22,149

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 Comprises costs associated with preparations for the UK's exit from the European Union.

5 Includes impairment of software intangible assets of \$189m (of the total software intangible asset impairment of \$1,347m) and impairment of tangible assets of \$197m.

6 During the year, The Saudi British Bank ('SABB'), an associate of HSBC, impaired the goodwill that arose following the merger with Alawwal bank in 2019. HSBC's post-tax share of the goodwill impairment was \$462m.

7 Contingent liabilities, contractual commitments and guarantees

	2020	2019
	\$m	\$m
Guarantees and other contingent liabilities:		
– financial guarantees	18,384	20,214
– performance and other guarantees	78,114	75,933
– other contingent liabilities	1,219	1,576
At 31 Dec	97,717	97,723
Commitments ¹ :		
– documentary credits and short-term trade-related transactions	7,178	6,316
– forward asset purchases and forward deposits placed	66,506	56,326
– standby facilities, credit lines and other commitments to lend	771,086	734,966
At 31 Dec	844,770	797,608

¹ Includes \$659,783m of commitments at 31 December 2020 (31 December 2019: \$600,029m), to which the impairment requirements in IFRS 9 are applied where HSBC has become party to an irrevocable commitment.

The preceding table discloses the nominal principal amounts of off-balance sheet liabilities and commitments for the Group, which represent the maximum amounts at risk should the contracts be fully drawn upon and clients default. As a significant portion of guarantees and commitments are expected to expire without being drawn upon, the total of the nominal principal amounts is not indicative of future liquidity requirements. The expected credit loss provision relating to guarantees and commitments under IFRS 9 is disclosed in Note 27 of the *Annual Report and Accounts 2020*.

The majority of the guarantees have a term of less than one year, while guarantees with terms of more than one year are subject to HSBC's annual credit review process.

Contingent liabilities arising from legal proceedings, regulatory and other matters against Group companies are excluded from this note but are disclosed in Notes 27 and 34 of the *Annual Report and Accounts 2020*.

Financial Services Compensation Scheme

The Financial Services Compensation Scheme ('FSCS') provides compensation, up to certain limits, to eligible customers of financial services firms that are unable, or likely to be unable, to pay claims against them. The FSCS may impose a further levy on the Group to the extent the industry levies imposed to date are not sufficient to cover the compensation due to customers in any future possible collapse. The ultimate FSCS levy to the industry as a result of a collapse cannot currently be estimated reliably. It is dependent on various uncertain factors including the potential recoveries of assets by the FSCS, changes in the level of protected products (including deposits and investments) and the population of FSCS members at the time.

Associates

HSBC's share of associates' contingent liabilities, contractual commitments and guarantees amounted to \$53.1bn at 31 December 2020 (2019: \$46.7bn). No matters arose where HSBC was severally liable.

8 Legal proceedings and regulatory matters

HSBC is party to legal proceedings and regulatory matters in a number of jurisdictions arising out of its normal business operations. Apart from the matters described below, HSBC considers that none of these matters are material. The recognition of provisions is determined in accordance with the accounting policies set out in Note 1 of the *Annual Report and Accounts 2020*. While the outcomes of legal proceedings and regulatory matters are inherently uncertain, management believes that, based on the information available to it, appropriate provisions have been made in respect of these matters as at 31 December 2020 (see Note 27 of the *Annual Report and Accounts 2020*). Where an individual provision is material, the fact that a provision has been made is stated and quantified, except to the extent that doing so would be seriously prejudicial. Any provision recognised does not constitute an admission of wrongdoing or legal liability. It is not practicable to provide an aggregate estimate of potential liability for our legal proceedings and regulatory matters as a class of contingent liabilities.

Bernard L. Madoff Investment Securities LLC

Bernard L. Madoff ('Madoff') was arrested in December 2008 and later pleaded guilty to running a Ponzi scheme. His firm, Bernard L. Madoff Investment Securities LLC ('Madoff Securities'), is being liquidated in the US by a trustee (the 'Trustee').

Various non-US HSBC companies provided custodial, administration and similar services to a number of funds incorporated outside the US whose assets were invested with Madoff Securities. Based on information provided by Madoff Securities as at 30 November 2008, the purported aggregate value of these funds was \$8.4bn, including fictitious profits reported by Madoff.

Based on information available to HSBC, the funds' actual transfers to Madoff Securities minus their actual withdrawals from Madoff Securities during the time HSBC serviced the funds are estimated to have totalled approximately \$4bn. Various HSBC companies have been named as defendants in lawsuits arising out of Madoff Securities' fraud.

US litigation: The Trustee has brought lawsuits against various HSBC companies and others in the US Bankruptcy Court for the Southern District of New York (the 'US Bankruptcy Court'), seeking recovery of transfers from Madoff Securities to HSBC in an amount not yet pleaded or determined. HSBC and other parties to the actions have moved to dismiss the Trustee's claims. The US Bankruptcy Court granted HSBC's motion to dismiss with respect to certain of the Trustee's claims in November 2016. In February 2019, the US Court of Appeals for the Second Circuit (the 'Second Circuit Court of Appeals') reversed that dismissal. Following the US Supreme Court's denial of certiorari in June 2020, the cases were remanded to the US Bankruptcy Court, where they are now pending.

Fairfield Sentry Limited, Fairfield Sigma Limited and Fairfield Lambda Limited (together, 'Fairfield') (in liquidation since July 2009) have brought a lawsuit in the US against fund shareholders, including HSBC companies that acted as nominees for clients, seeking restitution of redemption payments. In December 2018, the US Bankruptcy Court issued an opinion, which ruled in favour of the defendants' motion to dismiss in respect of certain claims by the liquidators for Fairfield and granted a motion by the liquidators to file amended complaints.

As a result of that opinion, all claims against one of the HSBC companies, and certain claims against the remaining HSBC defendants, were dismissed. In May 2019, the liquidators appealed certain issues from the US Bankruptcy Court to the US District Court for the Southern District of New York (the 'New York District Court') and, in January 2020, the liquidators filed amended complaints on the claims remaining in the US Bankruptcy Court. In March 2020, HSBC and other parties to the action moved to dismiss the amended complaints in the US Bankruptcy Court. In December 2020, the US Bankruptcy Court granted in part and denied in part the defendants' motion. This action remains pending in the US Bankruptcy Court and the New York District Court.

UK litigation: The Trustee has filed a claim against various HSBC companies in the High Court of England and Wales, seeking recovery of transfers from Madoff Securities to HSBC in an amount not yet pleaded or determined. The deadline for service of the claim has been extended to September 2021 for UK-based defendants and November 2021 for all other defendants.

Cayman Islands litigation: In February 2013, Primeo Fund ('Primeo') (in liquidation since April 2009) brought an action against HSBC Securities Services Luxembourg ('HSSL') and Bank of Bermuda (Cayman) Limited (now known as HSBC Cayman Limited), alleging breach of contract and breach of fiduciary duty and claiming damages and equitable compensation. The trial concluded in February 2017 and, in August 2017, the court dismissed all claims against the defendants. In September 2017, Primeo appealed to the Court of Appeal of the Cayman Islands and, in June 2019, the Court of Appeal of the Cayman Islands dismissed Primeo's appeal. In August 2019, Primeo filed a notice of appeal to the UK Privy Council, which has listed the first of two possible hearings for April 2021.

Luxembourg litigation: In April 2009, Herald Fund SPC ('Herald') (in liquidation since July 2013) brought an action against HSSL before the Luxembourg District Court, seeking restitution of cash and securities that Herald purportedly lost because of Madoff Securities' fraud, or money damages. The Luxembourg District Court dismissed Herald's securities restitution claim, but reserved Herald's cash restitution claim and its claim for money damages. Herald has appealed this judgment to the Luxembourg Court of Appeal, where the matter is pending. In late 2018, Herald brought additional claims against HSSL and HSBC Bank plc before the Luxembourg District Court, seeking further restitution and damages.

In October 2009, Alpha Prime Fund Limited ('Alpha Prime') brought an action against HSSL before the Luxembourg District Court, seeking the restitution of securities, or the cash equivalent, or money damages. In December 2018, Alpha Prime brought additional claims before the Luxembourg District Court seeking damages against various HSBC companies. These matters are currently pending before the Luxembourg District Court.

In December 2014, Senator Fund SPC ('Senator') brought an action against HSSL before the Luxembourg District Court, seeking restitution of securities, or the cash equivalent, or money damages. In April 2015, Senator commenced a separate action against the Luxembourg branch of HSBC Bank plc asserting identical claims before the Luxembourg District Court. In December 2018, Senator brought additional claims against HSSL and HSBC Bank plc Luxembourg branch before the Luxembourg District Court, seeking restitution of Senator's securities or money damages. These matters are currently pending before the Luxembourg District Court.

Ireland litigation: In November 2013, Defender Limited brought an action against HSBC Institutional Trust Services (Ireland) Limited ('HTIE') and others, based on allegations of breach of contract and claiming damages and indemnification for fund losses. The trial commenced in October 2018. In December 2018, the Irish High Court issued a judgment in HTIE's favour on a preliminary issue, holding that Defender Limited had no effective claim against HTIE. This judgment concluded the trial without further issues in dispute being heard. In February 2019, Defender Limited appealed the decision. In July 2020, the Irish Supreme Court ruled in part in favour of Defender Limited and returned the case to the High Court for further proceedings, which will resume in April 2021.

There are many factors that may affect the range of possible outcomes, and any resulting financial impact, of the various Madoff-related proceedings described above, including but not limited to the multiple jurisdictions in which the proceedings have been brought. Based upon the information currently available, management's estimate of the possible aggregate damages that might arise as a result of all claims in the various Madoff-related proceedings is up to or exceeding \$500m, excluding costs and interest. Due to uncertainties and limitations of this estimate, any possible damages that might ultimately arise could differ significantly from this amount.

Anti-money laundering and sanctions-related matters

In December 2012, HSBC Holdings entered into a number of agreements, including an undertaking with the UK Financial Services Authority (replaced with a Direction issued by the UK Financial Conduct Authority ('FCA') in 2013 and again in 2020) as well as a cease-and-desist order with the US Federal Reserve Board ('FRB'), both of which contained certain forward-looking anti-money laundering ('AML') and sanctions-related obligations. HSBC also agreed to retain an independent compliance monitor (who was, for FCA purposes, a 'Skilled Person' under section 166 of the Financial Services and Markets Act and, for FRB purposes, an 'Independent Consultant') to produce periodic assessments of the Group's AML and sanctions compliance programme. In 2020, HSBC's engagement with the independent compliance monitor, acting in his roles as both Skilled Person and Independent Consultant, concluded. The role of FCA Skilled Person was assigned to a new individual in the second quarter of 2020. Separately, a new FRB Independent Consultant will be appointed pursuant to the cease-and-desist order. The roles of each of the FCA Skilled Person and the FRB Independent Consultant are discussed on page 188 of the *Annual Report and Accounts 2020*.

The FCA is conducting an investigation into HSBC Bank plc's and HSBC UK Bank plc's compliance with UK money laundering regulations and financial crime systems and controls requirements. HSBC continues to cooperate with the FCA's investigation, which is at or nearing completion.

In May 2014, a shareholder derivative action was filed by a shareholder of HSBC Holdings purportedly on behalf of HSBC Holdings, HSBC Bank USA N.A. ('HSBC Bank USA'), HSBC North America Holdings Inc. and HSBC USA Inc. (the 'Nominal Corporate Defendants') in New York state court against certain current and former directors and officers of the Nominal Corporate Defendants (the 'Individual Defendants'). The complaint alleges that the Individual Defendants breached their fiduciary duties to the Nominal Corporate Defendants and caused a waste of corporate assets by allegedly permitting and/or causing the conduct underlying the five-year deferred prosecution agreement with the US Department of Justice ('DoJ'), entered into in December 2012. In November 2015, the New York state court granted the Nominal Corporate Defendants' motion to dismiss, but the appellate court reversed the decision in November 2018 and reinstated the action. In June 2020, the parties reached an agreement to resolve this derivative action, under which HSBC has received a payment from directors and officers liability insurance providers and will continue for a period of time certain corporate governance practices. In November 2020, the court issued an order granting final settlement approval and dismissing the action. This matter is now concluded.

Since November 2014, a number of lawsuits have been filed in federal courts in the US against various HSBC companies and others on behalf of plaintiffs who are, or are related to, victims of terrorist attacks in the Middle East or of cartel violence in Mexico. In each case, it is alleged that the defendants aided and abetted the unlawful conduct of various sanctioned parties in violation of the US Anti-Terrorism Act. Currently, 10 actions remain pending in federal courts in New York or the District of Columbia. In March, September and October

2019, the courts granted HSBC's motions to dismiss in three of these cases. In October 2020, the appellate court affirmed the dismissal of one of the actions on appeal. An appeal remains pending in another case, and plaintiffs are seeking certification to appeal in the third case. HSBC filed motions to dismiss in three further cases, with two of the motions granted in June 2020, and the third granted in November 2020. These dismissals are subject to appeal. The four remaining actions are at a very early stage.

There are many factors that may affect the range of outcomes, and the resulting financial impact, of these matters, which could be significant.

London interbank offered rates, European interbank offered rates and other benchmark interest rate investigations and litigation

Euro interest rate derivatives: In December 2016, the European Commission (the 'EC') issued a decision finding that HSBC, among other banks, engaged in anti-competitive practices in connection with the pricing of euro interest rate derivatives in early 2007. The EC imposed a fine on HSBC based on a one-month infringement. HSBC appealed the decision and, in September 2019, the General Court of the European Union (the 'General Court') issued a decision largely upholding the EC's findings on liability but annulling the fine. HSBC and the EC have both appealed the General Court's decision to the European Court of Justice.

US dollar Libor: Beginning in 2011, HSBC and other panel banks have been named as defendants in a number of private lawsuits filed in the US with respect to the setting of US dollar Libor. The complaints assert claims under various US laws, including US antitrust and racketeering laws, the US Commodity Exchange Act ('US CEA') and state law. The lawsuits include individual and putative class actions, most of which have been transferred and/or consolidated for pre-trial purposes before the New York District Court.

In 2017 and 2018, HSBC reached agreements with plaintiffs to resolve putative class actions brought on behalf of the following five groups of plaintiffs: persons who purchased US dollar Libor-indexed bonds; persons who purchased US dollar Libor-indexed exchange-traded instruments; US-based lending institutions that made or purchased US dollar Libor-indexed loans; persons who purchased US dollar Libor-indexed interest rate swaps and other instruments directly from the defendant banks and their affiliates; and persons who purchased US dollar Libor-indexed interest rate swaps and other instruments from certain financial institutions that are not the defendant banks or their affiliates. The New York District Court has granted final approval of each of the five referenced settlements. Additionally, a number of other US dollar Libor-related actions remain pending against HSBC in the New York District Court and the Second Circuit Court of Appeals.

Intercontinental Exchange ('ICE') Libor: Between January and March 2019, HSBC and other panel banks were named as defendants in three putative class actions filed in the New York District Court on behalf of persons and entities who purchased instruments paying interest indexed to US dollar ICE Libor from a panel bank. The complaints allege, among other things, misconduct related to the suppression of this benchmark rate in violation of US antitrust and state law. In July 2019, the three putative class actions were consolidated, and the plaintiffs filed a consolidated amended complaint. In March 2020, the court granted the defendants' joint motion to dismiss in its entirety. This matter is on appeal.

Singapore interbank offered rate ('Sibor'), Singapore swap offer rate ('SOR') and Australia bank bill swap rate ('BBSW'): In July and August 2016, HSBC and other panel banks were named as defendants in two putative class actions filed in the New York District Court on behalf of persons who transacted in products related to the Sibor, SOR and BBSW benchmark rates. The complaints allege, among other things, misconduct related to these benchmark rates in violation of US antitrust, commodities and racketeering laws, and state law.

In the Sibor/SOR litigation, following a decision on the defendants' motion to dismiss in October 2018, the claims against a number of HSBC entities were dismissed, and The Hongkong and Shanghai Banking Corporation Limited ('HBAP') remained as the only HSBC defendant in this action. In October 2018, HBAP filed a motion for reconsideration of the decision based on the issue of personal jurisdiction. This motion was denied in April 2019. Also in October 2018, the plaintiffs filed a third amended complaint naming only the Sibor panel members, including HBAP, as defendants. The court dismissed the third amended complaint in its entirety in July 2019 against all defendants. In August 2019, the plaintiffs filed an appeal to the Second Circuit Court of Appeals, which remains pending.

In the BBSW litigation, in November 2018, the court dismissed all foreign defendants, including all the HSBC entities, on personal jurisdiction grounds. In April 2019, the plaintiffs filed an amended complaint, which the defendants moved to dismiss. In February 2020, the court again dismissed the plaintiffs' amended complaint against all the HSBC entities.

There are many factors that may affect the range of outcomes, and the resulting financial impact, of these matters, which could be significant.

Foreign exchange-related investigations and litigation

Since at least 2014, the EC has been conducting an investigation into trading activities by a number of banks, including HSBC, in the foreign exchange spot market. HSBC is cooperating with this investigation.

In January 2021, HSBC Holdings exited its three-year deferred prosecution agreement with the Criminal Division of the DoJ (the 'FX DPA'), regarding fraudulent conduct in connection with two particular transactions in 2010 and 2011. HSBC Holdings entered into the FX DPA in January 2018, following the conclusion of the DoJ's investigation into HSBC's historical foreign exchange activities. Under the terms of the FX DPA, the DoJ is expected to file a motion to dismiss the charges deferred by the FX DPA in due course.

In December 2016, Brazil's Administrative Council of Economic Defense initiated an investigation into the onshore foreign exchange market and identified a number of banks, including HSBC, as subjects of its investigation.

In June 2020, the Competition Commission of South Africa, having initially referred a complaint for proceedings before the South African Competition Tribunal in February 2017, filed a revised complaint against 28 financial institutions, including HSBC Bank plc and HSBC Bank USA, for alleged anti-competitive behaviour in the South African foreign exchange market. In August 2020, HSBC Bank plc and HSBC Bank USA filed an application to dismiss the revised complaint, which remains pending.

In late 2013 and early 2014, various HSBC companies and other banks were named as defendants in various putative class actions consolidated in the New York District Court. The consolidated complaint alleged, among other things, that the defendants conspired to manipulate the WM/Reuters foreign exchange benchmark rates. In September 2015, HSBC reached an agreement with the plaintiffs to resolve the consolidated action, and the court granted final approval of the settlement in August 2018.

A putative class action complaint making similar allegations on behalf of retail customers of foreign exchange products was filed in the US District Court for the Northern District of California in 2015, and was subsequently transferred to the New York District Court where it remains pending. In 2017, putative class action complaints making similar allegations on behalf of purported indirect purchasers of

foreign exchange products were filed in New York and were subsequently consolidated in the New York District Court. In April 2020, HSBC reached an agreement with the plaintiffs to resolve the indirect purchaser action. In November 2020, the New York District Court granted final approval of the settlement.

In September 2018, various HSBC companies and other banks were named as defendants in two motions for certification of class actions filed in Israel alleging foreign exchange-related misconduct. In July 2019, the Tel Aviv Court allowed the plaintiffs to consolidate their claims and, in September 2019, the plaintiffs filed a motion for certification of the consolidated class action. In August 2020, HSBC Bank plc filed a motion to dismiss and, in January 2021, HSBC Holdings filed a motion seeking to challenge the service of the motion for certification on defendants outside Israel. These motions remain pending.

In November and December 2018, complaints alleging foreign exchange-related misconduct were filed in the New York District Court and the High Court of England and Wales against HSBC and other defendants by certain plaintiffs that opted out of the US class action settlement. In May 2020, the New York District Court granted in part and denied in part the defendants' motion to dismiss the US opt-out actions. These matters remain at an early stage. It is possible that additional civil actions will be initiated against HSBC in relation to its historical foreign exchange activities.

There are many factors that may affect the range of outcomes, and the resulting financial impact, of these matters, which could be significant.

Precious metals fix-related litigation

Gold: Beginning in March 2014, numerous putative class actions were filed in the New York District Court and the US District Courts for the District of New Jersey and the Northern District of California, naming HSBC and other members of The London Gold Market Fixing Limited as defendants. The complaints allege that, from January 2004 to June 2013, the defendants conspired to manipulate the price of gold and gold derivatives for their collective benefit in violation of US antitrust laws, the US CEA and New York state law. The actions were consolidated in the New York District Court. The defendants' motion to dismiss the consolidated action was granted in part and denied in part in October 2016. In June 2017, the court granted the plaintiffs leave to file a third amended complaint, naming a new defendant. In October 2020, HSBC reached a settlement in principle with the plaintiffs to resolve the consolidated action. The settlement remains subject to court approval.

Beginning in December 2015, numerous putative class actions under Canadian law were filed in the Ontario and Quebec Superior Courts of Justice against various HSBC companies and other financial institutions. The plaintiffs allege that, among other things, from January 2004 to March 2014, the defendants conspired to manipulate the price of gold and gold derivatives in violation of the Canadian Competition Act and common law. These actions are ongoing.

Silver: Beginning in July 2014, numerous putative class actions were filed in federal district courts in New York, naming HSBC and other members of The London Silver Market Fixing Limited as defendants. The complaints allege that, from January 2007 to December 2013, the defendants conspired to manipulate the price of silver and silver derivatives for their collective benefit in violation of US antitrust laws, the US CEA and New York state law. The actions were consolidated in the New York District Court. The defendants' motion to dismiss the consolidated action was granted in part and denied in part in October 2016. In June 2017, the court granted the plaintiffs leave to file a third amended complaint, which names several new defendants. The court has denied the pre-existing defendants' request for leave to file a joint motion to dismiss, and discovery is proceeding.

In April 2016, two putative class actions under Canadian law were filed in the Ontario and Quebec Superior Courts of Justice against various HSBC companies and other financial institutions. The plaintiffs in both actions allege that, from January 1999 to August 2014, the defendants conspired to manipulate the price of silver and silver derivatives in violation of the Canadian Competition Act and common law. These actions are ongoing.

Platinum and palladium: Between late 2014 and early 2015, numerous putative class actions were filed in the New York District Court, naming HSBC and other members of The London Platinum and Palladium Fixing Company Limited as defendants. The complaints allege that, from January 2008 to November 2014, the defendants conspired to manipulate the price of platinum group metals ('PGM') and PGM-based financial products for their collective benefit in violation of US antitrust laws and the US CEA. In March 2017, the defendants' motion to dismiss the second amended consolidated complaint was granted in part and denied in part. In June 2017, the plaintiffs filed a third amended complaint. In March 2020, the court granted the defendants' motion to dismiss the third amended complaint but granted the plaintiffs leave to re-plead certain claims. The plaintiffs have filed an appeal.

Based on the facts currently known, it is not practicable at this time for HSBC to predict the resolution of these matters, including the timing or any possible impact on HSBC, which could be significant.

Film finance litigation

In July and November 2015, two actions were brought by individuals against HSBC Private Bank (UK) Limited ('PBGB') in the High Court of England and Wales seeking damages on various alleged grounds, including breach of duty to the claimants, in connection with their participation in certain Ingenious film finance schemes. These actions are ongoing.

In December 2018, a separate action was brought against PBGB in the High Court of England and Wales by multiple claimants seeking damages for alleged unlawful means conspiracy and dishonest assistance in connection with lending provided by PBGB to third parties in respect of certain Ingenious film finance schemes in which the claimants participated. In June 2019, a similar claim was issued against PBGB in the High Court of England and Wales by additional claimants. These actions are ongoing.

In June 2020, two separate claims were issued against HSBC UK Bank plc (as successor to PBGB's business) by two separate groups of investors in Eclipse film finance schemes in connection with PBGB's role in the development of such schemes. These matters are at an early stage.

In February 2020, a claim was issued against HSBC UK Bank plc (as successor to PBGB's business) by two individuals in relation to the Zeus film finance schemes. The claimants failed to serve the claim on time, and this claim has now lapsed. Separately, in June 2020, HSBC UK Bank plc received an application for disclosure of documents by a law firm acting on behalf of a number of investors in the Zeus film finance schemes. This application was dismissed by the court in November 2020.

It is possible that additional actions or investigations will be initiated against HSBC UK Bank plc as a result of PBGB's historical involvement in the provision of certain film finance-related services.

Based on the facts currently known, it is not practicable to predict the resolution of these matters, including the timing or any possible impact on HSBC, which could be significant.

Other regulatory investigations, reviews and litigation

HSBC Holdings and/or certain of its affiliates are subject to a number of other investigations and reviews by various regulators and competition and law enforcement authorities, as well as litigation, in connection with various matters relating to the firm's businesses and operations, including:

- investigations by tax administration, regulatory and law enforcement authorities in Argentina, India and elsewhere in connection with allegations of tax evasion or tax fraud, money laundering and unlawful cross-border banking solicitation;
- an investigation by the US Commodity Futures Trading Commission regarding interest rate swap transactions related to bond issuances;
- an investigation by the FCA in connection with collections and recoveries operations in the UK;
- an information request from the UK Competition and Markets Authority concerning the financial services sector;
- a putative class action brought in the New York District Court relating to the Mexican government bond market;
- two group actions pending in the US courts and a claim issued in the High Court of England and Wales in connection with HSBC Bank plc's role as a correspondent bank to Stanford International Bank Ltd from 2003 to 2009; and
- litigation brought against various HSBC companies in the US courts relating to residential mortgage-backed securities, based primarily on (a) claims brought against HSBC Bank USA in connection with its role as trustee on behalf of various securitisation trusts; and (b) claims against several HSBC companies seeking that the defendants repurchase various mortgage loans.

There are many factors that may affect the range of outcomes, and the resulting financial impact, of these matters, which could be significant.

9 Events after the balance sheet date

An interim dividend for 2020 of \$0.15 per ordinary share (a distribution of approximately \$3,055m) was declared by the Directors after 31 December 2020. HSBC Holdings called \$1,450m 6.20% non-cumulative US dollar preference shares on 10 December 2020. The security was redeemed and cancelled on 13 January 2021. These accounts were approved by the Board of Directors on 23 February 2021 and authorised for issue.

10 Capital structure

Capital ratios

	At 31 Dec	
	2020	2019
	%	%
Transitional basis		
Common equity tier 1 ratio	15.9	14.7
Tier 1 ratio	18.7	17.6
Total capital ratio	21.5	20.4
End point basis		
Common equity tier 1 ratio	15.9	14.7
Tier 1 ratio	18.5	17.2
Total capital ratio	20.2	18.9

Total regulatory capital and risk-weighted assets

	At 31 Dec	
	2020	2019
	\$m	\$m
Transitional basis		
Common equity tier 1 capital	136,050	123,966
Additional tier 1 capital	24,123	24,393
Tier 2 capital	24,250	23,791
Total regulatory capital	184,423	172,150
Risk-weighted assets	857,520	843,395
End point basis		
Common equity tier 1 capital	136,050	123,966
Additional tier 1 capital	22,411	20,870
Tier 2 capital	14,743	14,473
Total regulatory capital	173,204	159,309
Risk-weighted assets	857,520	843,395

Leverage ratio¹

		At 31 Dec	
Ref*		2020	2019
		\$bn	\$bn
20	Tier 1 capital	158.5	144.8
21	Total leverage ratio exposure	2,897.1	2,726.5
		%	%
22	Leverage ratio	5.5	5.3
EU-23	Choice of transitional arrangements for the definition of the capital measure	Fully phased-in	Fully phased-in
	UK leverage ratio exposure – quarterly average ²	2,555.5	2,535.4
		%	%
	UK leverage ratio – quarterly average ²	6.1	5.8
	UK leverage ratio – quarter end ²	6.2	5.7

* 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 qualifying central bank balances and loans under the UK Bounce Back Loan scheme from the calculation of exposure.

11 Statutory accounts

The information in this news release does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006 ('the Act'). The statutory accounts for the year ended 31 December 2020 will be delivered to the Registrar of Companies in England and Wales in accordance with section 441 of the Act. The auditor has reported on those accounts. Its report was unqualified and did not contain a statement under section 498(2) or (3) of the Act.

12 Dealings in HSBC Holdings plc listed securities

The Group has policies and procedures that, except where permitted by statute and regulation, prohibit specified transactions in respect of its securities listed on The Stock Exchange of Hong Kong Limited. Except for dealings as intermediaries or as trustees by subsidiaries of HSBC Holdings, neither HSBC Holdings nor any of its subsidiaries has purchased, sold or redeemed any of its securities listed on The Stock Exchange of Hong Kong Limited during the year ended 31 December 2020.

13 Interim dividends for 2021

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 and the PRA aims to provide a further update ahead of the 2021 half-year results of large UK banks. As a result, the Group will not be paying 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.

The Board has adopted a policy designed to provide sustainable dividends going forward. We intend to transition towards a target payout ratio of between 40% and 55% of reported earnings per ordinary share ('EPS') for 2022 onwards, with the flexibility to adjust EPS for non-cash significant items such as goodwill or intangibles impairments. The dividend policy could be supplemented by buybacks or special dividends, over time and not in the near-term, should the Group find itself in an excess capital position absent compelling investment opportunities to deploy that excess.

Dividends are declared in US dollars and, at the election of the shareholder, paid in cash in one of, or in a combination of, US dollars, pounds sterling and Hong Kong dollars. The Group has decided to discontinue the scrip dividend option as it is dilutive, including to dividend per share progression over time.

14 Earnings releases and interim results

First and third quarter results for 2021 will be released on 27 April 2021 and 25 October 2021 respectively. The interim results for the six months to 30 June 2021 will be issued on 2 August 2021.

15 Corporate governance codes

HSBC is subject to corporate governance requirements in both the UK and Hong Kong. During 2020, save to the extent referred to below, HSBC complied with the provisions and requirements of both the UK and Hong Kong Corporate Governance Codes.

Following the UK Government's introduction of social distancing measures and prohibition on non-essential travel and public gatherings, it was not possible for shareholders to attend the 2020 Annual General Meeting ('AGM') in person. The Board was fully informed of all relevant AGM and shareholder matters but only a limited number of Directors and essential personnel attended the AGM to ensure the meeting was quorate and to enable the business of the meeting to be conducted. Shareholders were advised to vote by submitting a proxy in advance of the AGM and that they should only appoint the Chairman of the AGM to act as their proxy. To ensure that shareholders did not lose the opportunity to raise questions, shareholders were encouraged to submit questions for the Board via email in advance of the AGM. Responses to the most frequent questions across key themes were published on the HSBC website after due consideration by the Board. None of the questions submitted covered a topic that required consideration by the auditor. Given these measures, not all of the persons set out in paragraphs A.6.7 and E.1.2 of the Hong Kong Corporate Governance Code were able to attend the AGM.

Under the Hong Kong Code, the audit committee should be responsible for the oversight of all risk management and internal control systems. HSBC's Group Risk Committee is responsible for oversight of internal control, other than internal control over financial reporting, and risk management systems. This is permitted under the UK Corporate Governance Code.

Notwithstanding that Laura Cha has served on the Board for more than nine years, the Board has determined that she continues to be independent when taking into consideration all other relevant circumstances that are likely to impair, or could appear to impair, independence. Laura will not be standing for re-election at the 2021 AGM.

HSBC Holdings has codified obligations for transactions in Group securities in accordance with the requirements of the UK Market Abuse Regulation and the rules governing the listing of securities on HKEx, save that the HKEx has granted waivers from strict compliance with the rules that take into account accepted practices in the UK, particularly in respect of employee share plans. During the year, all Directors were reminded of their obligations in respect of transacting in HSBC Group securities and, except as disclosed on page 258 of the *Annual Report and Accounts 2020*, following specific enquiry all Directors have confirmed that they have complied with their obligations.

The Group Audit Committee has reviewed the annual results for 2020.

The Company has codified obligations for transactions in HSBC Group securities in accordance with the requirements of the Market Abuse Regulation and the rules governing the listing of securities on the HKEx, save that the HKEx has granted waivers from strict compliance with the rules that take into account accepted practices in the UK, particularly in respect of employee share plans. Following specific enquiry, all Directors have confirmed that they have complied with their obligations in respect of transacting in Group securities during the year.

The Directors of HSBC Holdings plc as at the date of this announcement comprise:

Mark Tucker*, Noel Quinn, Laura Cha[†], Henri de Castries[†], James Forese[†], Steven Guggenheimer[†], José Antonio Meade Kuribreña[†], Irene Lee[†], Heidi Miller[†], Eileen Murray[†], David Nish[†], Ewen Stevenson, Jackson Tai[†], and Pauline van der Meer Mohr[†].

* Non-executive Group Chairman

[†] Independent non-executive Director

16 Cautionary statement regarding forward-looking statements

This news release may contain projections, estimates, forecasts, targets, opinions, prospects, results, returns and forward-looking statements with respect to the financial condition, results of operations, capital position, strategy and business of the Group which can be identified by the use of forward-looking terminology such as 'may', 'will', 'should', 'expect', 'anticipate', 'project', 'estimate', 'seek', 'intend', 'target', 'plan', 'believe', 'potential' or 'reasonably possible', or the negatives thereof or other variations thereon or comparable terminology (together, "forward-looking statements"), including the strategic priorities and any financial, investment and capital targets described herein.

Any such forward-looking statements are not a reliable indicator of future performance, as they may involve significant stated or implied assumptions and subjective judgements which may or may not prove to be correct. There can be no assurance that any of the matters set out in forward-looking statements are attainable, will actually occur or will be realised or are complete or accurate. The assumptions and judgments may prove to be incorrect and involve known and unknown risks, uncertainties, contingencies and other important factors, many of which are outside the control of the Group. Actual achievements, results, performance or other future events or conditions may differ materially from those stated, implied and/or reflected in any forward-looking statements due to a variety of risks, uncertainties and other factors (including without limitation those which are referable to general market conditions or regulatory changes or due to the impact of the Covid-19 outbreak).

Any such forward-looking statements are based on the beliefs, expectations and opinions of the Group at the date the statements are made, and the Group does not assume, and hereby disclaims, any obligation or duty to update, revise or supplement them if circumstances or management's beliefs, expectations or opinions should change. For these reasons, recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements. No representations or warranties, expressed or implied, are given by or on behalf of the Group as to the achievement or reasonableness of any projections, estimates, forecasts, targets, prospects or returns contained herein.

Additional detailed information concerning important factors that could cause actual results to differ materially from this news release is available in our *Annual Report and Accounts* for the fiscal year ended 31 December 2020 which we expect to file with the SEC on Form 20-F on or around 24 February 2021.

17 Use of alternative performance measures

This news release contains non-IFRS measures used by management internally that constitute alternative performance measures under European Securities and Markets Authority guidance and non-GAAP financial measures defined in and presented in accordance with SEC rules and regulations ('alternative performance measures'). The primary alternative performance measures we use are presented on an 'adjusted performance' basis which is computed by adjusting reported results for the period-on-period effects of foreign currency translation differences and significant items which distort period-on-period comparisons. Significant items are those items which management and investors would ordinarily identify and consider separately when assessing performance in order to better understand the underlying trends in the business. Reconciliations between alternative performance measures and the most directly comparable measures under IFRS are provided in our 2020 Form 20-F, when filed, which will be available at www.hsbc.com.

18 Certain defined terms

Unless the context requires otherwise, 'HSBC Holdings' means HSBC Holdings plc and 'HSBC', the 'Group', 'we', 'us' and 'our' refer to HSBC Holdings together with its subsidiaries. Within this document the Hong Kong Special Administrative Region of the People's Republic of China is referred to as 'Hong Kong'. When used in the terms 'shareholders' equity' and 'total shareholders' equity', 'shareholders' means holders of HSBC Holdings ordinary shares and those preference shares and capital securities issued by HSBC

Holdings classified as equity. The abbreviations '\$m' and '\$bn' represent millions and billions (thousands of millions) of US dollars, respectively.

19 For further information contact:

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Incorporated in England with limited liability

Registered number 617987

HSBC HOLDINGS PLC

Data Pack

4Q 2020

The financial information on which this supplement is based is unaudited and has been prepared in accordance with HSBC's significant accounting policies as described in the *Annual Report and Accounts 2020*. The financial information does not constitute financial statements prepared in accordance with International Financial Reporting Standards ('IFRSs'), is not complete and should be read in conjunction with the *Annual Report and Accounts 2020*, the *Interim Report 2020*, 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 4Q20 exchange rates for the income statement or at the prevailing rates of exchange on 31 December 2020 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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HSBC
HSBC Holdings plc consolidated

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net interest income	6,619	6,450	6,897	7,612	7,654	27,578
Net fee income	2,967	2,981	2,803	3,123	2,938	11,874
Other operating income	2,171	2,496	3,359	2,951	2,779	10,977
Net operating income before change in expected credit losses and other credit impairment charges¹	11,757	11,927	13,059	13,686	13,371	50,429
Change in expected credit losses and other credit impairment charges	(1,174)	(785)	(3,832)	(3,026)	(733)	(8,817)
Total operating expenses ¹	(9,864)	(8,041)	(8,675)	(7,852)	(17,053)	(34,432)
<i>of which: staff expenses</i>	<i>(5,079)</i>	<i>(4,483)</i>	<i>(4,206)</i>	<i>(4,308)</i>	<i>(4,545)</i>	<i>(18,076)</i>
Share of profit in associates and joint ventures	666	(27)	537	421	518	1,597
Profit/(loss) before tax	1,385	3,074	1,089	3,229	(3,897)	8,777
Tax expense	(450)	(1,035)	(472)	(721)	(1,127)	(2,678)
Profit/(loss) after tax	935	2,039	617	2,508	(5,024)	6,099
Profit/(loss) attributable to:						
- ordinary shareholders of the parent company ("PAOS")	562	1,359	192	1,785	(5,509)	3,898
- preference shareholders of the parent company	23	22	23	22	23	90
- other equity holders of the parent company	175	449	176	441	176	1,241
- non-controlling interests	175	209	226	260	286	870
(Increase)/decrease in present value of in-force insurance business ("PVIF") (net of tax)	309	(252)	(56)	(254)	42	(253)
Impairment of goodwill and other intangible assets (net of tax)	(120)	2	1,154	—	7,349	1,036
PAOS net of PVIF and goodwill impairment	751	1,109	1,290	1,531	1,882	4,681
Reported significant items - Totals (\$m)						
Revenue	(67)	(138)	(91)	359	(276)	63
ECL	—	—	—	—	—	—
Operating expenses	(758)	(630)	(1,413)	(172)	(7,969)	(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	11,824	12,245	13,625	13,508	13,782	50,366
<i>of which: net interest income</i>	<i>6,620</i>	<i>6,590</i>	<i>7,103</i>	<i>7,710</i>	<i>7,751</i>	<i>27,599</i>
<i>of which: net fee income</i>	<i>2,966</i>	<i>3,017</i>	<i>2,899</i>	<i>3,189</i>	<i>2,989</i>	<i>11,874</i>
Change in expected credit losses and other credit impairment charges	(1,174)	(806)	(4,033)	(3,071)	(696)	(8,817)
Total operating expenses ¹	(9,106)	(7,524)	(7,554)	(7,836)	(9,176)	(31,459)
Share of profit in associates and joint ventures	666	450	580	443	546	2,059
Profit/(loss) before tax	2,210	4,365	2,618	3,044	4,456	12,149

HSBC

HSBC Holdings plc consolidated

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Earnings metrics						
Return on average equity (annualised)	1.3 %	3.2 %	0.5 %	4.4 %	(13.3)%	2.3 %
Return on average tangible equity (annualised)	1.9 %	2.9 %	3.5 %	4.2 %	5.2 %	3.1 %
Earnings per share (\$)	0.03	0.07	0.01	0.09	(0.27)	0.19
Adjusted ECL / average gross loans (annualised)	0.44 %	0.29 %	1.47 %	1.13 %	0.26 %	0.81 %
Dividends						
Dividends per share - declared in respect of the period (\$) ²	0.15	—	—	—	—	0.15
Dividends paid during the period, net of scrip (\$m)	—	—	—	—	1,672	—
Value of scrip issued during period (\$m)	—	—	—	—	357	—
Revenue significant items (\$m)						
Customer redress programmes	1	(48)	26	—	(45)	(21)
Disposals, acquisitions and investment in new businesses	(2)	—	(1)	(7)	(55)	(10)
Fair value movements on financial instruments	(46)	11	(58)	357	(176)	264
Restructuring and other related costs	(20)	(101)	(58)	9	—	(170)
Cost significant items (\$m)						
Costs of structural reform	—	—	—	—	(32)	—
Customer redress programmes	107	(3)	(49)	(1)	(183)	54
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	(8)	(57)	(1,025)	—	(7,349)	(1,090)
Past service costs of guaranteed minimum pension benefits equalisation	(17)	—	—	—	—	(17)
Restructuring and other related costs	(836)	(567)	(335)	(170)	(400)	(1,908)
Settlements and provisions in connection with legal and regulatory matters	(4)	(3)	(4)	(1)	(5)	(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		178	469	185	134	
ECL		(21)	(201)	(45)	37	
Operating expenses		(120)	(363)	(158)	(152)	
Share of profit in associates and joint ventures		15	43	22	28	
Currency translation on revenue significant items		(2)	(6)	4	(1)	
Currency translation on operating expense significant items		(7)	(71)	(2)	(60)	
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.

2 On 31st March 2020, HSBC announced the cancellation of the fourth 2019 interim dividend. 2019 has been re-presented accordingly.

	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Assets - reported (\$m)						
Cash and balances at central banks	304,481	285,508	249,673	187,386	154,099	304,481
Items in the course of collection from other banks	4,094	6,165	6,289	4,649	4,956	4,094
Hong Kong Government certificates of indebtedness	40,420	40,086	39,519	38,704	38,380	40,420
Trading assets	231,990	222,355	208,964	215,634	254,271	231,990
Financial assets designated and otherwise mandatorily measured at fair value through profit or loss	45,553	44,253	41,785	40,650	43,627	45,553
Derivatives	307,726	294,678	313,781	371,283	242,995	307,726
Loans and advances to banks	81,616	83,854	77,015	84,547	69,203	81,616
Loans and advances to customers (net)	1,037,987	1,041,340	1,018,681	1,040,282	1,036,743	1,037,987
Reverse repurchase agreements – non-trading	230,628	221,179	226,345	222,774	240,862	230,628
Financial investments	490,693	475,302	494,109	446,668	443,312	490,693
Prepayments, accrued income and other assets	156,412	191,040	197,425	216,224	136,680	156,412
Current tax assets	954	734	821	740	755	954
Interests in associates and joint ventures	26,684	25,087	24,800	24,547	24,474	26,684
Goodwill and intangible assets	20,443	20,162	19,438	20,146	20,163	20,443
Deferred tax assets	4,483	4,192	4,153	3,576	4,632	4,483
Total assets	2,984,164	2,955,935	2,922,798	2,917,810	2,715,152	2,984,164
Liabilities - reported (\$m)						
Hong Kong currency notes in circulation	40,420	40,086	39,519	38,704	38,380	40,420
Deposits by banks	82,080	91,739	82,715	75,504	59,022	82,080
Customer accounts	1,642,780	1,568,714	1,532,380	1,440,529	1,439,115	1,642,780
Repurchase agreements - non-trading	111,901	118,844	112,799	150,243	140,344	111,901
Items in the course of transmission to other banks	4,343	14,389	6,296	4,710	4,817	4,343
Trading liabilities	75,266	80,338	79,612	74,410	83,170	75,266
Financial liabilities designated at fair value	157,439	156,459	156,608	155,184	164,466	157,439
Derivatives	303,001	285,239	303,059	356,616	239,497	303,001
Debt securities in issue	95,492	102,406	110,114	99,410	104,555	95,492
Accruals, deferred income and other liabilities	128,624	163,912	173,181	196,244	118,156	128,624
Current tax liabilities	690	1,274	1,141	914	2,150	690
Liabilities under insurance contracts	107,191	102,708	98,832	94,979	97,439	107,191
Provisions	3,678	3,297	3,209	3,190	3,398	3,678
Deferred tax liabilities	4,313	4,490	4,491	5,262	3,375	4,313
Subordinated liabilities	21,951	21,779	23,621	23,640	24,600	21,951
Total liabilities	2,779,169	2,755,674	2,727,577	2,719,539	2,522,484	2,779,169

HSBC

HSBC Holdings plc consolidated

Equity - reported (\$m)

Called up share capital	10,347	10,346	10,346	10,345	10,319	10,347
Share premium account	14,277	14,274	14,268	14,263	13,959	14,277
Other equity instruments	22,414	20,914	20,914	20,914	20,871	22,414
Other reserves	8,833	3,622	(301)	(2,250)	2,128	8,833
Retained earnings	140,572	142,748	141,809	146,499	136,678	140,572
Total shareholders' equity	196,443	191,904	187,036	189,771	183,955	196,443
Non-controlling interests	8,552	8,357	8,185	8,500	8,713	8,552
Total equity	204,995	200,261	195,221	198,271	192,668	204,995
Total liabilities and equity	2,984,164	2,955,935	2,922,798	2,917,810	2,715,152	2,984,164

Other balance sheet data - reported (\$m)

Loans and advances to customers (gross)	1,052,478	1,055,043	1,031,908	1,050,667	1,045,475	1,052,478
Risk-weighted assets ¹	857,520	857,024	854,552	857,078	843,395	857,520
Total shareholders' equity	196,443	191,904	187,036	189,771	183,955	196,443
AT1 capital	(22,414)	(20,914)	(20,914)	(20,914)	(20,871)	(22,414)
Preference shares	—	(1,405)	(1,405)	(1,405)	(1,405)	—
Perpetual capital securities	—	—	—	—	—	—
Ordinary shareholders' equity ("NAV")	174,029	169,585	164,717	167,452	161,679	174,029
Goodwill, PVIF and other intangibles (net of deferred tax)	(17,606)	(17,325)	(16,838)	(17,433)	(17,535)	(17,606)
Tangible equity ("TNAV")	156,423	152,260	147,879	150,019	144,144	156,423

	Year to date					Year ended
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Average TNAV	150,101	148,700	148,015	147,082	142,847	150,101
Fair value of own debt, DVA and other adjustments	422	(260)	(852)	(373)	1,032	422
Average TNAV excluding fair value of own debt, DVA and other adjustments (RoTE TNAV)	150,523	148,440	147,163	146,709	143,879	150,523

HSBC

HSBC Holdings plc consolidated

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

	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (net)	1,037,987	1,074,491	1,075,335	1,105,848	1,062,695	1,037,987
Customer accounts	1,642,780	1,614,877	1,611,012	1,521,333	1,470,207	1,642,780
Risk-weighted assets ¹	857,520	877,959	890,489	897,462	855,893	857,520

Regulatory capital - Transitional basis (\$m)

	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Common equity tier 1 capital	136,050	133,383	128,446	125,218	123,966	136,050
Additional tier 1 capital	24,123	24,027	24,031	24,026	24,393	24,123
Tier 2 capital	24,250	24,424	24,765	24,713	23,791	24,250
Total regulatory capital	184,423	181,834	177,242	173,957	172,150	184,423

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

	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Common equity tier 1 capital	136,050	133,383	128,446	125,218	123,966	136,050
Additional tier 1 capital	22,411	20,910	20,914	20,909	20,870	22,411
Tier 2 capital	14,743	14,861	15,021	15,001	14,473	14,743
Total regulatory capital	173,204	169,154	164,381	161,128	159,309	173,204

Capital ratios - transitional basis

	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Common equity tier 1 ratio	15.9 %	15.6 %	15.0 %	14.6 %	14.7 %	15.9 %
Tier 1 ratio	18.7 %	18.4 %	17.8 %	17.4 %	17.6 %	18.7 %
Total capital ratio	21.5 %	21.2 %	20.7 %	20.3 %	20.4 %	21.5 %

Capital ratios - end-point basis

	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Common equity tier 1 ratio	15.9 %	15.6 %	15.0 %	14.6 %	14.7 %	15.9 %
Tier 1 ratio	18.5 %	18.0 %	17.5 %	17.0 %	17.2 %	18.5 %
Total capital ratio	20.2 %	19.7 %	19.2 %	18.8 %	18.9 %	20.2 %
Leverage exposures (\$m)	2,897,113	2,857,360	2,801,386	2,782,705	2,726,543	2,897,113
Leverage Ratio	5.5 %	5.4 %	5.3 %	5.3 %	5.3 %	5.5 %

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HSBC Holdings plc consolidated

Balance sheet metrics

NAV / share (\$) at the end of the period	\$	8.62	\$	8.41	\$	8.17	\$	8.30	\$	8.00	\$	8.62
TNAV / share (\$) at the end of the period	\$	7.75	\$	7.55	\$	7.34	\$	7.44	\$	7.13	\$	7.75

Ordinary \$0.50 shares

Basic number of ordinary shares in issue (m)		20,184		20,173		20,162		20,172		20,206		20,184
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	Quarter ended					Year ended
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Ordinary shares issued during the period (m)	1	1	1	52	55	55
<i>of which scrip</i>	—	—	—	—	46	—
Shares bought back during the period (m)	—	—	—	—	—	—
Other movements in basic number of ordinary shares during the period	10	10	(11)	(86)	(40)	(77)
Average basic number of ordinary shares outstanding during the period (m)	20,179	20,166	20,190	20,161	20,433	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)		33,151	56,654	65,566	25,952	
Customer accounts		46,163	78,632	80,804	31,092	
Risk-weighted assets ¹		20,935	35,937	40,384	12,498	

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	348,680
Loans and advances to customers	1,051,692
Reverse repurchase agreements – non-trading	225,791
Financial investments	470,099
Other interest-earning assets	62,741
Total interest-earning assets	2,159,003

Interest income during period (\$m)

Short-term funds and loans and advances to banks	247
Loans and advances to customers	6,663
Reverse repurchase agreements – non-trading	271
Financial investments	1,797
Other interest-earning assets	323
Total	9,301

Average balances during period (\$m)

Deposits by banks	73,622
Customer accounts	1,318,889
Repurchase agreements – non-trading	107,666
Debt securities in issue – non-trading	210,501
Other interest-bearing liabilities	74,224
Total interest-bearing liabilities	1,784,902
Non-interest bearing current accounts	294,420

Interest expense during period (\$m)

Deposits by banks	57
Customer accounts	1,116
Repurchase agreements – non-trading	106
Debt securities in issue – non-trading	1,043
Other interest-bearing liabilities	360
Total	2,682

Net interest margin (%)

	Quarter to date					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Average balances during period (\$m)						
Short-term funds and loans and advances to banks	348,680	332,291	286,614	224,505	216,741	298,255
Loans and advances to customers	1,051,692	1,051,522	1,047,307	1,036,554	1,038,625	1,046,795
Reverse repurchase agreements – non-trading	225,791	217,516	211,848	232,455	216,353	221,901
Financial investments	470,099	481,113	467,079	435,609	426,054	463,542
Other interest-earning assets	62,741	59,012	65,330	62,579	47,823	62,407
Total interest-earning assets	2,159,003	2,141,454	2,078,178	1,991,702	1,945,596	2,092,900
Interest income during period (\$m)						
Short-term funds and loans and advances to banks	247	257	277	483	524	1,264
Loans and advances to customers	6,663	6,750	7,444	8,534	8,697	29,391
Reverse repurchase agreements – non-trading	271	256	384	908	835	1,819
Financial investments	1,797	1,895	2,048	2,403	2,500	8,143
Other interest-earning assets	323	297	219	300	673	1,139
Total	9,301	9,455	10,372	12,628	13,229	41,756
Average balances during period (\$m)						
Deposits by banks	73,622	64,908	66,641	56,890	53,930	65,536
Customer accounts	1,318,889	1,289,726	1,228,367	1,178,914	1,175,998	1,254,249
Repurchase agreements – non-trading	107,666	115,148	122,228	156,767	135,341	125,376
Debt securities in issue – non-trading	210,501	221,507	224,735	221,774	219,806	219,610
Other interest-bearing liabilities	74,224	76,861	80,124	74,389	63,644	76,395
Total interest-bearing liabilities	1,784,902	1,768,150	1,722,095	1,688,734	1,648,719	1,741,166
Non-interest bearing current accounts	294,420	272,658	266,841	237,514	229,763	267,944
Interest expense during period (\$m)						
Deposits by banks	57	47	92	134	123	330
Customer accounts	1,116	1,292	1,670	2,400	2,722	6,478
Repurchase agreements – non-trading	106	103	130	624	600	963
Debt securities in issue – non-trading	1,043	1,182	1,257	1,462	1,548	4,944
Other interest-bearing liabilities	360	381	326	396	582	1,463
Total	2,682	3,005	3,475	5,016	5,575	14,178
Net interest margin (%)	1.22 %	1.20 %	1.33 %	1.54 %	1.56 %	1.32 %

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Wealth and Personal Banking

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net interest income	3,550	3,478	3,689	4,368	4,392	15,085
Net fee income	1,326	1,391	1,224	1,467	1,351	5,408
Other operating income/(expense)	444	540	743	(221)	571	1,506
Net operating income before change in expected credit losses and other credit impairment charges	5,320	5,409	5,656	5,614	6,314	21,999
Change in expected credit losses and other credit impairment charges	(310)	(343)	(1,094)	(1,108)	(425)	(2,855)
Total operating expenses	(4,006)	(3,871)	(3,745)	(3,824)	(4,682)	(15,446)
of which: staff expenses	(1,588)	(1,438)	(1,322)	(1,453)	(1,552)	(5,801)
Share of profit in associates and joint ventures	4	10	(4)	(4)	5	6
Profit/(loss) before tax	1,008	1,205	813	678	1,212	3,704
Reported Significant items - Totals (\$m)						
Revenue	(1)	(32)	26	(7)	(95)	(14)
ECL	—	—	—	—	—	—
Operating expenses	(10)	(189)	(215)	(8)	(718)	(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	5,321	5,520	5,823	5,689	6,473	22,013
of which: net interest income	3,550	3,561	3,788	4,419	4,467	15,090
of which: net fee income	1,327	1,406	1,263	1,490	1,372	5,408
Change in expected credit losses and other credit impairment charges	(310)	(359)	(1,158)	(1,115)	(394)	(2,855)
Total operating expenses	(3,996)	(3,739)	(3,674)	(3,882)	(4,000)	(15,024)
Share of profit in associates and joint ventures	4	10	(4)	(4)	5	6
Profit/(loss) before tax	1,019	1,432	987	688	2,084	4,140
Earnings metrics - adjusted						
Return on average tangible equity (annualised, YTD) ¹	9.1 %	7.6 %	6.0 %	2.1 %	19.7 %	9.1 %
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	474,088	464,193	434,000	429,462	446,269	474,088
Loans and advances to customers (net)	469,186	459,516	429,487	425,692	443,025	469,186
Total external assets	881,918	851,093	814,719	760,446	772,139	881,918
Customer accounts	834,759	793,612	775,870	749,294	753,769	834,759
Risk-weighted assets	172,787	173,160	161,744	161,095	162,627	172,787
Adjusted balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	469,186	475,569	456,324	455,583	455,618	469,186
Customer accounts	834,759	814,256	810,616	785,615	768,151	834,759
Risk-weighted assets	172,787	177,331	168,686	168,618	164,567	172,787

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Management View of Adjusted Revenue - at originally reported average FX rates (\$m)						
Retail Banking	3,043	2,999	3,063	3,831	3,989	12,938
Net interest income	2,721	2,686	2,818	3,482	3,570	11,708
Non-interest income	322	313	245	349	419	1,230
Wealth Management	2,053	2,160	2,183	1,423	2,107	7,818
- Investment distribution	736	872	719	883	720	3,209
- Life insurance manufacturing	628	601	793	(206)	677	1,816
- Private Banking	407	418	410	511	452	1,746
Net interest income	156	142	159	213	217	670
Non-interest income	251	276	251	298	235	1,076
- Asset management	282	269	261	235	258	1,047
Other	73	93	139	126	208	429
Markets Treasury, HSBC Holdings interest expense and Argentina hyperinflation ²	152	189	245	241	105	828
Net operating income	5,321	5,441	5,630	5,621	6,409	22,013
Management View of Adjusted Revenue - at most recent period average FX rates (\$m)						
Retail Banking	3,043	3,052	3,185	3,878	4,015	12,938
Net interest income	2,721	2,734	2,928	3,527	3,598	11,708
Non-interest income	322	318	257	351	417	1,230
Wealth Management	2,053	2,178	2,234	1,438	2,144	7,818
- Investment distribution	736	879	733	893	727	3,209
- Life insurance manufacturing	628	605	805	(221)	685	1,816
- Private Banking	407	422	425	526	468	1,746
Net interest income	156	143	165	219	223	670
Non-interest income	251	279	260	307	245	1,076
- Asset management	282	272	271	240	264	1,047
Other	73	100	155	132	213	429
Markets Treasury, HSBC Holdings interest expense and Argentina hyperinflation ²	152	190	249	241	101	828
Net operating income	5,321	5,520	5,823	5,689	6,473	22,013

HSBC

Wealth and Personal Banking

Reported revenue significant items (\$m)

Customer redress programmes	—	(31)	26	—	(47)	(5)
Disposals, acquisitions and investment in new businesses	(1)	(1)	—	(7)	(48)	(9)
Fair value movement on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—

Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	109	4	(48)	(1)	(180)	64
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	15	(224)	(85)	—	(431)	(294)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(134)	31	(82)	(7)	(110)	(192)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	3	—

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	193	68	63
ECL	(16)	(64)	(7)	31
Operating expenses	(55)	(156)	(66)	(63)
Share of profit in associates and joint ventures	—	—	—	—
Currency translation on revenue significant items	—	—	—	(1)
Currency translation on operating expense significant items	2	(12)	—	(27)
Currency translation on share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	16,053	26,837	29,891	12,593
Customer accounts	20,644	34,746	36,321	14,382
Risk-weighted assets	4,171	6,942	7,523	1,940

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.

HSBC
Commercial Banking

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-19
Reported (\$m)						
Net interest income	2,210	2,208	2,287	2,596	2,722	9,301
Net fee income	808	787	734	896	790	3,225
Other operating income	128	153	246	241	168	768
Net operating income before change in expected credit losses and other credit impairment charges	3,146	3,148	3,267	3,733	3,680	13,294
Change in expected credit losses and other credit impairment charges	(874)	(354)	(2,151)	(1,375)	(286)	(4,754)
Total operating expenses	(1,916)	(1,587)	(1,698)	(1,699)	(4,766)	(6,900)
<i>of which: staff expenses</i>	(789)	(619)	(577)	(621)	(646)	(2,606)
Share of profit in associates and joint ventures	(1)	—	—	—	—	(1)
Profit/(loss) before tax	355	1,207	(582)	659	(1,372)	1,639
Reported Significant items - Totals (\$m)						
Revenue	(1)	(17)	—	—	2	(18)
ECL	—	—	—	—	—	—
Operating expenses	(152)	48	(105)	(2)	(2,982)	(211)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Adjusted (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	3,147	3,209	3,392	3,794	3,717	13,312
<i>of which: net interest income</i>	2,210	2,255	2,366	2,628	2,739	9,317
<i>of which: net fee income</i>	808	797	763	917	804	3,225
Change in expected credit losses and other credit impairment charges	(874)	(359)	(2,250)	(1,405)	(282)	(4,754)
Total operating expenses	(1,764)	(1,658)	(1,657)	(1,729)	(1,806)	(6,689)
Share of profit in associates and joint ventures	(1)	—	(1)	—	—	(1)
Profit/(loss) before tax	508	1,192	(516)	660	1,629	1,868
Earnings metrics - adjusted						
Return on average tangible equity (annualised, YTD) ¹	1.3 %	1.1 %	(1.6)%	2.7 %	13.0 %	1.3 %
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-19
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	351,098	350,947	351,687	356,015	350,648	351,098
Loans and advances to customers (net)	343,182	343,702	344,567	350,638	346,105	343,182
Total external assets	570,295	555,635	549,530	518,904	511,474	570,295
Customer accounts	470,428	431,021	418,263	379,842	388,723	470,428
Risk-weighted assets	327,734	332,378	330,887	326,654	325,872	327,734
Adjusted balance sheet data -- at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	343,182	353,989	362,411	371,367	353,781	343,182
Customer accounts	470,428	444,528	441,266	402,592	397,182	470,428
Risk-weighted assets	327,734	342,713	348,564	346,372	332,543	327,734

HSBC Commercial Banking

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Management View of Adjusted Revenue - at originally reported average FX rates (\$m)						
Global Trade and Receivables Finance	423	429	423	469	432	1,744
Credit and Lending	1,457	1,442	1,359	1,382	1,328	5,640
Global Liquidity and Cash Management	895	936	1,014	1,333	1,425	4,178
Markets products, Insurance and Investments and other	364	341	413	478	501	1,596
Markets Treasury, HSBC Holdings interest expense and Argentina hyperinflation ²	8	17	58	71	(8)	154
Net operating income	3,147	3,165	3,267	3,733	3,678	13,312
Management View of Adjusted Revenue - at most recent period average FX rates (\$m)						
Global Trade and Receivables Finance	423	434	437	475	438	1,744
Credit and Lending	1,457	1,461	1,412	1,408	1,349	5,640
Global Liquidity and Cash Management	895	946	1,043	1,345	1,436	4,178
Markets products, Insurance and Investments and other	364	349	436	491	506	1,596
Markets Treasury, HSBC Holdings interest expense and Argentina hyperinflation ²	8	19	64	75	(12)	154
Net operating income	3,147	3,209	3,392	3,794	3,717	13,312
Reported Revenue significant items (\$m)						
Customer redress programmes	1	(17)	—	—	2	(16)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movement on financial instruments	(1)	—	—	—	—	(1)
Restructuring and other related costs	(1)	—	—	—	—	(1)
Reported Cost significant items (\$m)						
Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	(1)	—	(2)	(1)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	(1)	(3)	(41)	—	(2,956)	(45)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(151)	51	(63)	(2)	(24)	(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	44	125	61	40
ECL	(5)	(99)	(30)	4
Operating expenses	(21)	(73)	(32)	(49)
Share of profit in associates and joint ventures	—	(1)	—	—
Currency translation on revenue significant items	—	—	—	1
Currency translation on operating expense significant items	2	(9)	—	(27)
Currency translation on share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	10,287	17,844	20,729	7,676
Customer accounts	13,507	23,003	22,750	8,459
Risk-weighted assets	10,335	17,677	19,718	6,671

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.

HSBC
Global Banking and Markets

Reported (\$m)

Net interest income	1,106	1,040	1,123	1,249	1,291	4,518
Net fee income	841	818	843	765	812	3,267
Other operating income	1,352	1,652	2,274	1,931	1,568	7,209
Net operating income before change in expected credit losses and other credit impairment charges	3,299	3,510	4,240	3,945	3,671	14,994
Change in expected credit losses and other credit impairment charges	9	(100)	(573)	(545)	(38)	(1,209)
Total operating expenses ¹	(2,604)	(2,412)	(2,801)	(2,352)	(6,523)	(10,169)
of which: staff expenses	(1,179)	(999)	(853)	(942)	(1,008)	(3,973)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	704	998	866	1,048	(2,890)	3,616

Reported Significant items - Totals (\$m)

Revenue	(212)	(104)	(179)	186	(44)	(309)
ECL	—	—	—	—	—	—
Operating expenses	(134)	(130)	(625)	(16)	(4,056)	(905)
Share of profit in associates and joint ventures	—	—	—	—	—	—

Adjusted (\$m)

Net operating income before change in expected credit losses and other credit impairment charges	3,511	3,672	4,591	3,830	3,765	15,303
of which: net interest income	1,106	1,056	1,157	1,259	1,290	4,518
of which: net fee income	840	828	871	788	828	3,267
Change in expected credit losses and other credit impairment charges	9	(101)	(610)	(553)	(36)	(1,209)
Total operating expenses	(2,470)	(2,321)	(2,285)	(2,405)	(2,516)	(9,264)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	1,050	1,250	1,696	872	1,213	4,830

Earnings metrics - adjusted

Return on average tangible equity (annualised, YTD) ²	6.7 %	6.9 %	7.7 %	6.3 %	9.8 %	6.7 %
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Balance sheet - reported (\$m)

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (gross)	226,024	238,670	244,937	263,888	247,423	226,024
Loans and advances to customers (net)	224,364	236,902	243,355	262,670	246,492	224,364
Total external assets	1,347,440	1,380,766	1,390,006	1,474,089	1,272,875	1,347,440
Customer accounts	336,983	343,365	337,573	310,977	295,880	336,983
Risk-weighted assets	265,147	267,162	277,633	285,377	273,430	265,147

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

	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (net)	224,364	243,668	255,235	277,524	252,131	224,364
Customer accounts	336,983	355,339	358,392	332,645	304,094	336,983
Risk-weighted assets	265,147	272,886	287,770	297,139	276,804	265,147

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

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Global Markets	1,430	1,588	2,139	2,133	1,247	7,290
- FICC	1,069	1,296	2,069	1,844	1,073	6,278
- Foreign Exchange	689	766	788	1,129	669	3,373
- Rates	151	232	676	675	276	1,734
- Credit	229	298	605	40	128	1,171
- Equities	361	292	70	289	174	1,012
Securities Services	439	409	434	510	518	1,792
Global Banking	907	953	1,002	942	986	3,804
Global Liquidity and Cash Management	469	457	487	608	674	2,021
Global Trade and Receivables Finance	185	192	199	193	198	769
Principal Investments	74	52	223	(235)	45	114
Credit and Funding Valuation Adjustment	70	32	(9)	(346)	191	(252)
Other	(121)	(153)	(159)	(142)	(119)	(575)
Markets Treasury, HSBC Holdings interest expense and Argentina hyperinflation ³	58	84	103	96	(25)	340
Net operating income	3,511	3,614	4,419	3,759	3,715	15,303

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

Global Markets	1,430	1,608	2,204	2,164	1,260	7,290
- FICC	1,069	1,311	2,134	1,867	1,082	6,278
- Foreign Exchange	689	776	814	1,149	676	3,373
- Rates	151	234	693	678	276	1,734
- Credit	229	301	627	40	130	1,171
- Equities	361	297	70	297	178	1,012
Securities Services	439	416	452	521	527	1,792
Global Banking	907	967	1,038	958	998	3,804
Global Liquidity and Cash Management	469	462	499	613	676	2,021
Global Trade and Receivables Finance	185	195	208	197	201	769
Principal Investments	74	53	228	(239)	46	114
Credit and Funding Valuation Adjustment	70	33	(9)	(354)	194	(252)
Other	(121)	(150)	(142)	(132)	(114)	(575)
Markets Treasury, HSBC Holdings interest expense and Argentina hyperinflation ³	58	88	113	102	(23)	340
Net operating income	3,511	3,672	4,591	3,830	3,765	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	(64)	(3)	(121)	186	(44)	(2)
Restructuring and other related costs	(148)	(101)	(58)	—	—	(307)

Reported Cost significant items (\$m)

Costs of structural reform	—	—	—	—	(6)	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	1	(11)	(567)	—	(3,962)	(577)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(135)	(119)	(58)	(14)	(86)	(326)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	(2)	(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		59	164	76	49	
ECL		(1)	(37)	(8)	2	
Operating expenses		(42)	(148)	(69)	(52)	
Share of profit in associates and joint ventures		—	—	—	—	
Currency translation on revenue significant items		1	(8)	5	(1)	
Currency translation on operating expense significant items		(3)	(39)	—	(3)	
Currency translation on share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		6,766	11,880	14,854	5,639	
Customer accounts		11,974	20,819	21,668	8,214	
Risk-weighted assets		5,724	10,137	11,762	3,374	

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 At 4Q20 we renamed our Balance Sheet Management function as Markets Treasury to reflect the activities it undertakes more accurately and its relationship to our Group Treasury function more broadly.

HSBC
Corporate Centre

Reported (\$m)

Net interest income	(247)	(276)	(202)	(601)	(751)	(1,326)
Net fee income	(8)	(15)	2	(5)	(15)	(26)
Other operating income	247	151	96	1,000	472	1,494
Net operating income before change in expected credit losses and other credit impairment charges	(8)	(140)	(104)	394	(294)	142
Change in expected credit losses and other credit impairment charges	1	12	(14)	2	16	1
Total operating expenses	(1,338)	(171)	(431)	23	(1,082)	(1,917)
of which: staff expenses	(1,523)	(1,427)	(1,454)	(1,292)	(1,339)	(5,696)
Share of profit in associates and joint ventures	663	(37)	541	425	513	1,592
Profit/(loss) before tax	(682)	(336)	(8)	844	(847)	(182)

Reported Significant items - Totals (\$m)

Revenue	147	15	62	180	(139)	404
ECL	—	—	—	—	—	—
Operating expenses	(462)	(359)	(468)	(146)	(213)	(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	(155)	(156)	(181)	195	(173)	(262)
of which: net interest expense	(246)	(282)	(208)	(596)	(745)	(1,326)
of which: net fee income/(expense)	(9)	(14)	2	(6)	(15)	(26)
Change in expected credit losses and other credit impairment charges	1	13	(15)	2	16	1
Total operating expenses	(876)	194	62	180	(854)	(482)
Share of profit in associates and joint ventures	663	440	585	447	541	2,054
Profit/(loss) before tax	(367)	491	451	824	(470)	1,311

Earnings metrics - adjusted

Return on average tangible equity (annualised, YTD) ¹	3.1 %	4.6 %	4.7 %	4.8 %	0.8 %	3.1 %
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Balance sheet - reported (\$m)

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (gross)	1,268	1,233	1,284	1,302	1,135	1,268
Loans and advances to customers (net)	1,255	1,220	1,272	1,282	1,121	1,255
Total external assets	184,511	168,441	168,543	164,371	158,664	184,511
Customer accounts	610	716	674	416	743	610
Risk-weighted assets	91,852	84,324	84,288	83,952	81,466	91,852

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

	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (net)	1,255	1,265	1,365	1,374	1,165	1,255
Customer accounts	610	754	738	481	780	610
Risk-weighted assets	91,852	85,029	85,469	85,333	81,979	91,852

HSBC Corporate Centre

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Management View of Adjusted Revenue - at originally reported average FX rates (\$m)						
Central Treasury	(12)	(32)	(64)	265	(51)	156
Legacy Credit	3	28	43	(91)	13	(17)
Other	(146)	(151)	(145)	40	(117)	(401)
Net operating income	(155)	(155)	(166)	214	(155)	(262)
Memo						
Markets Treasury previously reported in Corporate Centre - now allocated to global businesses ²	610	671	772	756	348	2,809
Management View of Adjusted Revenue - at most recent period average FX rates (\$m)						
Central Treasury	(12)	(32)	(64)	265	(47)	156
Legacy Credit	3	28	42	(92)	13	(17)
Other	(146)	(152)	(159)	22	(139)	(401)
Net operating income	(155)	(156)	(181)	195	(173)	(262)
Memo						
Markets Treasury previously reported in Corporate Centre - now allocated to global businesses ²	610	673	796	770	380	2,809
Reported Revenue significant items (\$m)						
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	(1)	1	(1)	—	(7)	(1)
Fair value movement on financial instruments	19	14	63	171	(132)	267
Restructuring and other related costs	129	—	—	9	—	138
Reported Cost significant items (\$m)						
Costs of structural reform	—	—	—	—	(26)	—
Customer redress programmes	(2)	(7)	—	—	(1)	(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	(416)	(530)	(132)	(147)	(180)	(1,225)
Settlements and provisions in connection with legal and regulatory matters	(4)	(3)	(4)	1	(6)	(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		(4)	(13)	(20)	(18)	
ECL		1	(1)	—	—	
Operating expenses		(2)	14	9	12	
Share of profit in associates and joint ventures		15	44	22	28	
Currency translation on revenue significant items		(3)	2	(1)	—	
Currency translation on operating expense significant items		(8)	(11)	(2)	(3)	
Currency translation on share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		45	93	92	44	
Customer accounts		38	64	65	37	
Risk-weighted assets		705	1,181	1,381	513	

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.

HSBC Europe

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

Loans and advances to customers (net)	408,495	420,011	417,857	425,575	411,871	408,495
Customer accounts	629,647	625,957	620,908	586,224	551,696	629,647

Europe - Wealth and Personal Banking

Reported (\$m)

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

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
<i>of which: net interest income</i>	1,754	1,608	1,621	1,507	2,237	6,490
Change in expected credit losses and other credit impairment charges	1,055	1,011	989	1,127	1,084	4,182
Total operating expenses	(78)	(114)	(497)	(478)	(83)	(1,167)
<i>of which: staff expenses</i>	(1,595)	(1,357)	(1,534)	(1,517)	(2,126)	(6,003)
Share of profit in associates and joint ventures	(597)	(482)	(433)	(481)	(556)	(1,993)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	81	137	(410)	(488)	28	(680)

Reported Significant items - Totals (\$m)

Revenue	(8)	(31)	26	—	(46)	(13)
ECL	—	—	—	—	—	—
Operating expenses	39	56	(168)	1	(261)	(72)
Share of profit in associates and joint ventures	—	—	—	—	—	—

Adjusted (\$m)

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

<i>of which: net interest income</i>	1,762	1,676	1,705	1,568	2,365	6,503
Change in expected credit losses and other credit impairment charges	1,055	1,066	1,031	1,174	1,166	4,187
Total operating expenses	(78)	(116)	(528)	(497)	(85)	(1,167)
Share of profit in associates and joint ventures	(1,634)	(1,443)	(1,454)	(1,580)	(1,920)	(5,931)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	50	117	(277)	(509)	360	(595)

Balance sheet - reported (\$m)

	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (gross)	220,255	206,497	191,671	191,599	201,949	220,255
Loans and advances to customers (net)	217,870	204,244	189,581	189,955	200,670	217,870
Total external assets	361,385	334,722	313,304	293,536	299,385	361,385
Customer accounts	289,610	267,190	251,921	242,663	251,243	289,610
Risk-weighted assets	54,297	48,065	45,066	46,510	46,544	54,297

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

Loans and advances to customers (net)	217,870	215,487	209,231	209,052	209,574	217,870
Customer accounts	289,610	281,960	278,112	266,992	261,972	289,610

HSBC Europe

Europe - Commercial Banking

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	1,201	1,134	1,072	1,166	1,404	4,573
<i>of which: net interest income</i>	<i>730</i>	<i>701</i>	<i>646</i>	<i>689</i>	<i>721</i>	<i>2,766</i>
Change in expected credit losses and other credit impairment charges	(416)	(233)	(1,154)	(219)	(67)	(2,022)
Total operating expenses	(899)	(638)	(788)	(755)	(3,525)	(3,080)
<i>of which: staff expenses</i>	<i>(396)</i>	<i>(241)</i>	<i>(221)</i>	<i>(236)</i>	<i>(254)</i>	<i>(1,094)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(114)	263	(870)	192	(2,188)	(529)
Reported Significant items - Totals (\$m)						
Revenue	(3)	(16)	—	—	2	(19)
ECL	—	—	—	—	—	—
Operating expenses	(140)	55	(103)	(2)	(2,543)	(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	1,204	1,178	1,152	1,220	1,449	4,592
<i>of which: net interest income</i>	<i>731</i>	<i>736</i>	<i>697</i>	<i>721</i>	<i>747</i>	<i>2,782</i>
Change in expected credit losses and other credit impairment charges	(416)	(235)	(1,229)	(229)	(72)	(2,022)
Total operating expenses	(759)	(707)	(728)	(783)	(1,008)	(2,890)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	29	236	(805)	208	369	(320)
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	129,719	126,195	122,473	121,582	123,152	129,719
Loans and advances to customers (net)	126,407	123,250	119,628	119,668	121,280	126,407
Total external assets	233,042	219,598	210,014	187,824	188,223	233,042
Customer accounts	200,647	181,865	169,771	155,036	149,854	200,647
Risk-weighted assets	115,252	118,664	115,515	112,848	116,617	115,252
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	126,407	129,980	131,963	131,946	126,865	126,407
Customer accounts	200,647	191,918	187,391	171,003	156,445	200,647

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Europe - Global Banking and Markets

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	1,048	1,168	1,353	907	1,113	4,476
<i>of which: net interest income</i>	<i>94</i>	<i>56</i>	<i>(1)</i>	<i>61</i>	<i>57</i>	<i>210</i>
Change in expected credit losses and other credit impairment charges	(21)	(18)	(357)	(173)	4	(569)
Total operating expenses	(1,400)	(1,289)	(1,746)	(1,282)	(1,420)	(5,717)
<i>of which: staff expenses</i>	<i>(599)</i>	<i>(511)</i>	<i>(362)</i>	<i>(433)</i>	<i>(489)</i>	<i>(1,905)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(373)	(139)	(750)	(548)	(303)	(1,810)
Reported Significant items - Totals (\$m)						
Revenue	(169)	(58)	(92)	70	(25)	(249)
ECL	—	—	—	—	—	—
Operating expenses	(124)	(115)	(604)	(12)	(75)	(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	1,217	1,260	1,554	893	1,186	4,725
<i>of which: net interest income</i>	<i>94</i>	<i>60</i>	<i>10</i>	<i>70</i>	<i>64</i>	<i>210</i>
Change in expected credit losses and other credit impairment charges	(21)	(18)	(381)	(181)	4	(569)
Total operating expenses	(1,276)	(1,203)	(1,227)	(1,331)	(1,393)	(4,862)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(80)	39	(54)	(619)	(203)	(706)
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	64,135	70,721	69,387	76,198	71,412	64,135
Loans and advances to customers (net)	63,402	69,888	68,652	75,722	70,962	63,402
Total external assets	687,630	699,711	685,382	726,591	634,752	687,630
Customer accounts	138,833	143,456	140,202	133,703	126,930	138,833
Risk-weighted assets	102,616	103,219	106,312	109,687	107,559	102,616
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	63,402	73,702	75,706	83,610	74,451	63,402
Customer accounts	138,833	151,384	154,731	147,577	132,555	138,833

HSBC Europe

Europe - Corporate Centre

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	949	579	510	840	(181)	2,878
<i>of which: net interest income/(expense)</i>	(358)	(376)	(297)	(431)	(513)	(1,462)
Change in expected credit losses and other credit impairment charges	—	13	(9)	2	18	6
Total operating expenses	(1,819)	(775)	(1,071)	(408)	(1,052)	(4,073)
<i>of which: staff expenses</i>	(702)	(613)	(650)	(367)	(494)	(2,332)
Share of profit in associates and joint ventures	46	5	50	(100)	(30)	1
Profit/(loss) before tax	(824)	(178)	(520)	334	(1,245)	(1,188)
Reported Significant items - Totals (\$m)						
Revenue	283	15	66	160	(133)	524
ECL	—	—	—	—	—	—
Operating expenses	(426)	(218)	(401)	(42)	(120)	(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	666	569	451	677	(43)	2,354
<i>of which: net interest expense</i>	(358)	(377)	(296)	(432)	(517)	(1,462)
Change in expected credit losses and other credit impairment charges	—	13	(11)	2	17	6
Total operating expenses	(1,393)	(556)	(667)	(368)	(931)	(2,986)
Share of profit in associates and joint ventures	46	5	54	(103)	(31)	1
Profit/(loss) before tax	(681)	31	(173)	208	(988)	(625)
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	829	811	879	898	951	829
Loans and advances to customers (net)	816	799	868	877	937	816
Total external assets	54,951	53,704	53,965	56,282	51,766	54,951
Customer accounts	557	661	611	590	691	557
Risk-weighted assets	12,157	11,275	11,607	11,496	10,263	12,157
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	816	842	957	966	981	816
Customer accounts	557	696	674	652	725	557

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SIGNIFICANT ITEMS

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Europe - TOTAL						
Reported revenue significant items (\$m)						
Customer redress programmes	1	(48)	26	—	(44)	(21)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(10)	12	22	230	(158)	254
Restructuring and other related costs	111	(54)	(48)	—	—	9
Reported cost significant items (\$m)						
Costs of structural reform	—	—	—	—	(31)	—
Customer redress programmes	107	(3)	(49)	(1)	(182)	54
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	(3)	184	(984)	—	(2,521)	(803)
Past service costs of guaranteed minimum pension benefits equalisation	(17)	—	—	—	—	(17)
Restructuring and other related costs	(731)	(399)	(242)	(53)	(260)	(1,425)
Settlements and provisions in connection with legal and regulatory matters	(4)	(6)	(1)	(1)	(5)	(12)
Share of profit in associates and joint ventures significant items (\$m)						
Impairment of goodwill	—	—	—	—	—	—
Europe - Wealth and Personal Banking						
Reported revenue significant items (\$m)						
Customer redress programmes	—	(31)	26	—	(46)	(5)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	(8)	—	—	—	—	(8)
Reported cost significant items (\$m)						
Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	109	3	(47)	(1)	(180)	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	(70)	54	(77)	2	(84)	(91)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	3	—

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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	—	(16)	—	—	2	(16)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(1)	—	—	—	—	(1)
Restructuring and other related costs	(2)	—	—	—	—	(2)

Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	(1)	—	(2)	(1)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	(3)	—	(41)	—	(2,521)	(44)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(137)	55	(61)	(2)	(20)	(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	(29)	(3)	(44)	70	(25)	(6)
Restructuring and other related costs	(140)	(55)	(48)	—	—	(243)

HSBC Europe

Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	(6)	—
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	(124)	(109)	(37)	(10)	(67)	(280)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	(2)	(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	21	15	66	160	(133)	262
Restructuring and other related costs	262	—	—	—	—	262

Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	(25)	—
Customer redress programmes	(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	(401)	(400)	(65)	(43)	(89)	(909)
Settlements and provisions in connection with legal and regulatory matters	(3)	(4)	(4)	1	(6)	(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		102	303	173	180	
ECL		(2)	(132)	(37)	(8)	
Operating expenses		(81)	(288)	(157)	(192)	
Share of profit in associates and joint ventures		(1)	4	(3)	(1)	

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Europe

Revenue significant items	(2)	(3)	4	(2)
Operating expense significant items	(6)	(74)	(2)	(63)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	21,830	39,128	39,353	18,022
Customer accounts	32,785	58,403	54,232	22,978
Europe - Wealth and Personal Banking				
Revenue	36	111	61	80
ECL	(2)	(31)	(19)	(2)
Operating expenses	(28)	(101)	(63)	(84)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(1)	1	—	(2)
Operating expense significant items	2	(13)	(1)	(29)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	11,243	19,650	19,097	8,904
Customer accounts	14,770	26,191	24,329	10,729
Europe - Commercial Banking				
Revenue	27	80	54	48
ECL	(2)	(75)	(10)	(5)
Operating expenses	(13)	(52)	(30)	(54)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(1)	—	—	1
Operating expense significant items	1	(9)	—	(28)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	6,730	12,335	12,278	5,585
Customer accounts	10,053	17,620	15,967	6,591

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Europe - Global Banking and Markets

Revenue	33	104	60	47
ECL	—	(24)	(8)	—
Operating expenses	(31)	(124)	(61)	(50)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(1)	(5)	4	(1)
Operating expense significant items	(2)	(39)	—	(2)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	3,814	7,054	7,888	3,489
Customer accounts	7,928	14,529	13,874	5,625

Europe - Corporate Centre

Revenue	5	8	(3)	5
ECL	—	(2)	—	(1)
Operating expenses	(8)	(10)	(3)	(4)
Share of profit in associates and joint ventures	—	4	(3)	(1)
Revenue significant items	—	1	—	—
Operating expense significant items	(9)	(13)	(1)	(5)
Share of profit in associates and joint ventures significant items	0	0	0	0
Loans and advances to customers (net)	43	89	89	44
Customer accounts	35	63	62	34

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
UK ring-fenced bank

HSBC UK - TOTAL

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net interest income	1,503	1,433	1,369	1,534	1,510	5,839
Net fee income	345	290	278	391	383	1,304
Other operating income	149	134	106	207	169	596
Net operating income before change in expected credit losses and other credit impairment charges	1,997	1,857	1,753	2,132	2,062	7,739
Change in expected credit losses and other credit impairment charges	(499)	(160)	(1,450)	(569)	(102)	(2,678)
Total operating expenses	(1,291)	(1,170)	(1,160)	(1,194)	(1,434)	(4,815)
<i>of which: staff expenses</i>	(412)	(292)	(271)	(292)	(315)	(1,267)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	207	527	(857)	369	526	246
Reported Significant items - Totals (\$m)						
Revenue	(1)	(47)	26	—	(42)	(22)
ECL	—	—	—	—	—	—
Operating expenses	(104)	(33)	(55)	(8)	(251)	(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	1,998	1,947	1,836	2,202	2,163	7,761
<i>of which: net interest income</i>	1,504	1,513	1,428	1,584	1,590	5,860
Change in expected credit losses and other credit impairment charges	(499)	(164)	(1,544)	(587)	(105)	(2,678)
Total operating expenses	(1,187)	(1,163)	(1,175)	(1,224)	(1,214)	(4,615)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	312	620	(883)	391	844	468
	Balance sheet date					Balance sheet date
Balance sheet - reported (\$m)	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (gross)	265,468	249,187	232,333	232,714	244,237	265,468
Loans and advances to customers (net)	261,109	245,312	228,617	230,181	242,018	261,109
Total external assets	414,816	376,763	352,756	328,350	338,642	414,816
Customer accounts	354,099	319,899	297,598	275,930	285,855	354,099
Risk-weighted assets	116,710	115,539	108,863	109,378	113,543	116,710

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

Loans and advances to customers (net)	261,109	259,429	253,145	252,624	249,944	261,109
Customer accounts	354,099	338,308	329,528	302,834	295,218	354,099

HSBC UK - Wealth and Personal Banking

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	1,062	987	945	1,205	1,150	4,199
<i>of which: net interest income</i>	875	833	812	943	896	3,463
Change in expected credit losses and other credit impairment charges	(132)	(45)	(485)	(406)	(83)	(1,068)
Total operating expenses	(744)	(740)	(770)	(764)	(1,005)	(3,018)
<i>of which: staff expenses</i>	(278)	(205)	(194)	(210)	(254)	(887)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	186	202	(310)	35	62	113

Reported Significant items - Totals (\$m)

Revenue	—	(31)	26	—	(45)	(5)
ECL	—	—	—	—	—	—
Operating expenses	15	—	(49)	1	(227)	(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	1,062	1,041	977	1,244	1,225	4,204
<i>of which: net interest income</i>	875	884	836	974	962	3,468
Change in expected credit losses and other credit impairment charges	(132)	(46)	(515)	(419)	(85)	(1,068)
Total operating expenses	(759)	(756)	(766)	(789)	(798)	(2,985)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	171	239	(304)	36	342	151

Balance sheet -- reported (\$m)

	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (gross)	171,377	159,399	147,285	147,806	157,058	171,377
Loans and advances to customers (net)	169,365	157,568	145,530	146,488	156,042	169,365
Total external assets	238,853	216,493	201,081	188,626	195,255	238,853
Customer accounts	218,723	197,377	184,439	178,048	185,963	218,723
Risk-weighted assets	34,218	32,624	30,358	31,149	32,097	34,218

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

Loans and advances to customers (net)	169,365	166,635	161,144	160,771	161,152	169,365
Customer accounts	218,723	208,736	204,227	195,408	192,054	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-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	881	822	771	874	865	3,348
<i>of which: net interest income</i>	<i>630</i>	<i>603</i>	<i>556</i>	<i>595</i>	<i>619</i>	<i>2,384</i>
Change in expected credit losses and other credit impairment charges	(366)	(115)	(967)	(163)	(19)	(1,611)
Total operating expenses	(422)	(390)	(376)	(381)	(416)	(1,569)
<i>of which: staff expenses</i>	<i>(157)</i>	<i>(117)</i>	<i>(108)</i>	<i>(114)</i>	<i>(115)</i>	<i>(496)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	93	317	(572)	330	430	168
Reported Significant items - Totals (\$m)						
Revenue	(1)	(16)	—	—	3	(17)
ECL	—	—	—	—	—	—
Operating expenses	(34)	—	(1)	—	(5)	(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	882	858	819	902	884	3,365
<i>of which: net interest income</i>	<i>630</i>	<i>633</i>	<i>592</i>	<i>614</i>	<i>632</i>	<i>2,400</i>
Change in expected credit losses and other credit impairment charges	(366)	(118)	(1,028)	(168)	(20)	(1,611)
Total operating expenses	(388)	(399)	(397)	(394)	(422)	(1,534)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	128	341	(606)	340	442	220
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	93,517	89,228	84,416	84,267	86,475	93,517
Loans and advances to customers (net)	91,169	87,183	82,454	83,052	85,273	91,169
Total external assets	161,864	146,776	138,449	124,794	127,237	161,864
Customer accounts	135,108	122,270	112,829	97,577	99,544	135,108
Risk-weighted assets	79,688	81,081	76,769	76,277	79,522	79,688
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	91,169	92,200	91,301	91,150	88,066	91,169
Customer accounts	135,108	129,306	124,935	107,090	102,805	135,108

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HSBC UK - Global Banking and Markets

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	56	50	42	52	57	200
<i>of which: net interest income</i>	—	—	—	—	(4)	—
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	(29)	(26)	(16)	(39)	(35)	(110)
<i>of which: staff expenses</i>	(4)	(3)	(3)	(3)	(5)	(13)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	27	24	26	13	22	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	56	51	45	54	59	200
<i>of which: net interest income</i>	—	—	—	—	(4)	—
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	(29)	(26)	(18)	(40)	(36)	(110)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	27	25	27	14	23	90
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	—	—	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	79	50	34	95	65	79
Customer accounts	—	—	—	—	—	—
Risk-weighted assets	819	409	414	361	481	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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SIGNIFICANT ITEMS

HSBC UK - TOTAL

Reported revenue significant items (\$m)

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Customer redress programmes	—	(47)	26	—	(42)	(21)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	(1)	—	—	—	—	(1)

Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	107	(3)	(49)	(1)	(182)	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	(194)	(30)	(6)	(7)	(69)	(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	—	(31)	26	—	(45)	(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	109	3	(47)	(1)	(180)	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	(94)	(3)	(2)	2	(47)	(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	—	(16)	—	—	3	(16)
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	(1)	—	—	—	—	(1)

Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	(1)	—	(2)	(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	(34)	—	—	—	(3)	(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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UK ring-fenced bank

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

Impairment of goodwill

— — — — — —

HSBC UK - Corporate Centre

Reported revenue significant items (\$m)

Customer redress programmes

— — — — — —

Disposals, acquisitions and investment in new businesses

— — — — — —

Fair value movements on financial instruments

— — — — — —

Restructuring and other related costs

— — — — — —

Reported cost significant items (\$m)

Costs of structural reform

— — — — — —

Customer redress programmes

(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

(65) (27) (5) (9) (19) (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

42 110 70 57

ECL

(4) (94) (18) (3)

Operating expenses

(26) (73) (38) (37)

Share of profit in associates and joint ventures

— — — —

Revenue significant items

(1) 1 — (2)

Operating expense significant items

— (3) — (6)

Share of profit in associates and joint ventures significant items

— — — —

Loans and advances to customers (net)

14,117 24,528 22,443 7,926

Customer accounts

18,409 31,930 26,904 9,363

HSBC

HSBC UK

UK ring-fenced bank

HSBC UK - Wealth and Personal Banking

Revenue	22	59	39	29
ECL	(1)	(30)	(13)	(2)
Operating expenses	(17)	(48)	(25)	(26)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(1)	1	—	(1)
Operating expense significant items	(1)	(3)	(1)	(6)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	9,067	15,614	14,283	5,110
Customer accounts	11,359	19,788	17,360	6,091

HSBC UK - Commercial Banking

Revenue	19	48	28	22
ECL	(3)	(61)	(5)	(1)
Operating expenses	(9)	(23)	(13)	(11)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(1)	—	—	—
Operating expense significant items	—	(1)	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	5,017	8,847	8,098	2,793
Customer accounts	7,036	12,106	9,513	3,261

HSBC UK - Global Banking and Markets

Revenue	1	3	2	2
ECL	—	—	—	—
Operating expenses	—	(2)	(1)	(1)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	—	—	—	—
Customer accounts	—	—	—	—

HSBC
HSBC UK
UK ring-fenced bank
HSBC UK - Corporate Centre

Revenue		—	—	1	4
ECL		—	(3)	—	—
Operating expenses		—	1	1	—
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	—	—
Operating expense significant items		(1)	1	—	(1)
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		32	67	62	24
Customer accounts		14	36	30	12

HSBC
HSBC Bank
Non ring-fenced bank

HSBC Bank - TOTAL

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net interest income	660	621	606	548	501	2,435
Net fee income	477	442	438	440	444	1,797
Other operating income	812	919	1,176	418	1,150	3,325
Net operating income before change in expected credit losses and other credit impairment charges	1,949	1,982	2,220	1,406	2,095	7,557
Change in expected credit losses and other credit impairment charges	(216)	9	(565)	(251)	(28)	(1,023)
Total operating expenses	(2,290)	(1,920)	(2,594)	(1,782)	(1,809)	(8,586)
<i>of which: staff expenses</i>	(989)	(746)	(593)	(685)	(753)	(3,013)
Share of profit in associates and joint ventures	45	4	50	(100)	(29)	(1)
Profit/(loss) before tax	(512)	75	(889)	(727)	229	(2,053)
Reported significant items - Totals (\$m)						
Revenue	(46)	(58)	(92)	72	(24)	(124)
ECL	—	—	—	—	—	—
Operating expenses	(430)	(258)	(988)	(15)	(159)	(1,691)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Adjusted (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	1,995	2,082	2,459	1,415	2,217	7,681
<i>of which: net interest income</i>	660	634	651	585	533	2,435
Change in expected credit losses and other credit impairment charges	(216)	10	(606)	(265)	(32)	(1,023)
Total operating expenses	(1,860)	(1,696)	(1,719)	(1,861)	(1,723)	(6,895)
Share of profit in associates and joint ventures	45	4	53	(104)	(29)	(1)
Profit/(loss) before tax	(36)	400	187	(815)	433	(238)
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	139,987	145,681	143,289	148,773	144,148	139,987
Loans and advances to customers (net)	137,981	143,790	141,397	147,323	142,776	137,981
Total external assets	881,616	891,935	869,877	895,705	799,892	881,616
Customer accounts	260,614	257,986	250,312	242,276	229,360	260,614
Risk-weighted assets	167,115	166,744	170,634	172,062	165,809	167,115

HSBC

HSBC Bank

Non ring-fenced bank

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

Loans and advances to customers (net)

Customer accounts

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-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (net)	137,981	151,079	155,300	163,382	151,996	137,981
Customer accounts	260,614	271,667	275,561	268,165	241,705	260,614
Net operating income before change in expected credit losses and other credit impairment charges	405	393	448	80	572	1,326
<i>of which: net interest income</i>	211	213	211	217	229	852
Change in expected credit losses and other credit impairment charges	(5)	(8)	(13)	(23)	(1)	(49)
Total operating expenses	(423)	(276)	(443)	(355)	(317)	(1,497)
<i>of which: staff expenses</i>	(142)	(118)	(114)	(127)	(132)	(501)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(23)	109	(8)	(298)	254	(220)
Reported significant items - Totals (\$m)						
Revenue	—	—	—	—	(1)	—
ECL	—	—	—	—	—	—
Operating expenses	(8)	72	(114)	—	(20)	(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	405	400	479	89	607	1,326
<i>of which: net interest income</i>	210	217	228	231	244	852
Change in expected credit losses and other credit impairment charges	(5)	(9)	(14)	(25)	(1)	(49)
Total operating expenses	(415)	(354)	(355)	(380)	(318)	(1,447)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(15)	37	110	(316)	288	(170)
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (gross)	39,395	37,742	35,598	35,002	35,812	39,395
Loans and advances to customers (net)	39,099	37,456	35,336	34,749	35,573	39,099
Total external assets	97,989	94,102	88,566	81,577	84,776	97,989
Customer accounts	55,952	54,526	52,887	50,892	51,848	55,952
Risk-weighted assets	16,497	12,646	12,123	12,353	12,078	16,497
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	39,099	39,209	38,675	38,712	38,492	39,099
Customer accounts	55,952	57,242	58,066	56,427	55,217	55,952

HSBC
HSBC Bank
Non ring-fenced bank

HSBC Bank - Global Banking and Markets

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	1,104	1,272	1,452	1,014	1,200	4,842
<i>of which: net interest income</i>	<i>232</i>	<i>195</i>	<i>139</i>	<i>208</i>	<i>221</i>	<i>774</i>
Change in expected credit losses and other credit impairment charges	(61)	22	(357)	(173)	4	(569)
Total operating expenses	(1,281)	(1,216)	(1,682)	(1,166)	(1,203)	(5,345)
<i>of which: staff expenses</i>	<i>(495)</i>	<i>(417)</i>	<i>(286)</i>	<i>(349)</i>	<i>(386)</i>	<i>(1,547)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(238)	78	(587)	(325)	1	(1,072)
Reported Significant items - Totals (\$m)						
Revenue	(165)	(58)	(92)	70	(25)	(245)
ECL	—	—	—	—	—	—
Operating expenses	(133)	(108)	(604)	(12)	(71)	(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	1,269	1,359	1,637	992	1,267	5,087
<i>of which: net interest income</i>	<i>231</i>	<i>200</i>	<i>151</i>	<i>218</i>	<i>229</i>	<i>774</i>
Change in expected credit losses and other credit impairment charges	(61)	22	(381)	(181)	4	(569)
Total operating expenses	(1,148)	(1,131)	(1,151)	(1,207)	(1,172)	(4,488)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	60	250	105	(396)	99	30
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	64,135	70,721	69,387	76,198	71,412	64,135
Loans and advances to customers (net)	63,402	69,928	68,652	75,722	70,962	63,402
Total external assets	688,738	700,817	686,410	725,077	633,272	688,738
Customer accounts	138,833	143,456	140,202	133,639	126,861	138,833
Risk-weighted assets	104,566	105,318	107,964	111,804	107,558	104,566
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	63,402	73,742	75,706	83,610	74,451	63,402
Customer accounts	138,833	151,383	154,730	147,508	132,483	138,833

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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-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	83	(50)	(55)	(41)	(55)	(63)
<i>of which: net interest income/(expense)</i>	<i>(4)</i>	<i>(10)</i>	<i>41</i>	<i>(97)</i>	<i>(178)</i>	<i>(70)</i>
Change in expected credit losses and other credit impairment charges	—	12	(8)	2	17	6
Total operating expenses	(267)	(283)	(161)	(43)	(87)	(754)
<i>of which: staff expenses</i>	<i>(177)</i>	<i>(136)</i>	<i>(127)</i>	<i>(135)</i>	<i>(162)</i>	<i>(575)</i>
Share of profit in associates and joint ventures	45	4	50	(100)	(29)	(1)
Profit/(loss) before tax	(139)	(317)	(174)	(182)	(154)	(812)
Reported Significant items - Totals (\$m)						
Revenue	121	(1)	—	2	2	122
ECL	—	—	—	—	—	—
Operating expenses	(191)	(278)	(169)	(3)	(62)	(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	(38)	(50)	(58)	(44)	(56)	(186)
<i>of which: net interest income/(expense)</i>	<i>(4)</i>	<i>(11)</i>	<i>42</i>	<i>(97)</i>	<i>(183)</i>	<i>(70)</i>
Change in expected credit losses and other credit impairment charges	—	13	(9)	2	17	6
Total operating expenses	(76)	(5)	8	(41)	(26)	(113)
Share of profit in associates and joint ventures	45	4	53	(104)	(29)	(1)
Profit/(loss) before tax	(69)	(38)	(6)	(187)	(94)	(293)
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	255	251	247	258	248	255
Loans and advances to customers (net)	242	238	235	237	234	242
Total external assets	22,057	22,529	21,841	24,512	18,600	22,057
Customer accounts	289	409	281	286	341	289
Risk-weighted assets	9,291	10,334	11,021	10,401	8,002	9,291
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	242	249	257	263	254	242
Customer accounts	289	430	308	317	365	289

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HSBC Bank

Non ring-fenced bank

SIGNIFICANT ITEMS

HSBC Bank - TOTAL

Reported revenue significant items (\$m)

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Customer redress programmes	—	—	—	—	(1)	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(30)	(3)	(43)	72	(23)	(4)
Restructuring and other related costs	(16)	(55)	(49)	—	—	(120)

Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	(15)	—
Customer redress programmes	—	—	—	—	(1)	—
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	(424)	(238)	(200)	(14)	(136)	(876)
Settlements and provisions in connection with legal and regulatory matters	(3)	(4)	(4)	(1)	(7)	(12)

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

Impairment of goodwill	—	—	—	—	—	—
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HSBC Bank - Wealth and Personal Banking

Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	(1)	—
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	—	—	—	—	(1)	—
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	(8)	73	(70)	—	(19)	(5)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

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HSBC Bank

Non ring-fenced bank

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

Impairment of goodwill	—	—	—	—	—	—
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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	(98)	57	(60)	—	(6)	(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	—	—	—	—	—	—
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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	(29)	(3)	(44)	70	(25)	(6)
Restructuring and other related costs	(136)	(55)	(48)	—	—	(239)

Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	(4)	—
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	(133)	(102)	(37)	(10)	(65)	(282)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	(2)	(2)	(2)

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HSBC Bank

Non ring-fenced bank

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

Impairment of goodwill	—	—	—	—	—	—
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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	2	3
Restructuring and other related costs	119	—	—	—	—	119

Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	(11)	—
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	(187)	(265)	(33)	(4)	(45)	(489)
Settlements and provisions in connection with legal and regulatory matters	(3)	(4)	(4)	1	(6)	(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)

HSBC Bank - TOTAL

Revenue		41	143	84	96	
ECL		1	(41)	(14)	(4)	
Operating expenses		(40)	(181)	(95)	(130)	
Share of profit in associates and joint ventures		—	3	(4)	—	
Revenue significant items		(1)	(4)	3	(2)	
Operating expense significant items		(6)	(68)	(1)	(57)	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		7,289	13,903	16,059	9,220	
Customer accounts		13,681	25,249	25,889	12,345	

HSBC

HSBC Bank

Non ring-fenced bank

HSBC Bank - Wealth and Personal Banking

Revenue	7	31	9	34
ECL	(1)	(1)	(2)	—
Operating expenses	(5)	(35)	(25)	(43)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	1	(9)	—	(22)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	1,753	3,339	3,963	2,919
Customer accounts	2,716	5,179	5,535	3,369

HSBC Bank - Commercial Banking

Revenue	7	28	24	21
ECL	—	(14)	(4)	(4)
Operating expenses	(3)	(23)	(14)	(39)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	1	(9)	—	(27)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	1,713	3,488	4,181	2,793
Customer accounts	3,017	5,514	6,454	3,330

HSBC Bank - Global Banking and Markets

Revenue	28	88	52	41
ECL	—	(24)	(8)	—
Operating expenses	(26)	(112)	(53)	(43)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	(1)	(5)	4	(1)
Operating expense significant items	(3)	(39)	—	(3)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	3,814	7,054	7,888	3,489
Customer accounts	7,927	14,528	13,869	5,622

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HSBC Bank
Non ring-fenced bank

HSBC Bank - Corporate Centre

Revenue		(1)	(3)	(1)	1
ECL		1	(1)	—	—
Operating expenses		(6)	(11)	(2)	(6)
Share of profit in associates and joint ventures		—	3	(4)	—
Revenue significant items		—	—	—	—
Operating expense significant items		(6)	(11)	(1)	(5)
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		11	22	26	20
Customer accounts		21	27	31	24

HSBC

Europe - Other

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

Loans and advances to customers (net)	9,405	9,503	9,412	9,569	9,931	9,405
Customer accounts	14,934	15,982	15,820	15,226	14,773	14,934

HSBC Europe - Other - Wealth and Personal Banking

Reported (\$m)

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	287	228	228	223	518	966
<i>of which: net interest income/(expense)</i>	<i>(31)</i>	<i>(35)</i>	<i>(34)</i>	<i>(33)</i>	<i>(37)</i>	<i>(133)</i>
Change in expected credit losses and other credit impairment charges	59	(61)	1	(48)	1	(49)
Total operating expenses	(428)	(341)	(321)	(399)	(805)	(1,489)
<i>of which: staff expenses</i>	<i>(177)</i>	<i>(159)</i>	<i>(125)</i>	<i>(143)</i>	<i>(170)</i>	<i>(604)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(82)	(174)	(92)	(224)	(286)	(572)

Reported Significant items - Totals (\$m)

Revenue	(8)	—	—	—	—	(8)
ECL	—	—	—	—	—	—
Operating expenses	32	(16)	(5)	—	(14)	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	295	234	248	236	534	974
<i>of which: net interest income/(expense)</i>	<i>(30)</i>	<i>(36)</i>	<i>(36)</i>	<i>(27)</i>	<i>(35)</i>	<i>(133)</i>
Change in expected credit losses and other credit impairment charges	59	(61)	1	(53)	1	(49)
Total operating expenses	(460)	(332)	(332)	(412)	(806)	(1,500)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(106)	(159)	(83)	(229)	(271)	(575)

Balance sheet - reported (\$m)

	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (gross)	9,483	9,356	8,788	8,790	9,079	9,483
Loans and advances to customers (net)	9,406	9,220	8,715	8,717	9,055	9,406
Total external assets	24,543	24,127	23,657	23,333	19,354	24,543
Customer accounts	14,935	15,287	14,595	13,723	13,432	14,935
Risk-weighted assets	3,582	2,795	2,585	3,008	2,369	3,582

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

Loans and advances to customers (net)	9,406	9,643	9,412	9,569	9,931	9,406
Customer accounts	14,935	15,982	15,819	15,156	14,702	14,935

HSBC

Europe - Other

HSBC Europe - Other - Commercial Banking

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	(36)	(55)	(74)	(60)	163	(225)
<i>of which: net interest income/(expense)</i>	<i>(122)</i>	<i>(125)</i>	<i>(125)</i>	<i>(126)</i>	<i>(122)</i>	<i>(498)</i>
Change in expected credit losses and other credit impairment charges	100	(101)	—	—	—	(1)
Total operating expenses	(158)	(103)	(104)	(157)	(2,908)	(522)
<i>of which: staff expenses</i>	<i>(64)</i>	<i>(49)</i>	<i>(47)</i>	<i>(48)</i>	<i>(66)</i>	<i>(208)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(94)	(259)	(178)	(217)	(2,745)	(748)
Reported Significant items - Totals (\$m)						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(5)	(2)	(1)	(2)	(2,533)	(10)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Adjusted (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	(36)	(54)	(71)	(57)	167	(225)
<i>of which: net interest income/(expense)</i>	<i>(121)</i>	<i>(125)</i>	<i>(130)</i>	<i>(122)</i>	<i>(122)</i>	<i>(498)</i>
Change in expected credit losses and other credit impairment charges	100	(100)	—	—	—	(1)
Total operating expenses	(153)	(102)	(108)	(157)	(379)	(512)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(89)	(256)	(179)	(214)	(212)	(738)
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	—	—	—	—	—	—
Loans and advances to customers (net)	—	(100)	—	—	—	—
Total external assets	(1,655)	(1,665)	(1,495)	(1,508)	(2,259)	(1,655)
Customer accounts	—	—	—	—	—	—
Risk-weighted assets	(1,197)	(863)	(780)	(933)	(1,076)	(1,197)
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	—	(100)	—	—	—	—
Customer accounts	—	—	—	—	—	—

HSBC

Europe - Other

HSBC Europe - Other - Global Banking and Markets

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	(112)	(154)	(141)	(158)	(143)	(565)
<i>of which: net interest income/(expense)</i>	<i>(138)</i>	<i>(139)</i>	<i>(140)</i>	<i>(147)</i>	<i>(132)</i>	<i>(564)</i>
Change in expected credit losses and other credit impairment charges	40	(40)	—	—	—	—
Total operating expenses	(90)	(47)	(48)	(78)	(184)	(263)
<i>of which: staff expenses</i>	<i>(100)</i>	<i>(91)</i>	<i>(73)</i>	<i>(81)</i>	<i>(98)</i>	<i>(345)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(162)	(241)	(189)	(236)	(327)	(828)
Reported Significant items - Totals (\$m)						
Revenue	(4)	—	—	(1)	—	(5)
ECL	—	—	—	—	—	—
Operating expenses	9	(7)	—	—	(3)	2
Share of profit in associates and joint ventures	—	—	—	—	—	—
Adjusted (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	(108)	(149)	(129)	(152)	(138)	(560)
<i>of which: net interest income/(expense)</i>	<i>(137)</i>	<i>(139)</i>	<i>(154)</i>	<i>(133)</i>	<i>(132)</i>	<i>(564)</i>
Change in expected credit losses and other credit impairment charges	40	(40)	—	—	—	—
Total operating expenses	(99)	(45)	(57)	(84)	(187)	(265)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(167)	(234)	(186)	(236)	(325)	(825)
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	—	—	—	—	—	—
Loans and advances to customers (net)	—	(40)	—	—	—	—
Total external assets	(1,187)	(1,156)	(1,062)	1,420	1,416	(1,187)
Customer accounts	—	—	—	63	70	—
Risk-weighted assets	(2,769)	(2,508)	(2,066)	(2,478)	(480)	(2,769)
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	—	(40)	—	—	—	—
Customer accounts	—	1	1	70	72	—

HSBC

Europe - Other

HSBC Europe - Other - Corporate Centre

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	867	631	570	877	(122)	2,945
<i>of which: net interest income/(expense)</i>	<i>(352)</i>	<i>(363)</i>	<i>(339)</i>	<i>(330)</i>	<i>(372)</i>	<i>(1,384)</i>
Change in expected credit losses and other credit impairment charges	2	1	(3)	—	—	—
Total operating expenses	(1,456)	(479)	(912)	(352)	(985)	(3,199)
<i>of which: staff expenses</i>	<i>(552)</i>	<i>(510)</i>	<i>(557)</i>	<i>(268)</i>	<i>(391)</i>	<i>(1,887)</i>
Share of profit in associates and joint ventures	1	1	—	—	(2)	2
Profit/(loss) before tax	(586)	154	(345)	525	(1,109)	(252)
Reported Significant items - Totals (\$m)						
Revenue	162	16	66	158	(135)	402
ECL	—	—	—	—	—	—
Operating expenses	(149)	92	(227)	(30)	(38)	(314)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Adjusted (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	705	646	592	762	54	2,543
<i>of which: net interest income/(expense)</i>	<i>(352)</i>	<i>(365)</i>	<i>(321)</i>	<i>(355)</i>	<i>(375)</i>	<i>(1,384)</i>
Change in expected credit losses and other credit impairment charges	2	—	—	—	—	—
Total operating expenses	(1,307)	(599)	(758)	(371)	(983)	(2,885)
Share of profit in associates and joint ventures	1	1	1	1	(2)	2
Profit/(loss) before tax	(599)	48	(165)	392	(931)	(340)
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	—	(1)	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	18,873	17,730	18,932	16,933	17,082	18,873
Customer accounts	—	—	—	—	—	—
Risk-weighted assets	881	(484)	(736)	(496)	818	881
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	—	—	—	—	—	—
Customer accounts	—	—	—	—	—	—

HSBC

Europe - Other

SIGNIFICANT ITEMS

HSBC Europe - Other - TOTAL

Reported revenue significant items (\$m)

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Customer redress programmes	1	(1)	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	20	15	65	157	(135)	257
Restructuring and other related costs	128	1	1	—	—	130

Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	(15)	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	200	(200)	—	(2,521)	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(113)	(131)	(36)	(32)	(55)	(312)
Settlements and provisions in connection with legal and regulatory matters	(1)	(2)	3	—	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	(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	32	(16)	(5)	—	(17)	11
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	3	—

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	—	—	—	—	—	—

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	—	—	—	—	(2,521)	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(5)	(2)	(1)	(2)	(12)	(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	(4)	—	—	—	—	(4)

Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	(1)	—
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	(7)	—	—	(2)	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	19	16	66	158	(135)	259
Restructuring and other related costs	143	—	—	—	—	143

Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	(14)	—
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	(149)	(108)	(27)	(30)	(24)	(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		42	122	67	66	
ECL		1	3	(5)	—	
Operating expenses		(43)	(107)	(72)	(62)	
Share of profit in associates and joint ventures		(1)	1	1	—	
Revenue significant items		—	—	2	—	
Operating expense significant items		—	(3)	—	(1)	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		424	697	852	876	
Customer accounts		695	1,225	1,440	1,271	

HSBC

Europe - Other

HSBC Europe - Other - Wealth and Personal Banking

Revenue	6	20	13	16
ECL	—	—	(5)	—
Operating expenses	(6)	(17)	(13)	(16)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	1	(1)	—	(1)
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	423	697	852	876
Customer accounts	695	1,224	1,433	1,270

HSBC Europe - Other - Commercial Banking

Revenue	1	3	3	4
ECL	1	—	—	—
Operating expenses	(1)	(5)	(2)	(4)
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	5	12	6	5
ECL	—	—	—	—
Operating expenses	(5)	(9)	(6)	(6)
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)	—	—	—	—
Customer accounts	1	1	7	2

HSBC

Europe - Other

HSBC Europe - Other - Corporate Centre

Revenue		30	88	44	41
ECL		(1)	3	—	—
Operating expenses		(30)	(76)	(49)	(36)
Share of profit in associates and joint ventures		—	1	1	—
Revenue significant items		(1)	—	1	—
Operating expense significant items		(2)	(3)	—	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		—	—	—	—
Customer accounts		—	—	—	—

Asia - TOTAL

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net interest income	3,237	3,262	3,691	4,128	4,213	14,318
Net fee income	1,304	1,423	1,259	1,432	1,221	5,418
Other operating income/(expense)	1,477	1,639	2,071	1,999	1,813	7,186
Net operating income before change in expected credit losses and other credit impairment charges	6,018	6,324	7,021	7,559	7,247	26,922
Change in expected credit losses and other credit impairment charges	(322)	(144)	(818)	(1,000)	(181)	(2,284)
Total operating expenses	(3,889)	(3,343)	(3,146)	(3,284)	(3,503)	(13,662)
<i>of which: staff expenses</i>	<i>(1,810)</i>	<i>(1,688)</i>	<i>(1,618)</i>	<i>(1,757)</i>	<i>(1,748)</i>	<i>(6,873)</i>
Share of profit in associates and joint ventures	469	350	572	465	475	1,856
Profit/(loss) before tax	2,276	3,187	3,629	3,740	4,038	12,832
Reported Significant items - Totals (\$m)						
Revenue	1	2	(64)	98	(15)	37
ECL	—	—	—	—	—	—
Operating expenses	(123)	(30)	(17)	(1)	(53)	(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	6,017	6,385	7,226	7,553	7,355	26,885
<i>of which: net interest income</i>	<i>3,236</i>	<i>3,294</i>	<i>3,763</i>	<i>4,179</i>	<i>4,273</i>	<i>14,318</i>
Change in expected credit losses and other credit impairment charges	(322)	(144)	(840)	(1,026)	(184)	(2,284)
Total operating expenses	(3,766)	(3,352)	(3,207)	(3,331)	(3,500)	(13,491)
Share of profit in associates and joint ventures	469	365	612	490	505	1,856
Profit/(loss) before tax	2,398	3,254	3,791	3,686	4,176	12,966
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	476,892	487,599	478,222	484,408	479,960	476,892
Loans and advances to customers (net)	473,165	484,125	474,739	481,512	477,727	473,165
Total external assets	1,185,607	1,156,196	1,136,614	1,110,489	1,083,661	1,185,607
Customer accounts	762,406	732,367	723,072	690,917	697,358	762,406
Risk-weighted assets ¹	384,228	385,103	374,684	373,453	366,375	384,228

HSBC

Asia

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

Loans and advances to customers (net)	473,165	491,138	486,427	499,761	486,841	473,165
Customer accounts	762,406	740,803	736,803	709,726	707,530	762,406

Asia - Wealth and Personal Banking

Reported (\$m)

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	2,777	2,946	3,194	3,119	3,392	12,036
<i>of which: net interest income</i>	<i>1,707</i>	<i>1,705</i>	<i>1,946</i>	<i>2,349</i>	<i>2,399</i>	<i>7,707</i>
Change in expected credit losses and other credit impairment charges	(65)	(79)	(246)	(183)	(66)	(573)
Total operating expenses	(1,739)	(1,621)	(1,502)	(1,572)	(1,618)	(6,434)
<i>of which: staff expenses</i>	<i>(671)</i>	<i>(634)</i>	<i>(588)</i>	<i>(628)</i>	<i>(644)</i>	<i>(2,521)</i>
Share of profit in associates and joint ventures	3	9	(6)	(5)	3	1
Profit/(loss) before tax	976	1,255	1,440	1,359	1,711	5,030

Reported Significant items - Totals (\$m)

Revenue	8	—	—	—	—	8
ECL	—	—	—	—	—	—
Operating expenses	(36)	(3)	—	—	(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	2,769	2,966	3,236	3,154	3,439	12,028
<i>of which: net interest income</i>	<i>1,707</i>	<i>1,716</i>	<i>1,975</i>	<i>2,376</i>	<i>2,434</i>	<i>7,707</i>
Change in expected credit losses and other credit impairment charges	(65)	(79)	(252)	(188)	(67)	(573)
Total operating expenses	(1,703)	(1,635)	(1,536)	(1,599)	(1,645)	(6,395)
Share of profit in associates and joint ventures	3	9	(6)	(5)	3	1
Profit/(loss) before tax	1,004	1,261	1,442	1,362	1,730	5,061

Balance sheet - reported (\$m)

	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (gross)	189,685	196,103	181,905	178,524	181,649	189,685
Loans and advances to customers (net)	188,759	195,190	181,000	177,724	180,917	188,759
Total external assets	392,684	394,055	377,310	351,096	360,466	392,684
Customer accounts	429,911	416,402	412,834	402,816	398,212	429,911
Risk-weighted assets	77,750	86,076	77,923	76,396	75,915	77,750

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

Loans and advances to customers (net)	188,759	198,150	185,680	185,095	184,755	188,759
Customer accounts	429,911	419,718	418,109	410,744	402,844	429,911

HSBC

Asia

Asia - Commercial Banking

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	1,324	1,361	1,537	1,825	1,772	6,047
<i>of which: net interest income</i>	<i>966</i>	<i>997</i>	<i>1,118</i>	<i>1,327</i>	<i>1,399</i>	<i>4,408</i>
Change in expected credit losses and other credit impairment charges	(303)	(33)	(488)	(741)	(99)	(1,565)
Total operating expenses	(706)	(620)	(597)	(615)	(681)	(2,538)
<i>of which: staff expenses</i>	<i>(242)</i>	<i>(233)</i>	<i>(221)</i>	<i>(231)</i>	<i>(237)</i>	<i>(927)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	315	708	452	469	992	1,944
Reported Significant items - Totals (\$m)						
Revenue	1	—	—	—	—	1
ECL	—	—	—	—	—	—
Operating expenses	(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	1,323	1,374	1,569	1,847	1,797	6,046
<i>of which: net interest income</i>	<i>966</i>	<i>1,007</i>	<i>1,139</i>	<i>1,341</i>	<i>1,418</i>	<i>4,408</i>
Change in expected credit losses and other credit impairment charges	(303)	(34)	(499)	(761)	(101)	(1,565)
Total operating expenses	(699)	(627)	(611)	(626)	(693)	(2,531)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	321	713	459	460	1,003	1,950
	Balance sheet date					Balance sheet date
Balance sheet - reported (\$m)	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (gross)	158,099	159,391	160,814	163,806	160,960	158,099
Loans and advances to customers (net)	155,652	157,196	158,573	162,017	159,715	155,652
Total external assets	240,566	238,299	238,331	230,421	229,681	240,566
Customer accounts	189,931	174,484	173,342	158,802	172,701	189,931
Risk-weighted assets	138,541	137,605	136,586	135,833	134,588	138,541
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	155,652	159,155	161,973	167,384	162,280	155,652
Customer accounts	189,931	176,334	176,453	162,791	175,015	189,931

Asia - Global Banking and Markets

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	1,663	1,703	1,973	2,152	1,767	7,491
<i>of which: net interest income</i>	<i>686</i>	<i>683</i>	<i>754</i>	<i>829</i>	<i>843</i>	<i>2,952</i>
Change in expected credit losses and other credit impairment charges	48	(33)	(84)	(76)	(16)	(145)
Total operating expenses	(959)	(813)	(775)	(797)	(841)	(3,344)
<i>of which: staff expenses</i>	<i>(382)</i>	<i>(315)</i>	<i>(304)</i>	<i>(314)</i>	<i>(333)</i>	<i>(1,315)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	752	857	1,114	1,279	910	4,002
Reported Significant items - Totals (\$m)						
Revenue	(24)	3	(62)	88	(15)	5
ECL	—	—	—	—	—	—
Operating expenses	(13)	(4)	(1)	—	(12)	(18)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Adjusted (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	1,687	1,725	2,091	2,102	1,812	7,486
<i>of which: net interest income</i>	<i>686</i>	<i>695</i>	<i>776</i>	<i>843</i>	<i>856</i>	<i>2,952</i>
Change in expected credit losses and other credit impairment charges	48	(33)	(87)	(76)	(16)	(145)
Total operating expenses	(946)	(820)	(796)	(813)	(845)	(3,326)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	789	872	1,208	1,213	951	4,015
	Balance sheet date					Balance sheet date
Balance sheet - reported (\$m)	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (gross)	128,668	131,684	135,097	141,674	137,168	128,668
Loans and advances to customers (net)	128,316	131,318	134,760	141,367	136,912	128,316
Total external assets	436,888	422,024	422,379	435,833	402,133	436,888
Customer accounts	142,506	141,425	136,835	129,475	126,392	142,506
Risk-weighted assets	112,316	112,652	112,695	114,744	109,832	112,316
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	128,316	133,411	138,366	146,874	139,620	128,316
Customer accounts	142,506	144,694	142,176	136,363	129,617	142,506

HSBC

Asia

Asia - Corporate Centre

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	254	314	317	463	316	1,348
<i>of which: net interest expense</i>	<i>(122)</i>	<i>(123)</i>	<i>(127)</i>	<i>(377)</i>	<i>(428)</i>	<i>(749)</i>
Change in expected credit losses and other credit impairment charges	(2)	1	—	—	—	(1)
Total operating expenses	(486)	(289)	(272)	(300)	(363)	(1,347)
<i>of which: staff expenses</i>	<i>(515)</i>	<i>(507)</i>	<i>(505)</i>	<i>(584)</i>	<i>(534)</i>	<i>(2,111)</i>
Share of profit in associates and joint ventures	467	341	578	470	472	1,856
Profit/(loss) before tax	233	367	623	633	425	1,856
Reported Significant items - Totals (\$m)						
Revenue	15	(2)	(2)	10	—	21
ECL	—	—	—	—	—	—
Operating expenses	(65)	(25)	(16)	(1)	(38)	(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	239	321	329	449	305	1,327
<i>of which: net interest expense</i>	<i>(123)</i>	<i>(124)</i>	<i>(128)</i>	<i>(381)</i>	<i>(435)</i>	<i>(749)</i>
Change in expected credit losses and other credit impairment charges	(2)	1	(1)	—	—	(1)
Total operating expenses	(421)	(270)	(264)	(293)	(317)	(1,240)
Share of profit in associates and joint ventures	467	356	618	495	502	1,856
Profit/(loss) before tax	283	408	682	651	490	1,942
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	439	421	406	404	183	439
Loans and advances to customers (net)	439	421	406	404	183	439
Total external assets	115,470	101,818	98,594	93,139	91,381	115,470
Customer accounts	58	56	61	(176)	53	58
Risk-weighted assets	55,621	48,770	47,480	46,480	46,040	55,621
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	439	423	408	408	185	439
Customer accounts	58	57	64	(172)	55	58

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Asia

SIGNIFICANT ITEMS

Asia - TOTAL

Revenue significant items (\$m)

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(31)	2	(64)	98	(15)	5
Restructuring and other related costs	32	—	—	—	—	32

Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	(1)	—
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	(123)	(30)	(17)	(1)	(52)	(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	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	(36)	(3)	—	—	(3)	(39)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

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Asia

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

Impairment of goodwill	—	—	—	—	—	—
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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

Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(7)	—	—	—	—	(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	(28)	3	(62)	88	(15)	1
Restructuring and other related costs	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	(13)	(4)	(1)	—	(12)	(18)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

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Asia

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

Impairment of goodwill	—	—	—	—	—	—
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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

Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	(1)	—
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	(65)	(25)	(16)	(1)	(37)	(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		63	140	93	93	
ECL		—	(22)	(26)	(3)	
Operating expenses		(41)	(77)	(48)	(50)	
Share of profit in associates and joint ventures		15	40	25	30	
Revenue significant items		—	(1)	1	—	
Operating expense significant items		(2)	1	—	—	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		7,013	11,688	18,249	9,114	
Customer accounts		8,436	13,731	18,809	10,172	

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Asia

Asia - Wealth and Personal Banking

Revenue	20	42	35	47
ECL	—	(6)	(5)	(1)
Operating expenses	(17)	(34)	(27)	(30)
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)	2,960	4,680	7,371	3,838
Customer accounts	3,316	5,275	7,928	4,632

Asia - Commercial Banking

Revenue	13	32	22	25
ECL	(1)	(11)	(20)	(2)
Operating expenses	(7)	(14)	(11)	(12)
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)	1,959	3,400	5,367	2,565
Customer accounts	1,850	3,111	3,989	2,314

Asia - Global Banking and Markets

Revenue	25	56	39	30
ECL	—	(3)	—	—
Operating expenses	(11)	(22)	(16)	(16)
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)	2,093	3,606	5,507	2,708
Customer accounts	3,269	5,341	6,888	3,225

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Asia

Asia - Corporate Centre

Revenue		5	10	(4)	(10)
ECL		—	(1)	—	—
Operating expenses		(6)	(6)	6	7
Share of profit in associates and joint ventures		15	40	25	30
Revenue significant items		—	—	—	1
Operating expense significant items		—	2	—	(1)
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		2	2	4	2
Customer accounts		1	3	4	2

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

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

Loans and advances to customers (net)	302,454	319,157	308,668	312,409	308,367	302,454
Customer accounts	531,489	517,355	514,165	496,425	502,241	531,489

Hong Kong - Wealth and Personal Banking

Reported (\$m)

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

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
<i>of which: net interest income</i>	1,995	2,150	2,439	2,377	2,593	8,961
	1,226	1,230	1,466	1,818	1,860	5,740
Change in expected credit losses and other credit impairment charges	(20)	(53)	(113)	(90)	(45)	(276)
Total operating expenses	(979)	(957)	(885)	(927)	(952)	(3,748)
<i>of which: staff expenses</i>	(405)	(375)	(356)	(381)	(402)	(1,517)
Share of profit in associates and joint ventures	(2)	3	(6)	(5)	—	(10)
Profit/(loss) before tax	994	1,143	1,435	1,355	1,596	4,927

Reported Significant items - Totals (\$m)

Revenue	6	—	—	—	—	6
ECL	—	—	—	—	—	—
Operating expenses	(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

<i>of which: net interest income</i>	1,989	2,149	2,439	2,383	2,619	8,955
	1,226	1,230	1,466	1,822	1,878	5,740
Change in expected credit losses and other credit impairment charges	(20)	(53)	(113)	(90)	(45)	(276)
Total operating expenses	(952)	(955)	(885)	(930)	(960)	(3,719)
Share of profit in associates and joint ventures	(2)	3	(6)	(5)	—	(10)
Profit/(loss) before tax	1,015	1,144	1,435	1,358	1,614	4,950

Balance sheet - reported (\$m)

	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (gross)	125,613	135,323	123,235	121,865	121,300	125,613
Loans and advances to customers (net)	125,223	134,925	122,838	121,477	120,945	125,223
Total external assets	295,511	301,800	289,777	267,371	272,820	295,511
Customer accounts	347,855	338,414	337,340	331,215	325,436	347,855
Risk-weighted assets	54,979	63,938	56,110	55,339	53,755	54,979

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

Loans and advances to customers (net)	125,223	134,866	122,786	121,457	121,498	125,223
Customer accounts	347,855	338,266	337,198	331,160	326,924	347,855

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Hong Kong - Commercial Banking

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	747	798	923	1,167	1,147	3,635
<i>of which: net interest income</i>	<i>541</i>	<i>576</i>	<i>676</i>	<i>852</i>	<i>917</i>	<i>2,645</i>
Change in expected credit losses and other credit impairment charges	(217)	(14)	(239)	(19)	(46)	(489)
Total operating expenses	(358)	(342)	(334)	(325)	(381)	(1,359)
<i>of which: staff expenses</i>	<i>(129)</i>	<i>(128)</i>	<i>(126)</i>	<i>(125)</i>	<i>(131)</i>	<i>(508)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	172	442	350	823	720	1,787
Reported Significant items - Totals (\$m)						
Revenue	1	—	—	—	—	1
ECL	—	—	—	—	—	—
Operating expenses	(4)	—	—	—	—	(4)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Adjusted (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	746	798	923	1,170	1,158	3,634
<i>of which: net interest income</i>	<i>541</i>	<i>576</i>	<i>676</i>	<i>854</i>	<i>926</i>	<i>2,645</i>
Change in expected credit losses and other credit impairment charges	(217)	(14)	(239)	(19)	(47)	(489)
Total operating expenses	(354)	(341)	(334)	(326)	(385)	(1,355)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	175	443	350	825	726	1,790
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	100,376	104,706	104,013	104,849	103,727	100,376
Loans and advances to customers (net)	99,400	103,943	103,249	104,273	103,131	99,400
Total external assets	147,163	150,252	150,092	143,305	144,534	147,163
Customer accounts	131,404	121,440	121,474	111,996	123,372	131,404
Risk-weighted assets	72,043	75,446	73,696	73,351	71,855	72,043
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	99,400	103,897	103,206	104,255	103,602	99,400
Customer accounts	131,404	121,387	121,423	111,977	123,936	131,404

HSBC Hong Kong

Hong Kong - Global Banking and Markets

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	691	742	915	1,034	815	3,382
<i>of which: net interest income</i>	<i>237</i>	<i>259</i>	<i>335</i>	<i>372</i>	<i>392</i>	<i>1,203</i>
Change in expected credit losses and other credit impairment charges	19	(22)	(31)	(24)	(27)	(58)
Total operating expenses	(477)	(398)	(380)	(395)	(431)	(1,650)
<i>of which: staff expenses</i>	<i>(193)</i>	<i>(154)</i>	<i>(155)</i>	<i>(154)</i>	<i>(186)</i>	<i>(656)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	233	322	504	615	357	1,674
Reported Significant items - Totals (\$m)						
Revenue	(13)	—	(45)	61	(9)	3
ECL	—	—	—	—	—	—
Operating expenses	(11)	(3)	(1)	—	(10)	(15)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Adjusted (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	704	742	960	976	832	3,379
<i>of which: net interest income</i>	<i>236</i>	<i>259</i>	<i>335</i>	<i>373</i>	<i>396</i>	<i>1,203</i>
Change in expected credit losses and other credit impairment charges	19	(22)	(31)	(24)	(27)	(58)
Total operating expenses	(466)	(395)	(379)	(396)	(425)	(1,635)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	257	325	550	556	380	1,686
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	77,650	80,278	82,562	86,558	82,937	77,650
Loans and advances to customers (net)	77,433	80,047	82,343	86,345	82,743	77,433
Total external assets	240,126	230,783	232,282	245,096	226,880	240,126
Customer accounts	52,211	57,709	55,546	53,508	51,127	52,211
Risk-weighted assets	53,901	55,249	55,600	55,814	51,499	53,901
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	77,433	80,012	82,309	86,331	83,123	77,433
Customer accounts	52,211	57,684	55,523	53,499	51,360	52,211

HSBC Hong Kong

Hong Kong - Corporate Centre

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	46	100	57	163	27	366
<i>of which: net interest expense</i>	<i>(95)</i>	<i>(104)</i>	<i>(112)</i>	<i>(271)</i>	<i>(319)</i>	<i>(582)</i>
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	(228)	(113)	(103)	(111)	(88)	(555)
<i>of which: staff expenses</i>	<i>(34)</i>	<i>(80)</i>	<i>(100)</i>	<i>(140)</i>	<i>(73)</i>	<i>(354)</i>
Share of profit in associates and joint ventures	2	2	2	2	2	8
Profit/(loss) before tax	(180)	(11)	(44)	54	(59)	(181)
Reported Significant items - Totals (\$m)						
Revenue	(24)	—	—	—	—	(24)
ECL	—	—	—	—	—	—
Operating expenses	(27)	(15)	(9)	—	(14)	(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	70	100	56	163	24	390
<i>of which: net interest expense</i>	<i>(96)</i>	<i>(104)</i>	<i>(112)</i>	<i>(271)</i>	<i>(323)</i>	<i>(582)</i>
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	(201)	(98)	(94)	(111)	(72)	(504)
Share of profit in associates and joint ventures	2	2	2	2	2	8
Profit/(loss) before tax	(129)	4	(36)	54	(46)	(106)
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	398	382	368	367	144	398
Loans and advances to customers (net)	398	382	368	367	144	398
Total external assets	69,754	60,693	57,307	55,868	51,833	69,754
Customer accounts	19	19	21	(211)	20	19
Risk-weighted assets	14,175	10,153	10,305	10,190	10,053	14,175
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	398	382	368	367	144	398
Customer accounts	19	19	21	(211)	20	19

HSBC Hong Kong

SIGNIFICANT ITEMS

Hong Kong - TOTAL

Reported revenue significant items (\$m)

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(16)	—	(45)	61	(9)	—
Restructuring and other related costs	(15)	—	—	—	—	(15)

Reported cost significant items (\$m)

Costs of structural reform	—	—	—	—	(1)	—
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	(69)	(21)	(10)	—	(23)	(109)
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	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	(27)	(2)	—	—	—	(29)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

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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

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)	—	—	—	—	(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	(9)	—
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	(11)	(3)	(1)	—	(10)	(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	(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	(27)	(15)	(9)	—	(14)	(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		(1)	(1)	11	41	
ECL		—	—	—	(1)	
Operating expenses		—	1	(5)	(17)	
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)		(140)	(130)	(53)	1,404	
Customer accounts		(227)	(216)	(83)	2,286	

HSBC Hong Kong

Hong Kong - Wealth and Personal Banking

Revenue	(1)	—	6	26
ECL	—	—	—	—
Operating expenses	—	—	(3)	(9)
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)	(59)	(52)	(20)	553
Customer accounts	(148)	(142)	(55)	1,488

Hong Kong - Commercial Banking

Revenue	—	—	3	11
ECL	—	—	—	(1)
Operating expenses	1	—	(1)	(4)
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)	(46)	(43)	(18)	471
Customer accounts	(53)	(51)	(19)	564

Hong Kong - Global Banking and Markets

Revenue	—	—	3	7
ECL	—	—	—	—
Operating expenses	—	—	(1)	(4)
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)	(35)	(34)	(14)	380
Customer accounts	(25)	(23)	(9)	233

HSBC Hong Kong

Hong Kong - Corporate Centre

Revenue		—	(1)	—	(3)
ECL		—	—	—	—
Operating expenses		—	1	—	1
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	—	—
Operating expense significant items		—	1	—	(1)
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		—	—	—	—
Customer accounts		—	—	—	—

HSBC
Mainland China

Mainland China - TOTAL

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net interest income	395	366	397	398	395	1,556
Net fee income	77	88	82	90	58	337
Other operating income	299	287	327	282	261	1,195
Net operating income before change in expected credit losses and other credit impairment charges	771	741	806	770	714	3,088
Change in expected credit losses and other credit impairment charges	4	(11)	(44)	(63)	(29)	(114)
Total operating expenses	(641)	(554)	(494)	(522)	(546)	(2,211)
<i>of which: staff expenses</i>	(361)	(322)	(280)	(324)	(317)	(1,287)
Share of profit in associates and joint ventures	466	339	576	468	470	1,849
Profit/(loss) before tax	600	515	844	653	609	2,612
Reported Significant items - Totals (\$m)						
Revenue	4	1	(2)	2	(1)	5
ECL	—	—	—	—	—	—
Operating expenses	(17)	(1)	(1)	—	(4)	(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	767	773	863	810	760	3,083
<i>of which: net interest income</i>	396	382	424	419	420	1,556
Change in expected credit losses and other credit impairment charges	4	(11)	(47)	(67)	(31)	(114)
Total operating expenses	(624)	(578)	(528)	(550)	(577)	(2,192)
Share of profit in associates and joint ventures	466	354	616	493	500	1,849
Profit/(loss) before tax	613	538	904	686	652	2,626
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	46,405	43,815	43,675	44,059	42,661	46,405
Loans and advances to customers (net)	46,113	43,535	43,338	43,735	42,380	46,113
Total external assets	130,134	119,696	115,597	113,710	110,715	130,134
Customer accounts	56,826	47,327	47,557	45,492	48,323	56,826
Risk-weighted assets	80,674	76,061	74,611	74,624	73,285	80,674

HSBC Mainland China

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

Loans and advances to customers (net)	46,113	45,375	46,929	47,449	45,182	46,113
Customer accounts	56,826	49,327	51,498	49,354	51,517	56,826

Mainland China - Wealth and Personal Banking

Reported (\$m)	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	197	209	196	163	161	765
<i>of which: net interest income</i>	<i>105</i>	<i>103</i>	<i>110</i>	<i>109</i>	<i>103</i>	<i>427</i>
Change in expected credit losses and other credit impairment charges	(11)	7	(23)	(25)	(10)	(52)
Total operating expenses	(223)	(187)	(163)	(174)	(186)	(747)
<i>of which: staff expenses</i>	<i>(85)</i>	<i>(83)</i>	<i>(66)</i>	<i>(76)</i>	<i>(75)</i>	<i>(310)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(37)	29	10	(36)	(35)	(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	197	218	210	171	173	765
<i>of which: net interest income</i>	<i>104</i>	<i>108</i>	<i>118</i>	<i>115</i>	<i>109</i>	<i>427</i>
Change in expected credit losses and other credit impairment charges	(11)	7	(24)	(27)	(11)	(52)
Total operating expenses	(222)	(195)	(175)	(183)	(197)	(746)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(36)	30	11	(39)	(35)	(33)

Balance sheet - reported (\$m)

Balance sheet - reported (\$m)	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (gross)	10,835	10,413	10,006	9,960	10,157	10,835
Loans and advances to customers (net)	10,747	10,329	9,906	9,870	10,081	10,747
Total external assets	17,517	16,602	15,806	15,802	15,176	17,517
Customer accounts	12,994	12,148	11,869	11,815	11,842	12,994
Risk-weighted assets	5,459	5,178	4,974	4,937	4,998	5,459

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

Loans and advances to customers (net)	10,747	10,765	10,726	10,708	10,747	10,747
Customer accounts	12,994	12,661	12,853	12,818	12,625	12,994

HSBC Mainland China

Mainland China - Commercial Banking

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	171	172	212	203	186	758
<i>of which: net interest income</i>	143	142	154	158	155	597
Change in expected credit losses and other credit impairment charges	(8)	(16)	(16)	(19)	(20)	(59)
Total operating expenses	(118)	(96)	(87)	(103)	(109)	(404)
<i>of which: staff expenses</i>	(40)	(37)	(32)	(39)	(37)	(148)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	45	60	109	81	57	295
Reported Significant items - Totals (\$m)						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(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	171	179	227	213	197	758
<i>of which: net interest income</i>	143	149	165	166	165	597
Change in expected credit losses and other credit impairment charges	(8)	(16)	(17)	(20)	(21)	(59)
Total operating expenses	(115)	(100)	(93)	(108)	(116)	(401)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	48	63	117	85	60	298
	Balance sheet date					Balance sheet date
Balance sheet - reported (\$m)	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (gross)	19,988	17,946	18,662	18,578	17,389	19,988
Loans and advances to customers (net)	19,815	17,800	18,469	18,383	17,208	19,815
Total external assets	30,058	26,881	27,147	27,373	25,128	30,058
Customer accounts	16,875	14,753	15,263	14,276	15,283	16,875
Risk-weighted assets	23,158	20,829	21,423	21,279	20,274	23,158
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	19,815	18,552	19,999	19,944	18,345	19,815
Customer accounts	16,875	15,377	16,528	15,488	16,293	16,875

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Mainland China - Global Banking and Markets

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	245	223	224	226	226	918
<i>of which: net interest income</i>	<i>159</i>	<i>142</i>	<i>134</i>	<i>154</i>	<i>145</i>	<i>589</i>
Change in expected credit losses and other credit impairment charges	22	(2)	(4)	(19)	1	(3)
Total operating expenses	(114)	(100)	(94)	(101)	(102)	(409)
<i>of which: staff expenses</i>	<i>(48)</i>	<i>(34)</i>	<i>(30)</i>	<i>(38)</i>	<i>(35)</i>	<i>(150)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	153	121	126	106	125	506
Reported Significant items - Totals (\$m)						
Revenue	—	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	245	232	242	236	240	917
<i>of which: net interest income</i>	<i>160</i>	<i>148</i>	<i>143</i>	<i>162</i>	<i>154</i>	<i>589</i>
Change in expected credit losses and other credit impairment charges	22	(2)	(5)	(20)	1	(3)
Total operating expenses	(114)	(105)	(101)	(107)	(108)	(409)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	153	125	136	109	133	505
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	15,556	15,431	14,983	15,496	15,091	15,556
Loans and advances to customers (net)	15,525	15,382	14,940	15,458	15,067	15,525
Total external assets	46,022	43,218	41,618	42,115	39,686	46,022
Customer accounts	26,923	20,393	20,391	19,370	21,170	26,923
Risk-weighted assets	17,154	16,530	16,118	17,138	17,006	17,154
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	15,525	16,032	16,178	16,771	16,063	15,525
Customer accounts	26,923	21,255	22,081	21,014	22,569	26,923

HSBC Mainland China

Mainland China - Corporate Centre

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	158	137	174	178	141	647
<i>of which: net interest expense</i>	<i>(12)</i>	<i>(21)</i>	<i>(1)</i>	<i>(23)</i>	<i>(8)</i>	<i>(57)</i>
Change in expected credit losses and other credit impairment charges	1	—	(1)	—	—	—
Total operating expenses	(185)	(172)	(150)	(144)	(149)	(651)
<i>of which: staff expenses</i>	<i>(188)</i>	<i>(167)</i>	<i>(152)</i>	<i>(171)</i>	<i>(170)</i>	<i>(678)</i>
Share of profit in associates and joint ventures	466	339	576	468	470	1,849
Profit/(loss) before tax	440	304	599	502	462	1,845
Reported Significant items - Totals (\$m)						
Revenue	4	—	—	—	(1)	4
ECL	—	—	—	—	—	—
Operating expenses	(14)	(1)	(1)	—	(4)	(16)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Adjusted (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	154	144	184	189	150	643
<i>of which: net interest expense</i>	<i>(11)</i>	<i>(22)</i>	<i>(2)</i>	<i>(24)</i>	<i>(9)</i>	<i>(57)</i>
Change in expected credit losses and other credit impairment charges	1	—	—	—	—	—
Total operating expenses	(171)	(179)	(159)	(152)	(154)	(635)
Share of profit in associates and joint ventures	466	354	616	493	500	1,849
Profit/(loss) before tax	450	319	641	530	496	1,857
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	26	25	24	25	24	26
Loans and advances to customers (net)	26	25	23	24	24	26
Total external assets	36,537	32,994	31,026	28,420	30,725	36,537
Customer accounts	34	33	34	31	28	34
Risk-weighted assets	34,903	33,524	32,096	31,270	31,007	34,903
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	26	26	26	26	26	26
Customer accounts	34	34	36	34	30	34

HSBC Mainland China

SIGNIFICANT ITEMS

Mainland China - TOTAL

Reported revenue significant items (\$m)

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	1	(2)	2	(1)	1
Restructuring and other related costs	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	(17)	(1)	(1)	—	(4)	(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)
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	(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	—	—	—	—	—	—

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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	—	—	—	—	(1)	—
Restructuring and other related costs	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	(14)	(1)	(1)	—	(4)	(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		33	56	42	46	
ECL		—	(3)	(4)	(2)	
Operating expenses		(25)	(35)	(28)	(35)	
Share of profit in associates and joint ventures		15	40	25	30	
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)		1,840	3,591	3,714	2,802	
Customer accounts		2,000	3,941	3,862	3,194	

HSBC

Mainland China

Mainland China - Wealth and Personal Banking

Revenue	9	14	8	12
ECL	—	(1)	(2)	(1)
Operating expenses	(8)	(12)	(9)	(11)
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)	436	820	838	666
Customer accounts	513	984	1,003	783

Mainland China - Commercial Banking

Revenue	7	15	10	11
ECL	—	(1)	(1)	(1)
Operating expenses	(4)	(6)	(5)	(7)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	752	1,530	1,561	1,137
Customer accounts	624	1,265	1,212	1,010

Mainland China - Global Banking and Markets

Revenue	10	17	12	14
ECL	—	(1)	(1)	—
Operating expenses	(5)	(7)	(6)	(6)
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)	650	1,238	1,313	996
Customer accounts	862	1,690	1,644	1,399

HSBC Mainland China

Mainland China - Corporate Centre

Revenue		7	10	11	9
ECL		—	1	—	—
Operating expenses		(8)	(10)	(8)	(10)
Share of profit in associates and joint ventures		15	40	25	30
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	2
Customer accounts		1	2	3	2

Middle East and North Africa - TOTAL

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net interest income	336	352	383	394	432	1,465
Net fee income	179	169	171	176	193	695
Other operating income	111	102	135	120	138	468
Net operating income before change in expected credit losses and other credit impairment charges	626	623	689	690	763	2,628
Change in expected credit losses and other credit impairment charges	(37)	(110)	(278)	(333)	(52)	(758)
Total operating expenses	(394)	(429)	(394)	(369)	(498)	(1,586)
<i>of which: staff expenses</i>	<i>(184)</i>	<i>(192)</i>	<i>(180)</i>	<i>(193)</i>	<i>(201)</i>	<i>(749)</i>
Share of profit/(loss) in associates and joint ventures	150	(384)	(87)	56	71	(265)
Profit/(loss) before tax	345	(300)	(70)	44	284	19
Reported Significant items - Totals (\$m)						
Revenue	(1)	—	—	1	—	—
ECL	—	—	—	—	—	—
Operating expenses	(18)	(24)	(41)	—	(104)	(83)
Share of profit in associates and joint ventures	—	(462)	—	—	—	(462)
Adjusted (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	627	619	682	670	747	2,628
<i>of which: net interest income</i>	<i>336</i>	<i>349</i>	<i>379</i>	<i>385</i>	<i>418</i>	<i>1,465</i>
Change in expected credit losses and other credit impairment charges	(37)	(110)	(277)	(331)	(48)	(758)
Total operating expenses	(376)	(401)	(348)	(359)	(380)	(1,503)
Share of profit/(loss) in associates and joint ventures	150	78	(87)	56	71	197
Profit/(loss) before tax	364	186	(30)	36	390	564
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	30,540	31,126	31,388	31,273	29,955	30,540
Loans and advances to customers (net)	28,700	29,307	29,615	29,651	28,556	28,700
Total external assets	64,733	63,472	64,583	63,810	61,862	64,733
Customer accounts	41,221	40,815	41,197	40,553	38,126	41,221
Risk-weighted assets ¹	60,181	59,361	58,585	59,114	57,492	60,181

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Middle East and North Africa

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

Loans and advances to customers (net)	28,700	29,450	29,447	29,350	28,019	28,700
Customer accounts	41,221	40,988	41,023	40,092	37,395	41,221

Middle East and North Africa - Wealth and Personal Banking

Reported (\$m)

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	204	202	219	249	249	874
<i>of which: net interest income</i>	133	131	154	157	163	575
Change in expected credit losses and other credit impairment charges	(5)	6	(102)	(50)	(7)	(151)
Total operating expenses	(163)	(196)	(207)	(172)	(194)	(738)
<i>of which: staff expenses</i>	(56)	(59)	(56)	(61)	(65)	(232)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	36	12	(90)	27	48	(15)

Reported Significant items - Totals (\$m)

Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	13	(17)	(41)	—	(2)	(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	204	200	217	242	243	874
<i>of which: net interest income</i>	131	131	154	155	162	575
Change in expected credit losses and other credit impairment charges	(5)	6	(101)	(50)	(7)	(151)
Total operating expenses	(176)	(176)	(162)	(165)	(182)	(693)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	23	30	(46)	27	54	30

Balance sheet - reported (\$m)

	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (gross)	5,534	5,688	5,762	6,099	6,217	5,534
Loans and advances to customers (net)	5,215	5,346	5,370	5,777	5,918	5,215
Total external assets	16,179	15,823	15,674	15,423	16,363	16,179
Customer accounts	20,293	19,990	19,757	18,967	18,467	20,293
Risk-weighted assets	7,666	7,641	7,404	7,617	7,680	7,666

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

Loans and advances to customers (net)	5,215	5,362	5,348	5,730	5,828	5,215
Customer accounts	20,293	20,111	19,631	18,673	18,020	20,293

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Middle East and North Africa

Middle East and North Africa - Commercial Banking

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	134	141	152	176	169	603
<i>of which: net interest income</i>	<i>85</i>	<i>93</i>	<i>99</i>	<i>113</i>	<i>116</i>	<i>390</i>
Change in expected credit losses and other credit impairment charges	(30)	(68)	(147)	(143)	(43)	(388)
Total operating expenses	(83)	(92)	(79)	(81)	(192)	(335)
<i>of which: staff expenses</i>	<i>(31)</i>	<i>(31)</i>	<i>(30)</i>	<i>(31)</i>	<i>(34)</i>	<i>(123)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	21	(19)	(74)	(48)	(66)	(120)
Reported Significant items - Totals (\$m)						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	—	(1)	—	—	(99)	(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	134	140	149	170	163	603
<i>of which: net interest income</i>	<i>84</i>	<i>92</i>	<i>98</i>	<i>108</i>	<i>112</i>	<i>390</i>
Change in expected credit losses and other credit impairment charges	(30)	(68)	(147)	(141)	(39)	(388)
Total operating expenses	(83)	(89)	(78)	(79)	(90)	(334)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	21	(17)	(76)	(50)	34	(119)
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	12,015	12,377	12,608	12,400	11,829	12,015
Loans and advances to customers (net)	10,747	11,157	11,449	11,349	10,860	10,747
Total external assets	17,158	17,529	17,873	17,792	17,358	17,158
Customer accounts	8,784	8,505	9,079	8,986	8,863	8,784
Risk-weighted assets	15,328	15,893	16,343	16,180	15,303	15,328
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	10,747	11,236	11,350	11,165	10,528	10,747
Customer accounts	8,784	8,512	9,047	8,899	8,717	8,784

HSBC Middle East and North Africa

Middle East and North Africa - Global Banking and Markets

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	278	274	315	264	299	1,131
<i>of which: net interest income</i>	<i>114</i>	<i>118</i>	<i>129</i>	<i>133</i>	<i>134</i>	<i>494</i>
Change in expected credit losses and other credit impairment charges	(3)	(47)	(29)	(140)	(2)	(219)
Total operating expenses	(117)	(115)	(101)	(101)	(108)	(434)
<i>of which: staff expenses</i>	<i>(39)</i>	<i>(33)</i>	<i>(32)</i>	<i>(31)</i>	<i>(32)</i>	<i>(135)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	158	112	185	23	189	478
Reported Significant items - Totals (\$m)						
Revenue	(1)	—	—	1	—	—
ECL	—	—	—	—	—	—
Operating expenses	(1)	—	—	—	(1)	(1)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Adjusted (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	279	272	313	256	295	1,131
<i>of which: net interest income</i>	<i>114</i>	<i>118</i>	<i>129</i>	<i>131</i>	<i>132</i>	<i>494</i>
Change in expected credit losses and other credit impairment charges	(3)	(47)	(29)	(140)	(2)	(219)
Total operating expenses	(116)	(114)	(100)	(99)	(105)	(433)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	160	111	184	17	188	479
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	12,991	13,061	13,018	12,774	11,909	12,991
Loans and advances to customers (net)	12,738	12,804	12,796	12,525	11,778	12,738
Total external assets	24,852	24,054	24,740	24,047	21,913	24,852
Customer accounts	12,143	12,318	12,361	12,599	10,795	12,143
Risk-weighted assets	16,445	15,929	15,019	15,408	14,900	16,445
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	12,738	12,852	12,749	12,455	11,663	12,738
Customer accounts	12,143	12,364	12,345	12,520	10,657	12,143

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Middle East and North Africa

Middle East and North Africa - Corporate Centre

Reported (\$m)	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	9	6	3	1	46	19
<i>of which: net interest income/(expense)</i>	6	9	1	(9)	19	7
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	(30)	(26)	(7)	(15)	(4)	(78)
<i>of which: staff expenses</i>	(58)	(69)	(62)	(70)	(70)	(259)
Share of profit/(loss) in associates and joint ventures	150	(384)	(87)	56	71	(265)
Profit/(loss) before tax	129	(404)	(91)	42	113	(324)
Reported Significant items - Totals (\$m)						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(31)	(5)	—	—	(2)	(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	6	3	2	46	19
<i>of which: net interest income/(expense)</i>	7	8	(1)	(9)	12	7
Change in expected credit losses and other credit impairment charges	—	—	—	—	—	—
Total operating expenses	1	(21)	(8)	(16)	(2)	(42)
Share of profit/(loss) in associates and joint ventures	150	78	(87)	56	71	197
Profit/(loss) before tax	160	63	(92)	42	115	174
Balance sheet - reported (\$m)						
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (gross)	—	—	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	6,544	6,065	6,296	6,548	6,228	6,544
Customer accounts	—	—	—	1	1	—
Risk-weighted assets	20,742	19,898	19,819	19,909	19,609	20,742
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	—	—	—	—	—	—
Customer accounts	—	—	—	1	1	—

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Middle East and North Africa

SIGNIFICANT ITEMS

Middle East and North Africa - 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

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

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-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported revenue significant items (\$m)						
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(1)	—	—	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)	—	(97)	(64)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(14)	(5)	—	—	(7)	(19)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—
Share of profit in associates and joint ventures significant items (\$m)						
Impairment of goodwill	—	(462)	—	—	—	(462)
Middle East and North Africa - Wealth and Personal Banking						
Reported revenue significant items (\$m)						
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—
Reported cost significant items (\$m)						
Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	16	(17)	(41)	—	—	(42)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(3)	—	—	—	(2)	(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)	—	—	(97)	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(1)	—	—	—	(2)	(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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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	(1)	—	—	—	(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	(10)	(4)	—	—	(2)	(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		(4)	(7)	(19)	(16)	
ECL		—	1	2	4	
Operating expenses		6	5	10	14	
Share of profit in associates and joint ventures		—	—	—	—	
Revenue significant items		—	—	—	—	
Operating expense significant items		2	—	—	—	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		143	(168)	(301)	(537)	
Customer accounts		173	(174)	(461)	(731)	

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Middle East and North Africa

Middle East and North Africa - Wealth and Personal Banking

Revenue	(2)	(2)	(7)	(6)
ECL	—	1	—	—
Operating expenses	4	4	7	10
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)	16	(22)	(47)	(90)
Customer accounts	121	(126)	(294)	(447)

Middle East and North Africa - Commercial Banking

Revenue	(1)	(3)	(6)	(6)
ECL	—	—	2	4
Operating expenses	2	1	2	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)	79	(99)	(184)	(332)
Customer accounts	7	(32)	(87)	(146)

Middle East and North Africa - Global Banking and Markets

Revenue	(2)	(2)	(7)	(4)
ECL	—	—	—	—
Operating expenses	1	1	2	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)	48	(47)	(70)	(115)
Customer accounts	46	(16)	(79)	(138)

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Middle East and North Africa

Middle East and North Africa - Corporate Centre

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

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

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North America

North America - TOTAL

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net interest income	701	652	706	777	782	2,836
Net fee income	444	441	458	452	458	1,795
Other operating income	343	389	537	475	366	1,744
Net operating income before change in expected credit losses and other credit impairment charges	1,488	1,482	1,701	1,704	1,606	6,375
Change in expected credit losses and other credit impairment charges	(27)	14	(379)	(508)	(97)	(900)
Total operating expenses	(1,309)	(1,503)	(1,189)	(1,306)	(1,784)	(5,307)
of which: staff expenses	(592)	(594)	(596)	(652)	(608)	(2,434)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	152	(7)	133	(110)	(275)	168
Reported Significant items - Totals (\$m)						
Revenue	12	(49)	(21)	15	(56)	(43)
ECL	—	—	—	—	—	—
Operating expenses	(84)	(333)	(68)	(116)	(493)	(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	1,476	1,539	1,746	1,703	1,665	6,418
of which: net interest income	700	656	717	784	783	2,836
Change in expected credit losses and other credit impairment charges	(27)	14	(387)	(512)	(98)	(900)
Total operating expenses	(1,225)	(1,175)	(1,136)	(1,197)	(1,296)	(4,706)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	224	378	223	(6)	271	812
	Balance sheet date					Balance sheet date
Balance sheet - reported (\$m)	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (gross)	109,056	111,552	117,033	123,815	114,074	109,056
Loans and advances to customers (net)	107,969	110,394	115,813	122,858	113,474	107,969
Total external assets	347,893	383,130	409,428	435,846	348,035	347,893
Customer accounts	182,028	177,478	180,489	153,893	146,676	182,028
Risk-weighted assets ¹	117,755	122,952	130,580	133,161	121,953	117,755

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North America

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

Loans and advances to customers (net)	107,969	112,758	119,178	128,165	114,438	107,969
Customer accounts	182,028	180,291	184,362	159,349	147,655	182,028

North America - Wealth and Personal Banking

Reported (\$m)

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

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
<i>of which: net interest income</i>	482	486	460	501	454	1,929
	328	304	294	350	348	1,276
Change in expected credit losses and other credit impairment charges	(13)	(21)	(44)	(162)	(38)	(240)
Total operating expenses	(476)	(684)	(478)	(501)	(949)	(2,139)
<i>of which: staff expenses</i>	(158)	(173)	(167)	(188)	(177)	(686)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(7)	(219)	(62)	(162)	(533)	(450)

Reported Significant items - Totals (\$m)

Revenue	(1)	(1)	(1)	(6)	(48)	(9)
ECL	—	—	—	—	—	—
Operating expenses	(3)	(216)	(3)	(9)	(437)	(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

<i>of which: net interest income</i>	483	490	468	513	504	1,938
	328	306	299	353	350	1,276
Change in expected credit losses and other credit impairment charges	(13)	(21)	(44)	(162)	(38)	(240)
Total operating expenses	(473)	(472)	(482)	(496)	(513)	(1,908)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(3)	(3)	(58)	(145)	(47)	(210)

Balance sheet - reported (\$m)

	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (gross)	50,266	48,573	47,667	46,328	47,997	50,266
Loans and advances to customers (net)	49,837	48,144	47,211	45,882	47,684	49,837
Total external assets	97,726	93,647	95,899	88,291	81,587	97,726
Customer accounts	81,278	78,399	79,799	74,030	72,232	81,278
Risk-weighted assets	22,175	21,677	22,295	21,829	21,660	22,175

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

Loans and advances to customers (net)	49,837	49,339	48,853	48,360	48,143	49,837
Customer accounts	81,278	79,892	81,931	77,058	72,777	81,278

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North America - Commercial Banking

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	446	443	433	481	464	1,803
<i>of which: net interest income</i>	<i>298</i>	<i>291</i>	<i>301</i>	<i>333</i>	<i>325</i>	<i>1,223</i>
Change in expected credit losses and other credit impairment charges	(7)	22	(291)	(220)	(41)	(496)
Total operating expenses	(238)	(238)	(227)	(238)	(246)	(941)
<i>of which: staff expenses</i>	<i>(101)</i>	<i>(96)</i>	<i>(88)</i>	<i>(100)</i>	<i>(98)</i>	<i>(385)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	201	227	(85)	23	177	366
Reported Significant items - Totals (\$m)						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(5)	(4)	(2)	—	(2)	(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	446	447	443	487	466	1,803
<i>of which: net interest income</i>	<i>298</i>	<i>293</i>	<i>307</i>	<i>337</i>	<i>327</i>	<i>1,223</i>
Change in expected credit losses and other credit impairment charges	(7)	22	(297)	(223)	(41)	(496)
Total operating expenses	(233)	(235)	(229)	(240)	(246)	(930)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	206	234	(83)	24	179	377
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	44,324	46,534	49,178	51,591	46,968	44,324
Loans and advances to customers (net)	43,842	45,988	48,603	51,208	46,743	43,842
Total external assets	69,976	71,025	74,105	73,664	65,564	69,976
Customer accounts	62,854	58,387	57,986	49,438	49,043	62,854
Risk-weighted assets	49,049	51,229	53,380	52,820	49,003	49,049
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	43,842	47,001	50,078	53,617	47,183	43,842
Customer accounts	62,854	59,331	59,315	51,322	49,381	62,854

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North America - Global Banking and Markets

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	497	498	708	729	605	2,432
<i>of which: net interest income</i>	<i>92</i>	<i>91</i>	<i>143</i>	<i>124</i>	<i>129</i>	<i>450</i>
Change in expected credit losses and other credit impairment charges	(7)	13	(45)	(126)	(19)	(165)
Total operating expenses	(383)	(415)	(386)	(371)	(417)	(1,555)
<i>of which: staff expenses</i>	<i>(141)</i>	<i>(129)</i>	<i>(144)</i>	<i>(148)</i>	<i>(138)</i>	<i>(562)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	107	96	277	232	169	712
Reported Significant items - Totals (\$m)						
Revenue	(12)	(48)	(20)	13	(1)	(67)
ECL	—	—	—	—	—	—
Operating expenses	11	(11)	(22)	(4)	(6)	(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	509	547	732	718	607	2,499
<i>of which: net interest income</i>	<i>93</i>	<i>91</i>	<i>144</i>	<i>124</i>	<i>130</i>	<i>450</i>
Change in expected credit losses and other credit impairment charges	(7)	13	(46)	(127)	(19)	(165)
Total operating expenses	(394)	(404)	(369)	(368)	(411)	(1,529)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	108	156	317	223	177	805
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	14,466	16,445	20,188	25,896	19,109	14,466
Loans and advances to customers (net)	14,290	16,262	19,999	25,768	19,047	14,290
Total external assets	175,159	213,637	233,737	268,209	194,774	175,159
Customer accounts	37,901	40,692	42,704	30,425	25,401	37,901
Risk-weighted assets	42,444	45,239	49,779	53,238	46,109	42,444
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	14,290	16,418	20,246	26,188	19,112	14,290
Customer accounts	37,901	41,068	43,115	30,969	25,497	37,901

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North America - Corporate Centre

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	64	55	100	(7)	83	212
<i>of which: net interest expense</i>	<i>(18)</i>	<i>(33)</i>	<i>(32)</i>	<i>(30)</i>	<i>(20)</i>	<i>(113)</i>
Change in expected credit losses and other credit impairment charges	(1)	—	1	—	1	—
Total operating expenses	(211)	(167)	(98)	(196)	(172)	(672)
<i>of which: staff expenses</i>	<i>(194)</i>	<i>(194)</i>	<i>(197)</i>	<i>(216)</i>	<i>(195)</i>	<i>(801)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(148)	(112)	3	(203)	(88)	(460)
Reported Significant items - Totals (\$m)						
Revenue	25	—	—	8	(7)	33
ECL	—	—	—	—	—	—
Operating expenses	(85)	(103)	(41)	(103)	(48)	(332)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Adjusted (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	39	55	103	(15)	85	179
<i>of which: net interest expense</i>	<i>(18)</i>	<i>(34)</i>	<i>(33)</i>	<i>(30)</i>	<i>(24)</i>	<i>(113)</i>
Change in expected credit losses and other credit impairment charges	(1)	—	—	—	1	—
Total operating expenses	(126)	(64)	(57)	(93)	(126)	(340)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(88)	(9)	46	(108)	(40)	(161)
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	—	—	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	5,031	4,821	5,687	5,682	6,110	5,031
Customer accounts	(5)	—	—	—	—	(5)
Risk-weighted assets	4,087	4,807	5,126	5,274	5,181	4,087
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	—	—	—	—	—	—
Customer accounts	(5)	—	—	—	—	(5)

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North America

SIGNIFICANT ITEMS

North America - TOTAL

Reported revenue significant items (\$m)

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	(2)	—	(1)	(7)	(55)	(10)
Fair value movements on financial instruments	1	(2)	(10)	13	(1)	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)	—	—	(431)	(223)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(83)	(111)	(68)	(116)	(62)	(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)	(6)	(48)	(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)	—	—	(431)	(207)
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(3)	(9)	(3)	(9)	(6)	(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)	—	(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	(2)	(10)	13	(1)	2
Restructuring and other related costs	(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)	(6)	(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)	(7)	(1)
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	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	(85)	(93)	(41)	(103)	(48)	(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		8	24	14	3	
ECL		—	(8)	(4)	(1)	
Operating expenses		(6)	(14)	(8)	(3)	
Share of profit in associates and joint ventures		—	—	—	—	
Revenue significant items		—	—	—	—	
Operating expense significant items		(1)	1	(1)	2	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		2,364	3,365	5,307	964	
Customer accounts		2,813	3,873	5,456	979	

HSBC North America

North America - Wealth and Personal Banking

Revenue	3	7	5	2
ECL	—	—	—	—
Operating expenses	(3)	(7)	(4)	(1)
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	(1)	—
Operating expense significant items	1	—	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	1,195	1,642	2,478	459
Customer accounts	1,493	2,132	3,028	545

North America - Commercial Banking

Revenue	4	10	6	2
ECL	—	(6)	(3)	—
Operating expenses	(1)	(4)	(2)	(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)	1,013	1,475	2,409	440
Customer accounts	944	1,329	1,884	338

North America - Global Banking and Markets

Revenue	1	4	2	1
ECL	—	(1)	(1)	—
Operating expenses	—	(2)	(1)	—
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	—	—	—
Operating expense significant items	—	3	—	—
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	156	247	420	65
Customer accounts	376	411	544	96

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North America

North America - Corporate Centre

Revenue		—	3	1	(4)
ECL		—	(1)	—	—
Operating expenses		—	(1)	(1)	(1)
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	1	1
Operating expense significant items		—	(1)	(1)	1
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		—	—	—	—
Customer accounts		—	—	—	—

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

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US

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

Loans and advances to customers (net)	58,082	62,242	68,036	75,993	63,588	58,082
Customer accounts	117,485	114,695	120,236	99,714	90,834	117,485

HSBC US - Wealth and Personal Banking

Reported (\$m)	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	295	309	295	311	265	1,210
<i>of which: net interest income</i>	203	195	191	228	222	817
Change in expected credit losses and other credit impairment charges	(2)	(11)	(37)	(139)	(30)	(189)
Total operating expenses	(322)	(542)	(345)	(359)	(373)	(1,568)
<i>of which: staff expenses</i>	(105)	(123)	(119)	(133)	(126)	(480)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(29)	(244)	(87)	(187)	(138)	(547)

Reported Significant items - Totals (\$m)

Revenue	—	(1)	(1)	(7)	(48)	(9)
ECL	—	—	—	—	—	—
Operating expenses	(1)	(215)	(3)	(9)	(4)	(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	295	310	296	317	313	1,219
<i>of which: net interest income</i>	204	195	191	227	222	817
Change in expected credit losses and other credit impairment charges	(2)	(11)	(37)	(140)	(30)	(189)
Total operating expenses	(321)	(327)	(342)	(349)	(371)	(1,340)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(28)	(28)	(83)	(172)	(88)	(310)

Balance sheet - reported (\$m)

Balance sheet - reported (\$m)	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (gross)	24,056	23,812	24,034	24,033	23,827	24,056
Loans and advances to customers (net)	23,802	23,550	23,739	23,746	23,658	23,802
Total external assets	58,725	56,260	60,033	56,425	48,715	58,725
Customer accounts	48,241	46,706	48,484	46,139	43,027	48,241
Risk-weighted assets	16,134	16,001	16,525	16,452	15,897	16,134

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

Loans and advances to customers (net)	23,802	23,550	23,739	23,746	23,658	23,802
Customer accounts	48,241	46,706	48,484	46,139	43,028	48,241

**HSBC
US**

HSBC US - Commercial Banking

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	255	260	246	261	245	1,022
<i>of which: net interest income</i>	<i>198</i>	<i>195</i>	<i>194</i>	<i>200</i>	<i>193</i>	<i>787</i>
Change in expected credit losses and other credit impairment charges	(10)	21	(181)	(123)	(21)	(293)
Total operating expenses	(146)	(152)	(144)	(148)	(157)	(590)
<i>of which: staff expenses</i>	<i>(64)</i>	<i>(65)</i>	<i>(58)</i>	<i>(65)</i>	<i>(66)</i>	<i>(252)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	99	129	(79)	(10)	67	139
Reported Significant items - Totals (\$m)						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(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	255	260	245	261	245	1,022
<i>of which: net interest income</i>	<i>197</i>	<i>195</i>	<i>194</i>	<i>202</i>	<i>193</i>	<i>787</i>
Change in expected credit losses and other credit impairment charges	(10)	21	(181)	(123)	(21)	(293)
Total operating expenses	(145)	(148)	(142)	(148)	(157)	(583)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	100	133	(78)	(10)	67	146
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	23,435	25,897	28,210	30,480	24,473	23,435
Loans and advances to customers (net)	23,222	25,670	27,947	30,315	24,406	23,222
Total external assets	36,147	37,905	41,032	42,201	33,726	36,147
Customer accounts	39,577	36,999	37,091	30,173	28,998	39,577
Risk-weighted assets	28,770	30,879	32,654	33,782	29,276	28,770
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	23,222	25,670	27,947	30,315	24,406	23,222
Customer accounts	39,577	36,999	37,091	30,173	28,998	39,577

**HSBC
US**

HSBC US - Global Banking and Markets

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	430	433	623	663	517	2,149
<i>of which: net interest income</i>	<i>84</i>	<i>87</i>	<i>135</i>	<i>88</i>	<i>97</i>	<i>394</i>
Change in expected credit losses and other credit impairment charges	(10)	6	(19)	(116)	(18)	(139)
Total operating expenses	(351)	(398)	(354)	(334)	(387)	(1,437)
<i>of which: staff expenses</i>	<i>(129)</i>	<i>(120)</i>	<i>(134)</i>	<i>(133)</i>	<i>(130)</i>	<i>(516)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	69	41	250	213	112	573
Reported Significant items - Totals (\$m)						
Revenue	(9)	(48)	(18)	10	(1)	(65)
ECL	—	—	—	—	—	—
Operating expenses	11	(11)	(19)	(1)	(6)	(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	439	481	641	653	518	2,214
<i>of which: net interest income</i>	<i>84</i>	<i>87</i>	<i>135</i>	<i>88</i>	<i>97</i>	<i>394</i>
Change in expected credit losses and other credit impairment charges	(10)	6	(19)	(116)	(18)	(139)
Total operating expenses	(362)	(386)	(335)	(333)	(381)	(1,417)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	67	101	287	204	119	658
	Balance sheet date					Balance sheet date
Balance sheet - reported (\$m)	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (gross)	11,212	13,179	16,508	22,047	15,574	11,212
Loans and advances to customers (net)	11,057	13,021	16,351	21,933	15,524	11,057
Total external assets	154,456	189,909	210,734	242,533	174,376	154,456
Customer accounts	29,672	30,990	34,660	23,402	18,809	29,672
Risk-weighted assets	36,140	38,867	43,285	46,126	39,415	36,140
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	11,057	13,021	16,351	21,933	15,524	11,057
Customer accounts	29,672	30,990	34,660	23,402	18,809	29,672

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US**

HSBC US - Corporate Centre

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	55	58	102	(9)	79	206
<i>of which: net interest expense</i>	<i>(16)</i>	<i>(22)</i>	<i>(18)</i>	<i>(21)</i>	<i>(16)</i>	<i>(77)</i>
Change in expected credit losses and other credit impairment charges	—	—	—	—	1	—
Total operating expenses	(176)	(149)	(89)	(184)	(161)	(598)
<i>of which: staff expenses</i>	<i>(141)</i>	<i>(141)</i>	<i>(152)</i>	<i>(164)</i>	<i>(152)</i>	<i>(598)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(121)	(91)	13	(193)	(81)	(392)
Reported Significant items - Totals (\$m)						
Revenue	23	—	—	10	(6)	33
ECL	—	—	—	—	—	—
Operating expenses	(65)	(91)	(41)	(102)	(44)	(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	58	103	(17)	82	173
<i>of which: net interest expense</i>	<i>(14)</i>	<i>(22)</i>	<i>(19)</i>	<i>(22)</i>	<i>(16)</i>	<i>(77)</i>
Change in expected credit losses and other credit impairment charges	—	—	—	—	1	—
Total operating expenses	(111)	(58)	(47)	(82)	(117)	(299)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(79)	—	56	(99)	(34)	(126)
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	—	—	(1)	—	—	—
Loans and advances to customers (net)	—	—	(1)	—	—	—
Total external assets	4,757	4,463	5,322	5,402	5,106	4,757
Customer accounts	(5)	—	1	—	—	(5)
Risk-weighted assets	3,895	4,424	4,883	4,938	4,832	3,895
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	—	—	—	—	—	—
Customer accounts	(5)	—	—	—	—	(5)

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US

SIGNIFICANT ITEMS

HSBC US - TOTAL

Reported revenue significant items (\$m)

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	(1)	(1)	(1)	(7)	(54)	(10)
Fair value movements on financial instruments	1	(2)	(7)	10	(1)	2
Restructuring and other related costs	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	(56)	(100)	(65)	(112)	(54)	(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)	(48)	(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	(1)	(8)	(3)	(9)	(4)	(21)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

HSBC

US

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

Impairment of goodwill	—	—	—	—	—	—
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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)	(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	2	(2)	(8)	10	(1)	2
Restructuring and other related costs	(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	11	(7)	(19)	(1)	(6)	(16)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

HSBC

US

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

Impairment of goodwill	—	—	—	—	—	—
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HSBC US - Corporate Centre

Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	(1)	—	—	—	(6)	(1)
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	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	(65)	(81)	(41)	(102)	(44)	(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	—	—	(2)	—
ECL	—	—	—	—	—	—
Operating expenses	—	—	—	—	—	—
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)	—	—
Customer accounts	—	—	—	—	—	—

**HSBC
US**

HSBC US - Wealth and Personal Banking

Revenue	—	—	(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	—	—	—	1

HSBC US - Commercial Banking

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

HSBC US - Corporate Centre

Revenue		—	1	1	(3)
ECL		—	—	—	—
Operating expenses		—	1	(1)	—
Share of profit in associates and joint ventures		—	—	—	—
Revenue significant items		—	—	(1)	—
Operating expense significant items		—	—	(1)	—
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		—	1	—	—
Customer accounts		—	(1)	—	—

HSBC
Latin America

Latin America - TOTAL

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net interest income	513	484	450	513	514	1,960
Net fee income	116	121	104	126	143	467
Other operating income ¹	68	141	160	224	282	593
Net operating income before change in expected credit losses and other credit impairment charges	697	746	714	863	939	3,020
Change in expected credit losses and other credit impairment charges	(275)	(192)	(340)	(317)	(275)	(1,124)
Total operating expenses	(583)	(445)	(430)	(480)	(935)	(1,938)
<i>of which: staff expenses</i>	(198)	(161)	(147)	(189)	(195)	(695)
Share of profit in associates and joint ventures	2	1	1	1	2	5
Profit/(loss) before tax	(159)	110	(55)	67	(269)	(37)
Reported Significant items - Totals (\$m)						
Revenue	(5)	(1)	(7)	16	(2)	3
ECL	—	—	—	—	—	—
Operating expenses	(61)	(19)	(11)	—	(359)	(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	702	770	763	786	818	3,017
<i>of which: net interest income</i>	512	497	472	474	452	1,960
Change in expected credit losses and other credit impairment charges	(275)	(211)	(380)	(296)	(231)	(1,124)
Total operating expenses	(522)	(439)	(440)	(448)	(506)	(1,847)
Share of profit in associates and joint ventures	2	1	1	1	1	5
Profit/(loss) before tax	(93)	121	(56)	43	82	51
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	21,050	20,542	20,855	20,895	24,021	21,050
Loans and advances to customers (net)	19,658	19,333	19,785	20,040	23,136	19,658
Total external assets	46,859	43,516	45,451	44,670	49,905	46,859
Customer accounts	27,478	24,882	25,117	23,174	28,237	27,478
Risk-weighted assets ²	35,240	32,897	33,278	32,895	38,460	35,240

HSBC Latin America

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

Loans and advances to customers (net)	19,658	21,134	22,427	22,998	21,527	19,658
Customer accounts	27,478	26,838	27,916	25,942	25,932	27,478

Latin America - Wealth and Personal Banking

Reported (\$m)	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	426	450	420	500	550	1,796
<i>of which: net interest income</i>	<i>329</i>	<i>326</i>	<i>306</i>	<i>385</i>	<i>396</i>	<i>1,346</i>
Change in expected credit losses and other credit impairment charges	(148)	(136)	(207)	(234)	(230)	(725)
Total operating expenses	(360)	(296)	(280)	(324)	(365)	(1,260)
<i>of which: staff expenses</i>	<i>(104)</i>	<i>(90)</i>	<i>(78)</i>	<i>(97)</i>	<i>(110)</i>	<i>(369)</i>
Share of profit in associates and joint ventures	3	1	1	1	2	6
Profit/(loss) before tax	(79)	19	(66)	(57)	(43)	(183)

Reported Significant items - Totals (\$m)

Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(22)	(12)	(1)	—	(16)	(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	426	471	453	473	490	1,796
<i>of which: net interest income</i>	<i>329</i>	<i>341</i>	<i>330</i>	<i>361</i>	<i>356</i>	<i>1,346</i>
Change in expected credit losses and other credit impairment charges	(148)	(150)	(232)	(217)	(197)	(725)
Total operating expenses	(338)	(294)	(296)	(302)	(307)	(1,225)
Share of profit in associates and joint ventures	3	1	1	1	1	6
Profit/(loss) before tax	(57)	28	(74)	(45)	(13)	(148)

Balance sheet - reported (\$m)

Balance sheet - reported (\$m)	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (gross)	8,348	7,333	6,994	6,914	8,457	8,348
Loans and advances to customers (net)	7,507	6,592	6,324	6,355	7,838	7,507
Total external assets	15,703	14,579	14,238	13,794	16,043	15,703
Customer accounts	13,666	11,631	11,560	10,819	13,614	13,666
Risk-weighted assets	11,497	10,294	9,875	9,290	11,335	11,497

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

Loans and advances to customers (net)	7,507	7,231	7,213	7,346	7,318	7,507
Customer accounts	13,666	12,576	12,831	12,148	12,539	13,666

HSBC Latin America

Latin America - Commercial Banking

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	148	149	145	164	194	606
<i>of which: net interest income</i>	<i>131</i>	<i>127</i>	<i>122</i>	<i>135</i>	<i>160</i>	<i>515</i>
Change in expected credit losses and other credit impairment charges	(116)	(42)	(71)	(53)	(37)	(282)
Total operating expenses	(97)	(82)	(78)	(88)	(444)	(345)
<i>of which: staff expenses</i>	<i>(20)</i>	<i>(18)</i>	<i>(17)</i>	<i>(22)</i>	<i>(23)</i>	<i>(77)</i>
Share of profit in associates and joint ventures	—	—	(1)	—	—	(1)
Profit/(loss) before tax	(65)	25	(5)	23	(287)	(22)
Reported Significant items - Totals (\$m)						
Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(1)	—	—	—	(337)	(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	148	151	147	147	163	606
<i>of which: net interest income</i>	<i>131</i>	<i>128</i>	<i>125</i>	<i>121</i>	<i>135</i>	<i>515</i>
Change in expected credit losses and other credit impairment charges	(116)	(45)	(79)	(50)	(30)	(282)
Total operating expenses	(96)	(83)	(80)	(80)	(90)	(344)
Share of profit in associates and joint ventures	—	—	(1)	—	—	(1)
Profit/(loss) before tax	(64)	23	(13)	17	43	(21)
	Balance sheet date					Balance sheet date
Balance sheet - reported (\$m)	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (gross)	6,940	6,451	6,614	6,636	7,739	6,940
Loans and advances to customers (net)	6,534	6,111	6,314	6,398	7,506	6,534
Total external assets	9,925	9,532	9,531	9,516	10,971	9,925
Customer accounts	8,212	7,779	8,086	7,580	8,261	8,212
Risk-weighted assets	10,008	9,390	9,549	9,325	10,720	10,008
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	6,534	6,618	7,046	7,255	6,924	6,534
Customer accounts	8,212	8,433	9,059	8,577	7,624	8,212

HSBC Latin America

Latin America - Global Banking and Markets

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	143	140	151	155	189	589
<i>of which: net interest income</i>	<i>103</i>	<i>74</i>	<i>68</i>	<i>78</i>	<i>94</i>	<i>323</i>
Change in expected credit losses and other credit impairment charges	(10)	(15)	(58)	(30)	(5)	(113)
Total operating expenses	(73)	(54)	(53)	(63)	(74)	(243)
<i>of which: staff expenses</i>	<i>(19)</i>	<i>(10)</i>	<i>(12)</i>	<i>(16)</i>	<i>(15)</i>	<i>(57)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	60	71	40	62	110	233
Reported Significant items - Totals (\$m)						
Revenue	(6)	—	(7)	15	(3)	2
ECL	—	—	—	—	—	—
Operating expenses	(6)	—	—	—	(1)	(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	149	142	163	123	164	587
<i>of which: net interest income</i>	<i>104</i>	<i>74</i>	<i>69</i>	<i>65</i>	<i>73</i>	<i>323</i>
Change in expected credit losses and other credit impairment charges	(10)	(16)	(66)	(29)	(3)	(113)
Total operating expenses	(67)	(55)	(55)	(57)	(63)	(237)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	72	71	42	37	98	237
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	5,763	6,758	7,247	7,345	7,825	5,763
Loans and advances to customers (net)	5,618	6,630	7,147	7,287	7,792	5,618
Total external assets	20,991	19,163	21,406	21,133	22,376	20,991
Customer accounts	5,599	5,472	5,471	4,775	6,362	5,599
Risk-weighted assets	12,971	12,655	13,046	13,483	15,779	12,971
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	5,618	7,285	8,168	8,397	7,285	5,618
Customer accounts	5,599	5,829	6,025	5,216	5,769	5,599

HSBC Latin America

Latin America - Corporate Centre

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	(20)	7	(2)	44	6	29
<i>of which: net interest expense</i>	<i>(51)</i>	<i>(43)</i>	<i>(46)</i>	<i>(85)</i>	<i>(136)</i>	<i>(225)</i>
Change in expected credit losses and other credit impairment charges	—	—	(4)	—	(3)	(4)
Total operating expenses	(52)	(14)	(19)	(5)	(52)	(90)
<i>of which: staff expenses</i>	<i>(55)</i>	<i>(43)</i>	<i>(40)</i>	<i>(54)</i>	<i>(47)</i>	<i>(192)</i>
Share of profit in associates and joint ventures	(1)	—	1	—	—	—
Profit/(loss) before tax	(73)	(7)	(24)	39	(49)	(65)
Reported Significant items - Totals (\$m)						
Revenue	(1)	—	—	1	1	—
ECL	—	—	—	—	—	—
Operating expenses	(32)	(7)	(10)	—	(5)	(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	(19)	6	—	42	1	29
<i>of which: net interest expense</i>	<i>(51)</i>	<i>(45)</i>	<i>(51)</i>	<i>(73)</i>	<i>(112)</i>	<i>(225)</i>
Change in expected credit losses and other credit impairment charges	—	—	(4)	—	(2)	(4)
Total operating expenses	(20)	(8)	(10)	(9)	(46)	(41)
Share of profit in associates and joint ventures	(1)	—	—	—	—	—
Profit/(loss) before tax	(40)	(2)	(14)	33	(47)	(16)
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	—	—	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	241	244	276	227	515	241
Customer accounts	—	—	—	—	—	—
Risk-weighted assets	764	558	808	797	626	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)

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(5)	(1)	(7)	16	(2)	3
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	—	—	—	—	(337)	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(61)	(19)	(11)	—	(22)	(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	—	—	—	—	—	—
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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	(22)	(12)	(1)	—	(16)	(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	—	—	—	—	(337)	—
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	(6)	—	(7)	15	(3)	2
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	(6)	—	—	—	(1)	(6)
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 - Corporate Centre

Reported revenue significant items (\$m)

Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	1	—
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	(32)	(7)	(10)	—	(5)	(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		24	41	(63)	(123)	
ECL		(19)	(40)	21	44	
Operating expenses		(13)	(20)	32	73	
Share of profit in associates and joint ventures		—	—	—	(1)	
Revenue significant items		1	(1)	(2)	—	
Operating expense significant items		—	1	—	3	
Share of profit in associates and joint ventures significant items		—	—	—	—	
Loans and advances to customers (net)		1,801	2,642	2,958	(1,609)	
Customer accounts		1,956	2,799	2,768	(2,305)	

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Latin America

Latin America - Wealth and Personal Banking

Revenue	21	33	(27)	(60)
ECL	(14)	(25)	17	33
Operating expenses	(9)	(17)	22	45
Share of profit in associates and joint ventures	—	—	—	(1)
Revenue significant items	—	—	—	—
Operating expense significant items	1	—	—	3
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	639	889	991	(520)
Customer accounts	945	1,271	1,329	(1,075)

Latin America - Commercial Banking

Revenue	2	2	(17)	(31)
ECL	(3)	(8)	3	7
Operating expenses	(1)	(2)	8	16
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)	507	732	857	(582)
Customer accounts	654	973	997	(637)

Latin America - Global Banking and Markets

Revenue	2	4	(18)	(27)
ECL	(1)	(8)	1	2
Operating expenses	(1)	(2)	6	11
Share of profit in associates and joint ventures	—	—	—	—
Revenue significant items	—	(1)	(1)	1
Operating expense significant items	—	—	—	1
Share of profit in associates and joint ventures significant items	—	—	—	—
Loans and advances to customers (net)	655	1,021	1,110	(507)
Customer accounts	357	554	441	(593)

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Latin America - Corporate Centre

Revenue		(1)	2	(2)	(5)
ECL		—	—	—	1
Operating expenses		(1)	1	(4)	2
Share of profit in associates and joint ventures		—	(1)	—	—
Revenue significant items		—	—	(1)	(1)
Operating expense significant items		—	2	—	1
Share of profit in associates and joint ventures significant items		—	—	—	—
Loans and advances to customers (net)		—	—	—	—
Customer accounts		—	—	—	—

1 Losses due to the impacts of hyperinflation on monetary items in Argentina. The total impact of applying IAS 29 and the hyperinflation provisions of IAS 21 in the current quarter is a decrease in the Group's profit before tax of \$32m, comprising a decrease in revenue of \$32m, an increase in ECL of \$1m and a decrease in operating expenses of \$1m.

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

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Mexico

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

Loans and advances to customers (net)	17,296	18,772	20,080	20,677	19,393	17,296
Customer accounts	22,220	21,732	23,040	21,449	21,885	22,220

Mexico - Wealth and Personal Banking

Reported (\$m)	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Net operating income before change in expected credit losses and other credit impairment charges	378	373	342	429	431	1,522
<i>of which: net interest income</i>	<i>277</i>	<i>270</i>	<i>247</i>	<i>318</i>	<i>325</i>	<i>1,112</i>
Change in expected credit losses and other credit impairment charges	(140)	(166)	(199)	(183)	(137)	(688)
Total operating expenses	(275)	(220)	(213)	(247)	(253)	(955)
<i>of which: staff expenses</i>	<i>(65)</i>	<i>(58)</i>	<i>(54)</i>	<i>(70)</i>	<i>(78)</i>	<i>(247)</i>
Share of profit in associates and joint ventures	3	1	1	1	2	6
Profit/(loss) before tax	(34)	(12)	(69)	—	43	(115)

Reported Significant items - Totals (\$m)

Revenue	—	—	—	—	—	—
ECL	—	—	—	—	—	—
Operating expenses	(5)	—	—	—	(9)	(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	378	400	388	418	403	1,522
<i>of which: net interest income</i>	<i>277</i>	<i>290</i>	<i>279</i>	<i>310</i>	<i>305</i>	<i>1,112</i>
Change in expected credit losses and other credit impairment charges	(140)	(178)	(226)	(178)	(128)	(688)
Total operating expenses	(270)	(236)	(241)	(240)	(228)	(950)
Share of profit in associates and joint ventures	3	1	1	1	1	6
Profit/(loss) before tax	(29)	(13)	(78)	1	48	(110)

Balance sheet - reported (\$m)

Balance sheet data - at most recent balance sheet date FX rates (\$m)	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Loans and advances to customers (gross)	7,674	6,688	6,357	6,261	7,736	7,674
Loans and advances to customers (net)	6,871	5,983	5,728	5,736	7,154	6,871
Total external assets	12,765	11,577	11,207	11,159	13,659	12,765
Customer accounts	11,651	9,584	9,316	8,815	11,665	11,651
Risk-weighted assets	9,177	7,979	7,763	7,196	9,079	9,177

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

Loans and advances to customers (net)	6,871	6,658	6,679	6,818	6,791	6,871
Customer accounts	11,651	10,665	10,862	10,477	11,075	11,651

HSBC
Mexico

Mexico - Commercial Banking

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	96	92	85	101	102	374
<i>of which: net interest income</i>	<i>76</i>	<i>73</i>	<i>72</i>	<i>80</i>	<i>85</i>	<i>301</i>
Change in expected credit losses and other credit impairment charges	(109)	(39)	(64)	(49)	(12)	(261)
Total operating expenses	(62)	(53)	(49)	(55)	(58)	(219)
<i>of which: staff expenses</i>	<i>(13)</i>	<i>(11)</i>	<i>(10)</i>	<i>(13)</i>	<i>(14)</i>	<i>(47)</i>
Share of profit in associates and joint ventures	—	—	(1)	—	—	(1)
Profit/(loss) before tax	(75)	—	(29)	(3)	32	(107)
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	96	99	96	98	96	374
<i>of which: net interest income</i>	<i>76</i>	<i>78</i>	<i>82</i>	<i>78</i>	<i>80</i>	<i>301</i>
Change in expected credit losses and other credit impairment charges	(109)	(42)	(73)	(47)	(12)	(261)
Total operating expenses	(61)	(57)	(55)	(53)	(54)	(218)
Share of profit/(loss) in associates and joint ventures	—	—	(1)	—	—	(1)
Profit/(loss) before tax	(74)	—	(33)	(2)	30	(106)
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	5,793	5,240	5,332	5,435	6,480	5,793
Loans and advances to customers (net)	5,436	4,994	5,129	5,289	6,341	5,436
Total external assets	7,803	7,267	7,201	7,514	9,343	7,803
Customer accounts	6,916	6,464	6,747	6,262	7,032	6,916
Risk-weighted assets	7,539	6,891	6,976	6,974	8,251	7,539
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	5,436	5,557	5,980	6,287	6,021	5,436
Customer accounts	6,916	7,193	7,867	7,443	6,676	6,916

HSBC
Mexico

Mexico - Global Banking and Markets

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	82	77	75	62	98	296
<i>of which: net interest income</i>	<i>49</i>	<i>39</i>	<i>36</i>	<i>23</i>	<i>19</i>	<i>147</i>
Change in expected credit losses and other credit impairment (charges)/recoveries	(8)	(16)	(51)	(27)	4	(102)
Total operating expenses	(42)	(30)	(29)	(34)	(34)	(135)
<i>of which: staff expenses</i>	<i>(11)</i>	<i>(4)</i>	<i>(6)</i>	<i>(7)</i>	<i>(6)</i>	<i>(28)</i>
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	32	31	(5)	1	68	59
Reported Significant items - Totals (\$m)						
Revenue	(2)	—	(6)	11	(2)	3
ECL	—	—	—	—	—	—
Operating expenses	(5)	—	—	—	—	(5)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Adjusted (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	84	83	91	50	94	293
<i>of which: net interest income</i>	<i>49</i>	<i>42</i>	<i>41</i>	<i>22</i>	<i>18</i>	<i>147</i>
Change in expected credit losses and other credit impairment (charges)/recoveries	(8)	(17)	(58)	(27)	4	(102)
Total operating expenses	(37)	(32)	(33)	(33)	(32)	(130)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	39	34	—	(10)	66	61
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	5,112	5,997	6,441	6,412	6,956	5,112
Loans and advances to customers (net)	4,990	5,893	6,363	6,370	6,931	4,990
Total external assets	16,079	14,609	16,509	15,915	17,723	16,079
Customer accounts	3,653	3,482	3,696	2,969	4,354	3,653
Risk-weighted assets	9,412	9,357	9,767	9,633	11,294	9,412
Balance sheet data - at most recent balance sheet date FX rates (\$m)						
Loans and advances to customers (net)	4,990	6,557	7,420	7,572	6,581	4,990
Customer accounts	3,653	3,874	4,310	3,529	4,134	3,653

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Mexico

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-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Reported (\$m)						
Net operating income before change in expected credit losses and other credit impairment charges	—	(3)	—	46	6	43
<i>of which: net interest expense</i>	(45)	(41)	(42)	(45)	(63)	(173)
Change in expected credit losses and other credit impairment charges	(1)	1	—	—	—	—
Total operating expenses	(33)	(14)	(14)	(7)	(17)	(68)
<i>of which: staff expenses</i>	(48)	(37)	(32)	(43)	(47)	(160)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(34)	(16)	(14)	39	(11)	(25)
Reported Significant items - Totals (\$m)						
Revenue	8	—	—	1	—	9
ECL	—	—	—	—	—	—
Operating expenses	(22)	(6)	(2)	—	(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	(8)	(3)	—	44	6	34
<i>of which: net interest expense</i>	(46)	(44)	(47)	(43)	(60)	(173)
Change in expected credit losses and other credit impairment charges	(1)	—	—	—	—	—
Total operating expenses	(11)	(9)	(14)	(7)	(13)	(38)
Share of profit in associates and joint ventures	—	—	—	—	—	—
Profit/(loss) before tax	(20)	(12)	(14)	37	(7)	(4)
	Balance sheet date					Balance sheet date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Balance sheet - reported (\$m)						
Loans and advances to customers (gross)	—	1	—	—	—	—
Loans and advances to customers (net)	—	—	—	—	—	—
Total external assets	150	152	126	143	182	150
Customer accounts	—	—	—	—	—	—
Risk-weighted assets	195	160	267	356	336	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

	Quarter ended					Year to date
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	31-Dec-20
Mexico - TOTAL						
Reported revenue significant items (\$m)						
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	(5)	—	(6)	12	(2)	1
Restructuring and other related costs	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	(34)	(6)	(2)	—	(11)	(42)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—
Share of profit in associates and joint ventures significant items (\$m)						
Impairment of goodwill	—	—	—	—	—	—
Mexico - Wealth and Personal Banking						
Reported revenue significant items (\$m)						
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Fair value movements on financial instruments	—	—	—	—	—	—
Restructuring and other related costs	—	—	—	—	—	—
Reported cost significant items (\$m)						
Costs of structural reform	—	—	—	—	—	—
Customer redress programmes	—	—	—	—	—	—
Disposals, acquisitions and investment in new businesses	—	—	—	—	—	—
Impairment of goodwill and other intangibles	—	—	—	—	—	—
Past service costs of guaranteed minimum pension benefits equalisation	—	—	—	—	—	—
Restructuring and other related costs	(5)	—	—	—	(9)	(5)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

HSBC Mexico

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)
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	(5)	—	(6)	11	(2)	—
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	(5)	—	—	—	—	(5)
Settlements and provisions in connection with legal and regulatory matters	—	—	—	—	—	—

HSBC Mexico

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	—	—
Restructuring and other related costs	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	(22)	(6)	(2)	—	(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		40	67	(17)	(41)	
ECL		(17)	(42)	7	10	
Operating expenses		(23)	(41)	9	24	
Share of profit in associates and joint ventures		—	—	—	(1)	
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)		1,902	2,860	3,282	(1,033)	
Customer accounts		2,202	3,281	3,403	(1,166)	

HSBC Mexico

Mexico - Wealth and Personal Banking

Revenue	27	46	(11)	(28)
ECL	(12)	(27)	5	9
Operating expenses	(16)	(28)	7	16
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)	675	951	1,082	(363)
Customer accounts	1,081	1,546	1,662	(590)

Mexico - Commercial Banking

Revenue	7	11	(3)	(6)
ECL	(3)	(9)	2	—
Operating expenses	(4)	(6)	2	4
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)	563	851	998	(320)
Customer accounts	729	1,120	1,181	(356)

Mexico - Global Banking and Markets

Revenue	6	9	(1)	(6)
ECL	(1)	(7)	—	—
Operating expenses	(2)	(4)	1	2
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)	664	1,057	1,202	(350)
Customer accounts	392	614	560	(220)

HSBC
Mexico

Mexico - Corporate Centre

Revenue		—	—	(2)	—
ECL		(1)	—	—	—
Operating expenses		(1)	(2)	—	2
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)		—	—	—	—
Customer accounts		—	—	—	—

HSBC

Tangible equity

Tangible equity by global business (\$bn)

Wealth and Personal Banking
Commercial Banking
Global Banking and Markets
Corporate Centre

Total tangible equity excluding fair value of own debt, DVA and other adjustments¹

Fair value of own debt, DVA and other adjustments

Total tangible equity

Tangible equity by principal subsidiary (\$bn)

Total tangible equity²

of which:

The Hongkong and Shanghai Banking Corporation Limited
HSBC Bank plc
HSBC UK Bank plc
HSBC North America Holdings Inc.
The Saudi British Bank (associate)

Memo

Bank of Communications Co, Ltd³ (associate)

	Balance sheet date				
	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19
	28.8	26.8	25.3	25.6	26.3
	39.1	38.4	36.4	37.8	37.5
	43.4	41.9	43.0	40.5	39.1
	47.7	45.7	43.4	43.1	43.0
	158.9	152.7	148.0	147.0	145.9
	(2.5)	(0.4)	(0.1)	3.0	(1.8)
	156.4	152.3	147.9	150.0	144.1
	156.4	152.3	147.9	150.0	144.1
	86.9	84.3	82.1	80.5	81.6
	26.3	25.7	24.8	25.4	24.2
	22.5	21.3	20.4	22.2	21.2
	18.6	18.9	18.9	18.9	17.8
	4.2	3.8	4.1	4.4	4.4
	21.6	20.6	19.8	19.3	19.1

¹ Totals may not cast due to rounding.

² The sum of the tangible equity of the Group's subsidiaries is greater than the tangible equity of the consolidated Group.

³ Included within The Hongkong and Shanghai Banking Corporation Limited.

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				Total \$m	Allowance for ECL					Total \$m	ECL coverage %				Total %
	Stage 1 \$m	Stage 2 \$m	Stage 3 \$m	POCI ² \$m		Stage 1 \$m	Stage 2 \$m	Stage 3 \$m	POCI ² \$m	Stage 1 %		Stage 2 %	Stage 3 %	POCI ² %		
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 %	— %	
Loans 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	234,327	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 %	

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 December 2020

	Gross carrying amount				Stage 2 \$m	Allowance for ECL				Stage 2 %	ECL coverage %			
	Stage 2 \$m	Up-to-date \$m	1 to 29 DPD ^{1,2} \$m	30 and > DPD ^{1,2} \$m		Up-to-date \$m	1 to 29 DPD ^{1,2} \$m	30 and > DPD ^{1,2} \$m	Up-to-date %		1 to 29 DPD ^{1,2} %	30 and > DPD ^{1,2} %		
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 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				Total \$m	Allowance for ECL				Total \$m
	Stage 1 \$m	Stage 2 \$m	Stage 3 \$m	Total \$m		Stage 1 \$m	Stage 2 \$m	Stage 3 \$m	Total \$m	
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	187,213	(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)		

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	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)
– manufacturing	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)
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	(336)	(1,234)	(1,320)	(33)	(3,123)
Asia	279,985	58,159	3,443	106	341,693	(337)	(883)	(2,040)	(43)	(2,803)
– of which: Hong Kong	156,817	39,257	1,627	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)
Corporate and commercial										
Europe	124,865	48,068	6,066	104	179,103	(547)	(1,298)	(2,024)	(48)	(3,917)
– of which: UK	87,131	37,473	4,276	53	128,933	(503)	(1,154)	(1,269)	(33)	(2,959)
Asia	203,902	50,510	3,420	110	257,942	(313)	(374)	(2,033)	(46)	(2,766)
– of which: Hong Kong	125,660	34,698	1,635	46	162,039	(156)	(253)	(747)	(23)	(1,179)
MENA	14,998	7,661	1,935	31	24,625	(88)	(214)	(1,199)	(12)	(1,513)
North America	34,877	17,616	894	–	53,387	(75)	(295)	(267)	–	(637)
Latin America	8,921	2,432	646	32	12,031	(78)	(263)	(314)	(6)	(661)
At 31 Dec 2020	387,563	126,287	12,961	277	527,088	(1,101)	(2,444)	(5,837)	(112)	(9,494)

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