3Q’21
Results Presentation
2 November 2021
We continue to make good progress on our 2021 objectives…
… whilst continuing to execute our strategy and build for the long term

3Q’21 summary

- We delivered a return to top line growth in 3Q’21
  - Total income up 5% on a constant currency basis and excluding normalisation adjustments\(^1\)
  - Transaction Banking Trade income up 13\(^\%\)\(^2\), the strongest quarter since 2018
  - Strong performance in Financial Markets, up 4\(^\%\)\(^3\)
  - Loans and advances to customers up $4bn / 2\(^\%\) vs 2Q’21

- Underlying PBT was up 44\(^\%\) driven by business momentum and lower impairments

- Our primary performance measure return on tangible equity improved 270bps to 7.1\(^\%\)

Strategic priority update

- **Network**: Continued growth in digitally initiated transactions, up 9\(^\%\)pts in 2021 to 50\(^\%\)

- **Sustainability**: Announced interim targets and methodology pathway to net zero by 2050…
  … Sustainable Finance YTD income has more than doubled YoY...

- **Affluent**: Net New Money of $11bn for the first nine months of the year, ~70\(^\%\) higher YoY

- **Mass Retail**: Continued growth in sales executed digitally, up 7\(^\%\)pts in 2021 to 76\(^\%\)
The Group returned to top line growth in 3Q’21…
… with expenses, credit quality and capital well managed

<table>
<thead>
<tr>
<th>($bn)</th>
<th>3Q’20</th>
<th>3Q’21</th>
<th>YoY¹</th>
<th>Ccy¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>1.6</td>
<td>1.7</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>Other income (ex-DVA)</td>
<td>1.9</td>
<td>2.0</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Operating Income (ex-DVA)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DVA</td>
<td>(0.0)</td>
<td>(0.0)</td>
<td>Nm³</td>
<td>Nm³</td>
</tr>
<tr>
<td>Operating income</td>
<td>3.5</td>
<td>3.8</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(2.5)</td>
<td>(2.6)</td>
<td>(5)%</td>
<td>(3)%</td>
</tr>
<tr>
<td>Pre-provision operating profit</td>
<td>1.0</td>
<td>1.2</td>
<td>13%</td>
<td>16%</td>
</tr>
<tr>
<td>Credit impairment</td>
<td>(0.4)</td>
<td>(0.1)</td>
<td>70%</td>
<td>71%</td>
</tr>
<tr>
<td>Other impairment</td>
<td>(0.0)</td>
<td>(0.0)</td>
<td>(133)%</td>
<td>(150)%</td>
</tr>
<tr>
<td>Profit from associates</td>
<td>0.1</td>
<td>0.0</td>
<td>(38)%</td>
<td>(38)%</td>
</tr>
<tr>
<td><strong>Underlying profit before tax</strong></td>
<td>0.7</td>
<td>1.1</td>
<td>44%</td>
<td>50%</td>
</tr>
<tr>
<td>Restructuring</td>
<td>(0.0)</td>
<td>(0.1)</td>
<td>(125)%</td>
<td>(122)%</td>
</tr>
<tr>
<td>Goodwill impairment</td>
<td>(0.2)</td>
<td>-</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Other items</td>
<td>(0.0)</td>
<td>-</td>
<td>157%</td>
<td>157%</td>
</tr>
<tr>
<td><strong>Statutory profit before tax</strong></td>
<td>0.4</td>
<td>1.0</td>
<td>129%</td>
<td>146%</td>
</tr>
</tbody>
</table>

- Continued business momentum, particularly in Transaction Banking Trade, Financial Markets and Mortgages
- Expenses 5% higher, 3% at ccy
  o Increased performance-related pay accruals and increased investment in strategic initiatives
  o Positive income-to-cost jaws of 3%²
- Credit impairment of $107m
  o Stage 1&2 $30m; Stage 3 $77m, with no significant new exposures
  o Management overlay broadly stable at $306m³
- High-risk assets⁴ down $1.5bn in 3Q’21
- Loans and advances to customers up $4bn / 2% in 3Q’21, up 7% year-to-date
- Risk-weighted assets decreased QoQ
  o Down $13bn / 5%: asset growth offset by models, mix, optimisation, asset quality and FX
- Capital is strong; CET1 above the 13-14% range
- Update on capital management actions to be provided at FY’21 results

Footnotes on pages 21-23; Glossary on page 24
3Q’21 up 6% YoY as asset growth and FM more than offset reducing headwinds... ...positive momentum QoQ also driven by FM and asset growth

### Income 3Q’21 vs 3Q’20 ($m)

<table>
<thead>
<tr>
<th>Category</th>
<th>3Q’20 ccy ex-DVA</th>
<th>3Q’21 ccy ex-DVA</th>
<th>% Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low liability funding costs</td>
<td>142</td>
<td>9</td>
<td>-10%</td>
</tr>
<tr>
<td>Credit Markets and Structured Finance</td>
<td>104</td>
<td>(5)</td>
<td>-22%</td>
</tr>
<tr>
<td>Asset Growth</td>
<td>50</td>
<td>(5)</td>
<td>-22%</td>
</tr>
<tr>
<td>Accelerated Bancassurance Bonus in 3Q’20</td>
<td>48</td>
<td>(18)</td>
<td>-22%</td>
</tr>
<tr>
<td>Nil Headwinds</td>
<td>(18)</td>
<td>(67)</td>
<td>-50%</td>
</tr>
<tr>
<td>NII</td>
<td>(67)</td>
<td>(91)</td>
<td>-33%</td>
</tr>
<tr>
<td>3Q’21 ex-DVA</td>
<td>3,555</td>
<td>3,766</td>
<td>6%</td>
</tr>
</tbody>
</table>

### Income 3Q’21 vs 2Q’21 ($m)

<table>
<thead>
<tr>
<th>Category</th>
<th>2Q’21 ccy ex-DVA</th>
<th>3Q’21 ccy ex-DVA</th>
<th>% Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low liability funding costs</td>
<td>21</td>
<td>28</td>
<td>26%</td>
</tr>
<tr>
<td>Credit Markets and Structured Finance</td>
<td>48</td>
<td>(5)</td>
<td>-22%</td>
</tr>
<tr>
<td>Asset Growth</td>
<td>28</td>
<td>(5)</td>
<td>-22%</td>
</tr>
<tr>
<td>Accelerated Bancassurance Bonus in 3Q’20</td>
<td>10</td>
<td>(5)</td>
<td>-22%</td>
</tr>
<tr>
<td>Nil Headwinds</td>
<td>2</td>
<td>2</td>
<td>0%</td>
</tr>
<tr>
<td>NII Headwinds</td>
<td>(2)</td>
<td>(2)</td>
<td>0%</td>
</tr>
<tr>
<td>3Q’21 ex-DVA</td>
<td>3,659</td>
<td>3,766</td>
<td>3%</td>
</tr>
</tbody>
</table>

**Footnotes on pages 21-23; Glossary on page 24**
Normalised NIM\(^1\) was down 1bp QoQ…

… NII benefited from IFRS9 adjustment, with asset growth offset by NIM decline

- NII\(^2\) up 7% YoY, broadly flat excluding $96m IFRS9 interest income adjustment
  - AIEA up $32bn / 6% offset by…
  - … 7bps / 6% decline in normalised NIM\(^1\)
- NIM\(^2\) of 123bps includes +7bps from $96m IFRS9 adjustment
- Normalised NIM\(^1\) down 1bp QoQ
  - HIBOR compression
  - Expect Normalised NIM\(^1\) to be broadly stable in 4Q’21
- Commenced structural hedging programme
- No change to 1H’21 interest rate sensitivity guidance: +100bps = ~$1.1bn annualised NII
  - With further upside of 25-50% post Year 1\(^3\)
3Q’21 expenses are 3% higher YoY on a constant currency basis…
… Strategic investment spend was up ~50% YoY

- Expenses 5% higher YoY; 3% ccy
  - Performance-related pay (PRP) has increased after abnormally low 2020
  - Overall cash investment spend increased 27% YoY, with spend on strategic initiatives up ~50%
  - Operating expenses are lower YoY excluding FX, PRP and Investments

- Digital ventures expenses has doubled in the first 9 months of the year
  - ~1/3rd of the Group’s YoY cost growth on a constant currency basis

- Continue to expect FY’21 operating expenses, including the impact of currency translation and performance-related pay, to be at or below $10.4bn

- Restructuring charges of ~$0.5bn likely, mainly in FY’21
  - Executed early retirement programme in Korea in October ‘21 for ~500 employees

Footnotes on pages 21-23; Glossary on page 24
We expect credit impairment to remain at low levels in 4Q’21... but an uneven recovery means we remain vigilant

Credit impairment ($m) / Loan-loss rate

• Credit impairment $107m, down $246m
  o Stage 1 & 2 $30m
  o Stage 3 $77m, down $167m, up $74m QoQ
    ▪ Includes $12m charge in relation to IFRS9 interest income adjustment
    ▪ No significant new exposures
• Management overlay broadly stable at $306m

High-risk assets down $1.5bn QoQ
• Declined for fifth consecutive quarter
• Early Alerts now in-line with pre-COVID-19 levels excluding Aviation
• Strong cover ratio of 77% up 2%pts QoQ
• Vulnerable sectors declined $2bn QoQ to just 7% of Group L&A
• Small exposure to China CRE
• Days-past-due improved in 3Q’21

Footnotes on pages 21-23; Glossary on page 24
RWA down in 3Q’21: mix, models, optimisation, asset migration and FX …CET1 above the 13-14% target range with 4Q’21 headwinds to come

Risk-weighted assets (RWA) ($bn)

- RWA down by $13bn (5%) from 30.06.21
  - Asset growth offset by asset mix, asset quality improvements and retail model changes
  - Market RWA reduced by $3.0bn
- Expect $3-4bn increase from structural FX in 4Q’21
- Low-single digit YoY growth expected for FY’21

CET1 ratio (%)

- Higher CET1 on profits and lower RWA in period
- CET1 pro-forma ex-software relief of 14.3%\(^4\)
  - Expect FY’21 CET1 to be around the top of the 13-14% target range on a pro-forma basis ex-software relief
- Update on capital management actions to be provided at FY’21 results
- UK leverage ratio 5.1%, down ~10bps QoQ, well above the minimum requirement of 3.7%

Footnotes on pages 21-23; Glossary on page 24
Positive progress in what remain challenging conditions

Conclusion

• We delivered a return to top line growth in 3Q’21…
• … and made further progress against our strategic priorities
• We continue to transform how we serve our customers in the world’s dynamic markets…
• … through innovation, partnerships and new ventures

Guidance

• We continue to expect FY’21 income to be similar to that achieved in FY’20 on a constant currency basis…
• … with 4Q’21 being sequentially lower reflecting seasonality comparable to prior years, and normalising for the 3Q’21 IFRS9 interest income adjustment…
• … strong underlying business momentum throughout 2021 should enable income growth to return to our 5-7% guidance range from FY’22
• We continue to expect FY’21 operating expenses, including the impact of currency translation and performance-related pay, to be at or below $10.4bn
• Excluding the impact of any unforeseeable events we expect credit impairment to remain at low levels in 4Q’21
• We expect FY’21 CET1 to be around the top of the 13-14% target range on a pro-forma basis excluding software relief

Footnotes on pages 21-23; Glossary on page 24
Appendix

Summary of guidance, macroeconomic indicators, other income, commercial real estate, 1H’21 disclosure: interest rate sensitivity

Sustainability

Notes, abbreviated terms and important notice
## Summary of guidance

<table>
<thead>
<tr>
<th><strong>2021 Guidance</strong></th>
<th><strong>Medium-term Guidance</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td><strong>Expenses / Tax</strong></td>
</tr>
<tr>
<td>We continue to expect FY'21 income to be similar to that achieved in FY'20 on a constant currency basis, with 4Q'21 being sequentially lower reflecting seasonality comparable to prior years, and normalising for the IFRS9 interest income adjustment</td>
<td>We continue to expect operating expenses, including the impact of currency translation and performance-related pay, to be at or below $10.4bn</td>
</tr>
<tr>
<td>• Strong underlying business momentum throughout 2021 should enable income growth to return to our 5-7% guidance range from FY'22</td>
<td>• Excluding the impact of any unforeseeable events we expect credit impairment to remain at low levels in 4Q'21</td>
</tr>
<tr>
<td>• Currency translation impact for FY'21 vs FY'20 is now expected to be towards the bottom of $200m to $300m range</td>
<td><strong>Credit impairment</strong></td>
</tr>
<tr>
<td>• Excluding the impact of any unforeseeable events we expect credit impairment to remain at low levels in 4Q'21</td>
<td><strong>RWA</strong></td>
</tr>
<tr>
<td><strong>Capital</strong></td>
<td><strong>RoTE</strong></td>
</tr>
<tr>
<td>We expect FY'21 CET1 to be around the top of the 13-14% target range on a pro-forma basis excluding software relief</td>
<td>We will seek approval to return surplus capital not deployed to fund profitable growth</td>
</tr>
<tr>
<td><strong>Updated guidance at 3Q'21</strong></td>
<td><strong>Updated guidance at 3Q'21</strong></td>
</tr>
<tr>
<td><strong>Updated guidance at 3Q'21</strong></td>
<td><strong>Updated guidance at 3Q'21</strong></td>
</tr>
</tbody>
</table>

**Footnotes on pages 21-23; Glossary on page 24**
## Changes to baseline forecasts\(^1\) for key footprint markets: 2Q’21 to 3Q’21

### GDP (YoY): 2021 Forecast
- **China**: 8.0% \(\rightarrow\) 8.8%
- **Hong Kong**: 6.9% \(\rightarrow\) 6.9%
- **Korea**: 3.9% \(\rightarrow\) 4.2%
- **Singapore**: 6.3% \(\rightarrow\) 7.0%
- **India**: 8.5% \(\rightarrow\) 9.5%

### GDP (YoY): 2022 Forecast
- **China**: 5.6% \(\rightarrow\) 5.6%
- **Hong Kong**: 3.0% \(\rightarrow\) 3.0%
- **Korea**: 2.6% \(\rightarrow\) 2.9%
- **Singapore**: 4.4% \(\rightarrow\) 3.6%
- **India**: 5.0% \(\rightarrow\) 8.0%

### GDP (YoY): 5 year average base forecast
- **China**: 5.3% \(\rightarrow\) 5.4%
- **Hong Kong**: 2.9% \(\rightarrow\) 2.8%
- **Korea**: 2.7% \(\rightarrow\) 2.7%
- **Singapore**: 2.8% \(\rightarrow\) 2.6%
- **India**: 5.1% \(\rightarrow\) 5.8%

### Unemployment: 5 year average base forecast
- **China**: 3.4% \(\rightarrow\) 3.4%
- **Hong Kong**: 4.2% \(\rightarrow\) 3.9%
- **Korea**: 3.5% \(\rightarrow\) 3.4%
- **Singapore**: 3.2% \(\rightarrow\) 3.1%
- **India**: N/A \(\rightarrow\) N/A

### 3 month interest rate: 5 year average base forecast
- **China**: 2.7% \(\rightarrow\) 2.8%
- **Hong Kong**: 1.0% \(\rightarrow\) 1.2%
- **Korea**: 1.3% \(\rightarrow\) 1.6%
- **Singapore**: 0.9% \(\rightarrow\) 1.1%
- **India**: 5.3% \(\rightarrow\) 5.3%

### House prices (YoY): 5 year average base forecast
- **China**: 5.0% \(\rightarrow\) 5.2%
- **Hong Kong**: 3.5% \(\rightarrow\) 3.4%
- **Korea**: 3.2% \(\rightarrow\) 3.1%
- **Singapore**: 3.8% \(\rightarrow\) 3.5%
- **India**: 7.0% \(\rightarrow\) 7.0%

### Crude price Brent, bbl
- **2021 Forecast**: $63.9 \(\rightarrow\) $62.9
- **2022 Forecast**: $58.5 \(\rightarrow\) $58.5
- **5 year average base forecast**: $58.7 \(\rightarrow\) $58.7

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Footnotes on pages 21-23; Glossary on page 24
3Q’21 Other income ex-DVA was up 5%¹

- Net fees and commissions down 1% YoY
  - CPBB income was flat
  - CCIB up 5% YoY driven by Transaction Banking

- Net trading and other income up 11% ex-DVA
  - Higher Financial Markets

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### Income, statutory basis ($m)

<table>
<thead>
<tr>
<th></th>
<th>YTD'20</th>
<th>YTD'21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net fees and commissions ($m)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6,426</td>
<td>6,291</td>
</tr>
<tr>
<td></td>
<td>2,476</td>
<td>2,849</td>
</tr>
<tr>
<td></td>
<td>3,950</td>
<td>3,442</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>3Q’20</th>
<th>4Q’20²</th>
<th>1Q’21</th>
<th>2Q’21</th>
<th>3Q’21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net trading and other income ex-DVA ($m)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,929</td>
<td>1,463</td>
<td>1,013</td>
<td>1,978</td>
<td>2,032</td>
</tr>
<tr>
<td></td>
<td>918</td>
<td>684</td>
<td>926</td>
<td>910</td>
<td></td>
</tr>
</tbody>
</table>

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Footnotes on pages 21-23; Glossary on page 24
Commercial Real Estate Exposure

Commercial Real Estate Overview

Group Customer L&A ($bn):

- 18.5bn, or 6%, of total Group customer L&A of 302bn, down 0.5bn in 2021
- 8.6bn to counterparties where the source of repayment is substantially derived from rental or sale of real estate and is secured by real estate collateral
  - Average LTV of property secured is 50%
  - 3% have LTV > 80%
- 41% investment grade
- 2% in Early Alert (NPP)

China Commercial Real Estate Overview

Exposure by booking location ($bn)

- 4.2bn CRE exposure relates to China; 0.8bn booked in China
  - No direct exposures to developers that breach all 3 “red lines”
  - 56% investment grade and LTV<50%
  - 2% in Early Alert (NPP)
- We continue to monitor the potential second order impacts of recent developments

Footnotes on pages 21-23; Glossary on page 24
1H’21 Disclosure: Interest Rate Risk in the Banking Book

Sensitivity increased to reflect actual experience

Annualised benefit to banking book NII from instantaneous parallel shifts in interest rates across all currencies ($m)$^{1,2}

- Following a review of the actual impact of falling interest rates in 2020, we have made the following changes for 1H’21 which will increase the reported sensitivity:
  - Modelling assumptions updated to reflect actual CASA pass-through rates
  - Sensitivity adjusted to include income earned by the Banking Book on funding the Trading Book to align with NIM calculation, removing the previous dampening effect from assuming no income upside from rising interest rates on this position

Footnotes on pages 21-23; Glossary on page 24
Appendix

Summary of guidance, macroeconomic indicators, other income, commercial real estate, 1H’21 disclosure: interest rate sensitivity

Sustainability

Notes, abbreviated terms and important notice
Our roadmap to net zero financed emissions by 2050

Recognising the pivotal role we can play in the transition

- Catalyse finance and partnerships to scale impact, capital and climate solutions to where they are needed most
  - Mobilise $300bn in green and transition finance by 2030

- Accelerate new solutions to support a just transition in our markets
  - New dedicated Transition Acceleration Team of bankers to support clients in high-emitting sectors, and launching sustainable products

- 2030 interim targets to reduce financed emissions
  - Thermal coal mining to be reduced by 85%, power by 63% and oil and gas by 30%

- Stop financing, at an individual client entity level (e.g. subsidiaries), companies that are expanding in thermal coal

- Aligns to the International Energy Agency’s (IEA’s) Net Zero Emissions by 2050 scenario (NZE)

**Definition**
Achieving net zero financed emissions by 2050, defining in-scope financing activities

**Methodology**
Utilising industry commitments and frameworks, supported with details including on the specific needs of emerging markets

**Targets**
Define 2030 emissions reduction targets for our financed emissions in high-emitting sectors

**Disclosure**
Provide visibility on our emissions baseline, pathways and progress in an accessible way

Footnotes on pages 21-23; Glossary on page 24
We are building a leading Sustainable Finance franchise
Catalysing the UN Sustainable Development Goals where it matters most

Our approach

• The world must act now if it is to deliver the UN SDGs for a more sustainable society
• Yet just 60% of the financing needed to achieve the 17 Goals in low and middle-income countries is being met
  o In Africa, this is as low as 10%
• Innovation has been our hallmark
  o We are determined to use our expertise to direct capital to where it is needed most
• Our footprint in Asia, Africa and the Middle East includes some of the markets worst hit by environmental and social challenges
• We want to make the world a better, cleaner and safer place and minimise the negative impact of our financing
  o In other words, do more good and less harm

Progress

• Sustainable Finance financial performance
  o YTD income more than doubled, up 110% YoY
  o Total assets up 138% so far this year\(^1\)
• Facilitated $3.7bn towards renewable energy and $0.7bn towards sustainable infrastructure in 3Q’21
  o YTD $12.1bn and $6.7bn respectively
• Enhanced review of 140 clients and 128 transactions to identify potential risks to our Position Statements in 3Q’21
  o YTD 434 clients and 428 transactions
• Partnered with Linklogis, a supply chain technology provider to drive sustainable trade finance
• Conducted a sustainable investing trends survey
• 88.6% of our Sustainability Aspirations on track

Footnotes on pages 21-23; Glossary on page 24
Appendix

Summary of guidance, macroeconomic indicators, other income, commercial real estate, 1H’21 disclosure: interest rate sensitivity

Sustainability

Notes, abbreviated terms and important notice
### Notes

These notes refer to the metrics and defined terms on the following pages

<table>
<thead>
<tr>
<th>Page</th>
<th>Explanatory note or definition</th>
</tr>
</thead>
</table>
| **2** | 1. Group income growth 3Q’21 vs 3Q’20 on a constant currency basis and excluding (1) debit valuation adjustment (DVA) (2) impact of the IFRS9 interest income catch-up adjustment in relation to interest earned on impaired assets as required by IFRS9 Financial Instruments: Recognition and Measurement (3) $53 million accelerated recognition of an annual bancassurance bonus in Wealth Management in Consumer, Private and Business Banking reported in 3Q’20  
2. Transaction Banking Trade income growth 3Q’21 vs 3Q’20 on a constant currency basis and excluding the impact of the IFRS9 interest income catch-up adjustment in relation to interest earned on impaired assets as required by IFRS9 Financial Instruments: Recognition and Measurement  
3. Financial Markets income growth 3Q’21 vs 3Q’20 on a constant currency basis and excluding the debit valuation adjustment (DVA) and the impact of the IFRS9 interest income catch-up adjustment in relation to interest earned on impaired assets as required by IFRS9 Financial Instruments: Recognition and Measurement |
| **3** | 1. YoY = year-on-year variance is better/(worse) other than for RWA, CET1 ratio and LCR, which is increase/(decrease) / Ccy = constant currency / Nm = Not meaningful  
2. Income-to-cost jaws is calculated based upon: (1) Income, excluding the debit valuation adjustment and on a constant currency basis (2) Operating expenses, excluding the UK bank levy and on a constant currency basis  
3. Management overlay of $306m as at 30.09.21 includes $277m relating to Stage 1 and 2 and $29m relating to Stage 3  
4. High-risk assets in this context means exposures classified in EA(NPP), CG12 and Net Stage 3 |
| **4** | 1. 3Q’21 includes a $96 million adjustment to income in relation to interest earned on impaired assets as required by IFRS9 Financial Instruments: Recognition and Measurement (2Q’21 included a $73 million adjustment)  
2. In 3Q’20 a $53 million accelerated recognition of an annual bancassurance bonus was included in Wealth Management in Consumer, Private and Business Banking |
| **5** | 1. Normalised NIM excludes a $96 million interest income catch-up adjustment, reported in 3Q’21, in relation to interest earned on impaired assets as required by IFRS9 Financial Instruments: Recognition and Measurement  
2. Income Statutory basis; the Group in 2019 changed its accounting policy for net interest income and basis of preparation of its net interest margin to better reflect the underlying performance of its banking book. See notes to the financial statements in the 2019 Annual Report for further details  
3. In addition to the published one-year rate sensitivities (see slide 16), we expect further potential upside in the range of 25-50% over and above the first-year impact, subject to execution of various management actions |
## Notes

These notes refer to the metrics and defined terms on the following pages

<table>
<thead>
<tr>
<th>Page</th>
<th>Explanatory note or definition</th>
</tr>
</thead>
</table>
| 6    | 1. Cost-to-income ratio is calculated as Income ex-DVA / Operating expense ex-UK bank levy  
2. Excludes the UK bank levy and investments  
3. Other is the net of cost inflation, efficiencies as a result of management cost actions and other items  
4. Digital ventures includes SC Ventures, Mox and SC Bank Solutions |
| 7    | 1. Loan-loss rate is on a year-to-date annualised basis  
2. Early Alerts (Non-Purely Precautionary) (EA(NPP)) are on a net nominal basis  
3. Management overlay of $306m as at 30.09.21 includes $277m relating to Stage 1 and 2 and $29m relating to Stage 3  
4. High-risk assets in this context means exposures classified in EA(NPP), CG12 and Net Stage 3  
5. Cover ratio for 30.09.21 after collateral  
6. ‘Vulnerable sector’ exposures that were first disclosed at 1Q’20 – refer to pages 34 and 35 of the 3Q’21 Results for further details  
7. Total Group Commercial Real Estate (CRE) loans and advances of $18.5bn; China CRE exposure of $4.2bn (on a net nominal basis), with $0.8bn booked in China, $3.2bn in Hong Kong and $0.2bn in other markets (refer to page 15 for further details)  
8. CPBB accounts that are 30 or 90 Days Past Due |
| 8    | 1. RWA FX & Others includes FX $(1.9)bn, Optimisation Initiatives $(0.5)bn and Others $0.2bn  
2. AT1/Div includes a foreseeable dividend accrual in respect of the final 2021 ordinary share dividend in the third quarter, this is not an indication of the Group’s final 2021 ordinary share dividend which will be proposed by the Board at the presentation of the 2021 full year results  
3. CET1 FX & Others includes FX (2)bps, Other reserve movements (5)bps largely offset by lower reg deductions 6bps  
4. The total benefit to CET1 from the revised treatment of software assets as at 30.09.21 is 34bps. On 9 July, the PRA published a policy statement on implementing Basel standards which confirmed qualifying software assets would need to be deducted from CET1 from January 2022  
5. In addition to the published one-year rate sensitivities (see slide 16), we expect further potential upside in the range of 25-50% over and above the first-year impact, subject to execution of various management actions  
6. The Group had previously indicated the Day 1 impact of the finalisation of the Basel 3 reforms to be at the lower end of the 5-10% of current RWAs |
Notes
These notes refer to the metrics and defined terms on the following pages

<table>
<thead>
<tr>
<th>Page</th>
<th>Explanatory note or definition</th>
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<tr>
<td>13</td>
<td>1. Source: Standard Chartered Global Research as at 01.09.21</td>
</tr>
</tbody>
</table>
| 14   | 1. Statutory basis net fees and commissions + net trading & other income, excluding DVA YTD’21 vs YTD’20 change; Statutory basis net fees and commissions + net trading & other income as a % of total income (excluding DVA)  
2. Net fees & commissions included a $(104)m year-to-date (YTD) catch-up in 4Q’20 in relation to fee guarantees paid on CLOs. In previous quarters, this expense was reported as an interest expense but from 4Q’20 onwards it will be reported as a fee debit. The YTD catch-up reduced fees and commissions by $104m and increased statutory net interest income by $104m. There is no impact on total income or NIM |
| 15   | 1. Booking location includes exposures where the ultimate parent entities and credit responsibility is in China and to entities outside of China but with substantial cashflow generated from China  
2. % in Early alert (non-purely precautionary) and investment grade % are on a net nominal basis (see selected technical and abbreviated terms page 24)  
3. $1.0bn L&A to Customers are financially booked in China which includes $0.2bn of L&A to corporate groups where the ultimate parent is outside of China or where the primary source of repayment is from entities that are not in the CRE sector |
| 16   | 1. NII sensitivity estimate based on instantaneous parallel shift (increase or decrease) across all currencies. Estimate subject to significant modelling assumptions and subject to change  
2. Refer to page 97 of the Half Year Report 2021. IRRBB assumptions include that the size and mix of the balance sheet remain constant and that there are no specific management actions in response to the change in rates. For 1H’21, the reported sensitivity includes income earned by the Banking Book on funding the Trading Book which was previously excluded from the reporting scope |
<p>| 19   | 1. Includes small-medium sized enterprise (SME) assets aligned with the latest Green and Sustainable Product Framework |</p>
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tr>
<td><strong>Affluent activities</strong></td>
<td>Personal banking services offered to affluent and emerging affluent customers</td>
</tr>
<tr>
<td><strong>AIBL</strong></td>
<td>Average interest-bearing liabilities</td>
</tr>
<tr>
<td><strong>AIEA</strong></td>
<td>Average interest-earning assets</td>
</tr>
<tr>
<td><strong>bps</strong></td>
<td>Basis points</td>
</tr>
<tr>
<td><strong>CcY</strong></td>
<td>A performance measure on a constant currency basis is presented such that comparative periods are adjusted for the current year’s functional currency rate</td>
</tr>
<tr>
<td><strong>CCIB</strong></td>
<td>The Group’s Corporate, Commercial &amp; Institutional Banking segment</td>
</tr>
<tr>
<td><strong>CET1</strong></td>
<td>Common Equity Tier 1 capital, a measure of CET1 capital as a percentage of RWA</td>
</tr>
<tr>
<td><strong>CG12</strong></td>
<td>Credit Grade 12 accounts. Credit grades are indicators of likelihood of default. Credit grades 1 to 12 are assigned to performing customers, while credit grades 13 and 14 are assigned to non-performing or defaulted customers</td>
</tr>
<tr>
<td><strong>C&amp;O</strong></td>
<td>Central &amp; Others segments</td>
</tr>
<tr>
<td><strong>CPBB</strong></td>
<td>The Group’s Consumer, Private &amp; Business Banking segment</td>
</tr>
<tr>
<td><strong>DPD</strong></td>
<td>Days-Past-Due: one or more days that interest and/or principal payments are overdue based on the contractual terms</td>
</tr>
<tr>
<td><strong>DVA</strong></td>
<td>Debit Valuation Adjustment: the Group calculates DVA on its derivative liabilities to reflect changes in its own credit standing</td>
</tr>
<tr>
<td><strong>EA (NPP) / Early Alerts</strong></td>
<td>Early Alerts: a non-purely precautionary early alert account is one which exhibits risk or potential weaknesses of a material nature requiring closer monitoring, supervision, or attention by management</td>
</tr>
<tr>
<td><strong>EM</strong></td>
<td>Emerging Markets</td>
</tr>
<tr>
<td><strong>FM</strong></td>
<td>The Group’s Financial Markets business</td>
</tr>
<tr>
<td><strong>YTD</strong></td>
<td>September Year-to-date</td>
</tr>
<tr>
<td><strong>L&amp;A</strong></td>
<td>Loans &amp; Advances</td>
</tr>
<tr>
<td><strong>Loan-loss rate (LLR)</strong></td>
<td>Total credit impairment for loans and advances to customers over average loans and advances to customers</td>
</tr>
<tr>
<td><strong>na</strong></td>
<td>Not applicable</td>
</tr>
<tr>
<td><strong>Network activities</strong></td>
<td>Corporate and institutional banking services offered to clients utilising the Group’s unique network in 59 markets across Asia, Africa and the Middle East</td>
</tr>
<tr>
<td><strong>Net nominal</strong></td>
<td>Net Nominal is the aggregate of loans and advances to customers/loans and advances to banks after impairment provisions, restricted balances with central banks, derivatives (net of master netting agreements), investment debt and equity securities, and letters of credit and guarantees</td>
</tr>
<tr>
<td><strong>NFI</strong></td>
<td>Non-Funded Income</td>
</tr>
<tr>
<td><strong>NII</strong></td>
<td>Net Interest Income</td>
</tr>
<tr>
<td><strong>NIM</strong></td>
<td>Net Interest Margin: net interest income adjusted for interest expense incurred on amortised cost liabilities used to fund the Financial Markets business, divided by average interest-earning assets excluding financial assets measured at fair value through profit or loss</td>
</tr>
<tr>
<td><strong>Nm</strong></td>
<td>Not meaningful</td>
</tr>
<tr>
<td><strong>PBT</strong></td>
<td>Underlying profit before tax</td>
</tr>
<tr>
<td><strong>PPOP</strong></td>
<td>Pre-Provision Operating Profit: income net of expenses but before impairments</td>
</tr>
<tr>
<td><strong>P&amp;L</strong></td>
<td>Profit and loss statement</td>
</tr>
<tr>
<td><strong>QoQ</strong></td>
<td>Quarter-on-Quarter change</td>
</tr>
<tr>
<td><strong>RoTE</strong></td>
<td>Return on Tangible Equity: the ratio of the current year’s profit available for distribution to ordinary shareholders to the weighted average tangible equity, being ordinary shareholders’ equity less the average goodwill and intangible assets for the reporting period. Where target RoTE is stated, this is based on profit and equity expectations for future periods</td>
</tr>
<tr>
<td><strong>RWA</strong></td>
<td>Risk-Weighted Assets are a measure of the Group’s assets adjusted for their associated risks</td>
</tr>
<tr>
<td><strong>tn</strong></td>
<td>Trillion</td>
</tr>
<tr>
<td><strong>WM</strong></td>
<td>The Group’s Wealth Management business</td>
</tr>
<tr>
<td><strong>YoY</strong></td>
<td>Year-on-Year change</td>
</tr>
<tr>
<td><strong>%pt</strong></td>
<td>Percentage point</td>
</tr>
</tbody>
</table>
Important notice

This document contains or incorporates by reference “forward-looking statements” regarding the belief or current expectations of Standard Chartered PLC (the “Company”), the board of the Company (the “Directors”) and other members of its senior management about the strategy, businesses and performance of the Company and its subsidiaries (the “Group”) and the other matters described in this document. Generally, words such as “may”, “could”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue” or similar expressions are intended to identify forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties. They are not guarantees of future performance and actual results could differ materially from those contained in the forward-looking statements. Recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements. Forward-looking statements are based on current views, estimates and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Group and are difficult to predict. Such risks, factors and uncertainties may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements. Such risks, factors and uncertainties include but are not limited to: changes in the credit quality and the recoverability of loans and amounts due from counterparties; changes in the Group’s financial models incorporating assumptions, judgments and estimates which may change over time; risks relating to capital, capital management and liquidity; risks associated with implementation of Basel III and uncertainty over the timing and scope of regulatory changes in various jurisdictions in which the Group operates; risks arising out of legal and regulatory matters, investigations and proceedings; operational risks inherent in the Group’s business; risks arising out of the Group’s holding company structure; risks associated with the recruitment, retention and development of senior management and other skilled personnel; risks associated with business expansion or other strategic actions, including engaging in acquisitions, disposals or other strategic transactions; reputational, compliance, conduct, information and cyber security and financial crime risks; global macroeconomic and geopolitical risks; risks arising out of the dispersion of the Group’s operations, the locations of its businesses and the legal, political and economic environment in such jurisdictions; competition; risks associated with the UK Banking Act 2009 and other similar legislation or regulations; risks associated with the discontinuance of IBORs and transition to alternative reference rates; changes in the credit ratings or outlook for the Group; market, interest rate, commodity prices, equity price and other market risk; foreign exchange risk; financial market volatility; systemic risk in the banking industry and among other financial institutions or corporate borrowers; country risk; risks arising from operating in markets with less developed judicial and dispute resolution systems; risks arising out of regional hostilities, terrorist attacks, social unrest or natural disasters; risks arising out of health crises and pandemics, such as the COVID-19 (coronavirus) outbreak; climate related transition and physical risks; business model disruption risks; the implications of a post-Brexit and the disruption that may result in the United Kingdom and globally from the withdrawal of the United Kingdom from the European Union; and failure to generate sufficient level of profits and cash flows to pay future dividends. Please refer to the Company’s latest Annual Report for a discussion of certain other risks and factors which may impact the Group’s future financial condition and performance.

Any forward-looking statement contained in this document is based on past or current trends and/or activities of the Company and should not be taken as a representation that such trends or activities will continue in the future. No statement in this document is intended to be a profit forecast or to imply that the earnings of the Company and/or the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Company and/or the Group. Each forward-looking statement speaks only as of the date of the particular statement. Except as required by any applicable law or regulations, the Company expressly disclaims any obligation or undertaking to release publicly or make any updates or revisions to any forward-looking statement contained herein whether as a result of new information, future events or otherwise.

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