

## Consolidated income statement

For the year ended 31 December 2019

Notes \$million	2019	restated 2018 <sup>1</sup> \$million
<b>Continuing operations</b>		
Interest income	10,831	9,814
Interest expense	(6,360)	(5,096)
Net interest income	3 4,471	4,718
Fees and commission income	2,752	2,534
Fees and commission expense	(416)	(304)
Net fee and commission income	4 2,336	2,230
Net trading income	5 2,384	1,959
Other operating income	6 187	18
Operating income	9,378	8,925
Staff costs	(5,245)	(5,265)
Premises costs	(249)	(445)
General administrative expenses	(858)	(1,673)
Depreciation and amortisation	(629)	(447)
Operating expenses	7 (6,981)	(7,830)
Operating profit before impairment losses and taxation	2,397	1,095
Credit impairment	8 (699)	(587)
Goodwill impairment	9 (23)	-
Other impairment	9 (11)	(22)
Profit from associates and joint ventures	31 55	33
Profit before taxation	1,719	519
Taxation	10 (796)	(1,058)
Profit/(loss) from continuing operations	923	(539)
(Loss)/profit from discontinued operations	40 (4,573)	1,950
(Loss)/profit for the year	(3,650)	1,411
<b>(Loss)/profit attributable to:</b>		
Non-controlling interests	28 50	554
Parent company shareholders	(3,700)	857
(Loss)/profit for the year	(3,650)	1,411

<sup>1</sup> Restated for discontinued operations (Note 40)

The notes on pages 156 to 285 form an integral part of these financial statements.

## Consolidated balance sheet

As at 31 December 2019

Notes	Group		Company		
	2019	2018	2019	2018	
<b>Assets</b>					
Cash and balances at central banks	12, 34	43,926	57,511	34,734	44,749
Financial assets held at fair value through profit or loss	12	80,467	87,010	74,835	71,650
Derivative financial instruments	12, 13	48,883	46,990	48,524	46,930
Loans and advances to banks	12, 14	36,948	61,411	22,265	23,732
Loans and advances to customers	12, 14	139,181	256,562	76,845	77,282
Investment securities	12	89,966	125,901	71,841	63,983
Other assets	19	26,398	35,369	22,288	21,631
Due from subsidiary undertakings and other related parties		11,137	1,354	21,926	12,025
Current tax assets	10	532	492	326	284
Prepayments and accrued income		1,843	2,505	1,387	1,322
Interests in associates and joint ventures	31	44	2,307	-	839
Investments in subsidiary undertakings		-	-	8,615	13,598
Goodwill and intangible assets	16	3,743	4,632	2,117	2,673
Property, plant and equipment	17	1,330	5,983	814	320
Deferred tax assets	10	830	1,047	714	665
Assets classified as held for sale	20	1,190	820	910	43,655
<b>Total assets</b>		<b>486,418</b>	<b>689,894</b>	<b>388,141</b>	<b>425,338</b>
<b>Liabilities</b>					
Deposits by banks	12	24,126	29,715	19,232	22,434
Customer accounts	12	210,262	391,013	124,032	120,890
Repurchase agreements and other similar secured borrowing	12, 15	178	1,401	178	434
Financial liabilities held at fair value through profit or loss	12	58,319	60,700	57,415	51,059
Derivative financial instruments	12, 13	48,987	47,453	48,447	46,668
Debt securities in issue	12, 21	31,243	29,188	30,748	23,898
Other liabilities	22	24,479	38,259	18,810	21,183
Due to parent companies, subsidiary undertakings & other related parties		35,354	18,000	43,357	40,697
Current tax liabilities	10	449	686	259	265
Accruals and deferred income		3,616	5,000	1,747	1,970
Subordinated liabilities and other borrowed funds	12, 26	13,029	13,245	12,489	12,467
Deferred tax liabilities	10	497	550	435	410
Provisions for liabilities and charges	23	402	1,330	498	1,375
Retirement benefit obligations	29	427	399	383	324
Liabilities included in disposal groups held for sale	20	9	124	9	43,649
<b>Total liabilities</b>		<b>451,377</b>	<b>637,063</b>	<b>358,039</b>	<b>387,723</b>
<b>Equity</b>					
Share capital and share premium account	27	20,820	28,320	20,820	28,320
Other reserves		(3,813)	(5,176)	(1,906)	(1,702)
Retained earnings		11,745	19,904	6,188	5,997
<b>Total parent company shareholders' equity</b>		<b>28,752</b>	<b>43,048</b>	<b>25,102</b>	<b>32,615</b>
Other equity instruments	27	5,000	5,000	5,000	5,000
<b>Total equity excluding non-controlling interests</b>		<b>33,752</b>	<b>48,048</b>	<b>30,102</b>	<b>37,615</b>
Non-controlling interests		1,289	4,783	-	-
<b>Total equity</b>		<b>35,041</b>	<b>52,831</b>	<b>30,102</b>	<b>37,615</b>
<b>Total equity and liabilities</b>		<b>486,418</b>	<b>689,894</b>	<b>388,141</b>	<b>425,338</b>

The Company has taken advantage of the exemption in section 408 of the Companies Act 2006 not to present its individual statement of comprehensive income and related notes that form a part of these financial statements. The Company profit for the year after tax is \$654 million (2018: Loss of \$568 million). Please see Note 40 Discontinued operations for details of the group reorganisation.

The notes on pages 156 to 285 form an integral part of these financial statements.

These financial statements were approved by the Court of Directors and authorised for issue on 27 February 2020 and signed on its behalf by:

**Bill Winters, Director**

**Andy Halford, Director**