STANDARD CHARTERED PLC
渣打集團有限公司

(Incorporated as a public limited company in England and Wales with limited liability)
(Registered Number: 966425)
(Stock Code: 02888)

Interim Management Statement

Standard Chartered PLC (the Group) today releases its results for the quarter ended 31 March 2020. All figures are presented on an underlying basis and comparisons are made to the first quarter in 2019 on a reported currency basis, unless otherwise stated.

"The unique characteristics of the Standard Chartered franchise are coming through strongly as the impact of COVID-19 evolves. Our teams around the network are responding very well, staying close to our clients. While pressure on credit quality has increased recently, we delivered good underlying income growth of six per cent in the first quarter and maintained strong cost discipline.

We try to show every day that we are 'Here for good', as individuals and collectively, and I am proud of the way my 91,000 colleagues around the world are facing this challenge. Among the many support initiatives being rolled out across our 59 markets, we have launched a $50 million global fund with donations from colleagues and the bank to provide assistance to those affected by COVID-19 and related economic impacts and have committed up to $1 billion of financing, offered at cost, for companies that are providing goods and services to help in the fight against the pandemic. That's in addition to the help we are providing all our clients as they face ongoing challenges. We won't stop there and will continue to think of practical and impactful ways to make a difference.

While sentiment globally is extremely depressed now, the uniqueness of this franchise and the work we have done since 2015 to secure its foundations gives me confidence that we can come through the crisis with strength."

Bill Winters, Group Chief Executive

Selected information concerning 1Q'20 financial performance

- Income up 13% to $4.3bn; up 15% constant currency (ccy)
  - Excluding $358m positive movement in Debit Valuation Adjustment (DVA), income was up 6% ccy
- Costs down 2% to $2.4bn; down 1% ccy
  - Positive income-to-cost jaws of 6% ex-DVA; cost-to-income ratio improved 4 percentage points to 59% ex-DVA
- Net interest margin down 2bps from 4Q'19 to 1.52%
- Credit impairment rose significantly, driven primarily by the economic impact of the rapid spread of COVID-19
  - Stage 1 and 2 impairment up $388m to $451m
    - Approximately half due to modelled outcome and half due to management overlay
  - Stage 3 impairment increased $490m to $505m; ~50% from two exposures in different markets and sectors
  - Gross stage 3 plus credit grade 12 exposures up 2% in 1Q'20 to $9.2bn; early alerts more than doubled to $11.5bn
- Return on tangible equity down 100bps to 8.6%
  - Pre-provision operating profit up 41% to $2.0bn; up 16% ccy and ex-DVA
  - Underlying profit before tax down 12% to $1.2bn; down 36% ccy and ex-DVA
  - Statutory profit before tax down 29% to $0.9bn, includes $249m goodwill impairment in India from GDP growth revision
- Risk-weighted assets of $273bn up $9bn or 3% in 1Q'20; mostly attributable to the impact of COVID-19
- The Group remains strongly capitalised and highly liquid, enabling support for clients and communities through COVID-19
  - Common equity tier 1 (CET1) ratio in middle of 13-14% medium-term target range at 13.4%: down 45bps since 4Q'19
    - 60bps reduction from risk-weighted asset growth; partly offset by profits and decision to suspend distributions in 2020
    - Permata sale is expected to complete in 2Q'20 and to increase CET1 by 40bps
  - Liquidity coverage ratio resilient in stressed market conditions; broadly flat QoQ at 142% (4Q'19: 144%)

- $5bn of $45bn committed revolving facilities utilised; draw-down rate slowed significantly in April
- Earnings per share down 2.3c or 8% to 25.4c; 40m shares bought back and cancelled in 1Q'20

Outlook

We expect a gradual recovery from the COVID-19 pandemic, with major contraction in economic growth rates across most of the world in the second quarter, before the global economy moves out of recession in the latter part of 2020, most likely led and driven by markets in our footprint. The pace at which individual markets recover will be heavily dependent on the efficacy of government stimulus initiatives and policies to ease restrictions, as well as the resilience of the COVID-19 virus itself. We are well prepared for a protracted period of severe dislocation and will continue to support our clients and employees and to manage our risk, capital and liquidity with that view in mind.

We said in February that if income grows more slowly due to exogenous factors then so must our costs. We are acting to manage our costs prudently while doing everything we can to protect jobs. And while the decision to cancel last year's final dividend and not consider an interim dividend this year was difficult, it was taken in the light of extraordinary circumstances and will ensure that we have more capital to support individuals, businesses and the communities in which we operate through these difficult times.

If we are wrong about the pace of recovery and the global economy gets back on its feet rapidly - and we are seeing encouraging early signs of that happening in China - then the actions we are taking now will make us leaner and fitter to take advantage of the opportunities that will bring.

Standard Chartered PLC - Statement of results

For the quarter ended 31 March 2020

	1Q'20 $million	1Q'19 $million	Change[5] %
Underlying performance			
Operating income	4,327	3,813	13
Operating expenses	(2,358)	(2,415)	2
Credit impairment	(956)	(78)	nm[6]
Other impairment	154	(2)	nm[6]
Profit from associates and joint ventures	55	66	(17)
Profit before taxation	1,222	1,384	(12)
Profit attributable to ordinary shareholders[1]	810	917	(12)
Return on ordinary shareholders' tangible equity (%)	8.6	9.6	(100)bps
Cost to income ratio (%)	54.5	63.3	880bps
Statutory performance			
Operating income	4,335	3,918	11
Operating expenses	(2,368)	(2,656)	11
Credit impairment	(962)	(78)	(1,133)
Goodwill impairment	(258)	-	nm[6]
Other impairment	92	(20)	560
Profit from associates and joint ventures	47	78	(40)
Profit before taxation	886	1,242	(29)
Taxation	(369)	(424)	13
Profit for the year	517	818	(37)
Profit attributable to parent company shareholders	510	808	(37)
Profit attributable to ordinary shareholders[1]	477	774	(38)
Return on ordinary shareholders' tangible equity (%)	5.1	8.1	(301)bps
Cost to income ratio (%)	54.6	67.8	1,316bps
Balance sheet and capital			
Total assets	764,916	708,874	8
Total equity	50,004	51,101	(2)
Tangible equity attributable to ordinary shareholders[1]	37,927	38,898	(2)
Loans and advances to customers	271,234	265,105	2
Customer accounts	422,192	377,974	12
Risk-weighted assets	272,653	268,206	2
Total capital	53,458	55,862	(4)
Net Interest Margin (%) (adjusted)	1.52	1.66	(14)bps
Advances-to-deposits ratio (%)[2]	61.9	66.5	(4.6)
Liquidity coverage ratio (%)	142	153	(11)
Common Equity Tier 1 ratio (%)	13.4	13.9	(0.5)
Total capital (%)	19.6	20.8	(1.2)
UK leverage ratio (%)	4.9	5.4	(0.5)
Information per ordinary share	Cents	Cents	Cents
Earnings per share – underlying[3]	25.4	27.7	(2.3)
– statutory[3]	15.0	23.4	(8.4)
Net asset value per share[4]	1,357	1,339	17
Tangible net asset value per share[4]	1,201	1,185	16
Number of ordinary shares at period end (m)	3,147	3,310	(5)

1 Profit attributable to ordinary shareholders is after the deduction of dividends payable to the holders of non-cumulative redeemable preference shares and Additional Tier 1 securities classified as equity
2 When calculating this ratio, total loans and advances to customers excludes reverse repurchase agreements and other similar secured lending, excludes approved balances held with central banks, confirmed as repayable at the point of stress and includes loans and advances to customers held at fair value through profit and loss. Total customer accounts includes customer accounts held at fair value through profit or loss.
3 Represents the underlying or statutory earnings divided by the basic weighted average number of shares
4 Calculated on period end net asset value, tangible net asset value and number of shares
5 Variance is better/(worse) other than assets, liabilities and risk-weighted assets
6 Not meaningful

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Forward-looking statements

This document may contain 'forward-looking statements' that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as 'may', 'could', 'will', 'expect', 'intend', 'estimate', 'anticipate', 'believe', 'plan', 'seek', 'continue' or other words of similar meaning.

By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. Recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements. There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. The factors that could cause actual results to differ materially from those described in the forward-looking statements include (but are not limited to) changes in global, political, economic, business, competitive, market and regulatory forces or conditions, future exchange and interest rates, changes in tax rates, future business combinations or dispositions and other factors specific to the Group. Any forward-looking statement contained in this document is based on past or current trends and/or activities of the Group 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 Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Group. Each forward-looking statement speaks only as of the date of the particular statement. Except as required by any applicable laws or regulations, the Group expressly disclaims any obligation to revise or update any forward-looking statement contained within this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

Please refer to the Company's latest Annual Report for a discussion of certain of the risks and factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

Nothing in this document shall constitute, in any jurisdiction, an offer or solicitation to sell or purchase any securities or other financial instruments, nor shall it constitute a recommendation or advice in respect of any securities or other financial instruments or any other matter.

This information will be available on the Group's website at www.sc.com

Standard Chartered PLC – Group Chief Financial Officer's review

'Our actions over recent years to secure our foundations have prepared us well to manage our way through this crisis'

Summary of financial performance

	1Q'20 $million	1Q'19 $million	Change %	Constant currency change[1] %	4Q'19 $million	Change %
Net interest income	1,842	1,920	(4)		1,899	(3)
Other income	2,485	1,893	31		1,698	46
Underlying operating income	**4,327**	3,813	13	15	3,597	20
Other operating expenses	(2,358)	(2,415)	2	1	(2,592)	9
UK bank levy	-	-	nm[2]		(347)	100
Underlying operating expenses	**(2,358)**	(2,415)	2	1	(2,939)	20
Underlying operating profit before impairment and taxation	**1,969**	1,398	41	42	658	199
Credit impairment	(956)	(78)	nm[2]		(373)	(156)
Other impairment	154	(2)	nm[2]		(12)	nm[2]
Profit from associates and joint ventures	55	66	(17)		52	6
Underlying profit before taxation	**1,222**	1,384	(12)	(11)	325	nm[2]
Provision for regulatory matters	14	(186)	108		-	nm[2]
Restructuring	(92)	32	nm[2]		(117)	21
Other items	(258)	12	nm[2]		(14)	nm[2]
Statutory profit before taxation	**886**	1,242	(29)	(28)	194	nm[2]
Taxation	(369)	(424)	13		(122)	nm[2]
Profit for the period	**517**	818	(37)	(37)	72	nm[2]
Net interest margin (%)	1.52	1.66			1.54	
Underlying return on tangible equity (%)	8.6	9.6			(0.1)	
Underlying earnings per share (cents)	25.4	27.7			(0.4)	
Statutory return on tangible equity (%)	5.1	8.1			(1.3)	
Statutory earnings/(loss) per share (cents)	15.0	23.4			(3.9)	

1 Comparisons presented on the basis of the current period's functional currency rate, ensuring like-for-like currency rates between the two periods

2 Not meaningful

Strong business momentum in the opening weeks of the year continued well into the first quarter, with almost all of the Group's products generating positive income growth overall despite the rapid spread of COVID-19 that impacted the Group's results mainly in March. Pre-provision operating profit improved significantly with income excluding the impact of a $358 million positive movement in the debit valuation adjustment (DVA) growing at a faster rate than costs. Underlying profit fell due to substantially higher credit impairment driven in part by the deteriorating macroeconomic outlook.

It is not possible to reliably quantify the impact of the spread of COVID-19 on the Group's future financial performance, but the consequences for the global economy are likely to lead to further impairments and could affect income, risk-weighted assets and possibly costs. The Group is monitoring the situation carefully and is committed to deploying its strong capital and liquidity to support its clients and the communities it operates in through the crisis.

All commentary that follows is on an underlying basis and comparisons are made to the equivalent period in 2019 on a reported currency basis, unless otherwise stated.

- Operating income grew 13 per cent including a $358 million positive movement in the DVA. Income was up 6 per cent on a constant currency basis and excluding DVA
- Net interest income decreased 4 per cent with increased volumes more than offset by a 14 basis point decrease in net interest margin. The decisions by the US Federal Reserve in March to drop its benchmark interest rate in total by 150 basis points along with actions undertaken by other central banks is estimated to have an impact of a further $600 million for the Group's income in 2020

- Other income increased 31 per cent, or 12 per cent excluding the positive impact of movements in DVA, with a particularly strong underlying performance in Financial Markets
- Operating expenses were 2 per cent lower and 1 per cent lower on a constant currency basis, with tight control of costs generating positive income-to-cost jaws of 16 per cent on a reported basis, or 6 per cent on a constant currency basis excluding DVA. The cost-to-income ratio improved 4 percentage points to 59 per cent excluding DVA
- Given the substantial economic uncertainties arising from the spread of COVID-19 and the significantly lower interest rate environment the Group is targeting total costs excluding the UK bank levy below $10 billion for full-year 2020 by implementing measures including accruing lower variable compensation, reducing and re-prioritising discretionary investment spend and pausing new hiring
- Credit impairment increased by $878 million to $956 million. Stage 1 and 2 impairments increased by $388 million, of which around half was attributable to modelled outcomes with the rest due to a management overlay to reflect deterioration in the macroeconomic outlook not captured in the modelled outcome. Impairments of stage 3 assets increased $490 million with just under half the increase related to two Corporate & Institutional Banking clients in unconnected sectors
- Other impairment was a $154 million credit, primarily driven by a reversal of previously impaired assets partially offset by impairment charges relating to aircraft
- Profit from associates and joint ventures was down 17 per cent to $55 million due to the impact of the spread of COVID-19 on the performance of China Bohai Bank
- Underlying profit before tax decreased 12 per cent. Charges relating to restructuring, provisions for regulatory matters and other items increased $194 million to $336 million, primarily relating to $249 million goodwill impairment in India due to a lower GDP growth outlook
- Taxation was $369 million on a statutory basis with an underlying effective tax rate of 30 per cent flat to prior year
- Underlying return on tangible equity declined by 100 basis points to 8.6 per cent, with the impact of reduced profits partly offset by lower tangible equity reflecting the share buy-back programmes completed since 1Q'19

Operating income by product

	1Q'20 $million	1Q'19[1] $million	Change %	4Q'19[1] $million	Change %
Transaction Banking	**884**	960	(8)	919	(4)
Trade	**260**	277	(6)	259	-
Cash Management	**540**	600	(10)	575	(6)
Securities Services	**84**	83	1	85	(1)
Financial Markets	**1,194**	748	60	631	89
Foreign Exchange	**415**	298	39	264	57
Rates	**378**	221	71	163	132
Commodities	**44**	45	(2)	37	19
Credit and Capital Markets	**26**	140	(81)	125	(79)
Capital Structuring Distribution Group	**61**	82	(26)	86	(29)
DVA	**305**	(53)	nm[2]	(72)	nm[2]
Other Financial Markets	**(35)**	15	nm[2]	28	nm[2]
Corporate Finance	**278**	262	6	328	(15)
Lending and Portfolio Management	**195**	187	4	201	(3)
Wealth Management	**530**	465	14	415	28
Retail Products	**946**	951	(1)	960	(1)
CCPL and other unsecured lending	**304**	305	-	311	(2)
Deposits	**472**	494	(4)	484	(2)
Mortgage and Auto	**136**	129	5	130	5
Other Retail Products	**34**	23	48	35	(3)
Treasury	**325**	308	6	196	66
Other	**(25)**	(68)	63	(53)	53
Total underlying operating income	**4,327**	3,813	13	3,597	20

1 Following a reorganisation of certain clients, there has been a reclassification of balances across products. Prior periods have been restated

2 Not meaningful

Transaction Banking income was down 8 per cent, from a 10 per cent decline in Cash Management with strong liability growth more than offset by declining margins reflecting a reduced interest rate environment. Trade declined 6 per cent from lower balances while Securities Services income grew 1 per cent.

Financial Markets income grew 60 per cent or 11 per cent excluding DVA, benefiting from heightened market volatility, wider spreads and increased hedging and investment activity by clients. There was strong double-digit growth in Rates and Foreign Exchange partly offset by declines in Credit and Capital Markets and in the Capital Structuring Distribution Group.

Corporate Finance income grew 6 per cent reflecting completion of prior year pipeline activity and increased balances from drawdowns on revolving credit facilities.

Lending and Portfolio Management income was up 4 per cent with improved margins and increased volumes in Corporate Lending.

Wealth Management income grew 14 per cent with online sales more than offsetting lower branch sales from reduced branch walk-ins due to COVID-19 related social distancing, with particularly strong performance in FX and fixed income sales.

Retail Products income was down 1 per cent on a reported basis and up 1 per cent on a constant currency basis with a 4 per cent decline in Deposits from lower margins partly offset by a 5 per cent increase in Mortgages and Auto benefiting from increased volumes and margins.

Treasury income grew 6 per cent with increased Treasury Markets realisation gains from the sale of longer-dated securities as bond yields fell partly offset by a $38 million unfavourable movement in hedge ineffectiveness and reduced interest income on deployed assets within Treasury Markets.

Profit before tax by client segment and geographic region

	1Q'20 $million	1Q'19[1] $million	Change %	4Q'19[1] $million	Change %
Corporate & Institutional Banking	**656**	680	(4)	371	77
Retail Banking	**233**	290	(20)	169	38
Commercial Banking	**102**	187	(45)	46	122
Private Banking	**37**	72	(49)	(3)	nm[2]
Central & other items (segment)	**194**	155	25	(258)	175
Underlying profit before taxation	**1,222**	1,384	(12)	325	nm[2]
Greater China & North Asia	**650**	657	(1)	493	32
ASEAN & South Asia	**367**	389	(6)	23	nm[2]
Africa & Middle East	**47**	279	(83)	96	(51)
Europe & Americas	**101**	(32)	nm[2]	82	23
Central & other items (region)	**57**	91	(37)	(369)	115
Underlying profit before taxation	**1,222**	1,384	(12)	325	nm[2]

1 Following a reorganisation of certain clients, there has been a reclassification of balances across client segments. Prior periods have been restated

2 Not meaningful

Corporate & Institutional Banking remains the largest contributor to the overall Group's profit before tax from a client segment perspective. Its profit fell 4 per cent, with strong performance in Financial Markets and the benefit of a $358 million positive movement in DVA offset by increased impairments. Retail Banking profit declined 20 per cent with income growth offset by impairments including the management overlay. Commercial Banking profit reduced 45 per cent due to increased impairments, while a non-repeat of a prior-year impairment release meant Private Banking profit was down 49 per cent. Profit in Central & other items improved 25 per cent due to higher Treasury Markets income.

Greater China & North Asia remains the largest regional contributor to the overall Group's profit before tax, with profit down just 1 per cent despite being the region most impacted by the effect of COVID-19 in the first quarter. Increased impairments were the primary drivers of the 6 per cent lower profit in ASEAN & South Asia and the 83 per cent profit decline in Africa & Middle East. Europe & Americas generated $101 million in profit, up from a $(32) million loss in the same period last year, including a $190 million positive movement in DVA. There was a 37 per cent reduction in profit in Central & other items mainly due to lower returns paid to Treasury on the equity provided to the regions from a falling interest rate environment.

Adjusted net interest income and margin

	1Q'20 $million	1Q'19 $million	Change[1] %	4Q'19 $million	Change[1] %
Adjusted net interest income[2]	**1,931**	1,993	(3)	1,978	(2)
Average interest-earning assets	**510,672**	487,424	5	508,001	1
Average interest-bearing liabilities	**464,549**	436,862	6	457,413	2
Gross yield (%)[3]	**2.95**	3.45	(50)	3.19	(24)
Rate paid (%)[3]	**1.57**	1.99	(42)	1.83	(26)
Net yield (%)[3]	**1.38**	1.46	(8)	1.36	2
Net interest margin (%)[3,4]	**1.52**	1.66	(14)	1.54	(2)

1 Variance is increase/(decrease) other than adjusted net interest income which is better/(worse)

2 Adjusted net interest income is statutory net interest income less funding costs for the trading book

3 Change is the basis points (bps) difference between the two periods rather than the percentage change

4 Adjusted net interest income divided by average interest-earning assets, annualised

The Group in 2019 changed its accounting policy for net interest income and the 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.

Adjusted net interest income was down 2 per cent versus the prior quarter with an increase in interest-earning assets offset by lower day count and a 2 basis points reduction in net interest margin which averaged 152 basis points for the quarter:

- Average interest-earning assets increased 1 per cent in the quarter driven by an increase in Treasury Market assets. Gross yields declined 24 basis points compared to the average in the prior quarter and predominantly reflected the flow-through of declining interest rates in the second half of 2019 and those that occurred in the quarter
- Average interest-bearing liabilities increased 2 per cent driven by growth in customer accounts. The rate paid on liabilities decreased 26 basis points compared to the average in the prior quarter reflecting interest rate movements

The decisions by the US Federal Reserve in March to drop its benchmark interest rate in total by 150 basis points along with actions undertaken by other central banks is estimated to have an impact of a further $600 million for the Group's income in 2020.

Credit risk summary

Income Statement

	1Q'20 $million	1Q'19 $million	Change[1] %	4Q'19 $million	Change[1] %
Total credit impairment	956	78	1,126	373	156
Of which stage 1 and 2	451	63	616	127	255
Of which stage 3	505	15	3,267	246	105

1 Variance is increase/(decrease) comparing current reporting period to prior reporting periods

Balance sheet

	31.03.20 $million	31.12.19 $million	Change[1] %	31.03.19[4,5] $million	Change[1] %
Gross loans and advances to customers[2]	277,444	274,306	1	271,555	2
Of which stage 1 and 2	269,675	266,908	1	263,082	3
Of which stage 3	7,769	7,398	5	8,473	(8)
Expected credit loss provisions	(6,210)	(5,783)	7	(6,450)	(4)
Of which stage 1 and 2	(1,129)	(779)	45	(804)	40
Of which stage 3	(5,081)	(5,004)	2	(5,646)	(10)
Net loans and advances to customers	271,234	268,523	1	265,105	2
Of which stage 1 and 2	268,546	266,129	1	262,278	2
Of which stage 3	2,688	2,394	12	2,827	(5)
Cover ratio of stage 3 before/after collateral (%)[3]	65 / 85	68 / 85	(3) / 0	67 / 86	(2) / (1)
Credit grade 12 accounts ($million)	1,453	1,605	(9)	1,376	6
Early alerts ($million)	11,461	5,271	117	4,258	169
Investment grade corporate exposures (%)[3]	62	61	1	62	-

1 Variance is increase/(decrease) comparing current reporting period to prior reporting periods
2 Includes reverse repurchase agreements and other similar secured lending held at amortised cost of $2,903 million at 31 March 2020, $1,469 million at 31 December 2019 and $5,122 million at 31 March 2019
3 Change is the percentage points difference between the two points rather than the percentage change
4 Q1 2019 Stage 3 balances, provisions and cover ratios have been restated to include interest due but unpaid together with equivalent credit impairment charge
5 Stage 3 Gross Loans and Advances to Banks of $97m is not included in the table above

The Group in 2019 changed its accounting policy to report interest in suspense for stage 3 exposures. This results in an increase in gross stage 3 exposures and provisions, with no change to net stage 3 assets. Prior period balances have been restated. See notes to the financial statements in the 2019 Annual Report for further details.

Asset quality deteriorated in the quarter reflecting primarily the impact of COVID-19. The rapid spread of COVID-19 has resulted in significantly reduced economic forecasts and increased geopolitical uncertainty. The Group remains vigilant in the light of the developing situation, and reviews and stress tests of its portfolio are carried out regularly to help identify then mitigate any risks that may arise.

Credit impairment increased by $878 million compared to 1Q'19 and by $583 million compared to 4Q'19.

Stage 1 and 2 impairments increased by $388 million, of which around half was attributable to modelled outcomes and half was due to a management overlay to reflect deterioration in the macroeconomic outlook not captured in the modelled outcome.

Stage 3 impairments increased in every client segment with approximately half of the increase due to two Corporate & Institutional Banking clients in unrelated markets and sectors.

Gross stage 3 loans and advances to customers of $7.8 billion were up 5 per cent compared with 31 December 2019 primarily due to increased inflows in Corporate & Institutional Banking. These credit-impaired loans represented 2.8 per cent of gross loans and advances, an increase of 10 basis points compared with 31 December 2019.

The stage 3 cover ratio reduced to 65 per cent from 68 per cent as at 31 December 2019 as new downgrades incurred lower levels of provisions but are partially covered by collateral. The cover ratio after collateral was flat at 85 per cent.

Credit grade 12 balances decreased 9 per cent since 31 December 2019 with new inflows including the impact of sovereign downgrades more than offset by outflows to stage 3 and repayments.

Early alert accounts more than doubled to $11.5 billion compared to 31 December 2019 with all exposures in the Aviation sector put on either purely precautionary or non-purely precautionary early alert, and a particular focus on exposures in the Oil & Gas, Metals & Mining, Commodity Traders and Automobiles & Components sectors.

The proportion of investment grade corporate exposures has remained broadly stable at 62 per cent.

Restructuring and other items

	1Q'20			1Q'19		
	Provision for regulatory matters $million	**Restructuring $million**	**Other items $million**	Provision for regulatory matters $million	Restructuring $million	Other items $million
Operating income	**-**	**8**	**-**	-	105	-
Operating expenses	**14**	**(24)**	**-**	(186)	(55)	-
Credit impairment	**-**	**(6)**	**-**	-	-	-
Goodwill Impairment	**-**	**-**	**(258)**	-	-	-
Other impairment	**-**	**(62)**	**-**	-	(18)	-
Profit from associates and joint ventures	**-**	**(8)**	**-**	-	-	12
Profit/(loss) before taxation	**14**	**(92)**	**(258)**	(186)	32	12

The Group's statutory performance is adjusted for profits or losses of a capital nature, amounts consequent to investment transactions driven by strategic intent, other infrequent and/or exceptional transactions that are significant or material in the context of the Group's normal business earnings for the period and items which management and investors would ordinarily identify separately when assessing underlying performance period-by period.

Restructuring charges of $92 million primarily reflect impairments from the Group's discontinued ship leasing and principal finance businesses. Other items of $258 million relates mainly to goodwill impairment on the Group's subsidiary in India due to a lower economic growth forecast and increases to the discount rate.

Balance sheet and liquidity

	31.03.20 $million	31.12.19 $million	Change[1] %	31.03.19 $million	Change[1] %
Assets					
Loans and advances to banks	61,323	53,549	15	59,873	2
Loans and advances to customers	271,234	268,523	1	265,105	2
Other assets	432,359	398,326	9	383,896	13
Total assets	764,916	720,398	6	708,874	8
Liabilities					
Deposits by banks	25,519	28,562	(11)	32,434	(21)
Customer accounts	422,192	405,357	4	377,974	12
Other liabilities	267,201	235,818	13	247,365	8
Total liabilities	714,912	669,737	7	657,773	9
Equity	50,004	50,661	(1)	51,101	(2)
Total equity and liabilities	764,916	720,398	6	708,874	8
Advances-to-deposits ratio (%)[2]	61.9%	64.2%		66.5%	
Liquidity coverage ratio (%)	142%	144%		153%	

1 Variance is increase/(decrease)comparing current reporting period to prior reporting periods
2 The Group now excludes $9,947 million held with central banks (31.12.19: $9,109 million, 31.03.19: $10,077 million) that has been confirmed as repayable at the point of stress

The Group's balance sheet remains strong, liquid and well diversified.

- Loans and advances to customers increased 1 per cent since 31 December 2019 to $271 billion driven mainly by growth in Corporate Lending and Corporate Finance partly offset by reduced Trade balances. The increase in Corporate Lending and Corporate Finance reflects increased draw-downs on revolving credit facilities due to the effects of the emerging COVID-19 crisis in March. The weekly rate of new draw-downs subsequently reduced to around zero by the middle of April
- Customer accounts of $422 billion increased 4 per cent since 31 December 2019 with an increase in operating account balances within Cash Management and Retail Banking current accounts partly offset by a reduction in Retail Banking time deposits
- Other assets increased 9 per cent since 31 December 2019 driven by increased derivative assets and reverse repurchase agreements to support the strong growth in Financial Markets. Other liabilities increased 13 per cent from increased trading book liabilities and derivative liabilities

The advances-to-deposits ratio reduced slightly to 61.9 per cent from 64.2 per cent at 31 December 2019. The liquidity coverage ratio (LCR) was resilient, decreasing slightly from 144 per cent to 142 per cent in extremely challenging market conditions and remains well above the minimum regulatory requirement of 100 per cent. The Group was able to issue $2 billion senior unsecured debt in March which boosted LCR by 2 basis points and demonstrated its ability to access markets during stressed conditions.

Risk-weighted assets

	31.03.20 $million	31.12.19 $million	Change[1] %	31.03.19 $million	Change[1] %
By risk type					
Credit risk	223,003	215,664	3	219,117	2
Operational risk	27,803	27,620	1	27,620	1
Market risk	21,847	20,806	5	21,469	2
Total RWAs	272,653	264,090	3	268,206	2

1 Variance is increase/(decrease) comparing current reporting period to prior reporting periods

Total risk-weighted assets (RWA) increased 3 per cent or $9 billion since 31 December 2019 to $273 billion mostly as a result of the impact of economic disruption related to COVID-19

- Credit Risk RWA increased $7 billion to $223 billion reflecting the impact of economic disruption related to COVID-19 on asset growth and credit migration. Asset growth increased RWAs by $9 billion primarily from increased draw-downs on revolving credit facilities and mark-to-market movements on derivatives. Negative credit migration increased RWA by $2 billion but was more than offset by foreign currency translation reducing RWAs by $5 billion
- Operational Risk RWA increased 1 per cent primarily due to an increase in average income as measured over a rolling three-year time horizon, with higher 2019 income replacing lower 2016 income
- Market Risk RWA increased by $1 billion to $22 billion due to higher levels of Financial Markets activity with increased value at risk from historically high levels of market volatility partly offset by regulatory mitigation for back-testing exceptions

The ongoing execution of organic and inorganic RWA optimisation initiatives supports the expectation that income growth should exceed RWA growth in the medium-term despite potential short-term headwinds during the COVID-19 pandemic.

Capital base and ratios

	31.03.20 $million	31.12.19 $million	Change[1] %	31.03.19 $million	Change[1] %
CET1 capital	36,467	36,513	-	37,184	(2)
Additional Tier 1 capital (AT1)	4,620	7,164	(36)	6,612	(30)
Tier 1 capital	41,087	43,677	(6)	43,796	(6)
Tier 2 capital	12,371	12,288	1	12,066	3
Total capital	53,458	55,965	(4)	55,862	(4)
CET1 capital ratio end point (%)[2]	13.4	13.8	(0.4)	13.9	(0.5)
Total capital ratio transitional (%)[2]	19.6	21.2	(1.6)	20.8	(1.2)
UK leverage ratio (%)[2]	4.9	5.2	(0.3)	5.4	(0.5)

1 Variance is increase/(decrease) comparing current reporting period to prior reporting periods
2 Change is percentage points difference between two points rather than percentage change

The Group announced on 31 March that in response to a request from the Prudential Regulation Authority and as a consequence of the unprecedented challenges facing the world due to the COVID-19 pandemic, the board had decided after careful consideration to withdraw the recommendation to pay a final dividend for 2019 of 20 cents per ordinary share and to suspend the buy-back programme announced on 28 February 2020. Furthermore, no interim dividend on ordinary shares will be accrued, recommended or paid in 2020. The board's recommendation regarding a final dividend in 2020 will take into account the financial performance of the Group for the full year and the medium-term outlook at that time.

The board fully recognises the importance of dividends to the Group's owners. However, suspending ordinary shareholder distributions will allow the Group to maximise its support for individuals, businesses and the communities in which it operates whilst at the same time preserving strong capital ratios and investing to transform the business for the long term.

The Group is well capitalised with low leverage and high levels of loss-absorbing capacity. Its capital and liquidity metrics remain well above regulatory thresholds.

The Group had through the buy-back programme announced on 28 February 2020 spent $242 million purchasing 40 million ordinary shares of $0.50 each, representing a volume-weighted average price per share of £4.76. These shares were subsequently cancelled, reducing the total issued share capital by 1.3 per cent.

The Group on 20 April 2020 announced a revision to the purchase price to be paid for its stake in PT Bank Permata Tbk, subject to the transaction closing earlier than originally expected on or before 30 June 2020. Completion of the sale on the revised terms would generate an increase in the Group's common equity tier 1 (CET1) ratio of approximately 40 basis points.

The Group's CET1 ratio of 13.4 per cent was 45 basis points lower than as at 31 December 2019, over three percentage points above the Group's latest regulatory minimum of 10.0 per cent and still within its 13-14 per cent medium-term target range. Around 60 basis points of the reduction in the CET1 ratio is the impact on credit RWAs from asset growth and negative credit migration. FX translation reduced both reserves and RWAs and caused a net 10 basis point decline in the CET1 ratio. The $242 million share buy-back also reduced the CET1 ratio by 10 basis points. The aggregate of these movements was partly offset by an aggregate 40 basis point impact from profit accretion in the first quarter and the cancellation of the 2019 final dividend.

The Group's UK leverage ratio of 4.9 per cent was down 30 basis points compared with 31 December 2019 as a result of lower Tier 1 capital following the call of $2 billion Additional Tier 1 securities as well as growth in the leverage exposure measure. The Group's leverage ratio remains significantly above its minimum requirement of 3.7 per cent.

The UK Financial Policy Committee and the Hong Kong Monetary Authority both announced changes to the respective counter-cyclical buffer rates in response to the economic impact of COVID-19. In the period, the UK counter-cyclical rate decreased from 1 per cent to 0 per cent and in Hong Kong the rate reduced from 2 per cent to 1 per cent. Changes to these and other counter-cyclical buffer rates reduced the Group's minimum CET1 requirement from 10.2% to 10.0%. The Group continues to target a CET1 ratio of 13-14 per cent in the medium-term.

Outlook

We expect a gradual recovery from the COVID-19 pandemic, with major contraction in economic growth rates across most of the world in the second quarter, before the global economy moves out of recession in the latter part of 2020, most likely led and driven by markets in our footprint. The pace at which individual markets recover will be heavily dependent on the efficacy of government stimulus initiatives and policies to ease restrictions, as well as the resilience of the COVID-19 virus itself. We are well prepared for a protracted period of severe dislocation and will continue to support our clients and employees and to manage our risk, capital and liquidity with that view in mind.

We said in February that if income grows more slowly due to exogenous factors then so must our costs. We are acting to manage our costs prudently while doing everything we can to protect jobs. And while the decision to cancel last year's final dividend and not consider an interim dividend this year was difficult, it was taken in the light of extraordinary circumstances and will ensure that we have more capital to support individuals, businesses and the communities in which we operate through these difficult times.

If we are wrong about the pace of recovery and the global economy gets back on its feet rapidly - and we are seeing encouraging early signs of that happening in China - then the actions we are taking now will make us leaner and fitter to take advantage of the opportunities that will bring.

Andy Halford
Group Chief Financial Officer
29 April 2020

For further information, please contact:
Mark Stride, Head of Investor Relations +44 (0) 20 7885 8596
Julie Gibson, Head of Media Relations +44 (0) 20 7885 2434

Underlying performance by client segment

	1Q'20					
	Corporate & Institutional Banking $million	**Retail Banking $million**	**Commercial Banking $million**	**Private Banking $million**	**Central & other items $million**	**Total $million**
Operating income	**2,154**	**1,321**	**390**	**162**	**300**	**4,327**
External	**2,171**	**1,091**	**376**	**116**	**573**	**4,327**
Inter-segment	**(17)**	**230**	**14**	**46**	**(273)**	**-**
Operating expenses	**(981)**	**(891)**	**(209)**	**(124)**	**(153)**	**(2,358)**
Operating profit before impairment losses and taxation	**1,173**	**430**	**181**	**38**	**147**	**1,969**
Credit impairment	**(670)**	**(197)**	**(79)**	**(1)**	**(9)**	**(956)**
Other impairment	**153**	**-**	**-**	**-**	**1**	**154**
Profit from associates and joint ventures	**-**	**-**	**-**	**-**	**55**	**55**
Underlying profit before taxation	**656**	**233**	**102**	**37**	**194**	**1,222**
Provision for regulatory matters	**-**	**-**	**-**	**-**	**14**	**14**
Restructuring	**(62)**	**(3)**	**(14)**	**(2)**	**(11)**	**(92)**
Goodwill impairment	**-**	**-**	**-**	**-**	**(258)**	**(258)**
Statutory profit/(loss) before taxation	**594**	**230**	**88**	**35**	**(61)**	**886**
Total assets	**363,077**	**105,895**	**33,316**	**14,006**	**248,622**	**764,916**
Of which: loans and advances to customers including FVTPL	**162,303**	**103,831**	**28,599**	**13,848**	**13,037**	**321,618**
loans and advances to customers	**113,799**	**103,623**	**26,945**	**13,848**	**13,019**	**271,234**
loans held at fair value through profit or loss	**48,504**	**208**	**1,654**	**-**	**18**	**50,384**
Total liabilities	**438,347**	**145,414**	**41,449**	**18,205**	**71,497**	**714,912**
Of which: customer accounts	**276,223**	**142,025**	**38,063**	**18,095**	**8,244**	**482,650**

	1Q'19[1]					
	Corporate & Institutional Banking $million	Retail Banking $million	Commercial Banking $million	Private Banking $million	Central & other items $million	Total $million
Operating income	1,758	1,269	399	149	238	3,813
External	1,802	1,052	431	74	454	3,813
Inter-segment	(44)	217	(32)	75	(216)	-
Operating expenses	(1,032)	(897)	(218)	(124)	(144)	(2,415)
Operating profit before impairment losses and taxation	726	372	181	25	94	1,398
Credit impairment	(43)	(82)	6	47	(6)	(78)
Other impairment	(3)	-	-	-	1	(2)
Profit from associates and joint ventures	-	-	-	-	66	66
Underlying profit before taxation	680	290	187	72	155	1,384
Provision for regulatory matters	-	-	-	-	(186)	(186)
Restructuring	44	-	1	(2)	(11)	32
Share of profits of PT Bank Permata Tbk joint venture	-	-	-	-	12	12
Statutory profit/(loss) before taxation	724	290	188	70	(30)	1,242
Total assets	326,863	103,395	35,432	14,792	228,392	708,874
Of which: loans and advances to customers including FVTPL	154,157	101,377	31,011	14,691	12,601	313,837
loans and advances to customers	106,439	101,034	30,348	14,691	12,593	265,105
loans held at fair value through profit or loss	47,718	343	663	-	8	48,732
Total liabilities	381,080	142,978	38,099	19,360	76,256	657,773
Of which: customer accounts	231,575	139,704	35,430	19,179	6,985	432,873

1 Following a reorganisation of certain clients, there has been a reclassification of balances across client segments. Prior periods have been restated

Corporate & Institutional Banking

	1Q'20	1Q'19[1]	Change[2]	4Q'19[1]	Change[2]
	$million	$million	%	$million	%
Operating income	**2,154**	1,758	23	1,692	27
Transaction Banking	**673**	734	(8)	703	(4)
Trade	**164**	173	(5)	165	(1)
Cash Management	**425**	478	(11)	454	(6)
Securities Services	**84**	83	1	84	-
Financial Markets	**1,100**	656	68	559	97
Foreign Exchange	**362**	247	47	223	62
Rates	**367**	210	75	158	132
Commodities	**35**	36	(3)	31	13
Credit and Capital Markets	**15**	133	(89)	121	(88)
Capital Structuring Distribution Group	**57**	75	(24)	75	(24)
DVA	**305**	(53)	nm[4]	(72)	nm[4]
Other Financial Markets	**(41)**	8	nm[4]	23	nm[4]
Corporate Finance	**251**	238	5	306	(18)
Lending and Portfolio Management	**136**	127	7	132	3
Other	**(6)**	3	nm[4]	(8)	25
Operating expenses	**(981)**	(1,032)	5	(1,110)	12
Operating profit before impairment losses and taxation	**1,173**	726	62	582	102
Credit impairment	**(670)**	(43)	nm[4]	(206)	nm[4]
Other impairment	**153**	(3)	nm[4]	(5)	nm[4]
Underlying profit before taxation	**656**	680	(4)	371	77
Restructuring	**(62)**	44	nm[4]	(28)	(121)
Statutory profit before taxation	**594**	724	(18)	343	73
Total assets	**363,077**	326,863	11	326,565	11
Of which: loans and advances to customers including FVTPL	**162,303**	154,157	5	153,298	6
Total liabilities	**438,347**	381,080	15	387,561	13
Of which: customer accounts	**276,223**	231,575	19	243,269	14
Risk-weighted assets	**137,197**	130,924	5	129,084	6
Underlying return on risk-weighted assets (%)[3]	**2.0**	2.1	(10)bps	1.1	90bps
Underlying return on tangible equity (%)[3]	**9.7**	10.6	(90)bps	5.6	410bps
Cost to income ratio (%)[5]	**45.5**	58.7	13.2	65.6	20.1

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4 Not meaningful
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Retail Banking

	1Q'20 $million	1Q'19[1] $million	Change[2] %	4Q'19[1] $million	Change[2] %
Operating income	**1,321**	1,269	4	1,260	5
Transaction Banking	**5**	4	25	5	-
Trade	**5**	4	25	5	-
Wealth Management	**414**	370	12	341	21
Retail Products	**898**	895	-	906	(1)
CCPL and other unsecured lending	**304**	305	-	311	(2)
Deposits	**431**	446	(3)	440	(2)
Mortgage and Auto	**129**	121	7	119	8
Other Retail Products	**34**	23	48	36	(6)
Other	**4**	-	nm[4]	8	(50)
Operating expenses	**(891)**	(897)	1	(993)	10
Operating profit before impairment losses and taxation	**430**	372	16	267	61
Credit impairment	**(197)**	(82)	(140)	(100)	(97)
Other impairment	**-**	-	nm[4]	2	(100)
Underlying profit before taxation	**233**	290	(20)	169	38
Restructuring	**(3)**	-	nm[4]	(54)	94
Statutory profit before taxation	**230**	290	(21)	115	100
Total assets	**105,895**	103,395	2	109,368	(3)
Of which: loans and advances to customers including FVTPL	**103,831**	101,377	2	107,137	(3)
Total liabilities	**145,414**	142,978	2	148,413	(2)
Of which: customer accounts	**142,025**	139,704	2	144,760	(2)
Risk-weighted assets	**44,002**	42,124	4	44,508	(1)
Underlying return on risk-weighted assets (%)[3]	**2.1**	2.8	(70)bps	1.5	60bps
Underlying return on tangible equity (%)[3]	**10.4**	13.7	(330)bps	7.5	290bps
Cost to income ratio (%)[5]	**67.4**	70.7	3.3	78.8	11.4

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Commercial Banking

	1Q'20 $million	1Q'19[1] $million	Change[2] %	4Q'19[1] $million	Change[2] %
Operating income	**390**	399	(2)	375	4
Transaction Banking	**206**	222	(7)	211	(2)
Trade	**91**	100	(9)	89	2
Cash Management	**115**	122	(6)	121	(5)
Securities Services	**-**	-	nm[4]	1	(100)
Financial Markets	**94**	92	2	72	31
Foreign Exchange	**53**	51	4	41	29
Rates	**11**	11	-	5	120
Commodities	**9**	9	-	6	50
Credit and Capital Markets	**11**	7	57	4	175
Capital Structuring Distribution Group	**4**	7	(43)	11	(64)
Other Financial Markets	**6**	7	(14)	5	20
Corporate Finance	**27**	24	13	22	23
Lending and Portfolio Management	**59**	60	(2)	69	(14)
Wealth Management	**-**	1	(100)	-	nm[4]
Retail Products	**2**	1	100	1	100
Deposits	**2**	1	100	1	100
Other	**2**	(1)	nm[4]	-	nm[4]
Operating expenses	**(209)**	(218)	4	(264)	21
Operating profit before impairment losses and taxation	**181**	181	-	111	63
Credit impairment	**(79)**	6	nm[4]	(65)	(22)
Underlying profit before taxation	**102**	187	(45)	46	122
Restructuring	**(14)**	1	nm[4]	(11)	(27)
Statutory profit before taxation	**88**	188	(53)	35	151
Total assets	**33,316**	35,432	(6)	33,978	(2)
Of which: loans and advances to customers including FVTPL	**28,599**	31,011	(8)	29,420	(3)
Total liabilities	**41,449**	38,099	9	41,628	-
Of which: customer accounts	**38,063**	35,430	7	38,847	(2)
Risk-weighted assets	**31,860**	34,810	(8)	30,976	3
Underlying return on risk-weighted assets (%)[3]	**1.3**	2.2	(90)bps	0.6	70bps
Underlying return on tangible equity (%)[3]	**6.5**	10.8	(430)bps	2.9	360bps
Cost to income ratio (%)[5]	**53.6**	54.6	1.0	70.4	16.8

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Private Banking

	1Q'20	1Q'19	Change[1]	4Q'19	Change[1]
	$million	$million	%	$million	%
Operating income	**162**	149	9	126	29
Wealth Management	**116**	94	23	74	57
Retail Products	**46**	55	(16)	53	(13)
Deposits	**39**	47	(17)	43	(9)
Mortgage and Auto	**7**	8	(13)	11	(36)
Other Retail Products	**-**	-	nm[3]	(1)	100
Other	**-**	-	nm[3]	(1)	100
Operating expenses	**(124)**	(124)	-	(127)	2
Operating profit/(loss) before impairment losses and taxation	**38**	25	52	(1)	nm[3]
Credit impairment	**(1)**	47	(102)	(2)	50
Underlying profit/(loss) before taxation	**37**	72	(49)	(3)	nm[3]
Restructuring	**(2)**	(2)	-	(6)	67
Statutory profit/(loss) before taxation	**35**	70	(50)	(9)	nm[3]
Total assets	**14,006**	14,792	(5)	14,922	(6)
Of which: loans and advances to customers including FVTPL	**13,848**	14,691	(6)	14,821	(7)
Total liabilities	**18,205**	19,360	(6)	18,480	(1)
Of which: customer accounts	**18,095**	19,179	(6)	18,424	(2)
Risk-weighted assets	**6,529**	6,398	2	6,409	2
Underlying return on risk-weighted assets (%)[2]	**2.2**	4.7	(250)bps	(0.2)	240bps
Underlying return on tangible equity (%)[2]	**10.9**	23.5	(1,260)bps	(0.8)	1,170bps
Cost to income ratio (%)[4]	**76.5**	83.2	6.7	100.8	24.3

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Central & other items (segment)

	1Q'20 $million	1Q'19 $million	Change[1] %	4Q'19 $million	Change[1] %
Operating income	**300**	238	26	144	108
Treasury	**325**	308	6	196	66
Other	**(25)**	(70)	64	(52)	52
Operating expenses	**(153)**	(144)	(6)	(445)	66
Operating profit/(loss) before impairment losses and taxation	**147**	94	56	(301)	149
Credit impairment	**(9)**	(6)	(50)	-	nm[3]
Other impairment	**1**	1	-	(9)	111
Profit from associates and joint ventures	**55**	66	(17)	52	6
Underlying profit/(loss) before taxation	**194**	155	25	(258)	175
Provision for regulatory matters	**14**	(186)	108	-	nm[3]
Restructuring	**(11)**	(11)	-	(18)	39
Goodwill impairment	**(258)**	-	nm[3]	(27)	nm[3]
Share of profits of PT Bank Permata Tbk joint venture	**-**	12	(100)	13	(100)
Statutory profit/(loss) before taxation	**(61)**	(30)	(103)	(290)	79
Total assets	**248,622**	228,392	9	235,565	6
Of which: loans and advances to customers including FVTPL	**13,037**	12,601	3	10,078	29
Total liabilities	**71,497**	76,256	(6)	73,655	(3)
Of which: customer accounts	**8,244**	6,985	18	7,433	11
Risk-weighted assets	**53,065**	53,950	(2)	53,113	-
Underlying return on risk-weighted assets (%)[2]	**1.5**	1.2	30bps	(1.9)	340bps
Underlying return on tangible equity (%)[2]	**4.5**	1.7	280bps	(23.7)	2,820bps
Cost to income ratio (%) (excluding UK bank levy)	**51.0**	60.5	9.5	68.1	17.1

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3 Not meaningful
4 Change is the percentage points difference between the two periods rather than the percentage change

Underlying performance by region

	1Q'20					
	Greater China & North Asia	**ASEAN & South Asia**	**Africa & Middle East**	**Europe & Americas**	**Central & other items**	**Total**
	$million	**$million**	**$million**	**$million**	**$million**	**$million**
Operating income	**1,696**	**1,277**	**661**	**546**	**147**	**4,327**
Operating expenses	**(900)**	**(625)**	**(403)**	**(343)**	**(87)**	**(2,358)**
Operating profit before impairment losses and taxation	**796**	**652**	**258**	**203**	**60**	**1,969**
Credit impairment	**(198)**	**(451)**	**(211)**	**(102)**	**6**	**(956)**
Other impairment	**(1)**	**166**	**-**	**-**	**(11)**	**154**
Profit from associates and joint ventures	**53**	**-**	**-**	**-**	**2**	**55**
Underlying profit before taxation	**650**	**367**	**47**	**101**	**57**	**1,222**
Provision for regulatory matters	**-**	**-**	**-**	**-**	**14**	**14**
Restructuring	**(50)**	**-**	**(7)**	**(14)**	**(21)**	**(92)**
Goodwill impairment	**-**	**-**	**-**	**-**	**(258)**	**(258)**
Statutory profit/(loss) before taxation	**600**	**367**	**40**	**87**	**(208)**	**886**
Total assets	**296,189**	**160,502**	**63,555**	**233,572**	**11,098**	**764,916**
Of which: loans and advances to customers including FVTPL	**139,571**	**83,022**	**32,338**	**66,687**	**-**	**321,618**
loans and advances to customers	**132,605**	**79,545**	**30,344**	**28,740**	**-**	**271,234**
loans held at fair value through profit or loss	**6,966**	**3,477**	**1,994**	**37,947**	**-**	**50,384**
Total liabilities	**256,034**	**141,713**	**37,875**	**238,508**	**40,782**	**714,912**
Of which: customer accounts	**207,311**	**104,933**	**30,059**	**140,347**	**-**	**482,650**

	1Q'19					
	Greater China & North Asia	ASEAN & South Asia	Africa & Middle East	Europe & Americas	Central & other items	Total
	$million	$million	$million	$million	$million	$million
Operating income	1,527	1,046	708	359	173	3,813
Operating expenses	(905)	(641)	(423)	(363)	(83)	(2,415)
Operating profit/(loss) before impairment losses and taxation	622	405	285	(4)	90	1,398
Credit impairment	(30)	(16)	(6)	(28)	2	(78)
Other impairment	-	-	-	-	(2)	(2)
Profit from associates and joint ventures	65	-	-	-	1	66
Underlying profit/(loss) before taxation	657	389	279	(32)	91	1,384
Provision for regulatory matters	-	-	-	-	(186)	(186)
Restructuring	(12)	(6)	(1)	(4)	55	32
Share of profits of PT Bank Permata Tbk joint venture	-	12	-	-	-	12
Statutory profit/(loss) before taxation	645	395	278	(36)	(40)	1,242
Total assets	271,407	154,041	59,749	211,406	12,271	708,874
Of which: loans and advances to customers including FVTPL	134,803	85,395	31,344	62,295	-	313,837
Total liabilities	232,395	132,198	37,969	220,046	35,165	657,773
Of which: customer accounts	186,819	100,257	30,944	114,853	-	432,873

Greater China & North Asia

	1Q'20	1Q'19	Change[1]	4Q'19	Change[1]
	$million	$million	%	$million	%
Operating income	**1,696**	1,527	11	1,497	13
Operating expenses	**(900)**	(905)	1	(1,001)	10
Operating profit before impairment losses and taxation	**796**	622	28	496	60
Credit impairment	**(198)**	(30)	nm[2]	(54)	nm[2]
Other impairment	**(1)**	-	nm[2]	-	nm[2]
Profit from associates and joint ventures	**53**	65	(18)	51	4
Underlying profit before taxation	**650**	657	(1)	493	32
Restructuring	**(50)**	(12)	nm[2]	(84)	40
Statutory profit before taxation	**600**	645	(7)	409	47
Total assets	**296,189**	271,407	9	277,704	7
Of which: loans and advances to customers including FVTPL	**139,571**	134,803	4	139,977	-
Total liabilities	**256,034**	232,395	10	249,004	3
Of which: customer accounts	**207,311**	186,819	11	204,286	1
Risk-weighted assets	**88,654**	82,669	7	85,695	3
Cost to income ratio (%)	**53.1**	59.3	6.2	66.9	13.8

1 Variance is better/(worse) other than assets and liabilities which is increase/(decrease)
2 Not meaningful
3 Change is the percentage points difference between the two periods rather than the percentage change

ASEAN & South Asia

	1Q'20 $million	1Q'19 $million	Change[1] %	4Q'19 $million	Change[1] %
Operating income	**1,277**	1,046	22	992	29
Operating expenses	**(625)**	(641)	2	(718)	13
Operating profit before impairment losses and taxation	**652**	405	61	274	138
Credit impairment	**(451)**	(16)	nm[2]	(250)	(80)
Other impairment	**166**	-	nm[2]	(1)	nm[2]
Underlying profit before taxation	**367**	389	(6)	23	nm[2]
Restructuring	**-**	(6)	100	(19)	100
Share of profits of PT Bank Permata Tbk joint venture	**-**	12	(100)	13	(100)
Statutory profit before taxation	**367**	395	(7)	17	nm[2]
Total assets	**160,502**	154,041	4	149,785	7
Of which: loans and advances to customers including FVTPL	**83,022**	85,395	(3)	80,885	3
Total liabilities	**141,713**	132,198	7	126,213	12
Of which: customer accounts	**104,933**	100,257	5	97,459	8
Risk-weighted assets	**89,100**	92,780	(4)	88,942	-
Cost to income ratio (%)	**48.9**	61.3	12.4	72.4	23.5

1 Variance is better/(worse) other than assets and liabilities which is increase/(decrease)
2 Not meaningful
3 Change is the percentage points difference between the two periods rather than the percentage change

Africa & Middle East

	1Q'20	1Q'19	Change[1]	4Q'19	Change[1]
	$million	$million	%	$million	%
Operating income	**661**	708	(7)	605	9
Operating expenses	**(403)**	(423)	5	(454)	11
Operating profit before impairment losses and taxation	**258**	285	(9)	151	71
Credit impairment	**(211)**	(6)	nm[2]	(56)	nm[2]
Other impairment	**-**	-	nm[2]	1	(100)
Underlying profit before taxation	**47**	279	(83)	96	(51)
Restructuring	**(7)**	(1)	nm[2]	(11)	36
Statutory profit before taxation	**40**	278	(86)	85	(53)
Total assets	**63,555**	59,749	6	59,828	6
Of which: loans and advances to customers including FVTPL	**32,338**	31,344	3	31,487	3
Total liabilities	**37,875**	37,969	-	36,144	5
Of which: customer accounts	**30,059**	30,944	(3)	29,280	3
Risk-weighted assets	**51,414**	54,837	(6)	49,244	4
Cost to income ratio (%)	**61.0**	59.7	(1.3)	75.0	14.0

1 Variance is better/(worse) other than assets and liabilities which is increase/(decrease)
2 Not meaningful
3 Change is the percentage points difference between the two periods rather than the percentage change

Europe & Americas

	1Q'20 $million	1Q'19 $million	Change[1] %	4Q'19 $million	Change[1] %
Operating income	**546**	359	52	464	18
Operating expenses	**(343)**	(363)	6	(365)	6
Operating profit/(loss) before impairment losses and taxation	**203**	(4)	nm[2]	99	105
Credit impairment	**(102)**	(28)	nm[2]	(17)	nm[2]
Underlying profit/(loss) before taxation	**101**	(32)	nm[2]	82	23
Restructuring	**(14)**	(4)	nm[2]	(13)	(8)
Statutory profit/(loss) before taxation	**87**	(36)	nm[2]	69	26
Total assets	**233,572**	211,406	10	220,579	6
Of which: loans and advances to customers including FVTPL	**66,687**	62,295	7	62,405	7
Total liabilities	**238,508**	220,046	8	218,794	9
Of which: customer accounts	**140,347**	114,853	22	121,708	15
Risk-weighted assets	**45,944**	40,627	13	43,945	5
Cost to income ratio (%)	**62.8**	101.1	38.3	78.7	15.9

1 Variance is better/(worse) other than assets and liabilities which is increase/(decrease)
2 Not meaningful
3 Change is the percentage points difference between the two periods rather than the percentage change

Central & other items (region)

	1Q'20	1Q'19	Change[1]	4Q'19	Change[1]
	$million	$million	%	$million	%
Operating income	**147**	173	(15)	39	nm[2]
Operating expenses	**(87)**	(83)	(5)	(401)	78
Operating profit/(loss) before impairment losses and taxation	**60**	90	(33)	(362)	117
Credit impairment	**6**	2	200	4	50
Other impairment	**(11)**	(2)	nm[2]	(12)	8
Profit from associates and joint ventures	**2**	1	100	1	100
Underlying profit/(loss) before taxation	**57**	91	(37)	(369)	115
Provision for regulatory matters	**14**	(186)	108	-	nm[2]
Restructuring	**(21)**	55	(138)	10	nm[2]
Goodwill impairment	**(258)**	-	nm[2]	(27)	nm[2]
Statutory profit/(loss) before taxation	**(208)**	(40)	nm[2]	(386)	46
Total assets	**11,098**	12,271	(10)	12,502	(11)
Total liabilities	**40,782**	35,165	16	39,582	3
Risk-weighted assets	**(2,459)**	(2,707)	9	(3,736)	34
Cost to income ratio (%) (excluding UK bank levy)	**59.2**	48.0	(11.2)	138.5	79.3

1 Variance is better/(worse) other than assets and liabilities which is increase/(decrease)
2 Not meaningful
3 Change is the percentage points difference between the two periods rather than the percentage change

Underlying performance by key market

	1Q'20								
	Hong Kong $million	**Korea $million**	**China $million**	**Singapore $million**	**India $million**	**Indonesia $million**	**UAE $million**	**UK $million**	**US $million**
Operating income	**957**	**322**	**275**	**375**	**409**	**144**	**159**	**330**	**171**
Operating expenses	**(482)**	**(172)**	**(161)**	**(239)**	**(163)**	**(44)**	**(103)**	**(166)**	**(140)**
Operating profit before impairment losses and taxation	**475**	**150**	**114**	**136**	**246**	**100**	**56**	**164**	**31**
Credit impairment	**(96)**	**(11)**	**(83)**	**(287)**	**(95)**	**(14)**	**(116)**	**(75)**	**(27)**
Other impairment	**(1)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit from associates and joint ventures	**-**	**-**	**53**	**-**	**-**	**-**	**-**	**-**	**-**
Underlying profit/(loss) before taxation	**378**	**139**	**84**	**(151)**	**151**	**86**	**(60)**	**89**	**4**
Total assets employed	**167,075**	**58,127**	**36,293**	**90,950**	**31,807**	**5,152**	**22,432**	**148,466**	**73,973**
Of which: loans and advances to customers including FVTPL	**75,306**	**34,550**	**16,230**	**47,018**	**16,606**	**2,398**	**10,731**	**41,134**	**21,456**
Total liabilities employed	**149,659**	**50,560**	**29,270**	**90,360**	**21,853**	**3,468**	**14,626**	**158,123**	**70,635**
Of which: customer accounts	**122,450**	**40,874**	**22,355**	**67,170**	**14,520**	**2,010**	**11,793**	**94,480**	**40,637**
Cost to income ratio (%)	**50.4**	**53.4**	**58.5**	**63.7**	**39.9**	**30.6**	**64.8**	**50.3**	**81.9**

	4Q'19								
	Hong Kong $million	Korea $million	China $million	Singapore $million	India $million	Indonesia $million	UAE $million	UK $million	US $million
Operating income	943	220	206	347	275	57	140	214	200
Operating expenses	(510)	(190)	(171)	(260)	(175)	(47)	(102)	(136)	(141)
Operating profit before impairment losses and taxation	433	30	35	87	100	10	38	78	59
Credit impairment	(53)	(3)	(14)	(47)	(181)	(7)	(32)	2	(19)
Other impairment	-	1	-	-	-	-	-	-	-
Profit from associates and joint ventures	-	-	50	-	-	-	-	-	-
Underlying profit/(loss) before taxation	380	28	71	40	(81)	3	6	80	40
Total assets employed	159,725	54,408	30,293	85,155	28,163	4,795	20,301	150,103	60,373
Of which: loans and advances to customers including FVTPL	77,277	34,469	14,772	45,951	15,674	2,098	10,406	42,179	17,038
Total liabilities employed	149,703	47,420	27,005	80,006	18,437	3,188	12,905	142,804	66,357
Of which: customer accounts	123,330	38,533	21,797	60,821	13,800	2,320	10,078	82,036	34,733
Cost to income ratio (%)	54.1	86.4	83.0	74.9	63.6	82.5	72.9	63.6	70.5

	1Q'19								
	Hong Kong $million	Korea $million	China $million	Singapore $million	India $million	Indonesia $million	UAE $million	UK $million	US $million
Operating income	927	247	220	408	255	77	174	128	183
Operating expenses	(460)	(198)	(163)	(231)	(163)	(41)	(104)	(168)	(150)
Operating profit/(loss) before impairment losses and taxation	467	49	57	177	92	36	70	(40)	33
Credit impairment	(12)	7	(23)	34	(26)	(11)	(6)	12	(40)
Profit from associates and joint ventures	-	-	65	-	-	-	-	-	-
Underlying profit/(loss) before taxation	455	56	99	211	66	25	64	(28)	(7)
Total assets employed	155,111	50,810	31,253	83,504	32,093	5,258	20,847	151,547	51,013
Of which: loans and advances to customers including FVTPL	74,750	32,963	14,894	48,321	16,708	2,348	11,008	43,782	16,999
Total liabilities employed	134,502	44,726	26,578	81,142	22,573	3,289	13,816	165,822	46,973
Of which: customer accounts	111,919	36,409	17,953	60,464	16,999	2,045	10,572	93,395	18,280
Cost to income ratio (%)	49.6	80.2	74.1	56.6	63.9	53.2	59.8	131.3	82.0

Quarterly underlying operating income by product

	2Q'18 $million	3Q'18 $million	4Q'18 $million	1Q'19[1] $million	2Q'19[1] $million	3Q'19[1] $million	4Q'19[1] $million	**1Q'20 $million**
Transaction Banking	924	936	942	960	988	975	919	**884**
Trade	285	277	257	277	282	282	259	**260**
Cash Management	553	577	604	600	619	605	575	**540**
Securities Services	86	82	81	83	87	88	85	**84**
Financial Markets	677	631	580	748	747	789	631	**1,194**
Foreign Exchange	280	239	232	298	304	261	264	**415**
Rates[2]	121	194	63	221	136	176	163	**378**
Commodities	53	38	50	45	44	39	37	**44**
Credit and Capital Markets[2]	87	48	83	140	145	167	125	**26**
Capital Structuring Distribution Group	92	71	91	82	74	87	86	**61**
DVA	4	3	46	(53)	11	14	(72)	**305**
Other Financial Markets	40	38	15	15	33	45	28	**(35)**
Corporate Finance[3]	273	268	370	262	272	281	328	**278**
Lending and Portfolio Management	202	179	181	187	197	201	201	**195**
Wealth Management	452	465	343	465	511	488	415	**530**
Retail Products	953	929	925	951	976	975	960	**946**
CCPL and other unsecured lending	345	320	294	305	320	315	311	**304**
Deposits	431	476	481	494	501	510	484	**472**
Mortgage and Auto	156	114	127	129	129	123	130	**136**
Other Retail Products	21	19	23	23	26	27	35	**34**
Treasury	338	342	253	308	251	335	196	**325**
Other	(43)	(26)	1	(68)	(59)	(66)	(53)	**(25)**
Total underlying operating income	3,776	3,724	3,595	3,813	3,883	3,978	3,597	**4,327**

1 Following a reorganisation of certain clients, there has been a reclassification of balances across products. Prior periods have been restated from 1Q'19
2 Following a reorganisation of certain product teams within Financial Markets, $46 million of income that was in H1 2018 reported within Credit and Capital Markets has been transferred to Rates during Q3 2018. Prior periods have not been restated.
3 In Dec 2018 it was decided to discontinue the ship operating lease business any future profits and losses will be reported as restructuring. Prior periods have not been restated.

Capital ratios

	1Q'20	4Q'19	1Q'19
CET1	13.4%	13.8%	13.9%
Tier 1 capital	15.1%	16.5%	16.3%
Total capital	19.6%	21.2%	20.8%

CRD IV Capital base[1]

	1Q'20 $million	4Q'19 $million	1Q'19 $million
CET1 instruments and reserves			
Capital instruments and the related share premium accounts	5,564	5,584	5,627
Of which: share premium accounts	3,989	3,989	3,975
Retained earnings	26,045	24,044	26,312
Accumulated other comprehensive income (and other reserves)	10,781	11,685	11,867
Non-controlling interests (amount allowed in consolidated CET1)	483	723	678
Independently reviewed interim and year-end profits	510	2,301	809
Foreseeable dividends net of scrip	(283)	(871)	(910)
CET1 capital before regulatory adjustments	43,100	43,466	44,383
CET1 regulatory adjustments			
Additional value adjustments (prudential valuation adjustments)	(604)	(615)	(623)
Intangible assets (net of related tax liability)	(4,899)	(5,318)	(5,200)
Deferred tax assets that rely on future profitability (excludes those arising from temporary differences)	(133)	(129)	(107)
Fair value reserves related to net losses on cash flow hedges	130	59	17
Deduction of amounts resulting from the calculation of excess expected loss	(573)	(822)	(899)
Net gains on liabilities at fair value resulting from changes in own Credit Risk	(150)	(2)	(186)
Defined-benefit pension fund assets	(55)	(26)	(35)
Fair value gains arising from the institution's own Credit Risk related to derivative liabilities	(298)	(38)	(80)
Exposure amounts which could qualify for risk weighting of 1250%	(51)	(62)	(86)
of which: securitisation positions	(34)	(57)	(79)
of which: free deliveries	(17)	(5)	(7)
Total regulatory adjustments to CET1	(6,633)	(6,953)	(7,199)
CET1 capital	36,467	36,513	37,184
AT1 capital instruments	4,640	7,184	6,632
AT1 regulatory adjustments	(20)	(20)	(20)
Tier 1 capital	41,087	43,677	43,796
Tier 2 capital instruments	12,401	12,318	12,096
Tier 2 regulatory adjustments	(30)	(30)	(30)
Tier 2 capital	12,371	12,288	12,066
Total capital	53,458	55,965	55,862
Total risk-weighted assets (unaudited)	272,653	264,090	268,206

1 CRD IV capital is prepared on the regulatory scope of consolidation

Movement in total capital

	1Q'20 $million	4Q'19 $million
CET1 at 1 January	36,513	36,717
Ordinary shares issued in the period and share premium	-	25
Share buy-back[1]	(231)	(1,006)
Profit for the period	510	2,301
Foreseeable dividends net of scrip deducted from CET1	(283)	(871)
Difference between dividends paid and foreseeable dividends[3]	838	(641)
Movement in goodwill and other intangible assets	419	(172)
Foreign currency translation differences	(926)	(180)
Non-controlling interests	(240)	37
Movement in eligible other comprehensive income	(306)	284
Deferred tax assets that rely on future profitability	(4)	(14)
Decrease/(increase) in excess expected loss	249	53
Additional value adjustments (prudential valuation adjustment)	11	(51)
IFRS 9 day one transitional impact on regulatory reserves	(63)	(43)
Exposure amounts which could qualify for risk weighting	11	61
Other[2]	(31)	13
CET1 at 31 March/31 December	36,467	36,513
AT1 at 1 January	7,164	6,684
Issuances net of redemptions	(1,987)	552
Foreign currency translation difference	(15)	9
Excess on AT1 grandfathered limit (ineligible)	(542)	(81)
AT1 at 31 March/31 December	4,620	7,164
Tier 2 capital at 1 January	12,288	12,295
Regulatory amortisation	(298)	-1,111
Issuances net of redemptions	-	1,000
Foreign currency translation difference	(146)	(12)
Tier 2 ineligible minority interest	(17)	31
Recognition of ineligible AT1	542	81
Other	2	4
Tier 2 capital at 31 March/31 December	12,371	12,288
Total capital at 31 March/31 December	53,458	55,965

1 $231 million share buy-back including expenses completed before the announcement of suspension of the programme (2019 share buy-back programme:$1,006 million)
2 Mainly includes defined benefit pension fund assets
3 Of which in 1Q'20 $638 million relates to cancelled final ordinary dividend for 2019

Risk-weighted assets by business

	31.03.2020			
	Credit Risk $million	Operational Risk $million	Market Risk $million	Total risk $million
Corporate & Institutional Banking	102,316	13,153	21,728	137,197
Retail Banking	36,427	7,575	-	44,002
Commercial Banking	29,050	2,810	-	31,860
Private Banking	5,766	763	-	6,529
Central & other items	49,444	3,502	119	53,065
Total risk-weighted assets	223,003	27,803	21,847	272,653

	31.12.2019			
	Credit Risk [1] $million	Operational Risk $million	Market Risk $million	Total risk[1] $million
Corporate & Institutional Banking	95,261	13,261	20,562	129,084
Retail Banking	37,194	7,314	-	44,508
Commercial Banking	28,350	2,626	-	30,976
Private Banking	5,681	728	-	6,409
Central & other items	49,178	3,691	244	53,113
Total risk-weighted assets	215,664	27,620	20,806	264,090

1 Following a reorganisation of certain clients, there has been a reclassification of balances across client segments, prior periods have been restated from Q1 19

	31.03.2019			
	Credit Risk [1] $million	Operational Risk $million	Market Risk $million	Total risk[1] $million
Corporate & Institutional Banking	96,265	13,261	21,398	130,924
Retail Banking	34,810	7,314	-	42,124
Commercial Banking	32,184	2,626	-	34,810
Private Banking	5,670	728	-	6,398
Central & other items	50,188	3,691	71	53,950
Total risk-weighted assets	219,117	27,620	21,469	268,206

1 Following a reorganisation of certain clients, there has been a reclassification of balances across client segments, prior periods have been restated from Q1 19

Risk-weighted assets by geographic region

	31.03.2020 $million	31.12.2019 $million	31.03.2019 $million
Greater China & North Asia	88,654	85,695	82,669
ASEAN & South Asia	89,100	88,942	92,780
Africa & Middle East	51,414	49,244	54,837
Europe & Americas	45,944	43,945	40,627
Central & other items	(2,459)	(3,736)	(2,707)
Total risk-weighted assets	272,653	264,090	268,206

Movement in risk-weighted assets

	Credit Risk								
	Corporate & Institutional Banking $million	Retail Banking $million	Commercial Banking $million	Private Banking $million	Central & other items $million	Total $million	Operational Risk $million	Market Risk $million	Total risk $million
As at 1 January 2019	96,954	35,545	27,711	5,103	45,825	211,138	28,050	19,109	258,297
Assets (decline)/growth	1,303	1,020	(557)	528	4,093	6,387	-	-	6,387
Net credit migration	2,565	832	(642)	8	607	3,370	-	-	3,370
Risk-weighted assets efficiencies	(1,112)	(33)	(403)	-	(2,404)	(3,952)	-	-	(3,952)
Model, methodology and policy changes	(904)	(7)	-	-	1,400	489	-	500	989
Disposals	(397)	-	(441)	-	-	(838)	-	-	(838)
Foreign currency translation	(182)	(219)	(228)	42	(343)	(930)	-	-	(930)
Other non-credit risk movements	-	-	-	-	-	-	(430)	1,197	767
As at 31 December 2019	98,227	37,138	25,440	5,681	49,178	215,664	27,620	20,806	264,090
As at 1 January 2020 [1]	95,261	37,194	28,350	5,681	49,178	215,664	27,620	20,806	264,090
Assets (decline)/growth	6,194	(38)	1,181	182	1,565	9,084	-	-	9,084
Net credit migration	1,765	48	(22)	(1)	229	2,019	-	-	2,019
Risk-weighted assets efficiencies	156	-	58	-	-	214	-	-	214
Model, methodology and policy changes	667	304	-	-	-	971	-	(1,200)	(229)
Disposals	-	-	-	-	-	-	-	-	-
Foreign currency translation	(1,727)	(1,081)	(517)	(96)	(1,528)	(4,949)	-	-	(4,949)
Other non-credit risk movements	-	-	-	-	-	-	183	2,241	2,424
As at 31 March 2020	102,316	36,427	29,050	5,766	49,444	223,003	27,803	21,847	272,653

1 Following a reorganisation of certain clients, there has been a reclassification of balances across client segments. 1 January 2020 balances have been restated.

UK leverage ratio

	1Q'20 $million	4Q'19 $million	1Q'19 $million
Tier 1 capital (transitional)	41,087	43,677	43,796
Additional Tier 1 capital subject to phase out	(1,114)	(1,671)	(1,671)
Tier 1 capital (end point)	39,973	42,006	42,125
Derivative financial instruments	66,757	47,212	44,008
Derivative cash collateral	13,070	9,169	9,943
Securities financing transactions (SFTs)	70,269	60,414	69,992
Loans and advances and other assets	614,820	603,603	584,931
Total on-balance sheet assets	764,916	720,398	708,874
Regulatory consolidation adjustments[1]	(42,178)	(31,485)	(35,955)
Derivatives adjustments		-	-
Derivatives netting	(39,400)	(32,852)	(30,575)
Adjustments to cash collateral	(23,381)	(11,853)	(13,651)
Net written credit protection	1,618	1,650	1,649
Potential future exposure on derivatives	34,961	32,961	31,418
Total derivatives adjustments	(26,202)	(10,094)	(11,159)
Counterparty risk leverage exposure measure for SFTs	10,380	7,005	12,446
Off-balance sheet items	122,763	122,341	113,684
Regulatory deductions from Tier 1 capital	(6,184)	(6,913)	(6,933)
UK leverage exposure (end point)	823,495	801,252	780,957
UK leverage ratio (end point)	4.9%	5.2%	5.4%
UK leverage exposure quarterly average	829,542	816,244	771,650
UK leverage ratio quarterly average	4.9%	5.1%	5.4%
Countercyclical leverage ratio buffer	0.1%	0.1%	0.1%
G-SII additional leverage ratio buffer	0.4%	0.4%	0.4%

1 Includes adjustment for qualifying central bank claims

Condensed consolidated interim income statement
For the three months ended 31 March 2020

	3 months ended 1Q'20 $million	3 months ended 1Q'19 $million
Interest income	3,746	4,141[1]
Interest expense	(1,907)	(2,236)[1]
Net interest income	1,839	1,905
Fees and commission income	1,010	1,035
Fees and commission expense	(148)	(125)
Net fee and commission income	862	910
Net trading income	1,138	938[1]
Other operating income	496	165
Operating income	4,335	3,918
Staff costs	(1,633)	(1,762)
Premises costs	(90)	(126)
General administrative expenses	(347)	(530)
Depreciation and amortisation	(298)	(238)
Operating expenses	(2,368)	(2,656)
Operating profit before impairment losses and taxation	1,967	1,262
Credit impairment	(962)	(78)
Goodwill impairment	(258)	-
Other impairment	92	(20)
Profit from associates and joint ventures	47	78
Profit before taxation	886	1,242
Taxation	(369)	(424)
Profit for the quarter	517	818
Profit attributable to:		
Non-controlling interests	7	10
Parent company shareholders	510	808
Profit for the quarter	517	818
	cents	cents
Earnings per share:		
Basic earnings per ordinary share	15.0	23.4
Diluted earnings per ordinary share	14.8	23.1

1 Restated due to change in accounting policy

Condensed consolidated interim statement of comprehensive income

For the three months ended 31 March 2020

	3 months ended 1Q'20 $million	3 months ended 1Q'19 $million
Profit for the quarter	517	818
Other comprehensive income/(loss)		
Items that will not be reclassified to income statement:	253	(222)
Own credit gains/(losses) on financial liabilities designated at fair value through profit or loss	175	(261)
Equity instruments at fair value through other comprehensive income	27	5
Actuarial gain on retirement benefit obligations	83	-
Taxation relating to components of other comprehensive income	(32)	34
Items that may be reclassified subsequently to income statement:	(1,106)	203
Exchange differences on translation of foreign operations:		
Net (losses)/gains taken to equity	(1,109)	54
Net gains on net investment hedges	170	16
Share of other comprehensive income from associates and joint ventures	-	(2)
Debt instruments at fair value through other comprehensive income:		
Net valuation gains taken to equity	244	160
Reclassified to income statement	(326)	(6)
Net impact of expected credit losses	9	2
Cashflow hedges:		
Net losses taken to equity	(104)	(18)
Reclassified to income statement	4	3
Taxation relating to components of other comprehensive income	6	(6)
Other comprehensive loss for the year, net of taxation	(853)	(19)
Total comprehensive (loss)/income for the quarter	(336)	799
Total comprehensive (loss)/income attributable to:		
Non-controlling interests	(5)	3
Parent company shareholders	(331)	796
Total comprehensive (loss)/income for the quarter	(336)	799

Condensed consolidated interim balance sheet

As at 31 March 2020

	1Q'20 $million	4Q'19 $million
Assets		
Cash and balances at central banks	59,374	52,728
Financial assets held at fair value through profit or loss	103,024	92,818
Derivative financial instruments[1]	66,757	47,212
Loans and advances to banks	61,323	53,549
Loans and advances to customers	271,234	268,523
Investment securities	136,332	143,731
Other assets[1]	48,309	42,022
Current tax assets	729	539
Prepayments and accrued income	2,461	2,700
Interests in associates and joint ventures	1,951	1,908
Goodwill and intangible assets	4,890	5,290
Property, plant and equipment	6,080	6,220
Deferred tax assets	828	1,105
Assets classified as held for sale	1,624	2,053
Total assets	764,916	720,398
Liabilities		
Deposits by banks	25,519	28,562
Customer accounts	422,192	405,357
Repurchase agreements and other similar secured borrowing	4,357	1,935
Financial liabilities held at fair value through profit or loss	78,573	66,974
Derivative financial instruments[1]	64,903	48,484
Debt securities in issue	51,220	53,025
Other liabilities[1]	45,592	41,583
Current tax liabilities	579	703
Accruals and deferred income	4,084	5,369
Subordinated liabilities and other borrowed funds	16,349	16,207
Deferred tax liabilities	721	611
Provisions for liabilities and charges	428	449
Retirement benefit obligations	387	469
Liabilities included in disposal groups held for sale	8	9
Total liabilities	714,912	669,737
Equity		
Share capital and share premium account	7,058	7,078
Other reserves	10,781	11,685
Retained earnings	26,345	26,072
Total parent company shareholders' equity	44,184	44,835
Other equity instruments	5,513	5,513
Total equity excluding non-controlling interests	49,697	50,348
Non-controlling interests	307	313
Total equity	50,004	50,661
Total equity and liabilities	764,916	720,398

1 The Group has met the criteria to offset its derivative assets and liabilities and the related variation margin for trades cleared on behalf of clients with LCH SwapClear. This applies to both trades between the Group and the clients and between the Group and LCH SwapClear. The impact of this as at 31 March 2020 is a decrease in the derivative assets and derivative liabilities of $20.2bn. Prior periods have not been restated as the effect would not be material. The impact at 31 December 2019 would have been a decrease in the derivative assets and derivative liabilities of $8.7bn.

The Group has also met the criteria to derecognise initial margin for trades cleared on behalf of clients with LCH SwapClear. The impact of this as at 31 March 2020 is a decrease in other assets and other liabilities of $2.9bn. Prior periods have not been restated as the effect would not be material. The impact at 31 December 2019 would have been a decrease in other assets and other liabilities of $3.2bn.

Condensed consolidated interim statement of changes in equity

For the three months ended 31 March 2020

	Ordinary share capital and share premium account	Preference share capital and share premium account	Capital and merger reserves	Own credit adjustment reserve	Fair value through other comprehensive income reserve – debt	Fair value through other comprehensive income reserve – equity	Cash flow hedge reserve	Translation reserve	Retained earnings	Parent company shareholders' equity	Other equity instruments	Non-controlling interests	Total
	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million
As at 1 January 2019	5,617	1,494	17,129[1]	412	(161)	120	(10)	(5,612)	26,129	45,118	4,961	273	50,352
Profit after tax	-	-	-	-	-	-	-	-	2,303	2,303	-	37	2,340
Other comprehensive (loss)/income	-	-	-	(410)	358	30	(49)	(180)	(132)[2]	(383)	-	(17)	(400)
Distributions	-	-	-	-	-	-	-	-	-	-	-	(35)	(35)
Shares issued, net of expenses[3]	25	-	-	-	-	-	-	-	-	25	-	-	25
Other equity instruments issued, net of expenses	-		-	-	-	-	-	-	-	-	552	-	552
Net treasury shares adjustment	-	-	-	-	-	-	-	-	(199)	(199)	-	-	(199)
Share option expense, net of taxation	-	-	-	-	-	-	-	-	139	139	-	-	139
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(720)	(720)	-	-	(720)
Dividends on preference shares and AT1 securities	-	-	-	-	-	-	-	-	(448)	(448)	-	-	(448)
Share buy-back[4]	(58)	-	58	-	-	-	-	-	(1,006)	(1,006)	-	-	(1,006)
Other movements	-	-	-	-	-	-	-	-	6[5]	6	-	55[6]	61
As at 31 December 2019	5,584	1,494	17,187	2	197	150	(59)	(5,792)	26,072	44,835	5,513	313	50,661
Profit after tax	-	-	-	-	-	-	-	-	510	510	-	7	517
Other comprehensive income/(loss)	-	-	-	148	(96)	21	(71)	(926)	83[2]	(841)	-	(12)	(853)
Distributions	-	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Net treasury shares adjustment	-	-	-	-	-	-	-	-	(92)	(92)	-	-	(92)
Share option expense, net of taxation	-	-	-	-	-	-	-	-	36	36	-	-	36
Dividends on ordinary shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend on preference shares and AT1 securities	-	-	-	-	-	-	-	-	(33)	(33)	-	-	(33)
Share buy-back[7]	(20)	-	20	-	-	-	-	-	(231)	(231)	-	-	(231)
As at 31 March 2020	5,564	1,494	17,207	150	101	171	(130)	(6,718)	26,345	44,184	5,513	307	50,004

1 Comprises capital reserve of $5 million, capital redemption reserve of $13 million and merger reserve of $17,111 million

2 Includes actuarial gain, net of taxation, $83 million (actuarial loss $129 million for the year ending 31 December 2019)

3 Comprises share capital of shares issued to fulfil discretionary awards $1 million, share capital of shares issued to fulfil employee share save options $1 million and share premium of shares issued to fulfil employee Sharesave options exercised $23 million

4 On 1 May 2019, the Group commenced a share buy-back of its ordinary shares of $0.50 each up to a maximum consideration of $1,000 million. Nominal value of share purchases was $58 million for the year ended 31 December 2019 and the total consideration paid was $1,006 million which includes share buyback expenses of $6 million. The total number of shares purchased was 116,103,483 representing 3.51% of the ordinary shares in issue. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account.

5 Comprises of $10 million disposal of non-controlling interest of Phoon Huat Pte Ltd offset by $4 million withholding tax on capitalisation of revenue reserves for Standard Chartered Bank Ghana Limited

6 Comprises $72 million of non-controlling interest in SC Digital Solutions offset by $17 million disposal of non-controlling interest in Phoon Huat Pte Ltd, Sirat Holdings Limited and Ori Private Limited

7 On 28 Feb 2020, the Group announced the buy-back programme for a share buy-back of its ordinary shares of $0.50 each. Nominal value of share purchases was $20 million, and the total consideration paid was $231 million. The total number of shares purchased was 40,029,585 representing 1.25% of the ordinary shares in issue. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account. A further $10 million expense will be recognised to equity in the three months to 30 June 2020. On the 1 April 2020, the Group announced that in response to a request from the Prudential Regulation Authority and as a consequence of the unprecedented challenges facing the world due to the COVID-19 pandemic, its board had decided after careful consideration to withdraw the recommendation to pay a final dividend for 2019 of 20 cents per ordinary share and to suspend the buy-back programme.

Basis of presentation

This statement covers the results of Standard Chartered PLC together with its subsidiaries and equity accounted interest in associates and jointly controlled entities (the Group) for the three months ended 31 March 2020. The financial information on which this statement is based, and the data set out in the appendix to this statement, are unaudited and have been prepared in accordance with Standard Chartered's accounting policies. The Group's significant accounting policies are described in the Annual Report 2019.

The information in this announcement does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2019, which contained an unqualified audit report under Section 495 of the Companies Act 2006 (which did not make any statements under Section 498 of the Companies Act 2006) have been delivered to the Registrar of Companies in accordance with Section 441 of the Companies Act 2006

Underlying versus Statutory

Profit before taxation (PBT)

	1Q'20						
	Underlying $million	**Provision for regulatory matters $million**	**Restructuring $million**	**Gains arising on repurchase of senior and subordinated liabilities $million**	**Goodwill impairment $million**	**Share of profits of PT Bank Permata Tbk joint venture $million**	**Statutory $million**
Operating income	**4,327**	**-**	**8**	**-**	**-**	**-**	**4,335**
Operating expenses	**(2,358)**	**14**	**(24)**	**-**	**-**	**-**	**(2,368)**
Operating profit/(loss) before impairment losses and taxation	**1,969**	**14**	**(16)**	**-**	**-**	**-**	**1,967**
Credit impairment	**(956)**	**-**	**(6)**	**-**	**-**	**-**	**(962)**
Other impairment	**154**	**-**	**(62)**	**-**	**(258)**	**-**	**(166)**
Profit from associates and joint ventures	**55**	**-**	**(8)**	**-**	**-**	**-**	**47**
Profit/(loss) before taxation	**1,222**	**14**	**(92)**	**-**	**(258)**	**-**	**886**

	1Q'19						
	Underlying $million	Provision for regulatory matters $million	Restructuring $million	Gains arising on repurchase of senior and subordinated liabilities $million	Goodwill impairment $million	Share of profits of PT Bank Permata Tbk joint venture $million	Statutory $million
Operating income	3,813	-	105	-	-	-	3,918
Operating expenses	(2,415)	(186)	(55)	-	-	-	(2,656)
Operating profit/(loss) before impairment losses and taxation	1,398	(186)	50	-	-	-	1,262
Credit impairment	(78)	-	-	-	-	-	(78)
Other impairment	(2)	-	(18)	-	-	-	(20)
Profit from associates and joint ventures	66	-	-	-	-	12	78
Profit/(loss) before taxation	1,384	(186)	32	-	-	12	1,242

	4Q'19						
	Underlying $million	Provision for regulatory matters $million	Restructuring $million	Gains arising on repurchase of senior and subordinated liabilities $million	Goodwill impairment $million	Share of profits of PT Bank Permata Tbk joint venture $million	Statutory $million
Operating income	3,597	-	31	-	-	-	3,628
Operating expenses	(2,939)	-	(129)	-	-	-	(3,068)
Operating profit/(loss) before impairment losses and taxation	658	-	(98)	-	-	-	560
Credit impairment	(373)	-	(1)	-	-	-	(374)
Other impairment	(12)	-	(20)	-	(27)	-	(59)
Profit from associates and joint ventures	52	-	2	-	-	13	67
Profit/(loss) before taxation	325	-	(117)	-	(27)	13	194

Analysis of operating income by product and segment

The following tables provide a breakdown of the Group's underlying operating income by product and

	1Q'20					
	Corporate & Institutional Banking $million	Retail Banking $million	Commercial Banking $million	Private Banking $million	Central & other items $million	Total $million
Transaction Banking	673	5	206	-	-	884
Trade	164	5	91	-	-	260
Cash Management	425	-	115	-	-	540
Securities Services	84	-	-	-	-	84
Financial Markets	1,100	-	94	-	-	1,194
Foreign Exchange	362	-	53	-	-	415
Rates	367	-	11	-	-	378
Commodities	35	-	9	-	-	44
Credit and Capital Markets	15	-	11	-	-	26
Capital Structuring Distribution Group	57	-	4	-	-	61
DVA	305	-	-	-	-	305
Other Financial Markets	(41)	-	6	-	-	(35)
Corporate Finance	251	-	27	-	-	278
Lending and Portfolio Management	136	-	59	-	-	195
Wealth Management	-	414	-	116	-	530
Retail Products	-	898	2	46	-	946
CCPL and other unsecured lending	-	304	-	-	-	304
Deposits	-	431	2	39	-	472
Mortgage and Auto	-	129	-	7	-	136
Other Retail Products	-	34	-	-	-	34
Treasury	-	-	-	-	325	325
Other	(6)	4	2	-	(25)	(25)
Total underlying operating income	2,154	1,321	390	162	300	4,327

	1Q'19[1]					
	Corporate & Institutional Banking $million	Retail Banking $million	Commercial Banking $million	Private Banking $million	Central & other items $million	Total $million
Transaction Banking	734	4	222	-	-	960
Trade	173	4	100	-	-	277
Cash Management	478	-	122	-	-	600
Securities Services	83	-	-	-	-	83
Financial Markets	656	-	92	-	-	748
Foreign Exchange	247	-	51	-	-	298
Rates	210	-	11	-	-	221
Commodities	36	-	9	-	-	45
Credit and Capital Markets	133	-	7	-	-	140
Capital Structuring Distribution Group	75	-	7	-	-	82
DVA	(53)	-	-	-	-	(53)
Other Financial Markets	8	-	7	-	-	15
Corporate Finance	238	-	24	-	-	262
Lending and Portfolio Management	127	-	60	-	-	187
Wealth Management	-	370	1	94	-	465
Retail Products	-	895	1	55	-	951
CCPL and other unsecured lending	-	305	-	-	-	305
Deposits	-	446	1	47	-	494
Mortgage and Auto	-	121	-	8	-	129
Other Retail Products	-	23	-	-	-	23
Treasury	-	-	-	-	308	308
Other	3	-	(1)	-	(70)	(68)
Total underlying operating income	1,758	1,269	399	149	238	3,813

1 Following a reorganisation of certain clients, there has been a reclassification of balances across products and client segments. Prior periods have been restated

Analysis of underlying performance by Retail Banking and Commercial Banking segments

Retail Banking

	1Q'20				
	Greater China & North Asia $million	ASEAN & South Asia $million	Africa & Middle East $million	Europe & Americas $million	Total $million
Operating income	**766**	**369**	**178**	**8**	**1,321**
Operating expenses	**(485)**	**(256)**	**(144)**	**(6)**	**(891)**
Operating profit before impairment losses and taxation	**281**	**113**	**34**	**2**	**430**
Credit impairment	**(86)**	**(89)**	**(22)**	**-**	**(197)**
Underlying profit before taxation	**195**	**24**	**12**	**2**	**233**
Restructuring	**(1)**	**(2)**	**-**	**-**	**(3)**
Statutory profit before taxation	**194**	**22**	**12**	**2**	**230**
Loans and advances to customers including FVTPL	**72,081**	**26,197**	**5,024**	**529**	**103,831**
Customer accounts	**96,608**	**35,671**	**8,714**	**1,032**	**142,025**

	1Q'19[1]				
	Greater China & North Asia $million	ASEAN & South Asia $million	Africa & Middle East $million	Europe & Americas $million	Total $million
Operating income	745	341	174	9	1,269
Operating expenses	(485)	(258)	(149)	(5)	(897)
Operating profit before impairment losses and taxation	260	83	25	4	372
Credit impairment	(29)	(37)	(16)	-	(82)
Underlying profit before taxation	231	46	9	4	290
Restructuring	-	-	-	-	-
Statutory profit before taxation	231	46	9	4	290
Loans and advances to customers including FVTPL	67,620	27,873	5,358	526	101,377
Customer accounts	97,386	32,711	8,547	1,060	139,704

1 Following a reorganisation of certain clients, there has been a reclassification of balances across client segments. Prior periods have been restated

Commercial Banking

	1Q'20			
	Greater China & North Asia $million	ASEAN & South Asia $million	Africa & Middle East $million	Total $million
Operating income	**127**	**178**	**85**	**390**
Operating expenses	**(80)**	**(81)**	**(48)**	**(209)**
Operating profit before impairment losses and taxation	**47**	**97**	**37**	**181**
Credit impairment	**(35)**	**(38)**	**(6)**	**(79)**
Underlying profit before taxation	**12**	**59**	**31**	**102**
Restructuring	**(7)**	**-**	**(7)**	**(14)**
Statutory profit before taxation	**5**	**59**	**24**	**88**
Loans and advances to customers including FVTPL	**12,941**	**10,754**	**4,904**	**28,599**
Customer accounts	**22,194**	**12,391**	**3,478**	**38,063**

	1Q'19[1]			
	Greater China & North Asia $million	ASEAN & South Asia $million	Africa & Middle East $million	Total $million
Operating income	141	168	90	399
Operating expenses	(82)	(83)	(53)	(218)
Operating profit before impairment losses and taxation	59	85	37	181
Credit impairment	6	(1)	1	6
Underlying profit before taxation	65	84	38	187
Restructuring	1	-	-	1
Statutory profit before taxation	66	84	38	188
Loans and advances to customers including FVTPL	13,693	11,925	5,393	31,011
Customer accounts	19,827	12,158	3,445	35,430

1 Following a reorganisation of certain clients, there has been a reclassification of balances across client segments. Prior periods have been restated

Average balance sheets and yields

Average assets

	3 months ended 31.03.20				
	Average non-interest earning balance $million	Average interest earning balance $million	Interest income $million	Gross yield of interest earning balance %	Gross yield of total balance %
Cash and balances at central banks	16,576	31,795	53	0.67	0.44
Gross loans and advances to banks	28,389	57,106	321	2.26	1.51
Gross loans and advances to customers	50,852	284,841	2,510	3.54	3.01
Impairment provisions against loans and advances to banks and customers	-	(5,692)	-	-	-
Investment securities	29,007	142,622	862	2.43	2.02
Property, plant and equipment and intangible assets	9,895	-	-	-	-
Prepayments, accrued income and other assets	103,766	-	-	-	-
Investment associates and joint ventures	2,228	-	-	-	-
Total average assets	240,713	510,672	3,746	2.95	2.01

	3 months ended 31.12.19				
	Average non-interest earning balance $million	Average interest earning balance $million	Interest income $million	Gross yield of interest earning balance %	Gross yield of total balance %
Cash and balances at central banks	16,965	28,617	63	0.87	0.55
Gross loans and advances to banks	27,686	58,637	449	3.04	2.06
Gross loans and advances to customers	50,134	283,137	2,650	3.71	3.15
Impairment provisions against loans and advances to banks and customers	-	(4,924)	-	-	-
Investment securities	27,606	142,534	923	2.57	2.15
Property, plant and equipment and intangible assets	11,000	-	-	-	-
Prepayments, accrued income and other assets	86,929	-	-	-	-
Investment associates and joint ventures	2,706	-	-	-	-
Total average assets	223,028	508,001	4,085	3.19	2.22

	3 months ended 31.03.19				
	Average non-interest earning balance $million	Average interest earning balance $million	Interest income $million	Gross yield of interest earning balance %	Gross yield of total balance %
Cash and balances at central banks	20,104	32,492	102	1.27	0.79
Gross loans and advances to banks	25,035	60,336	501	3.37	2.38
Gross loans and advances to customers	49,221	268,619	2,659	4.01	3.39
Impairment provisions against loans and advances to banks and customers	-	(5,060)	-	-	-
Investment securities	28,729	131,037	879	2.72	2.23
Property, plant and equipment and intangible assets	11,022	-	-	-	-
Prepayments, accrued income and other assets	87,268	-	-	-	-
Investment associates and joint ventures	2,510	-	-	-	-
Total average assets	223,889	487,424	4,141	3.45	2.36

Average liabilities

	3 months ended 31.03.20				
	Average non-interest bearing balance $million	Average interest bearing balance $million	Interest expense $million	Rate paid on interest bearing balance %	Rate paid on total balance %
Deposits by banks	18,354	27,517	149	2.18	1.31
Customer accounts:					
Current accounts and savings deposits	40,220	204,412	479	0.94	0.79
Time and other deposits	58,635	161,324	838	2.09	1.53
Debt securities in issue	8,275	54,010	245	1.82	1.58
Accruals, deferred income and other liabilities	108,023	1,246	16	5.16	0.06
Subordinated liabilities and other borrowed funds	-	16,040	180	4.51	4.51
Non-controlling interests	-	-	-	-	-
Shareholders' funds	50,023	-	-	-	-
	283,530	464,549	1,907	1.65	1.03
Adjustment for Financial Markets funding costs			(92)		
Total average liabilities and shareholders' funds	283,530	464,549	1,815	1.57	0.98

	3 months ended 31.12.19				
	Average non-interest bearing balance $million	Average interest bearing balance $million	Interest expense $million	Rate paid on interest bearing balance %	Rate paid on total balance %
Deposits by banks	19,763	25,589	169	2.62	1.48
Customer accounts:					
Current accounts and savings deposits	40,142	195,227	554	1.13	0.93
Time and other deposits	58,759	166,370	974	2.32	1.72
Debt securities in issue	9,759	51,185	277	2.15	1.80
Accruals, deferred income and other liabilities	93,132	3,514	26	2.94	0.11
Subordinated liabilities and other borrowed funds	-	15,528	178	4.55	4.55
Non-controlling interests	37	-	-	-	-
Shareholders' funds	50,128	-	-	-	-
Total average liabilities and shareholders' funds	271,720	457,413	2,178	1.89	1.19
Adjustment for Financial Markets funding costs			(71)		
Total average liabilities and shareholders' funds	271,720	457,413	2,107	1.83	1.15

	3 months ended 31.03.19				
	Average non-interest bearing balance $million	Average interest bearing balance $million	Interest expense $million	Rate paid on interest bearing balance %	Rate paid on total balance %
Deposits by banks	15,311	28,490	204	2.90	1.89
Customer accounts:					-
Current accounts and savings deposits	37,159	177,102	479	1.10	0.91
Time and other deposits	59,912	166,146	1,074	2.62	1.93
Debt securities in issue	8,712	48,480	283	2.37	2.01
Accruals, deferred income and other liabilities	88,420	1,406	-	-	-
Subordinated liabilities and other borrowed funds	-	15,238	196	5.22	5.22
Non-controlling interests	36	-	-	-	-
Shareholders' funds	50,435	-	-	-	-
Total average liabilities and shareholders' funds	259,985	436,862	2,236	2.08	1.30
Adjustment for Financial Markets funding costs			(88)		
Total average liabilities and shareholders' funds	259,985	436,862	2,148	1.99	1.25

Earnings per ordinary share

	1Q'20 $m	1Q'19 $m	Change %	4Q'19 $m	Change %
Profit/(loss) for the period attributable to equity holders	517	818	(37)	72	nm[2]
Non-controlling interests	(7)	(10)	30	(7)	-
Dividend payable on preference shares and AT1 classified as equity	(33)	(34)	3	(191)	83
Profit/(loss) for the period attributable to ordinary shareholders	477	774	(38)	(126)	nm[2]
Items normalised:					
Provision for regulatory matters	(14)	186	nm[2]	-	nm[2]
Restructuring	92	(32)	nm[2]	117	(21)
Profit from associates and joint ventures	-	(12)	nm[2]	(13)	nm[2]
Goodwill Impairment	258	-	nm[2]	27	nm[2]
Tax on normalised items	(3)	1	nm[2]	(19)	84
Underlying profit	810	917	(12)	(14)	nm[2]
Basic - Weighted average number of shares (millions)	3,186	3,310	nm[2]	3,191	nm[2]
Diluted - Weighted average number of shares (millions)	3,218	3,345	nm[2]	3,228	nm[2]
Basic earnings/(loss) per ordinary share (cents)	15.0	23.4	(8.4)	(3.9)	18.9
Diluted earnings/(loss) per ordinary share (cents)	14.8	23.1	(8.3)	(3.9)[1]	18.7
Underlying basic earnings per ordinary share (cents)	25.4	27.7	(2.3)	(0.4)	25.9
Underlying diluted earnings per ordinary share (cents)	25.2	27.4	(2.2)	(0.4)[1]	25.6

1 The impact of any diluted options has been excluded from this amount as required by *IAS 33 Earnings per share*

2 Not meaningful

Return on Tangible Equity

	1Q'20 $m	1Q'19 $m	Change %	4Q'19 $m	Change %
Average parent company Shareholders' Equity	44,511	45,475	(2)	44,855	(1)
Less Preference share premium	(1,494)	(1,494)	-	(1,494)	-
Less Average intangible assets	(5,090)	(5,084)	-	(5,187)	2
Average Ordinary Shareholders' Tangible Equity	37,927	38,898	(2)	38,174	(1)
Profit/(loss) for the period attributable to equity holders	517	818	(37)	72	nm[1]
Non-controlling interests	(7)	(10)	30	(7)	-
Dividend payable on preference shares and AT1 classified as equity	(33)	(34)	3	(191)	83
Profit/(loss) for the period attributable to ordinary shareholders	477	774	(38)	(126)	nm
Items normalised:					
Provision for regulatory matters	(14)	186	nm[1]	-	nm[1]
Restructuring	92	(32)	nm[1]	117	(21)
Profit from associates and joint ventures	-	(12)	nm[1]	(13)	nm[1]
Goodwill Impairment	258	-	nm[1]	27	nm[1]
Tax on normalised items	(3)	1	nm[1]	(19)	84
Underlying profit for the period attributable to ordinary shareholders	810	917	(12)	(14)	nm[1]
Underlying Return on Tangible Equity	8.6%	9.6%	(100) bps	(0.1%)	870 bps
Statutory Return on Tangible Equity	5.1%	8.1%	(300) bps	(1.3%)	640 bps

1 Not meaningful

Net Tangible Asset Value per Share

	31.03.2020 $m	31.03.2019 $m	Change %	31.12.2019 $m	Change %
Parent company shareholders equity	44,185	45,831	(4)	44,837	(1)
Less Preference share premium	(1,494)	(1,494)	-	(1,494)	-
Less Intangible assets	(4,890)	(5,111)	4	(5,290)	8
Net shareholders tangible equity	37,801	39,226	(4)	38,053	(1)
Ordinary shares in issue, excluding own shares ('m)	3,147	3,310	(5)	3,191	(1)
Net Tangible Asset Value per share (c)	1,201	1,185	16.0	1,192	9

By Order of the Board
Amanda Mellor
Group Company Secretary

Hong Kong, 29 April 2020

As at the date of this announcement, the Board of Directors of Standard Chartered PLC comprises:

Chairman:
José María Viñals Iñiguez

Executive Directors:
William Thomas Winters, CBE and Andrew Nigel Halford

Independent Non-Executive Directors:
David Philbrick Conner; Byron Elmer Grote; Christine Mary Hodgson, CBE (Senior Independent Director); Gay Huey Evans, OBE; Naguib Kheraj (Deputy Chairman); Ngozi Okonjo-Iweala; David Tang; Carlson Tong and Jasmine Mary Whitbread