News Release

26 October 2020

HSBC BANK CANADA
THIRD QUARTER 2020 RESULTS

Highlights[1]

Performance during the third quarter of 2020 has improved from the prior two quarters, with profit before tax increasing in two of our three global businesses. Lower charges from expected credit losses are the result of the improving economic outlook. Our results continue to reflect the ongoing market volatility, central bank rate cuts, and reduced customer activity which decreased operating income. Our year-to-date results have similarly been impacted by COVID-19 which has led to decreased operating income and increased expected credit losses resulting in a decline in profit before income tax expense. The safety of our employees and financial well-being of our customers remain our priorities as the impacts from the pandemic continue to be felt across our communities.

Operating income for the quarter was $472m and $1,520m for the year-to-date, down $62m or 12% and $104m or 6.4%, respectively, compared with the same periods in 2019. The impact of central bank rate cuts and maintaining higher levels of highly liquid assets at lower yields had a negative impact on net interest income. Lower net interest from trading activities due to lower interest rates and change in product mix also contributed to the decrease. For the year-to-date, trading income also declined due to unfavourable movements in certain credit spreads driven by market volatility, which have not yet returned to pre-COVID-19 levels. These decreases were partly offset by increases in net fee income from cards and on-line brokerage income in Wealth and Personal Banking[2], higher underwriting fees in Global Banking and Markets, and an increase in credit facility fees from higher volumes of bankers' acceptances in Commercial Banking. Other items of income increased mainly due to higher gains on the disposal of financial investments.

For the third quarter, the **change in expected credit losses** resulted in a release of $2m, as forward-looking macro-economic variables improved, partly offset by an increase in impairment charges from non-performing loans in the energy, transportation and construction sectors. For the year-to-date, as COVID-19 related economic restrictions began in March, the bank’s forward-looking economic guidance significantly deteriorated in the first half of 2020. This, together with the weakened energy sector resulted in a charge in expected credit losses of $328m for the year-to-date. Prior year charges were $17m for the quarter and $45m for the year-to-date.

Total operating expenses increased by $6m or 1.9% for the quarter due to HSBC Group shared service charges and streamlining initiatives in our support functions. Year-to-date, total operating expenses decreased by $28m or 2.9% as we prudently managed costs in response to the current economic environment while strategically making investments to grow our businesses, simplify our processes and provide the digital services our customers are asking for.

As a result, **profit before income tax expense** was $157m, down $49m or 24% for the quarter and $244m for the year-to-date, down $359m or 60%.

1. *For the quarter and nine months ended 30 September 2020 compared with the same periods in the prior year (unless otherwise stated).*
2. *In the second quarter of 2020, HSBC Holdings Group (‘HSBC Group’) combined Retail Banking and Wealth Management and Global Private Banking to create one of the world’s largest wealth management businesses, Wealth and Personal Banking. Therefore, going forward, our global business Retail Banking and Wealth Management (‘RBWM’) has been renamed to Wealth and Personal Banking (‘WPB’). HSBC Bank Canada did not have a separate business line for Global Private Banking and there have been no changes in assets or liabilities nor any changes in the income or expenses that were previously attributable to the RBWM business line as a result of the change in structure.*

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Select financial metrics as at 30 September 2020:

- *Total assets:* $124.2bn (31 Dec 2019: $106.6bn)
- *Common equity tier 1 capital ratio:* 13.1% (31 Dec 2019: 11.3%)
- *Tier 1 ratio:* 15.7% (31 Dec 2019: 13.9%)
- *Total capital ratio[1]: 18.2%* (31 Dec 2019: 16.4%)
- *Return on average common equity[1]*: 3.6% (30 September 2019: 11.2%)

The abbreviations '$m' and '$bn' represent millions and billions of Canadian dollars, respectively.

Commenting on the quarter, Linda Seymour, President and Chief Executive Officer of HSBC Bank Canada, said:

"Our results this quarter are markedly better than in the first two quarters of the year, largely due to moderating expected credit losses. This is in line with improved forward-looking economic guidance, even after factoring in the resurgence of the pandemic that is now upon us. Profits also increased in two of our three business lines compared to the second quarter. This quarter we also saw increased deposits in Commercial Banking, increased income across all products in Global Banking and Markets, and continued record growth in total relationship balances[2] in Wealth and Personal Banking. However, in the current economic environment, compressed lending margins continue to be a drag on our bottom line across the business.

"Throughout my career, I have seen many remarkable stories of resilience and COVID-19 has only served to increase my admiration for both our team and our customers on that front. Many of our customers, while cautious, have demonstrated an impressive ability to adapt and are building for a more sustainable future. As Canada continues its recovery, our people and unparalleled global network will continue to support our customers, whether it's providing great rates on mortgages and savings, market leading digital access to their accounts around the world, help in diversifying supply chains, or novel ways to make their businesses greener."

1. *In measuring our performance, the financial measures that we use include those which have been derived from our reported results. However, these are not presented within the consolidated financial statements and are not defined under IFRS. These are considered non-IFRS financial measures and are unlikely to be comparable to similar measures presented by other companies. For further information on non-IFRS measures refer to the 'Use of non-IFRS financial measures' section of the Management's Discussion and Analysis ('MD&A') of the unaudited condensed interim consolidated financial statements for the quarter and nine months ended 30 September 2020.*
2. *Total relationship balances includes lending, deposits and wealth balances.*

Analysis of consolidated financial results for the third quarter and nine months ended 30 September 2020[1]

Net interest income for the quarter was $244m, a decrease of $69m or 22% compared with the same period in the prior year. Net interest income for the year-to-date was $811m, a decrease of $144m or 15%. This reflects the impact of central bank rate cuts and maintaining higher levels of highly liquid assets at lower yields.

Net fee income for the quarter was $172m, an increase of $4m or 2.4% compared with the same period in the prior year, as net credit card fee income increased in Wealth and Personal Banking. This was partly offset by the impact of reduced customer activity on other fee income in Global Banking and Markets and credit card fee income in Commercial Banking. Net fee income for the year-to-date was $528m, an increase of $30m or 6%. This increase was driven by higher net fee income from cards and on-line brokerage income in Wealth and Personal Banking; higher underwriting fees in Global Banking and Markets; and an increase in credit facility fees on higher volumes of bankers' acceptances partly offset by lower credit card fees in Commercial Banking.

Net income from financial instruments held for trading for the quarter was $29m, a decrease of $7m or 19% compared with the same period in the prior year. Lower net interest from trading activities due to lower interest rates and change in product mix contributed to the decrease. This was partly offset by favourable movements in credit and funding fair value adjustments driven by reduced credit spreads. Net income from financial instruments held for trading was $102m for the year-to-date, a decrease of $15m or 13% as a result of lower net interest from trading activities due to lower interest rates and change in product mix. Also contributing to the decrease were unfavourable movements in certain credit spreads driven by market volatility, which have not yet returned to pre-COVID-19 levels. This was partly offset by strong Markets sales and trading activities in the first half of 2020 from increased Rates trading and balance sheet management activities.

Other items of income for the quarter were $27m, an increase of $10m or 59% compared with the same period in the prior year. Other items of income for the year-to-date were $79m, an increase of $25m or 46%. The increases were driven by higher gains on the disposal of financial investments from re-balancing the bank’s liquid asset portfolio. For the year-to-date, the increase was coupled with the gain from extinguishment of repurchased subordinated debentures in the second quarter.

Change in expected credit losses for the third quarter of 2020 resulted in a release of $2m compared to a charge of $17m for the same period in the prior year. The release for the quarter was primarily driven by improvement in forward-looking macro-economic variables, partly offset by an increase in impairment charges from non-performing loans in the energy, transportation and construction sectors. The change in expected credit losses for the year-to-date resulted in a charge of $328m compared to a charge of $45m in the same period in the prior year. The charge for the year-to-date was primarily driven by the significant deterioration in forward-looking economic guidance related to COVID-19, coupled with impairments from non-performing loans in the energy sector as oil prices declined in the first half of 2020. In 2019, the charges were primarily related to an expected slowdown in GDP growth at that time.

Total operating expenses for the quarter were $317m, an increase of $6m or 1.9% compared with the same period in the prior year, mainly due to HSBC Group shared service charges and streamlining initiatives in our support functions, partly offset by lower staff costs. Total operating expenses for the year-to-date were $948m, a decrease of $28m or 2.9%. This was primarily due to lower staff costs and reduced discretionary costs in response to the current economic environment, partly offset by strategic investments to grow our business, simplify our processes and provide the digital services our customers are asking for.

Income tax expense: the effective tax rate for the third quarter of 2020 was 28.1% which is higher than the statutory tax rate of 26.7% due to an increase in tax provisions. The effective tax rate for the third quarter of 2019 was 27.7%.

1. *For the quarter and nine months ended 30 September 2020 compared with the same periods in the prior year (unless otherwise stated).*

Dividends

Dividends declared in the third quarter 2020

The bank declared regular quarterly dividends of $11m for the third quarter of 2020 on the HSBC Bank Canada Class 1 preferred shares Series H, I, and K. No dividends were declared or paid on HSBC Bank Canada common shares during the third quarter.

Dividends declared in the fourth quarter 2020

On 23 October 2020, the bank declared regular quarterly dividends for the fourth quarter of 2020 on all series of outstanding HSBC Bank Canada Class 1 preferred shares, to be paid in accordance with their terms in the usual manner on 31 December 2020 or the first business day thereafter to the shareholder of record on 15 December 2020.

As the dividends on preferred shares for the fourth quarter of 2020 were declared after 30 September 2020, the amounts have not been included in the balance sheet as a liability. At this time, no dividends have been declared on HSBC Bank Canada common shares during the fourth quarter.

Business performance in the third quarter and nine months ended 30 September 2020[1, 2]

Commercial Banking ('CMB')

Total operating income for the third quarter of 2020 was $223m, a decrease of $33m or 13% compared with the third quarter of 2019. Total operating income for the year-to-date was $718m, a decrease of $47m or 6.1%.

COVID-19 continues to impact income for the quarter and year-to-date as central bank rate cuts have reduced deposit margins and higher costs associated with maintaining higher levels of liquidity. Despite market volatility, CMB continued to support its customers throughout this period offering payment deferrals along with government lending schemes. Deposits continued to see strong growth in the quarter, with year-to-date balances increasing by $3bn. Loan balances declined $0.9bn in the quarter as the pandemic impacted customers' demand for credit.

Change in expected credit losses for the third quarter resulted in a release of $2m, which is significantly lower than the charges seen in the first two quarters. The improvement in the current quarter was largely a result of improved forward-looking macro-economic variables on performing loans. This improvement was partly offset by an increase in impairment charges from non-performing loans in the energy, transportation and construction sectors.

Operating expenses have decreased by $5m for the quarter as costs continue to be prudently managed in response to the current economic environment.

Profit before income tax for the third quarter of 2020 was $128m, a decrease of $18m or 12% compared with the third quarter of 2019. Profit before income tax for the year-to-date was $161m, a decrease of $276m or 63%. This was primarily due to a significant increase in expected credit losses and lower net interest income, partly offset by lower operating expenses, as noted above.

Global Banking and Markets ('GBM')

Total operating income for the third quarter of 2020 was $72m, a decrease of $10m or 12% compared with the third quarter of 2019. Total operating income for the year-to-date was $249m, a decrease of $12m or 4.6%. The negative impact from central bank rate decreases and the higher costs of maintaining increased liquidity decreased net interest income for both the quarter and year-to-date. Year-to-date income was also negatively impacted by unfavourable movements in certain credit spreads driven by market volatility, which have not yet returned to pre-COVID-19 levels.

Throughout the COVID-19 related disruptions and volatile market conditions, the Banking and Markets teams worked closely with our clients to understand their unique challenges and to support them through the crisis. This increased client activity and income across all products, mainly from Markets trading and sales activities, lending activities and underwriting fees as we continue to leverage the Group's global network to provide products and solutions to meet our global clients' needs.

Profit before income tax for the third quarter of 2020 was $47m, an increase of $9m or 24% compared with the third quarter of 2019. This was mainly due to the release of expected credit losses from the improvement in forward-looking macro-economic variables and lower staff related operating expenses, partly offset by lower operating income, as noted above. Profit before income tax for the year-to-date was $93m, a decrease of $33m or 26%. This was primarily a result of higher charges in expected credit losses in the first two quarters due to the deterioration in forward-looking economic guidance, coupled with the unfavourable movements in certain credit spreads, as discussed above.

Wealth and Personal Banking ('WPB')[3]

Total operating income for the third quarter of 2020 was $188m, a decrease of $10m or 5.1% compared with the third quarter of 2019. Total operating income for the year-to-date was $575m, a decrease of $24m or 4%. Higher net fee income and strong volume growth in total relationship balances[4] were more than offset by lower net interest income due to the central bank rate decreases and higher costs associated with maintaining increased liquidity.

We achieved record growth[4] in total relationship balances[5] and grew our overall and international client base as we invested in our branches and digital technologies, along with market-competitive products. Despite the challenging environment under COVID-19, we have continued to serve our clients and support them by keeping our branches, digital platforms and contact centres fully operational through various initiatives, including payment deferral options.

Profit before income tax for the third quarter of 2020 was $12m, a decrease of $10m or 45% compared with the third quarter of 2019. Profit before income tax for the year-to-date was $55m, a decrease of $6m or 9.8%. This is primarily a result of lower net interest income and an increase in expected credit losses due to the impact of COVID-19, partly offset by lower operating expenses and higher net fee income.

Corporate Centre

Profit before income tax for the third quarter of 2020 was a loss of $30m, a decrease in profit before income tax of $30m compared with the third quarter of 2019. Profit before income tax for the year-to-date was a loss of $65m, a decrease in profit before income tax of $44m compared with the same period in the prior year. This was primarily the result of an increase in operating expenses from timing of shared service recoveries and streamlining initiatives in our support functions, and a decrease in net interest income due to increased liquidity costs. For the year-to-date, the decrease was partly offset by an increase in other operating income from a gain related to the extinguishment of repurchased subordinated debentures in the second quarter.

1. *For the quarter and nine months ended 30 September 2020 compared with the same periods in the prior year (unless otherwise stated).*
2. *Effective from the second quarter of 2020, we have made a change in reportable segments by reallocating Balance Sheet Management from Corporate Centre to the global businesses to better align the income and expenses to the businesses generating or utilizing these activities and as a result Corporate Centre is no longer considered an operating segment. All comparatives have been restated.*
3. *In the second quarter of 2020, HSBC Holdings Group ('HSBC Group') combined Retail Banking and Wealth Management and Global Private Banking to create one of the world's largest wealth management businesses, Wealth and Personal Banking. Therefore, going forward, our global business Retail Banking and Wealth Management ('RBWM') has been renamed to Wealth and Personal Banking ('WPB'). HSBC Bank Canada did not have a separate business line for Global Private Banking and there have been no changes in assets or liabilities nor any changes in the income or expenses that were previously attributable to the RBWM business line as a result of the change in structure.*
4. *Record nine months since inception of WPB (previously RBWM) as a single global business in 2011.*
5. *Total relationship balances includes lending, deposits and wealth balances.*

(Figures in $m, except where otherwise stated)

Financial performance and position

	Quarter ended		Nine months ended	
	30 Sep 2020	30 Sep 2019	**30 Sep 2020**	30 Sep 2019
Financial performance for the period				
Total operating income	**472**	534	**1,520**	1,624
Profit before income tax expense	**157**	206	**244**	603
Profit attributable to the common shareholder	**101**	141	**147**	411
Change in expected credit losses and other credit impairment charges - (charge)/release	**2**	(17)	**(328)**	(45)
Operating expenses	**(317)**	(311)	**(948)**	(976)
Basic and diluted earnings per common share ($)	**0.18**	0.28	**0.28**	0.82
Financial measures %[1]				
Return on average common shareholder's equity	**7.1**	11.2	**3.6**	11.2
Return on average risk-weighted assets[2]	**1.5**	1.9	**0.8**	2.0
Cost efficiency ratio	**67.2**	58.2	**62.4**	60.1
Operating leverage ratio	**(13.5)**	(5.2)	**(3.5)**	(4.4)
Net interest margin	**0.88**	1.32	**1.04**	1.40
Change in expected credit losses to average gross loans and advances and acceptances[3]	**n/a**	0.11	**0.66**	0.10
Change in expected credit losses on stage 3 loans and advances and acceptances to average gross loans and advances and acceptances	**0.18**	0.09	**0.24**	0.07
Total stage 3 allowance for expected credit losses to gross stage 3 loans and advances and acceptances	**47.4**	29.0	**47.4**	29.0
Net write-offs as a percentage of average loans and advances and acceptances	**0.07**	0.06	**0.09**	0.08

Financial and capital measures

	At	
	30 Sep 2020	31 Dec 2019
Financial position at period end		
Total assets	**124,213**	106,571
Loans and advances to customers	**61,826**	61,922
Customer accounts	**73,598**	62,889
Ratio of customer advances to customer accounts (%)[1]	**84.0**	98.5
Common shareholder's equity	**5,692**	5,009
Capital measures[2]		
Common equity tier 1 capital ratio (%)	**13.1**	11.3
Tier 1 ratio (%)	**15.7**	13.9
Total capital ratio (%)	**18.2**	16.4
Leverage ratio (%)	**5.8**	4.9
Risk-weighted assets ($m)	**41,376**	42,080
Liquidity coverage ratio (%)	**201**	140

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2. *The bank assesses capital adequacy against standards established in guidelines issued by OSFI in accordance with the Basel III capital adequacy framework.*
3. *n/a is shown where the bank is in a net release position resulting in a negative ratio.*

(Figures in $m, except per share amounts)	Quarter ended		Nine months ended	
	30 Sep 2020	30 Sep 2019	**30 Sep 2020**	30 Sep 2019
Interest income	**490**	712	**1,688**	2,095
Interest expense	**(246)**	(399)	**(877)**	(1,140)
Net interest income	**244**	313	**811**	955
Fee income	**192**	197	**591**	575
Fee expense	**(20)**	(29)	**(63)**	(77)
Net fee income	**172**	168	**528**	498
Net income from financial instruments held for trading	**29**	36	**102**	117
Gains less losses from financial investments	**18**	10	**48**	28
Other operating income	**9**	7	**31**	26
Total operating income	**472**	534	**1,520**	1,624
Change in expected credit losses and other credit impairment charges - (charge)/release	**2**	(17)	**(328)**	(45)
Net operating income	**474**	517	**1,192**	1,579
Employee compensation and benefits	**(157)**	(169)	**(471)**	(514)
General and administrative expenses	**(133)**	(117)	**(395)**	(389)
Depreciation	**(18)**	(18)	**(55)**	(53)
Amortization and impairment of intangible assets	**(9)**	(7)	**(27)**	(20)
Total operating expenses	**(317)**	(311)	**(948)**	(976)
Profit before income tax expense	**157**	206	**244**	603
Income tax expense	**(45)**	(56)	**(61)**	(165)
Profit for the period	**112**	150	**183**	438
Profit/(loss) attributable to the common shareholder	**101**	141	**147**	411
Profit attributable to the preferred shareholder	**11**	9	**36**	27
Profit attributable to shareholder	**112**	150	**183**	438
Average number of common shares outstanding (000's)	**548,668**	498,668	**532,368**	498,668
Basic and diluted earnings per common share ($)	**0.18**	0.28	**0.28**	0.82

(Figures in $m)	At 30 Sep 2020	At 31 Dec 2019
ASSETS		
Cash and balances at central banks	**17,159**	54
Items in the course of collection from other banks	**23**	15
Trading assets	**3,321**	4,322
Other financial assets mandatorily measured at fair value through profit or loss	**7**	5
Derivatives	**5,609**	3,267
Loans and advances to banks	**1,022**	1,169
Loans and advances to customers	**61,826**	61,922
Reverse repurchase agreements – non-trading	**8,277**	6,269
Financial investments	**20,152**	23,645
Other assets	**2,322**	1,580
Prepayments and accrued income	**231**	241
Customers' liability under acceptances	**3,624**	3,500
Current tax assets	**28**	26
Property, plant and equipment	**320**	339
Goodwill and intangible assets	**169**	155
Deferred tax assets	**123**	62
Total assets	**124,213**	106,571
LIABILITIES AND EQUITY		
Liabilities		
Deposits by banks	**1,290**	1,036
Customer accounts	**73,598**	62,889
Repurchase agreements – non-trading	**4,386**	7,098
Items in the course of transmission to other banks	**224**	225
Trading liabilities	**4,009**	2,296
Derivatives	**5,783**	3,431
Debt securities in issue	**18,713**	14,594
Other liabilities	**3,866**	3,384
Acceptances	**3,639**	3,505
Accruals and deferred income	**502**	600
Retirement benefit liabilities	**309**	265
Subordinated liabilities	**1,011**	1,033
Provisions	**70**	41
Current tax liabilities	**21**	65
Total liabilities	**117,421**	100,462
Equity		
Common shares	**1,725**	1,225
Preferred shares	**1,100**	1,100
Other reserves	**270**	39
Retained earnings	**3,697**	3,745
Total shareholder's equity	**6,792**	6,109
Total liabilities and equity	**124,213**	106,571

(Figures in $m)	Quarter ended		Nine months ended	
	30 Sep 2020	30 Sep 2019	**30 Sep 2020**	30 Sep 2019
Commercial Banking				
Net interest income	**116**	157	**404**	473
Non-interest income	**107**	99	**314**	292
Total operating income	**223**	256	**718**	765
Change in expected credit losses charges - (charge)/release	**2**	(8)	**(262)**	(20)
Net operating income	**225**	248	**456**	745
Total operating expenses	**(97)**	(102)	**(295)**	(308)
Profit before income tax expense	**128**	146	**161**	437
Global Banking and Markets				
Net interest income	**27**	31	**94**	96
Non-interest income	**45**	51	**155**	165
Total operating income	**72**	82	**249**	261
Change in expected credit losses charges - (charge)/release	**9**	(2)	**(40)**	(11)
Net operating income	**81**	80	**209**	250
Total operating expenses	**(34)**	(42)	**(116)**	(124)
Profit before income tax expense	**47**	38	**93**	126
Wealth and Personal Banking[2]				
Net interest income	**115**	132	**355**	406
Non-interest income	**73**	66	**220**	193
Total operating income	**188**	198	**575**	599
Change in expected credit losses charges - (charge)/release	**(9)**	(7)	**(26)**	(14)
Net operating income	**179**	191	**549**	585
Total operating expenses	**(167)**	(169)	**(494)**	(524)
Profit before income tax expense	**12**	22	**55**	61
Corporate Centre				
Net interest income	**(14)**	(7)	**(42)**	(20)
Non-interest income	**3**	5	**20**	19
Net operating income/(loss)	**(11)**	(2)	**(22)**	(1)
Total operating expenses	**(19)**	2	**(43)**	(20)
Profit/(loss) before income tax expense	**(30)**	—	**(65)**	(21)

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About HSBC Bank Canada

HSBC Bank Canada, a subsidiary of HSBC Holdings plc, is the leading international bank in the country. We help companies and individuals across Canada to do business and manage their finances internationally through three global business lines: Commercial Banking, Global Banking and Markets, and Wealth and Personal Banking[1]. HSBC Holdings plc, the parent company of the HSBC, is headquartered in London. HSBC serves customers worldwide from offices in 64 countries and territories its geographical regions: Europe, Asia, North America, Latin America, and Middle East and North Africa. With assets of US$2,956bn at 30 September 2020, HSBC is one of the world's largest banking and financial services organizations.

For more information visit www.hsbc.ca or follow us on Twitter: @hsbc_ca or Facebook: @HSBCCanada

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Caution regarding forward-looking statements

This document contains forward-looking information, including statements regarding the business and anticipated actions of the bank. These statements can be identified by the fact that they do not pertain strictly to historical or current facts. Forward-looking statements often include words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words and terms of similar substance in connection with discussions of future operating or financial performance. By their very nature, these statements require us to make a number of assumptions and are subject to a number of inherent risks and uncertainties that may cause actual results to differ materially from those contemplated by the forward-looking statements. We caution you to not place undue reliance on these statements as a number of risk factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. The risk management section in the Management's Discussion and Analysis in our Annual Report and Accounts 2019 describes the most significant risks to which the bank is exposed and, if not managed appropriately, could have a material impact on our future financial results. These risk factors include: credit risk, liquidity and funding risk, market risk, resilience risks, regulatory compliance risk, financial crime risk, model risk and pension risk. Additional factors that may cause our actual results to differ materially from the expectations expressed in such forward-looking statements include: general economic and market conditions, fiscal and monetary policies, changes in laws, regulations and approach to supervision, level of competition and disruptive technology, changes to our credit rating, climate change risk, interbank offered rate ('IBOR') transition and other risks such as changes in accounting standards, changes in tax rates, tax law and policy, and our ability to attract, develop and retain key personnel, risk of fraud by employees or others, unauthorized transactions by employees and human error. Despite contingency plans we have in place for resilience in the event of sustained and significant operational disruption, our ability to conduct business may be adversely affected by disruption in the infrastructure that supports both our operations and the communities in which we do business, including but not limited to disruption caused by public health emergencies, environmental disasters and terrorist acts. Refer to the 'Factors that may affect future results' section of the Management's Discussion and Analysis in our Annual Report and Accounts 2019 for a description of these risk factors. We caution you that the risk factors disclosed above are not exhaustive, and there could be other uncertainties and potential risk factors not considered here which may adversely affect our results and financial condition. Any forward-looking statements in this document speak only as of the date of this document. We do not undertake any obligation to, and expressly disclaim any obligation to, update or alter our forward-looking statements, whether as a result of new information, subsequent events or otherwise, except as required under applicable securities legislation.

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