Standard Chartered Bank

Reference Number ZC18

Directors' Report and Financial Statements

31 December 2024

Incorporated in England with limited liability by Royal Charter 1853
Principal Office: 1 Basinghall Avenue, London, EC2V 5DD, England

Contents

About this report

Sustainability reporting – We adopt an integrated approach to corporate reporting, embedding non-financial information throughout our Annual Report.

For more information on Standard Chartered please visit sc.com
linkedin.com/company/standard-chartered-bank
facebook.com/standardchartered

Unless another currency is specified, the word 'dollar' or symbol '$' in this document means US dollar and the word 'cent' or symbol 'c' means one-hundredth of one US dollar. All disclosures in the Strategic Report, Directors' Report, Risk Review and Capital Review, Supplementary information and Glossary are unaudited unless otherwise stated. Unless context requires, within this document, 'China' refers to the People's Republic of China and, for the purposes of this document only, excludes Hong Kong Special Administrative Region (Hong Kong), Macau Special Administrative Region (Macau) and Taiwan. 'Korea' or 'South Korea' refers to the Republic of Korea. Asia includes Australia, Bangladesh, Brunei, Cambodia, India, Indonesia, Laos, Malaysia, Myanmar, Nepal, Philippines, Singapore, Sri Lanka, Thailand, Vietnam, Mainland China, Hong Kong, Japan, Korea, Macau, Taiwan; Africa includes Botswana, Côte d'Ivoire, Egypt, Ghana, Kenya, Mauritius, Nigeria, South Africa, Tanzania, UAE, Uganda, and Zambia. The Middle East includes Bahrain, Iraq, Oman, Pakistan, Qatar, Saudi Arabia and UAE. Europe includes Belgium, Falkland Islands, France, Germany, Jersey, Luxembourg, Poland, Sweden, Türkiye and the UK. The Americas includes Argentina, Brazil, Colombia and the US.

Within the tables in this report, blank spaces indicate that the number is not disclosed, dashes indicate that the number is zero and 'nm' stands for not meaningful. Standard Chartered Bank is incorporated in England and Wales with limited liability and is headquartered in London. The Group's head office provides guidance on governance and regulatory standards.

Combining cross-border capabilities with wealth management expertise

Standard Chartered is a global bank connecting corporate, institutional and affluent clients to a network that offers unique access to sustainable growth opportunities across Asia, Africa and the Middle East.

Our cross-border and affluent strategy is designed to deliver our purpose: to drive commerce and prosperity through our unique diversity.

This is underpinned by our brand promise, here for good.

The following are company designations as described in the document:
Standard Chartered Bank Group (Group) – being Standard Chartered Bank and its subsidiaries
Standard Chartered PLC Group (PLC Group) – being the ultimate parent and its subsidiaries
Standard Chartered Bank (Company) – being the standalone Bank legal entity
Standard Chartered PLC (PLC) – being the standalone legal entity of the ultimate parent

FINANCIAL KPIs AND MEASURES[1]

Operating income

$12,414m

↑7%

Read more on (page 15)

Profit before tax

$4,447m

↑1%

Read more on (page 15)

CAPITAL KPIs

Common Equity Tier 1 ratio

13.3%

↑12bps[2]

Read more on (page 17)

NON-FINANCIAL KPIs

Diversity and inclusion: Women in senior roles[3]

29.6%

↑+0.4ppt

1 KPIs have been updated to move to a greater use of reported measures, in line with how the Group is run
2 Basis point (bps) and percentage movements are in relation to 31 December 2023, with brackets representing negative movements
3 Senior leadership is defined as Managing Directors and Band 4 roles (including Management Team)

Who we are and what we do

We serve three client segments, with support from seven global functions.

Our client segments

Corporate & Investment Banking (CIB)

Corporate & Investment Banking supports large corporations, development organisations, governments, banks and investors to access cross-border trade and investment opportunities in the world's most dynamic markets.

Operating income

$8,531m

Wealth & Retail Banking (WRB)

Wealth & Retail Banking serves the local and international banking needs of affluent clients across the full wealth continum via Private, Priority and Personal Banking, as well as Small and Medium Enterprises.

Operating income

$3,706m

Ventures

Ventures invests in disruptive financial technology and creating alternative financial service business models, promoting a culture of innovation across the Group.

Operating income

$86m

Central and other items

Operating income

$91m

Total operating income

$12,414m

Enabling and supporting our businesses

Global functions

Our client-facing businesses are supported by our global functions, which work together to ensure the Group's operations run smoothly and consistently.

Group Chief Financial Office (GCFO)
Partners with the business and collaborates with other functions to execute on the Group strategy. GCFO comprises of four areas, namely, Finance, Treasury, Investor Relations and Corporate Development.

Strategy and Talent
Brings together the Corporate Strategy, Group-wide Transformation, Corporate Affairs, Brand & Marketing, Corporate Real Estate Services, Human Resources, Supply Chain Management and Fit for Growth programme teams. The teams play a critical role in how we execute and communicate our strategy and develop and deploy our skills and resources to transform the Bank and achieve sustainable growth.

Technology & Operations
Responsible for reshaping the Group's systems and technology platforms to ensure we provide robust, responsive, and innovative technology and digital solutions. Also manages all client operations, seeking to provide an optimal client service and experience across the board.

Group Internal Audit
An independent function with the primary role of supporting the Court and Management Team, and protect the assets, reputation and sustainability of the Group.

Compliance, Financial Crime & Conduct Risk
Partners internally and externally to achieve the highest standards in conduct and compliance to enable a sustainable business and to fight financial crime.

Legal
Provides legal advice and support to the Group in managing legal risks and issues.

Risk
Provides oversight and challenge on the Group's risk management, ensuring that business is conducted in line with regulatory expectations

Our purpose and our strategy

Our purpose is to drive commerce and prosperity through our unique diversity. Our strategy is combining differentiated cross-border corporate and investment banking capabilities with leading wealth management expertise.

> Read more on **Our strategy**, page 10.

Our culture

We've been supporting clients ever since we first opened our doors in Mumbai, Kolkata and Shanghai in 1853 and – with our focus on cross-border banking and helping generations of families grow their wealth– we remain the bank we set out to be over 170 years ago.

Our distinctive culture has been developed in pursuit of our purpose, delivering innovative solutions that create long-term value for our clients and the communities within which we operate.

We're committed to promoting equality and inclusion, as it's our diversity – of people, cultures and networks – that sets us apart and helps us find opportunities at every turn.

We are guided by our valued behaviours, our Stands and our brand promise, here for good.

Valued behaviours

Our valued behaviours are key to delivering on our strategy. As the guiding principles for the way we do business every day, they help us learn from our successes and take on new challenges.

When we live our valued behaviours, we question, innovate and make bold decisions, allowing us to take opportunities to go above and beyond for our clients.

Do the right thing
Doing the right thing means acting in the best interests of our clients, colleagues and stakeholders.

Better together
We build relationships with our clients and each other so we can share our unique capabilities.

Never settle
We're ambitious in our constant pursuit of excellence and market-leading innovation.

Our Stands

We set long-term ambitions to address some of the most pressing societal challenges of our time.

Climate change, deepening inequality and the inequities of globalisation remain as urgent today as ever before.

- Accelerating Zero
- Lifting Participation
- Resetting Globalisation

+ Read more on Our Stands at **sc.com/en/about/who-we-are/**

Where we operate

We operate in the world's most dynamic markets which set the pace for global growth and prosperity.

Our unique geographic footprint connects high-growth and emerging markets in Asia, Africa and the Middle East with more established economies in Europe and the Americas, allowing us to channel capital where it's needed most.

For more than 170 years we have used the power of our network to maximise opportunities for people and businesses who trade, operate, or invest in these regions. Our diverse experience, capabilities and culture sets us apart.

Asia

Australia
Bangladesh
Brunei
Cambodia
China
India
Indonesia
Japan
Laos
Macau
Malaysia
Myanmar
Nepal
Philippines
Singapore
Sri Lanka
Taiwan
Thailand
Vietnam

Africa

Botswana
Cote d'Ivoire
Egypt
Ghana
Kenya
Mauritius
Nigeria
South Africa
Tanzania
Uganda
Zambia

The Middle East

Bahrain
Iraq
Oman
Pakistan
Qatar
Saudi Arabia
UAE

Europe

Belgium
Falkland Islands
France
Germany
Jersey
Luxembourg
Poland
Sweden
Türkiye
UK

Americas

Argentina
Brazil
Colombia
US

Market environment

Global macro trends: Macroeconomic factors affecting the global landscape

Trends in 2024

- Global GDP growth held at 3.2% in 2024, the same as 2023, as central banks began to loosen policy in the face of declining inflation.
- Asia was the best-performing region, recording growth of 5.0% as ASEAN economies in particular were supported by improving tourism and the semiconductor upcycle. Growth in China was slower relative to 2023, but appeared to have accelerated in Q4 helped by policy support. Growth in India normalised to 6.2% from 8.2% in 2023.
- Sub-Saharan Africa likely saw growth of 3.4% in 2024, an improvement from 3.1% in 2023, supported by easing global financial conditions, the region's continued recovery from COVID-19 crisis and country-specific factors.
- Among the majors, the US economy remained resilient, with growth improving to 2.7% from 2.5% in 2023, led by personal consumption, despite recent signs of softening in the labour market. Growth also recovered in the UK to 0.8% in 2024 as inflation fell and investment levels recovered. The euro-area economy grew by 0.7 per cent in 2024, following 0.4 per cent growth in 2023, as growth was constrained by a subdued consumer recovery and weak investment. In most majors, labour markets remained strong, but there are signs of softening.
- Major central banks like the Fed and ECB started to loosen monetary policy from mid-2024 onwards as inflation showed clearer signs of returning to target levels, while fiscal policy remained accommodative in the US.

Outlook for 2025

- We expect global economic growth to be broadly flat in 2025, slowing slightly to 3.1% from 3.2% in 2024. Support from looser financial conditions and expansionary fiscal policy may be partly offset by protectionist trade policies and still-high interest rates in the US and elsewhere.
- The US economy is set to moderate in 2025, after a resilient 2024 performance despite elevated interest rates. The euro area continues to struggle; major European economies including Germany and France risk slipping into recession. Asia is relatively healthy, although growth at the regional level is set to moderate slightly in 2025 as both China and India slow. The GCC should also remain a bright spot for global growth, with the region's non-oil growth exceeding overall global growth.
- The global economy is facing heightened uncertainty following the US elections. The risk of a tit-for-tat tariff war has increased with US tariffs on China already resulting in retaliatory tariffs on US imports. The US is also threatening to impose tariffs on its other trading partners. Tariff wars are likely to result in further trade diversion and a reorientation of supply chains.
- Expectations of a shallower rate cutting cycle from the Fed is likely to translate into a stronger USD and a steeper US yield curve. Higher US rates and a stronger USD will make it harder for EM issuers to borrow in international capital markets, and could significantly reduce portfolio flows to EM. In addition, EM central banks may be constrained from cutting rates meaningfully.
- On the geopolitical front, markets will be eager to see if President Trump is able to end the wars in Ukraine and the Middle East, which would have far-reaching consequences globally.

Medium-and long-term view

Broader global trends

- Long-term growth in the developed world is constrained by ageing populations and high levels of debt.
- Rising nationalism, anti-globalisation and protectionism are threats to long-term growth prospects in emerging markets.
- However, there are potential offsets. Higher capex to meet sustainability targets, and moves towards digitalisation could boost productivity growth, proving an antidote to economic scarring concerns. Within emerging markets, countries in Asia are best placed to take advantage of digitalisation, including generative Artificial Intelligence (AI).
- Relatively younger populations, and the adoption of digital technology, will allow emerging markets to become increasingly important to global growth.
- In order to meet net zero targets, energy-related spending will have to increase significantly; headwinds include insufficient funds across emerging markets, labour shortages and supply chain constraints.

The world under Trump 2.0

- Trump's victory in the US elections is likely to have significant implications for the existing geopolitical environment. His rejection of multilateralism and preference for an adversarial approach has implications for global climate policy, the UN, Bretton Woods institutions, and US relations with the EU.
- Trump has pledged to use import tariffs to reduce the US trade deficit and bring production back to the US. While this process has begun, uncertainty around the scope and extent of tariff action from the US and likely retaliation by trade partners might act as drags on consumer and investor confidence, slowing growth.

- Global trade has remained resilient in the face of rising protectionism over the past decade. However, an escalation in tit-for-tat tariff wars has the potential not only to accelerate the reorientation of supply chains already under way but also lead to lower global trade overall.
- Expectations of spending on defence and infrastructure together with possible tax cuts is likely to be inflationary and could see the Fed terminal rate settling at a higher level than in the pre-pandemic period.
- This would significantly change the global funding environment for emerging markets. The external funding environment for emerging markets will likely be tougher as US Money Market rates could stay elevated with a higher Fed terminal rate.
- Emerging market economies that are more domestically driven and have better fiscal and monetary buffers to offset external shocks are likely to be more resilient to external shocks.

Regional outlooks

Actual and projected growth by market

		2025	2024
Asia	China	**4.5%**	5.0%
	Hong Kong	**2.2%**	2.5%
	India	**6.5%**	6.2%
	Indonesia	**5.0%**	5.0%
	Singapore	**2.5%**	3.8%
Americas	US	**1.8%**	2.7%
Africa	Nigeria	**3.8%**	3.5%
	South Africa	**2.0%**	1.1%
	Kenya	**4.7%**	4.5%
Middle East	UAE	**5.0%**	4.0%
Europe	UK	**1.3%**	0.8%
	Euro area	**0.8%**	0.7%

Asia

- China is likely to bear the brunt of US tariff policy, with initial US tariffs being met by retaliatory tariffs from China. The authorities are preparing for the potential fallout by delivering additional stimulus to support the domestic economy. In late September, China pivoted toward more aggressive policy easing that helped generate a Q4 rebound. In December, the top planning meeting adopted a pro-growth stance for 2025, pledging to raise the deficit ratio and loosen monetary policy. The authorities appear determined to tap the policy space to offset a potentially sharp increase in the US tariffs, focusing more on consumption than investment.
- Net exports have contributed significantly to China's growth in 2024; this contribution is expected to decline substantially in 2025. However, the real-estate sector – which has weighed heavily on growth for the past few years – is likely to be less of a drag in 2025 as supportive policies take effect. While the PBoC is expected to keep monetary policy loose, expansionary fiscal policy will be the biggest source of support for 2025 growth, in our view. We expect China's economy to grow 4.5% in 2025.
- Hong Kong is likely to be disproportionally affected by outsized US trade measures targeted against China. The US-China trade war under Trump 1.0 pushed Hong Kong to trade more with China and ASEAN (at the expense of trade with the US and Europe); this secular trend could accelerate as global supply chains reorient around new US tariff threats. We believe Hong Kong still has a key role to play as China's 'super-connector' as South-South trade and investment links expand in an increasingly fragmented world.
- India's growth has likely moderated to 6.2% in 2024 and 6.5% in 2025 down from 8.2% in 2023 owing to a cyclical slowdown in urban demand, and delays in the private sector investment cycle. However, the likelihood of more measures to improve rupee liquidity, a shallow rate cutting cycle and a large income tax cut delivered in the recent budget are likely to provide a floor. The government remains focused on fiscal consolidation, albeit gradually amid slowing domestic growth and external uncertainty.
- We expect growth in ASEAN to remain healthy but slow slightly in 2025 versus 2024 due to the effects of monetary tightening and the moderating economic outlook for key trade partners – namely the US, the euro area and China. Trade-reliant economies like Singapore, Vietnam, Malaysia and Thailand are exposed to US trade policies. Even if they are not directly targeted by tariffs or other measures, Asia's small, open economies could be hit by spillover from China in the short term.
- Larger and more domestically driven economies – including India, Indonesia and the Philippines – may be less affected but are not immune to a significant hit to China and/or global trade. Over the medium term, however, we expect ASEAN to continue to attract strong FDI as investors seek to diversify their operational capacity and tap new markets.

- Asian central banks focused on FX stability are likely to scale back their rate-cutting cycles due to sharply reduced Fed easing expectations, the spectre of a stronger USD in 2025, and an uncertain Asian trade environment. For India, we maintain our call for 50bps of rate cuts; we think monetary policy will focus more on the growth and inflation impact of US trade policies than on FX concerns. For the region's small, open economies, negative currency spillover may have less influence on policy decisions in the coming year. Singapore has already eased monetary policy in January and we expect Thailand to lower rates further in 2025.

Americas
- The US economy is likely to stay on a healthy footing, with layoffs remaining low and consumer and business sentiment staying strong. Tighter financial conditions towards end-2024 could bring some growth softness in H1 2025 before returning to trend in H2 2025.
- Slowing growth and softening labour market should allow the Fed to continue with cautious easing.
- Trade and fiscal policies pledged by the incoming administration increase uncertainty around monetary policy decisions in the wider region; The Fed may have to tighten slightly in 2026 when the impact of stimulus and tariffs hits. A more accommodative regulatory environment in the US could further boost investment sentiment and productivity growth.
- In Latin America, rising fiscal risks have weighed on investor sentiment towards the region. High borrowing costs, legislative uncertainty and lacklustre growth momentum are likely to continue to challenge the fiscal outlook.

Africa
- While escalating global trade tensions and higher UST yields are downside risks to SSA, stepped-up fiscal stimulus in China may eventually support the region's commodity-dependent economies. Sub-Saharan Africa trade dependency on the US has declined in recent years, reflecting greater US energy self-sufficiency; the EU is the region's largest trading partner, followed by China.
- Domestic reform momentum remains strong in South Africa and Nigeria, the region's two largest economies; this may provide a buffer against global uncertainty. South Africa's Government of National Unity has invested significant political capital in ensuring that growth-boosting structural reforms yield meaningful dividends. South Africa may adopt a fiscal rule in 2025, and eventually a lower inflation target, as it aims to regain its investment-grade status in the medium term. Faster growth will be critical to stabilising South Africa's debt.
- Nigeria has embarked on contentious fuel subsidy and FX liberalisation reforms, triggering higher inflation. 2025 should bring greater FX and price stability, as well as offshore investor interest in Nigeria's local-currency debt market. However, Nigeria remains exposed to a material decline in oil prices, which could negatively impact oil revenues and FX earnings.
- 2025 should also see the rehabilitation of economies that have recently concluded debt restructuring agreements. While final agreements with non-Eurobond creditors are still awaited in Zambia and Ghana, the economic outlook for both countries is set to stabilise. Zambia should see significant growth gains following a recent drought. Ghana's inflation should stabilise somewhat after the country's December 2024 elections; post-election years are often characterised by greater fiscal restraint (but also slower growth momentum).
- While new external debt restructurings in the region look unlikely in 2025, liquidity pressures – and how they are navigated – will be closely watched. Dependence on IFIs for liquidity support has increased in recent years in economies such as Kenya. Kenya is now likely to focus on attracting greater private flows, with a reliance on public-private partnerships to boost capital spending.

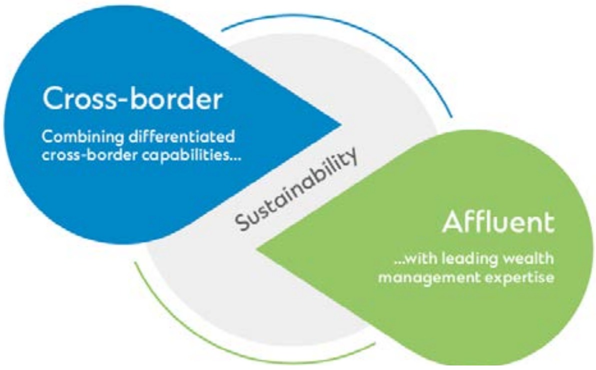
Middle East
- Despite some pressure on the energy sector, we expect the Gulf Cooperation Council (GCC) to remain a bright spot for global growth in 2025, with the region's non-oil growth exceeding overall global economic growth. With the exceptions of Saudi Arabia and Bahrain, most of the region's fiscal breakeven oil prices remain low. In some cases they have declined; for Oman, this has prompted consecutive credit rating upgrades. Investment in the non-oil sector will continue to drive economic activity in 2025, while lower interest rates should benefit interest rate-sensitive sectors such as housing in Saudi Arabia, the UAE and Qatar.
- Lower geopolitical risk and supported oil prices should bode well for the MENA region in 2025. De-escalation of the regional conflict should have positive ramifications for external funding in Egypt and Lebanon. On the trade front, the GCC – and the UAE in particular – will continue to benefit from rising South-South trade as global trade is re-routed in a more fragmented world.

Europe
- The euro area economy is likely to struggle in the face of structural headwinds – including poor competitiveness and high energy costs – as well as external pressures from possible US trade protectionist measures. While there are recession risks in Germany and France, private consumption should help to keep overall European growth positive as interest rates fall and labour markets remain tight. The ECB is set to continue cutting into accommodative territory as inflation returns to target and growth is weak. Fiscal policy is unlikely to offer a significant tailwind to growth as countries must adhere to EU rules, although flexibility could be applied if growth weakens significantly.
- UK growth should be supported in 2025 as the Bank of England continues to cut interest rates and the government pursues pro-growth reforms alongside an improvement in trading relations with the EU. However, the government is also likely to tighten spending in the coming months, to ensure it keeps within its own fiscal rules.
- In Central and Eastern Europe, external spillovers weigh on domestic growth, while labour market tightness and fiscal pressures delay central bank easing. Presidential elections in Poland and legislative elections in Czechia this year pose uncertainty for investors.

Our strategy

Our strategy is designed to deliver our purpose: to drive commerce and prosperity through our unique diversity. This is underpinned by our brand promise, here for good.

We are a global bank connecting corporate, institutional and affluent clients to a network that offers unique access to sustainable growth opportunities across Asia, Africa and the Middle East.



Strategic priorities

Cross-border

- Continue to sharpen our focus on serving the cross-border needs of our larger global corporate and financial institution clients.
- Concentrate our efforts on enhancing our cross-border product and advisory suite to meet our clients' complex needs.
- Optimise resource allocation by reducing the number of clients whose needs do not play directly to our strengths.
- Continue to scale sustainable finance and support to our clients' transition journeys across our markets.

Affluent

- Solidify our position as a leading wealth manager in Asia, Africa and the Middle East with a differentiated, fast-growing and high-returning international affluent franchise.
- Invest in our wealth and digital platforms, client centres, people and brand and marketing, to accelerate income growth and returns.
- Reshape our mass retail business to focus on developing a strong pipeline of future affluent and international banking clients.
- Enable access to sustainable investments by integrating Environmental, Social and Governance (ESG) into our Wealth Solutions propositions and leveraging bank-wide sustainability capabilities as a key differentiator to our affluent clients.

Our Business model

Our business model reflects our strategy of combining differentiated cross-border capabilities with leading wealth management expertise.

Our business segments

Corporate & Investment Banking (CIB)
Supports large corporations, development organisations, governments, banks and investors to access cross-border trade and investment opportunities.

Wealth & Retail Banking (WRB)
Serves the local and international banking needs of our clients across the full wealth continuum via Private, Priority and Personal Banking, as well as Small and Medium Enterprises.

Ventures
Promotes a culture of innovation across the Group, investing in disruptive financial technology and creating alternative financial service business models, as well as growing Trust, our digital bank in Singapore.

Our key products and services

Global Markets & Global Banking
- Macro, credit & commodities trading
- Lending & financial solutions
- Capital markets & advisory

Transaction Services
- Payments and liquidity solutions
- Trade & Working capital
- Securities & prime services

Wealth Solutions
- Investments
- Bancassurance
- Wealth advice
- Portfolio management

Retail Products
- Deposits
- Mortgages
- Credit cards
- Personal loans

Our sustainability capability is an integral part of our client offering across all our business segments, and the Group as a whole.

Responsible business practices
- We strive to be a responsible business by operationalising our net zero targets, managing environmental and social risks, and acting transparently.

Bespoke sustainable finance solutions
- We offer sustainable finance solutions designed to help our clients address environmental and social challenges and achieve sustainable growth.

Innovation in service of our markets
- We advocate in service of our markets to unlock the areas where capital is not flowing at scale or not at all and to drive economic inclusion.

Our resources provide the strong foundation that helps us deliver our strategy.

Human capital
Diversity differentiates us; it is in our Purpose statement. Delivering our strategy rests on how we continue to invest in our people, the employee experience, and culture.

International network
Our network is our unique competitive advantage and connects corporates, financial institutions, individuals and small and medium enterprises across some of the world's fastest-growing and most dynamic markets.

Local expertise
We are deeply rooted in the markets where we operate, offering us insights that help our clients achieve their ambitions locally and across the borders.

Brand recognition
We are a leading international banking group with 170 years of history. In many of our markets, we are a household name.

Financial strength
With our solid balance sheet and prudent financial management, we are a strong and trusted partner for our clients.

Technology
Our strong digital foundations and leading technological capabilities continue to enable a data-driven digital bank that delivers world-class client service.

We create long-term value for a broad range of stakeholders.

Clients
We deliver banking solutions for our clients across our network, both digitally and in person. We help individuals grow their wealth while connecting corporates and financial institutions to opportunities across our network.

Employees
We believe that great employee experience drives great client experience. We want all our people to pursue their ambitions, deliver with purpose and have a rewarding career enabled by great people leaders.

Suppliers
We engage diverse suppliers, locally and globally, to provide efficient and sustainable goods and services for our business.

Investors
We aim to deliver robust returns and long-term sustainable value for our investors.

Regulators and governments
We play our part in supporting the effective functioning of the financial system and the broader economy by proactively engaging with public authorities.

Society
We strive to operate as a sustainable and responsible company, working with local partners to promote social and economic development.

Client segment reviews

Corporate & Investment Banking

Profit before taxation

$3,787m

Segment overview

Corporate & Investment Banking supports local and large corporations, governments, banks and investors with their transaction services, banking and financial markets needs. We provide differentiated cross-border capabilities to clients in some of the world's fastest-growing economies and most active trade corridors. Our clients operate or invest in several markets across the globe.

Our strong and deep local presence enables us to help co-create bespoke financing solutions and connect our clients multilaterally to investors, suppliers, buyers and sellers. Our products and services enable our clients to move capital, manage risk and invest to create wealth. Our clients represent a large and important part of the economies we serve. Corporate and Investment Banking is at the heart of the Group's shared purpose to drive commerce and prosperity through our unique diversity.

We are also committed to promoting sustainable finance in our markets and channelling capital to where the impact will be greatest. We are delivering on our ambition to support sustainable economic growth, increasing support and funding for financial offerings that have a positive impact on our communities and environment.

Performance highlights

- Profit before taxation of $3,787 million down 3 per cent driven by higher costs and impairments, partly offset by higher income.
- Operating income of $8,531 million was up 6 per cent driven by higher origination volumes in Global Banking and growth in flow income in Global Markets, partly offset by lower trade volumes.
- Operating Expense of $4,794 million was up 12 per cent due to higher staff costs and investments.
- Credit impairment is a net writeback of $262m, due to significant releases in Stage 3. Other impairment is a charge of $212 million and is related to software impairments.

Wealth & Retail Banking

Profit before taxation

$1,006m

Segment overview

Wealth & Retail Banking serves individuals and small businesses, with a focus on the affluent segment which encompasses Private Bank, Priority Private, Priority Banking, and Premium. In the mass retail space, we are focused on emerging affluent clients who will progress in their wealth journey with us and form the pipeline of future affluent clients.

We are a leading wealth manager in Asia, Africa and the Middle East, as our deep local presence and international network enables us to capture the strong structural tailwinds which are driving cross-border wealth flows.

Our comprehensive product propositions span across deposits, payments, financing, advisory, investments and bancassurance. In particular, our open product architecture allows us to collaborate and innovate with product partners to offer best-in-class and first-to-market wealth solutions to our clients. We also support our small business clients with their trade, working capital and other banking needs.

Wealth & Retail Banking is closely integrated with the Group's other client segments; for example, we offer employee banking services to Corporate & Investment Banking clients, and we also provide a source of high-quality liquidity for the Group.

Performance highlights

- Profit before taxation of $1,006 million down 23 per cent driven by higher costs and impairments, partly offset by higher income.
- Operating income of $3,706 million was up 6 per cent, due to by Wealth Solutions (Investment Products), Deposits (due to volume growth), and Unsecured Lending.
- Operating Expense of $2,339 million was up 13 per cent on account of inflation and frontline hiring.
- Credit impairment was a net charge of $286 million and relates to higher provisions in Stage 3 and normal flows and higher delinquencies in Stages 1 and 2. Other impairment is a charge of $75 million and is related to software impairments.

Ventures

Profit before taxation

$(80)m

Segment overview

Ventures is comprised of Trust Bank, which is Singapore's first digitally native bank, launched in partnership with FairPrice Group in September 2022. It has become one of the world's fastest growing digital banks, rapidly expanding to 974,000 customers in Singapore by the end of 2024 and building a wide range of innovative products and services.

Performance highlights

- Loss before tax of $80million decreased by $177million driven by lower cost arising from prior year disposal of SC Ventures business, as well as growth in both customer numbers and volumes in Trust Bank.

Financial review

Summary of financial performance

	2024 $million	2023 $million	Change %
Net Interest income	**4,400**	4,607	(5)
Non NII	**8,014**	6,942	15
Operating income	**12,414**	11,549	7
Operating expenses	**(7,550)**	(7,147)	(6)
Operating profit before impairment and taxation	**4,864**	4,402	10
Credit impairment	**(15)**	58	(126)
Goodwill & Other impairment	**(410)**	(42)	nm
Profit/(Loss) from associates and joint ventures	**8**	(4)	nm
Profit before taxation	**4,447**	4,414	1
Taxation	**(1,465)**	(1,177)	(24)
Profit for the period	**2,982**	3,237	(8)

Operating income increased 7 per cent. Excluding three notable items relating to gains on revaluation of FX positions in Egypt, hyperinflationary accounting adjustments in Ghana, and loss/gain on subsidiaries disposals, as well as the reclassification of deposit insurance premium to expenses (the reclassification), operating income was up 10 per cent and was driven by growth in Non net interest income (Non NII).

Net interest income (NII) decreased 5 per cent, driven by lower volumes and impact of elevated pass through rates on margins, partly offset by short-term hedge roll off. Excluding the reclassification, NII decreased 6 percent.

Non NII increased 15 per cent driven by higher origination volumes and fees in Global Banking, robust flow and episodic income in Global Markets and sustained momentum in Wealth Solutions. Excluding notable items, Non NII increased 21 per cent.

Operating expenses are up 6 per cent or 5 per cent excluding the reclassification. This was largely driven by inflation, strategic investments and continued investments into business growth initiatives.

Credit impairment is a net charge of $15million and is driven by normal flows and higher delinquencies in WRB partially offset by releases in CIB.

Other impairment is a net charge of $410m, of which $383m relates to write-off of software assets.

Taxation of $1,465 million for the year represents an effective tax rate of 33 per cent against prior year effective tax rate of 27%, and is due to increased non-creditable withholding taxes and other taxes, as well as loss on sale of subsidiaries in Africa for which tax relief is not available.

Profit/(loss) before tax by client segment

	2024 $million	2023 (Restated)[1] $million	Change %
Corporate & Investment Banking	**3,787**	3,886	(3)
Wealth & Retail Banking	**1,006**	1,304	(23)
Ventures	**(80)**	(257)	69
Central & other items (segment)	**(266)**	(519)	49
Profit before taxation	**4,447**	4,414	1%

1 Prior period amounts have been restated to align with changes to the current year presentation which now reflect the impact of restructuring cost and gain on sale of businesses.

Corporate & Investment Banking (CIB) profit decreased 3 percent driven by higher cost and software impairments, partly offset by higher income, largely from Global Banking and Global Markets, and stage 3 Expected Credit Loss (ECL) releases.

Wealth & Retail Banking (WRB) profit decreased 23 percent driven by higher costs and credit impairments, partly offset by higher income from Wealth Solutions.

Ventures loss lower than prior year due to lower cost arising from prior year disposal of SC Ventures business.

Central & Other items (C&O) loss is 49 per cent lower than prior year, driven by benefits from the roll-off of short-term hedges, translation gains on the revaluation of FX positions in Egypt and gain relating to a hyperinflationary accounting adjustment in Ghana, partly offset by non-repeat of gain from subsidiary disposal in previous year.

Credit risk summary

Balance Sheet

	2024 $million	2023 $million	Change[1] %
Gross loans and advances to customers[2]	**161,141**	159,552	1
Of which stage 1	**149,751**	146,718	2
Of which stage 2	**7,292**	7,657	(5)
Of which stage 3	**4,098**	5,177	(21)
Expected credit loss provisions	**(2,899)**	(3,409)	(15)
Of which stage 1	**(254)**	(198)	28
Of which stage 2	**(193)**	(193)	–
Of which stage 3	**(2,452)**	(3,018)	(19)
Net loans and advances to customers	**158,242**	156,143	1
Of which stage 1	**149,497**	146,520	2
Of which stage 2	**7,099**	7,464	(5)
Of which stage 3	**1,646**	2,159	(24)
Cover ratio of stage 3 before/after collateral (%)[3]	**60/74**	58/73	2/1
Credit grade 12 accounts ($million)	**892**	2,117	(58)
Early alerts ($million)	**3,830**	3,791	1
Investment grade corporate exposures (%)[3]	**75**	75	–

1 Variance is increase/(decrease) comparing current reporting period to prior reporting period
2 Includes reverse repurchase agreements and other similar secured lending held at amortised cost of $9,121 million at 31 December 2024 (31 December 2023: $13,827 million)
3 Change is the percentage points difference between the two points rather than the percentage change

Net charge-off ratio

	2024			2023		
	Credit impairment (charge)/ release for the year/ period $million	**Net average exposure $million**	**Net Charge-off Ratio %**	Credit impairment (charge)/ release for the year/ period $million	Net average exposure $million	Net Charge-off Ratio %
Stage 1	**(18)**	**171,508**	**0.01%**	32	169,013	(0.02)%
Stage 2	**(158)**	**7,142**	**2.21%**	(132)	7,154	1.85%
Stage 3	**118**	**1,861**	**(6.34)%**	45	2,358	(1.91)%
Total exposure	**(58)**	**180,511**	**0.03%**	(55)	178,525	0.03%

Balance sheet and liquidity

	2024 $million	2023 $million
Assets		
Loans and advances to banks	**22,941**	22,803
Loans and advances to customers	**158,242**	156,143
Other assets	**382,351**	359,633
Total assets	**563,534**	538,579
Liabilities		
Deposits by banks	**22,409**	23,616
Customer accounts	**239,204**	237,902
Other liabilities	**267,805**	243,117
Total liabilities	**529,418**	504,635
Equity	**34,116**	33,944
Total equity and liabilities	**563,534**	538,579
Advances-to-deposits ratio (%)[1]	**53.9%**	50.5%

1 Advances exclude $19,187million held with central banks (31 December 2023: $20,710 million) that have been confirmed as repayable at the point of stress, repurchase agreements and other similar secured lending of $9,121 million (31 December 2023: $13,827 million) and include loans and advances to customers held at fair value through profit or loss of $3,989 million (31 December 2023: $3,188 million). Deposits include customer accounts held at fair value through profit or loss of $9,222 million (31 December 2023: $9,166 million)

The Group's balance sheet is strong, highly liquid and diversified.

Loans and advances to customers increased 1 per cent since December 2023 to $158 billion due mainly to higher origination volumes in Global Banking.

Customer accounts of $239 billion decreased by 1 per cent since December 2023 driven mainly by increase in retail term deposits.

Capital base and ratios

	2024 $million	2023 $million
CET1 capital	**22,475**	21,794
Additional Tier 1 capital (AT1)	**5,897**	5,453
Tier 1 capital	**28,372**	27,247
Tier 2 capital	**10,553**	11,607
Total capital	**38,925**	38,854
CET1 capital ratio (%)	**13.3%**	13.2%
Total capital ratio (%)	**23.0%**	23.5%
Leverage ratio (%)	**5.1%**	5.0%

Capital disclosures in this document are provided on the basis of Standard Chartered (Group), being Standard Chartered Bank and its subsidiaries.

Standard Chartered Bank is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA).

Capital requirements are set by the PRA for Standard Chartered Bank on a solo-consolidation basis. The solo-consolidated group differs from Standard Chartered Bank (Company) in that it includes the full consolidation of four subsidiaries, namely Standard Chartered Holdings (International) B.V., Standard Chartered Grindlays PTY Limited, SCMB Overseas Limited and Corrasi Covered Bonds LLP.

The Group continues to operate through its branches and various subsidiaries, all of which remain well-capitalised in accordance with their applicable risk appetites and applicable regulatory requirements.

The Group's CET1 capital ratio increased by 12bps to 13.3 per cent at 31 December 2024 with leverage ratio of 5.1 per cent. The Group maintains high levels of loss absorbing capacity.

RWAs increased by $3.6 billion to $169.2 billion. CET1 capital increased by $0.7 billion to $22.5 billion driven primarily by profits of $3 billion, lower regulatory deductions of $0.6 billion (largely from intangible assets), and movements in other comprehensive income of $0.2 billion. These increases were partially offset by distributions of $2.7 billion and the foreign currency translation impact of $0.4 billion.

Our business

Standard Chartered Bank is authorised by the Prudential Regulation Authority (PRA) and regulated by the PRA and by the Financial Conduct Authority (FCA). The PRA is the consolidated supervisor in respect of the Group (of which PLC is the ultimate parent).

Standard Chartered Bank is a material subsidiary of the PLC Group for the purposes of the Bank of England-led single point of entry preferred resolution strategy for the PLC Group. The Group is a core part of, and critical provider of essential services to the PLC Group and is fundamental to the delivery of the PLC Group's purpose, franchise, and strategy.

Clients	• The Group remains the largest Corporate & Investment Banking (CIB) origination hub supporting a significant part of CIB revenues and is key to the global network proposition • The Group is the relationship hub for the majority of key CIB clients, particularly Organisation for Economic Co-operation and Development (OECD) clients • The Group holds the majority of the PLC Group's corporate and financial institutions deposits, a significant part of the PLC Group's USD funding base
Capabilities	• The Group holds key licenses and hosts infrastructure vital for the global franchise such as global USD & EUR clearing • The Group is the main Global Markets booking centre supporting the majority of Global Market revenues • The Group remains a main access point to high quality USD funding
Critical infrastructure	• The Group is the key liquidity management centre: holding the majority of the PLC Group's high-quality liquid assets for regulatory purposes • The Group provides functional support on a global basis • The Group operates global business services hubs for the benefit of the PLC Group including shared service centres and centres of excellence
Investors	• The Group's UK domicile underpins a unique investor proposition: emerging markets access from a UK regulated platform • A significant number of PLC Group's equity and debt investors are based in the Group's footprint
Recovery and resolution	• Standard Chartered Bank is the largest material subsidiary for the purposes of minimum requirement for own funds and eligible liabilities (MREL) and total loss-absorbing capital (TLAC) • The Group is critical to the delivery of capital and liquidity generating management actions in PLC Group's recovery planning • The Group houses various critical services and critical functions in resolution and resolution management

The Group's Credit Ratings

The Group remains a highly rated institution (in both absolute and relative terms). Moody's revised the rating outlook on Standard Chartered Bank in September 2024 to positive from stable, reflecting improving profitability and expectations that asset quality, capitalisation and liquidity would remain stable. S&P and Fitch ratings are on stable outlook.

	S&P	Moody's	Fitch
Long Term	A+	A1	A+
Short Term	A-1	P-1	F1
Outlook	Stable	Positive	Stable

Risk review

An update on our risk management approach

Our Risk Management Framework (RMF) sets out the principles and minimum requirements for risk management and governance across the Group. The RMF enables the Group to manage enterprise-wide risks, with the objective of maximising risk-adjusted returns while remaining within our Risk Appetite (RA).

Principal Risk Types and Risk Appetite

Principal Risk Types (PRTs) are those risks that are inherent in our strategy and business model and have been formally defined in the Group's RMF.

The table below details the Group's current PRTs and their corresponding RA statements.

Principal Risk Types	Definition	Risk Appetite Statement
Credit Risk	Potential for loss due to failure of a counterparty to meet its agreed obligations to pay the Group.	The Group manages its credit exposures following the principle of diversification across products, geographies, client segments and industry sectors.
Traded Risk	Potential for loss resulting from activities undertaken by the Group in financial markets.	The Group should control its financial markets activities to ensure that market and counterparty credit risk losses do not cause material damage to the Group's franchise.
Treasury Risk	Potential for insufficient capital, liquidity, or funding to support our operations, the risk of reductions in earnings or value from movements in interest rates impacting banking book items and the potential for losses from a shortfall in the Group's pension plans.	Individual regulated entities within the Group should maintain sufficient capital, liquidity, and funding to support its operations, and an interest rate profile ensuring that the reductions in earnings or value from movements in interest rates impacting banking book items does not cause material damage to the Group's franchise. In addition, the Group should ensure its pension plans are adequately funded.
Operational and Technology Risk	Potential for loss resulting from inadequate or failed internal processes, technology events, human error, or from the impact of external events (including legal risks).	The Group aims to control operational and technology risks to ensure that operational losses (financial or reputational), including those related to the conduct of business matters, do not cause material damage to the Group's franchise.
Information and Cyber Security Risk	Risk to the Group's assets, operations, and individuals due to the potential for unauthorised access, use, disclosure, disruption, modification, or destruction of information assets and/or information systems.	The Group aims to mitigate and control ICS risks to ensure that incidents do not cause the Bank material harm, business disruption, financial loss or reputational damage – recognising that whilst incidents are unwanted, they cannot be entirely avoided.
Financial Crime Risk[1]	Potential for legal or regulatory penalties, material financial loss or reputational damage resulting from the failure to comply with applicable laws and regulations relating to international sanctions, anti-money laundering and anti-bribery and corruption, and fraud.	The Group has no appetite for breaches of laws and regulations related to Financial Crime, recognising that whilst incidents are unwanted, they cannot be entirely avoided.
Compliance Risk	Potential for penalties or loss to the Group or for an adverse impact to our clients, stakeholders or to the integrity of the markets we operate in through a failure on our part to comply with laws, or regulations.	The Group has no appetite for breaches of laws and regulations related to regulatory non-compliance; recognising that whilst incidents are unwanted, they cannot be entirely avoided.
Environmental, Social and Governance and Reputational (ESGR) Risk	Potential or actual adverse impact on the environment and/or society, the Group's financial performance, operations, or the Group's name, brand or standing, arising from environmental, social or governance factors, or as a result of the Group's actual or perceived actions or inactions.	The Group aims to measure and manage financial and non-financial risks arising from climate change, reduce emissions in line with our net zero strategy and protect the Group from material reputational damage by upholding responsible conduct and striving to do no significant environmental and social harm.
Model Risk	Potential loss that may occur because of decisions or the risk of mis-estimation that could be principally based on the output of models, due to errors in the development, implementation, or use of such models.	The Group has no appetite for material adverse implications arising from misuse of models or errors in the development or implementation of models; whilst accepting some model uncertainty.

1 Fraud forms part of the Financial Crime RA Statement but in line with market practice does not apply a zero-tolerance approach

As of November 2024, the Climate Risk RA statement was integrated into the ESGR PRT.

> Further details on our **Risk Management Approach** can be found on pages 45 to 57.

Topical and Emerging Risks (TERs)

Topical Risks refer to themes that may have emerged but are still evolving rapidly and unpredictably. Emerging Risks refer to unpredictable and uncontrollable outcomes from certain events which may have the potential to adversely impact our business.

As part of our ongoing risk identification process, we have updated the Group's TERs from those disclosed in the 2024 Half-Year Report. These remain relevant with nuances in their evolution noted where pertinent. Below is a summary of the TERs, and the actions we are taking to mitigate them based on our current knowledge and assumptions. This reflects the latest internal assessment by senior management.

The TER list is not exhaustive and there may be additional risks which could have an adverse effect on the Group. There are some horizon risks that, although not highly likely at present, could become threats in the future and thus we are monitoring them. These include future pandemics and the world's preparedness for them, and potential cross-border conflicts. Our mitigation approach for these risks may not eliminate them but demonstrates the Group's awareness and attempt to reduce or manage their impact. As certain risks develop and materialise over time, we will take appropriate steps to mitigate them based on their materiality to the Group.

Macroeconomic and geopolitical considerations

There is a complex interconnectedness between risks due to the direct influence of geopolitics on macroeconomics, as well as the global or concentrated nature of key supply chains for energy, food, semi-conductors and critical minerals.

The Group is exposed to these risks directly through investments, infrastructure and staff, and also indirectly through its clients. Whilst the primary impact is financial, there may be other ramifications such as reputational, compliance or operational considerations.

Expanding array of global tensions and transition of the international order

The international order is undergoing a transition, with a shift towards a multi-aligned global system resulting in more transactional and less predictable interactions between global powers. This can give rise to new and more fluid political and economic alliances, accelerated by the increasing number of conflicts, specifically those in Ukraine and the Middle East.

While the Group has limited direct exposure to the countries which are currently involved in conflicts, it may be impacted by second order effects on its clients and markets such as agricultural commodities, oil and gas. The threat of escalation to the wider Middle East region remains present, despite a Gaza ceasefire agreement being reached in January 2025, and could affect markets in the Group's footprint. Regional volatility has increased following the collapse of the Assad regime in Syria.

The positioning of 'middle powers' is complex and evolving, and there is a rise in 'mini-lateral' groupings of countries that are ideologically or geographically aligned. The negotiating power of exporters of key resources has grown and can shape global markets.

Expanding power blocs such as BRICS may coalesce and become more effective at exercising their increased collective influence, such as establishing parallel financial infrastructures (payment system, development bank, credit rating agency) to support their trade. Other coalitions between more actively anti-Western regimes such as Russia, North Korea, Syria and Iran could prove more volatile in their attempts to shift the axis of power.

The 2024 global election cycle culminated with the US elections in November. Donald Trump's victory signals forthcoming changes to relationships with traditional allies such as Europe, given the focus on NATO spending and trade surpluses. Tariffs may also be implemented in response to non-economic issues such as immigration.

There have also been notable shifts in government composition in France, UK, South Africa, Bangladesh and Sri Lanka, as well as political crises in Canada, South Korea and Germany. Amid changes in governments, there is a growing worldwide trend for short-term populist measures that are outweighing longer-term political necessities, such as addressing climate change or demographic transitions.

Relations between the West, led by the US and EU, and China are in a state of flux. Tariffs, embargos, sanctions, and restrictions on technology exports and investments are expected to increase in pursuit of both economic and security goals.

The malicious use of AI enabled disinformation could continue to cause disruption and undermine trust in the political process. This, combined with already fractured societies and persistent inequality, may lead to heightened societal tensions. Terrorism and cyber warfare are also ongoing threats, with unpredictability exacerbated by the wider range of ideologies at play. Cyber attacks can disrupt infrastructure and institutions in rival countries.

A more complex and less integrated global political and economic landscape could challenge cross-border business models but also provide new business opportunities.

Uncertain interest rate trajectory and credit downturn

Although rate cuts have been enacted by all major central banks, with further cuts signalled, the scale and pace of cuts are still highly uncertain. Structurally higher deficits, continued supply disruptions, military spending and other inflationary pressures such as additional tariffs may keep rates higher.

A 'higher-for-longer' rate environment would continue to stretch companies and sovereigns alike, with the global corporate default rate remaining well above the post-financial crisis average in 2024. Stress has continued in the global commercial real estate sector and may extend to fixed-rate mortgages. In contrast, aggressive cuts could renew inflation.

Despite this, markets have remained surprisingly resilient to adverse geopolitical conditions and inflation forecasts. The conflicts in the Middle East and Russia have not had a material impact on commodity prices and the wider global economy. However, oil price volatility could re-emerge should the US strengthen sanctions enforcement. While credit spreads remain below those observed at the outbreak of the Russia–Ukraine conflict, volatility and abrupt changes in sentiment remain a risk.

Economic challenges in China

China's growth rate looks unlikely to return to pre-pandemic levels. Although preliminary figures reported 2024 growth at 5 per cent, the IMF's forecast is for a drop to 4.5 per cent in 2025. As a result of the subdued growth rate, China announced a co-ordinated package of stimulus measures in the second half of 2024 to boost the economy with a focus on the stressed real estate and local government sectors.

Competition with the US and the EU is intense, particularly around modern technologies. Areas such as electric vehicles and AI are key battlegrounds. China's industrial overcapacity leads to increased search for export markets; electric vehicles and steel are prime examples. This is stoking trade-related frictions and provoking economic counter measures such as tariffs announced by the US and the EU, with the new Trump administration's plans to impose further trade barriers on China also looming.

To combat this China has sought agreements with other nations, such as the Association of Southeast Asia Nations (ASEAN)–China Free Trade Agreement. As well as strengthening economic ties, they allow Chinese companies to establish manufacturing overseas, potentially circumventing the worst of the restrictions.

China is also urging partners to increase the use of renminbi (RMB) in trade. In the first half of 2024, RMB's share of global payments was 4.7 per cent, over double that of a year earlier, making it the fourth most used currency for global payments by value.

Given China's importance to global trade, a prolonged slowdown would have wider implications across the supply chain, especially for its trading partners, as well as for countries which rely on it for investment, such as those in Africa. However, opportunities arise from the diversification of intra-Asia trade and other global trade routes, and growth acceleration in South Asia, especially India.

Sovereign risk

While a number of markets remain in debt distress, emerging markets have proven resilient in 2024. Despite continued higher rates, the last notable request for debt relief was made in early 2023. Progress has also been observed with Zambia and Sri Lanka's debt exchanges.

However bond issuance remains high, with global government debt set to exceed $100 trillion in 2024, and potentially reach 100 per cent of global GDP by 2030. Markets are likely to find it difficult to reduce debt levels due to the prevailing political backdrop, weak GDP growth, demographic pressures and pressure to increase national security and defence.

While markets have remained opened for all categories of sovereign issuers, refinancing costs have been rising, and interest payments are an increasing burden on both emerging and developed markets. Emerging markets in particular will continue to be affected by US dollar strengthening, which has intensified since the US election. This would impact through multiple avenues, namely higher import prices, lower flexibility in monetary policy and making refinancing existing debt or accessing hard currency liquidity more challenging.

Some countries also face a heightened risk of failing to manage societal demands and increasing political vulnerability, as evidenced by France's recent downgrade. Food and security challenges exacerbated by armed conflict and climate change also have the potential to drive social unrest.

Debt moratoria and refinancing initiatives for some emerging markets are complicated by a larger number of financiers, with much financing done on a bilateral basis outside of the Paris Club. Whilst the Global Sovereign Debt Roundtable has made some progress on coordinating approaches between the Paris Club and other lenders, their interests do not always match. This can lead to delays in negotiations on debt resolutions for developing nations.

Supply chain issues and key material shortages
While the initial disruption caused by the Russia–Ukraine and Middle East conflicts have somewhat abated, they highlighted the continued vulnerability of global supply lines.

There is growing political awareness around the need for key component and resource security at national level. Countries are enacting rules to "de-risk" by reducing reliance on rivals or concentrated suppliers (for example, semi-conductors) and look to either re-industrialise or make use of near-shoring and friend-shoring production.

Countries' increased willingness to impose trade barriers to influence trading behaviour may disrupt exporters, strain relations with trade partners and add to inflationary pressures. A recent example is the EU probe into unfair commercial practices in the provision of renewable energy equipment, particularly subsidies related to offshore wind and solar energy.

The growing need for minerals and rare earth elements to power green energy technologies can be leveraged to achieve economic or political aims by restricting access. This can bolster the negotiating influence of the main refiners and producers, such as China, Indonesia and some African nations, while prompting some nations to slow down their green transition plans. Actions have already been taken in Western nations to de-risk through initiatives such as the Minerals Security Partnership.

How these risks are mitigated
- We remain vigilant in monitoring risk and assessing impacts from geopolitical and macroeconomic risks to portfolio concentrations.
- We explored the implications of a second Trump administration, evaluating policy direction under different scenarios, the potential outcomes and challenges associated with each.
- We maintain a diversified portfolio across products and geographies, with specific risk appetite metrics to monitor concentrations.
- We are performing targeted portfolio analyses to identify clients that may be impacted by a new wave of tariffs.
- Mitigations in our Wealth & Retail Banking segment include building a resilient revenue base and maintaining close relations with clients for the awareness of early alerts.
- Increased scrutiny is applied when onboarding clients in sensitive industries and in ensuring compliance with sanctions.
- We utilise Credit Risk mitigation measures including collateral and credit insurance.
- We conduct portfolio reviews as well as macroeconomic, thematic and event-driven stress tests at Group, country, and business level, with regular reviews of vulnerable sectors, and undertake mitigating actions.
- We have a dedicated country risk team that closely monitors sovereign risk.
- We run a series of daily market risk stress scenarios to assess the impact of unlikely but plausible market shocks.
- We run a suite of management scenarios with differing severities to assess their impact on key risk appetite metrics.
- We regularly review our third-party arrangements to improve operational resilience.

ESG considerations

ESG risk
Higher frequencies of extreme weather events are observed each year and the cost of managing the climate impacts is increasing, with the burden disproportionately borne by developing markets, where we have a large footprint. Alongside climate, other environmental risks pose incremental challenges to food, health systems and energy security; for example, biodiversity loss, pollution, and depletion of water.

Modern slavery and human rights concerns are increasingly in focus with the scope expanding beyond direct operations to extended supply chains and vendors.

ESG regulation continues to develop across the world, often with differing taxonomies and disclosure requirements. This increased regulation is also generating stakeholder scrutiny on greenwashing risk, with ESG litigation being brought against corporations and governments in multiple markets.

However, a succession of political, social and economic disruptions in recent years have diverted attention and resources away from longer-term action on climate and sustainable development as competing spending demands are made of stretched budgets. This will be further exacerbated by the new Trump administration, which has rolled back green energy policies, and withdrawn the US from the Paris Agreement.

For companies and governments, the trade-off between pragmatism and environmentalism has crystallised with several delaying or rolling back targets. For example, there has been a significant reduction in the number of ESG-focused funds launched in 2024, and there has been a lack of progress at the recent COP meeting. Several US and Canadian banks have withdrawn from the Net-Zero Banking Alliance. A slower transition to low carbon business models may impact progress towards the Group's net zero targets and product roadmap.

How these risks are mitigated

- Climate Risk considerations are embedded across all relevant Principal Risk Types. This includes client-level Climate Risk assessments, including setting adequate mitigants or controls as part of decision making and portfolio management activities.
- We embed our values through our Position Statements for sensitive sectors and a list of prohibited activities. We also maintain ESG and Reputational Risk standards to identify, assess and manage these risks when providing financial services to clients.
- The management of greenwashing risks has been integrated into our ESG and Reputational Risk Framework, Reputational Risk policy, Sustainable Finance product greenwashing standard, and Corporate Affairs, Brand and Marketing standards for communications and segment campaigns.
- Detailed portfolio reviews and stress tests are conducted to test resilience to climate-related physical and transition risks and enhance modelling capabilities to understand the financial risks and opportunities from climate change.
- We assess our relevant corporate clients and suppliers against various international human rights principles, as well as through our social safeguards.

+ Modern Slavery Statement: **sc.com/modernslavery**

+ Human Rights Position Statement: **sc.com/humanrights**

New business structures, channels and competition

Competition arising from technological developments and non-bank lending

Traditional banking faces challenges in its external competitive environment from a range of fintechs and private credit players, which disintermediate and cause disruption to traditional lenders as well as public markets. There are also 'digital enterprise' business models, which integrate financial services with emerging technologies like AI, big data analytics and cloud computing fostering financial disintermediation.

The rapid adoption of AI in particular raises a broad spectrum of challenges and opportunities. There has been a large increase of AI use in frauds and scams, and there are potential societal and economic impacts of the technology being used to replace jobs across most sectors. However, with AI tools and models being embedded into everyday life it is likely to become a foundational technology. Leveraging the benefits of augmented AI while managing these risks will be a core part of the Group's business model.

While there are challenges, banks themselves also have an opportunity to defend or leverage their competitive advantage by harnessing new technologies, partnerships or new asset classes.

In the longer term, increased adoption of stable coins and digital currencies could similarly create alternative deposit channels and bank disintermediation.

The rapid adoption of new technologies, partnership models or digital assets by banks brings a range of inherent risks, requiring clear operating models and risk frameworks. It is essential to upskill our people to develop in-house expertise and capabilities to manage associated risks, including model risks or managing external third parties which deliver these technologies. We must ensure that the people, process and technology agendas are viewed holistically to ensure the most effective and efficient implementation of new infrastructure

Cyber security and data challenges

The Group's digital footprint is expanding. This increases inherent cyber risk as more services and products are digitised, outsourced and made more accessible. Highly interconnected and extended enterprises drive efficiencies but can expand the opportunities available for malicious actors to gain entry or access to corporate assets. This includes infrastructure such as cloud and third-party enabled services.

The risk of cyber incidents is amplified by highly organised and resourced threat actors including organised crime and nation states, with malicious activity made easier through the commoditisation or "as a service" access to malicious tools and technologies. Emerging technology such as AI is enabling novel or augmented attack types, and cross-border tensions further drive the arms race to develop more capable and innovative cyber capabilities, both offensive and defensive.

Geopolitical dynamics are leading to progressively fragmented and divergent regulatory frameworks through which the Group must navigate. There are growing data sovereignty requirements to localise data, systems and operations, with data increasingly recognised as being at the centre of global trade.

How these risks are mitigated

- We monitor emerging technology trends, business models and opportunities relevant to the banking sector.
- We invest in our capabilities to prepare for and protect against disruption and new risks.
- We have established enhanced governance for novel areas, such as the Digital Asset Risk Committee and the Responsible AI Council.
- We manage data risks through our Compliance Risk Type Framework and information security risks through our Information and Cyber Security (ICS) Risk Type Framework. We maintain a dedicated Group Data Conduct Policy with globally applicable standards. These standards undergo regular review to ensure alignment with changing regulations and industry best practice.
- We augment our data risk management capabilities and controls, including through programmes to enhance data quality and compliance with Basel Committee of Banking Supervision 239 requirements and to address evolving legal and regulatory requirements relating to privacy and personal data protection, cross-border data transfers and the use of AI, with progress tracked at executive level risk governance committees.
- Risks embedded in key software programmes are continuously reassessed together with enhancements made in testing stages of new systems before they go live.
- The Group has implemented a 'defence-in-depth' ICS control environment strategy to protect, detect and respond to known and emerging ICS threats.
- New risks arising from partnerships, alliances, digital assets and generative technologies are identified through the New Initiatives Risk Assessment and Third-Party Risk Management Policy and Standards.
- Work is already under way to gauge the potential benefits and threats of nascent technologies such as quantum computing.

Regulatory considerations

Regulatory evolution and fragmentation

The regulatory framework for banks is expanding, becoming more complex and remains subject to continual evolution. Another outcome of the new Trump administration may be a relaxation of US regulation, and potentially a challenge to its adoption of Basel 3.1 rules. The UK has postponed its implementation of Basel 3.1 twice, with the current deadline being 2027.

Aside from changes in prudential, financial markets, climate and data regulations, we anticipate a rise in consultations and regulations relating to the use of AI, and particularly around its ethical application in decision-making.

Jurisdictional risk arises from internationally diverging regulations, with differing pace and scale of regulatory adoption, conflicting rules, extraterritorial and localisation requirements around data, staff, capital and revenues. Data sovereignty and ESG regulation are prime examples of jurisdictional risk.

This makes it challenging for multinational groups to manage cross-border activities, as well as adding complexity and cost. Such fragmented regulatory changes can also create frictions in the market as a whole.

How these risks are mitigated

- We actively monitor regulatory developments, including those related to sustainable finance, ESG, digital assets and AI and respond to consultations either bilaterally or through well-established industry bodies.
- We track evolving country-specific requirements, and actively collaborate with regulators to support important initiatives.
- We help shape regulation particularly in new areas like AI and Central Bank Digital Currencies through thought leadership, and actively engaging with policymakers and central banks.

Demographic considerations

Skills of the future

Evolving client expectations and the rapid development of technologies such as AI are transforming the workplace, and further accelerating changes to how people deliver outcomes, connect and collaborate. The skills needed to grow businesses and sustain careers are being disrupted as a result, with a balance of both technical and human skills becoming increasingly critical.

Workforce expectations also continue to evolve. 'What' work people do and 'how' they get to deliver it have become differentiators in attracting future-focused talent. There is greater desire to do work aligned to individual purpose and to have increasing expectations from employers to invest in skills and careers. These trends are even more distinct among Millennials and Gen Z who make up an ever-increasing proportion of the global talent pool, and as digital natives possess the attributes needed to pursue our strategy.

To sustainably attract, grow and retain the relevant skills and talent, we must continue to invest in building future-focused skills as well as further strengthen our Employee Value Proposition (EVP) and brand promise.

Demographic and migration trends

Divergent demographic trends across developed and emerging markets create contrasting challenges. Developed markets' state budgets will be increasingly strained by ageing and shrinking populations, whilst political stances reduce the ability to fill skills gaps through immigration. Conversely, emerging markets are experiencing fast-growing, younger workforces. While it is an opportunity to develop talent, population growth will put pressure on key resources such as food and water, as well as government budgets for education and health to capitalise on the 'demographic dividend'.

Population displacement is rising amid increased conflict and natural disasters, a lack of key resources, climate change, and disturbances in public order. This may increase the fragility of societal structures in vulnerable centres. The topics of both forced and economic migration are increasingly influential in political discourse, and have been a major focus of the Trump administration's first weeks in office. Large scale movement, both internally displaced persons and cross border migration, could cause social unrest, as well as propagate disease transmission and accelerate the spread of future pandemics. The threat of terrorist activity has also increased in the latter half of 2024.

Additionally net population growth for the 21st century will be in less-developed countries. Anticipating and proactively planning for these demographic shifts will be essential in maintaining an efficient global business model in the coming decades.

How these risks are mitigated

- We are helping colleagues to upskill and reskill, both through classroom sessions and our online learning platform. We have an internal Talent Marketplace which enables colleagues to sign up for projects to access diverse experiences and career opportunities.
- We place emphasis on skills and aspiration to identify the talents to accelerate, as well as deploy it in areas with the highest impact for our clients and the business. We are piloting a differentiated learning proposition for these talents with the highest potential.
- We emphasise frequent two-way feedback through performance and development conversations to embed a culture of continuous learning and development.
- Our culture and EVP work is addressing the emerging expectations of our diverse talent base, particularly around being purpose-led.
- We provide support and resources to all colleagues to help balance productivity, collaboration and wellbeing, with more than 60 per cent of our workforce having signed up to work flexibly.

Stakeholders and responsibilities

As a global bank operating in 51 markets, stakeholder engagement is crucial in ensuring we understand local, regional and global perspectives and trends which inform how we do business.

This section forms our **Section 172** disclosure, describing how the directors considered the matters set out in section 172(1)(a) to (f) of the Companies Act 2006. It also forms the directors' statement required under section 414CZA of the Act.

See the following pages for:

- How we engage stakeholders to understand their interests. See pages 26 to 27.
- we engage employees and respond to their interests. See pages 30 to 32.
- we respond to stakeholder interests through sustainable and responsible business. See pages 33 to 34.

Detailed information about how the Court engages directly with stakeholders and shareholders can be found in the Director's report on pages 36 to 42.

An example of the Court's Principal decision is included in this section. This section also forms our key non-financial disclosures in relation to sections 414CA and 414CB of the Companies Act. Our non-financial information statement can be found at the end of this section.

Principal Court decisions – market entries and exits

In 2024, the Court approved a decision to explore options to divest three African Wealth and Retail Banking (WRB) businesses in Botswana, Uganda and Zambia, to refocus capital to the Group's cross-border and affluent businesses in line with the Group's strategic objectives. In taking this decision, the Court considered the long-term advantages for the Group and the businesses themselves, but also the shorter-term effects on the Group's clients, employees and regulators before approving the decision. Once firm proposals for the divestments are made, the Court will scrutinise the wider stakeholder impacts carefully.

The Court offered its support for the decision to accelerate the Group's strategic focus on offering cross-border corporate and investment banking capabilities and wealth management for affluent clients. In CIB, we will concentrate on serving the complex needs of our largest global clients, leveraging our unique cross-border capabilities. In WRB, we will double our investment plans in our fast-growing and high-returning wealth management business for affluent clients. This incremental investment will be funded by reshaping our Mass Retail business to focus on building a strong pipeline of future affluent and international banking clients. In taking this decision, the Court considered our investors' interest in high quality growth and improvement in our Return on Tangible Equity over the medium-term, as well as the interests of clients and employees in the relevant areas of the business.

Engaging stakeholders

Listening and responding to stakeholder priorities and concerns is critical to achieving our Purpose and delivering on our brand promise, here for good. We strive to maintain open and constructive relationships with a wide range of stakeholders including regulators, lawmakers, clients, investors, civil society, and community groups.

Stakeholder feedback, where appropriate, is communicated internally to senior management through the relevant forums and governing committees such as the Sustainability Forum, and to the PLC Group's Culture and Sustainability Committee (CSC) which oversees the PLC Group's approach to its main relationships with stakeholders.

We communicate progress regularly to external stakeholders through channels such as sc.com, established social media platforms and this report. More detailed information on material sustainability topics can be found in our Sustainability section of pages 11 to 12.

Clients

How we create value

We want to deliver easy, everyday banking solutions to our clients in a simple and cost-effective way with a great customer experience. We enable individuals to grow, protect and pass on their wealth; we help businesses trade, transact, invest and expand; and we help a variety of financial institutions, including banks, public sector and development organisations, with their banking needs.

How we serve and engage

Our push for a best-in-class client experience is underpinned by innovative products and digital straight-through services. This includes building capability to protect our clients against evolving risks in the ecosystem, like fraud and cyber security, and comes with education and increased client communication.

To act in the best interests of our clients, we use the insights gathered from our data alongside robust policies, procedures and the Group's risk appetite to design and offer products and services that meet client needs, regulatory requirements and Group performance targets.

Fees and charges are disclosed to clients in line with regulatory requirements and industry best practice and, where available, benchmarked against competitors. For Personal and Business Banking products, agreed interest rates, fees and other charges as billed to clients are monitored and assessed locally, with global oversight.

Triggers for outlier fees and charges are defined and subject to annual review. Complaints are reviewed on an ongoing basis and are one of the factors that are taken into account prior to amendments to annual interest, fees and charges.

We also assess our product portfolio for new risks to ensure they remain appropriate for client needs and aligned to emerging regulation. These quantitative and qualitative assessments, including Periodic Product Reviews, are intended to provide a complete view of whether to continue, enhance, grow or retire products.

Training is provided to frontline staff across our branches, contact centres and digital channels to identify and support vulnerable clients, and we have also implemented an educational training programme for those clients who require assistance in navigating online and mobile channels.

Throughout 2024, we maintained our sharp focus on improving the client experience across the Bank. We engaged with clients to show them the opportunities trade corridors could bring and how using our network could help them flourish.

Our presence in high-growth markets – and ongoing roll out of digital platforms – helps connect our clients to the global engines of trade and innovation. As part of our PLC Group's aim to reach net zero carbon emissions by 2050, our PLC Group's transition finance team have been working closely with our clients in hard-to abate sectors on their own transitions. This is in addition to our PLC Group's ambition to mobilise $300 billion of Sustainable Finance between 2021 and 2030.

Across the bank, we have processes and controls to mitigate greenwashing risks, and to support transparency we publish the details of what constitutes our sustainable products and investments universe externally.

Wealth and Retail Banking
In 2024, we continued to expand our suite of solutions to help clients manage, protect and grow their wealth, including core fund offerings for mass affluent clients to alternatives and structured solutions for high-net-worth clients.

We strengthened our propositions and capabilities, adding high end lifestyle and cross-border privileges, family advisory and trust services, with our product offering helping drive growth.

In addition, our PLC Group evolved our managed investments business to focus on helping clients build foundational and opportunistic portfolios for which we bring innovative solutions, such as our PLC Group's Signature CIO Funds, a series of foundational portfolios built on our PLC Group's CIO insights.

In 2024, we also tried to help clients by partnering to create new services. To help the next generation of high-net-worth clients, our PLC Group launched our first Young Entrepreneur Programme (YEP). The YEP is curated in collaboration with INSEAD and SC Ventures – our PLC Group's innovation, fintech investment and ventures arm. Our PLC Group also partnered with Wise Platform, Wise's global payments infrastructure for banks, to power faster and cheaper international payments for the bank's cross-border payment service, SC Remit. The partnership allows SC Remit customers in Asia and in the Middle East to send money in 21 currencies including USD, CAD, EUR, GBP, SGD, HKD, JPY in seconds.

Corporate and Investment Banking
In 2024, we sharpened our focus on serving the cross-border needs of our largest and most sophisticated corporate and financial institution clients who require risk management, financing and sector advisory expertise across Asia, Africa and the Middle East.

Our network and experience, combined with our presence in valuable cross-border hubs, means that we can help clients from around the world access these regions. We continue to connect capital flows into Africa, the Middle East and Asia and play a leading role in promoting sustainable finance. In 2024, in Africa we were involved in EUR533 million of financing, backed by the African Development Bank, for the government of Côte d'Ivoire and EUR1.29 billion of financing for the Angolan Ministry of Finance to construct photovoltaic electricity distribution infrastructure.

Our clients are at the heart of what we do, everything we have done structurally in 2024 is about leveraging our platform so that we can do more business with them.

We are scaling up where we can offer our clients a differentiated service, such as Securities Services - capitalising on local custodian capabilities across Africa and the Middle East and the growing demand from financial institutions – as well Sustainability Finance, Islamic Banking and RMB Internationalisation, all of which are being embedded into our global business teams.

Their interests
- Differentiated product and service offering
- Digitally enabled and positive experience
- Sustainable finance
- Access to international markets

Regulators and Governments

How we create value
We engage with public authorities to play our part in supporting the effective functioning of the financial system and the broader economy.

How we serve and engage
We engage with government, regulators and policy makers at the global, regional and national level as well as trade associations to share insights and support the development of best practices and adoption of consistent approaches across our markets. During 2024, we engaged on the following key topics:

- Financial services, including but not limited to prudential regulations, financial markets, and financial conduct and financial crime.
- Sustainable finance, across a wide range of sub-topics such as transition finance, carbon markets, adaptation & resilience, and climate risk.
- Technologies and digital assets, including for example stablecoin and crypto assets, digital asset custody, data sovereignty or the use of artificial intelligence (AI).
- International trade and digital trade such as digital tokenizable trade assets.

Their interests
- Strong capital base and liquidity position
- Robust standards for financial conduct and financial crime
- Competitive economies and markets
- Sustainable Finance and net-zero transition
- Digital innovation and use of AI in financial services
- Operational resilience
- Market integrity and customer protection
- International and digital trade
- Financial stability

Investors

How we create value
We aim to deliver robust returns and long-term sustainable value for our investors.

How we serve and engage
We rely on capital from debt and equity investors to execute our business model. Whether they have short or long-term investment horizons, we provide our investors with information about progress against our strategic and financial frameworks.

Through our PLC Group's footprint and the execution of our sustainability agenda, we provide our investors with exposure to opportunities in emerging markets. We believe that our integrated approach to Environmental, Social and Governance (ESG) issues and a strong risk and compliance culture, are key differentiators. We continue to respond to growing interest from a wide range of stakeholders on ESG matters, including investors.

Regular and transparent engagement with our investors, and the wider market, helps us understand investors' needs and tailor our public information accordingly. In addition to direct engagement via our Investor Relations team, we communicate through half-year and full-year results, conferences, roadshows, investor days and media releases.

We continued to expand our use of virtual meetings during 2024, coupled with a growing number of face-to-face interactions. Our PLC Group hosted an Affluent Investor seminar in December and deep dive for Mainland Chinese investors in September.

Key investor feedback, recommendations and requests are considered by our PLC Board, whose members keep abreast of current topics of interest. Our PLC Group's Annual General Meeting (AGM) in May was open to shareholders either in person or electronically via a live video feed of the meeting. All participants had the opportunity to submit their votes and ask the PLC Board questions.

Similarly, our PLC Group Chairman, alongside some members of the PLC Group Board, hosted a hybrid stewardship event for institutional investors in December providing shareholders with updates on a number of topics, including sustainability, net zero and governance matters. The event included an open question-and-answer session

The PLC Group continues to respond to growing interest from a wide range of stakeholders on ESG matters, including investors. In 2025, we will continue to engage with investors on progress against our strategic priorities and actions, as well as our financial framework as we progress towards delivering sustainably higher returns.

Their interests
- Safe, strong and sustainable financial performance
- Facilitation of sustainable finance to meet the United Nations (UN) Sustainable Development Goals
- Progress on ESG matters, including advancing our net-zero agenda

Suppliers
Supporting a sustainable supply chain
The PLC Group measure and manage our Scope 3 upstream emissions and work in partnership with our suppliers to calculate emissions and set net zero targets where appropriate.

Supporting a diverse and inclusive supply chain
We are committed to building mutually beneficial relationships with our suppliers to reflect the diverse communities and cultures we operate in. To support this, our supplier diversity and inclusion programme aims to direct spend and offer support where appropriate, to small and diverse businesses.

Supplier diversity at Standard Chartered incorporates businesses owned by under-represented individuals or groups – such as women and ethnic minorities, as well as micro and small businesses.

To help drive our programme, we are corporate members of not-for-profit organisations dedicated to supporting diverse suppliers. This collaboration positions us to identify and engage small and diverse suppliers, share in best practices, and maintain awareness about diverse supplier needs.

In addition, we engage and support our diverse suppliers with our PLC Group hosting two face-to-face supplier diversity events in partnership WEConnect – a global network supporting women-owned businesses – in 2024. The events focused on networking, sharing best practices in the sustainability field and supplier awards.

+ For further details of our PLC Group's supplier diversity programme and supplier awards events visit **[https://www.sc.com/en/suppliers/supplier-diversity-and-inclusion/]**

Their interests
- Open, transparent and consistent tendering process
- Accurate and on-time payments
- Willingness to adopt supplier-driven innovations
- Obtain guidance on implementation of sustainability matters

Society
How we create value
We strive to operate as a sustainable and responsible company, leveraging our partnerships, networks and expertise to help transform our markets for long-term societal and environmental impact, create more inclusive economies and increase equitable prosperity.

How we serve and engage
Our Futuremakers partners
With the Standard Chartered Foundation, we advanced our strategic partnerships with NGOs and civil society organisations in support of Futuremakers by Standard Chartered, our PLC Group's global youth economic empowerment initiative. Shifting to an impact-focused strategy, we've engaged our partners to co-design long-term programmes towards achieving our PLC Group's target of enabling and supporting 140,000 decent jobs between 2024 and 2030.

To deepen our understanding of the impacts of our programmes, our PLC Group refined our results monitoring framework and developed a model to estimate the societal return on our Futuremakers investments. This provides a more holistic analysis to enhance the impact potential of our programmes. We share learning from our new programmatic models both across our portfolio and externally with our peers.

Our external stakeholders
We seek to promote greater economic inclusion through our networks, events and sponsorships. In collaboration with Business Fights Poverty, we hosted various learning events, including a gender-focused panel discussion to celebrate International Women's Day and a thematic discussion on Plugging the financing gap for young entrepreneurs at their Global Goals Summit in Nairobi and New York, during the United Nations General Assembly meetings. The aim of these events was to identify actionable strategies and innovative partnerships to address global challenges. In addition, we sponsored Women of the World Foundation (WOW) as their Global Girls' Champion to run the WOW bus tour, bringing gender equality learning to girls and young people across the UK, and we extended the WOW festival to Pakistan and Turkey, reaching over 23,000 children and young people in half a year.

Our colleagues
We encourage colleagues to give back to their communities using their three days paid volunteering leave. To enable a volunteering culture, we gathered feedback and insights from our employee volunteering (EV) champions and ran a series of workshops to develop an EV toolkit accessible to all colleagues. We are expanding our focus on skills-based volunteering to leverage our colleagues' skills-sets and deepen our community impact. This year we launched a global skills-based volunteering week providing learning sessions and volunteering opportunities to build awareness across the Bank. To drive participation, we organised train-the-trainer workshops to equip our colleagues with skills necessary to conduct financial education and mentoring sessions with our community stakeholders.

Their interests
- Access to finance
- Economic inclusion
- Gender equity
- Skills-based volunteering
- Community impact

Employees

How we create value
We recognise that our workforce is key to driving our performance and productivity and that the diversity of our people, cultures and network sets us apart. To be the best cross border and affluent bank to our clients, our workforce composition, including the skills and engagement of our people, is a strategic source of competitive advantage. So we are developing a workforce that is future ready, and are co-creating with our employees to build an inclusive, innovative and client-centric culture.

How we serve and engage
By engaging employees and fostering a positive experience for them, we can better serve our clients and deliver on our Purpose. A culture of inclusion and ambition enables us to unlock innovation, make better decisions, deliver our business strategy, live our valued behaviours and embody our brand promise. We proactively assess and manage people-related risks, such as, capacity, capability and culture, as part of our PLC Group Risk Management Framework. Our People Strategy, approved by the PLC Board, is future-focused, with external events accelerating many of the future of work trends which continue to inform our approach.

Their interests
Translating our here for good brand promise and Purpose of driving commerce and prosperity through our unique diversity into our colleagues' day-to-day experience is critical to us remaining an employer of choice across our footprint. The research we have on our Employee Value Proposition (EVP) tells us that our existing and potential employees want to: have interesting and impactful jobs; innovate within a diverse set of markets and for a spectrum of clients; cultivate a brand that sustainably drives commerce and offers enriching careers and development; and be supported by great people leaders. They want these elements to be anchored in competitive rewards and a positive work–life balance. The employment proposition is a key input to our People Strategy which supports the delivery of our business strategy.

Listening to employees
Frequent feedback from employee surveys helps us identify and close gaps between colleagues' expectations and their experience. Colleague sentiment is captured through an annual survey as well as regularly through a weekly survey and at key moments, such as when employees join us, leave, and return to work after parental leave. In addition to leveraging inputs from these surveys, the Court and Management Team also engage with and listen to the views of colleagues through interactive sessions.

In 2024, our annual My Voice survey was conducted in May and June. Key measures of employee satisfaction have stayed high, however there has been a decline year-on-year as the impact of our transformation continues to be felt. The experience of working for the Bank remains a broadly positive one. 78 per cent employees say that the Bank meets or exceeds their expectations, 96 per cent feel committed to doing what is required to help the Bank succeed, and 86 per cent feel proud about working for the Bank. This underscores the strength of our EVP to attract, retain and grow the skills and talent that are critical to delivering our strategy and outcomes for clients.

Driving a culture of sustainable high-performance
As the PLC Group transforms to achieve our strategic ambitions, we continue to embed our refreshed approach to managing, recognising and rewarding performance. We are embedding more regular performance and development conversations, as well as increasing the exchange of two-way balanced, constructive feedback amongst peers, stakeholders and team members. At the same time, we are encouraging greater aspiration during goal-setting as well as placing even more focus on recognising outperformance, including by enhancing flexibility in reward decisions. These habits that mark of culture of high performance, have continued to strengthen each year – with more colleagues across PLC Group receiving feedback in the system , as well as many using Appreciate, our new digital platform launched in early 2024 to enable democratised, hyper-personalised, in-the-moment peer-to-peer recognition.

We recognise that wellbeing is a driver of sustainable high performance and productivity, and are committed to supporting our colleagues' wellbeing at an individual, team, and organisational level. This means focussing on prevention as well as cure, and striving to embed wellbeing into the flow of work. Globally, colleagues have access to a range of tools and resources to manage their wellbeing, including several progressive benefits, a mental health app, access to 1:1 counselling or therapeutic support, an employee assistance programme (through which professional counselling is also available), wellbeing toolkits, and a network of trained mental health first aiders. We continue to drive interventions to further enable healthy working practices, including market-level experiments that we are running on sustainable working habits, promoting training of wellbeing champions, and embedding wellbeing skills (such as resilience and adaptability) into multiple learning programmes.

Our continued commitment to embedding our flexible working model (which was launched in 2021) that combines flexibility in working patterns, time and locations, is an important part of our efforts to enhance both the productivity and experience of our workforce. Our model purposefully balances client needs and business priorities with individual choice, allowing us to be inclusive of the diverse needs of our workforce. We continue to explore opportunities for enhancing flexibility across further markets and roles, where regulations and the nature of the work allow for it. We refreshed our toolkits and guidance to people leaders and individuals to help navigate flexible working and establish clear, consistent expectations for all colleagues when working flexibly. These include support on having regular conversations with teams on flexi-work arrangements; on organising team and individual work to enhance productivity and wellbeing; on leading in key moments such as onboarding new team members, returning from parental leave and during performance conversations; and on strengthening connections in flexible work environments. Colleagues continue to adopt ways of working that balance the benefits of remote working with face-to-face interactions to innovate and collaborate, as we also continue to re-imagine our physical workspaces with the relevant infrastructure and technology to provide hubs for teamwork, collaboration and learning.

+ Read more about our approach to flexible working at **sc.com/flexibleworking**

Building leadership capabilities

Exceptional performance needs exceptional leadership, and we believe that our people leaders are critical to unlocking the potential of our workforce and how they experience the Bank every day. Engaging, developing, and measuring our people leaders continues to be a critical enabler of our performance and culture. Our Leadership Agreement sets out clear expectations from our leaders to Aspire, Inspire and Execute. It also forms the foundation of our leadership development curriculum through which one-third of our people leaders are being covered each year to help them build new skills and habits across different leadership stages – including skills on coaching, performance management in business-specific contexts, leading for transformation, and leading through ambiguity. While people leaders continue to learn through face-to-face leadership programmes during the year, leadership skill-building is also made accessible to all colleagues to build the capability deeper into the organisation – through the Leadership Health journey of regular micro-learning activities, our 'virtual escape room' game for aspiring leaders, and experiential bootcamps on creating an environment of psychological safety and innovation.

People leaders continue to receive feedback, either through our 'always on' feedback tool available to all colleagues or through the structured 360-degree feedback tool that is available to mid-to-senior people leaders; along with a consolidated view of the environment they are creating for their teams, and feedback on their leadership skills, as part of their Leadership Dashboard - bringing even greater transparency to performance and development conversations, and highlighting the value we place on leadership.

+ Read our Leadership Agreement at **sc.com/leadershipagreement**

Developing skills of future strategic value and enabling careers

To keep pace with our strategic priorities, evolving customer expectations, ongoing transformation, and rapid technological innovation, we stay committed to a 'skills-led' approach. We are focused on accelerating the development of future skills among our workforce, bringing in greater agility to how skills are deployed to areas of opportunity across the PLC Group and embedding skills purposefully across key talent practices. We are supporting employees to build the skills needed for high performance today, to reskill and upskill for tomorrow, and to be global citizens who understand the changing nature of the world in which we operate. This includes helping them strengthen a combination of human and technical skills, as well as enhancing a culture of continuous learning that empowers them to grow, increase their long-term employability and follow their career aspirations.

Building of systemic future-focused skills that are anticipated to be needed to keep pace with the changes happening in the sector (such as in sustainability, innovation, data, digital and leadership) is balanced with role-focused performance skills; as well as access to skill-building interventions that enable role-to-role movement, including into critical 'future' roles where our strategic workforce planning analysis predicts an increasing need for talent. Such as, with our increasing focus on enhancing our Affluent client proposition in WRB, we are investing in delivering upskilling, reskilling and redeployment journeys for colleagues to enable them to access opportunities as the business segment grows. In CIB, we are focusing on sustainability capabilities and sales skills in line with our cross-border proposition. These efforts aim to ensure that our business growth and transformation is closely linked with our workforce transformation.

Learning in classrooms is combined with learning through our online learning platform, and colleagues are actively using one or more of our Future Skills Academies which include the Data & Analytics, Digital, Cyber, Client Advisory, Sustainable Finance and Leadership Academies. Through 'skills passports' on our AI-enabled internal Talent Marketplace platform, employees can sign up for projects (often cross-functional and cross-location) to build and practice skills on the job, can connect with mentors, as well as can access more diverse roles based on skills adjacencies. By combining project opportunities with purposeful internal talent moves, we continue to enhance the career experience of colleagues and deploying their skills at speed across our network has resulted in unlocking productivity. We are also making it easier for colleagues to engage with all that is available for growing their careers, through a range of resources and tools including a careers toolkits, conversation guides etc.

Creating an inclusive workplace

Our inclusive culture and commitment to diversity and inclusion are a vital part of our employee value proposition and what enables us to drive business success. Through our multiple employee listening surveys and supplemented by qualitative feedback, we aim to better understand the lived experiences of our colleagues, and then act to make targeted, meaningful changes to further drive inclusion and enhance their experience. Our levels of inclusion remain high and is reflected in the 77.8 per cent of employees who shared positive sentiments in the 2024 annual survey.

We continue to invest in efforts towards increasing awareness around diversity and inclusion principles, unconscious bias and micro-behaviours as well as emphasise the importance of creating an inclusive environment. Many of these aspects are covered in the 'When we're all included' learning programme, as well as the 'Respect at Work' e-learning programme that helps understand what constitutes harassment, bullying, discrimination and victimisation, which continues to be mandatory for all new joiners.

We are focused on further strengthening our inclusive culture, where all our people feel that their identity is understood and recognised for its uniqueness and anyone with the capability to excel can do so. Employees are provided, where legally permissible, with the ability to share their identity data through our internal employee portal. We are encouraging and increasing self-declaration (including socio-economic status in the UK) so that we can further improve colleague experience by introducing policies and interventions that are representative of the needs of our diverse workforce.

We also remain focused on building a workforce that is truly representative of our client base and footprint. Our gender diversity continues to grow, with more women leaders moving up to senior roles. Women currently represent 50 per cent of the Court, and representation of women in senior leadership roles increased to 29.6 per cent at the end of 2024. We are committed to continuous improvement in this area and aspire to have 35 per cent representation[1] of women at a global senior level across PLC Group by end of 2025. We continue to develop strategic partnerships and experiment with programmes to widen our talent pools such as by launching the 'Harnessing Africa's Transformative Talent' programme to attract, retain, engage and develop Black and African talent, by improving career mobility support including through 'buddy' assistance, and by rolling out sponsorship programmes.

Leadership commitment stays critical to our approach on D&I. Our Global D&I Council is chaired by our CEO, WRB and comprises enterprise-wide leaders representing various business, functions and geographies from across the PLC Group. The Council is responsible for our overall PLC Group D&I strategy, direction setting, and overseeing the implementation of sustainable and measurable improvements. The Council is focused on developing a diverse talent pipeline to improve leadership representation, building sponsorship muscle fostering positive career progression and refreshing our Employee Resource Group approach to enhance colleague experience.

Equal Pay is a key principle of our Fair Pay Charter. Our commitment to paying colleagues fairly, recognising skills and contributions rather than any discriminatory factors, fosters an environment where all colleagues are given an equal chance to succeed.

+ Read more about our approach towards strengthening diversity and inclusion, as well as our approach to equal pay in our Diversity, Equity & Inclusion Impact Report 2024 at **sc.com/fairpayreport**

1 Subject to local legal requirements

Our approach to Sustainability

Sustainability is a strategic focus area for the Group, as we strive to promote inclusive growth and prosperity across the markets where we operate.

The PLC Group's approach to sustainability supports the Group's strategy, and is designed to deliver our purpose: to drive commerce and prosperity through our unique diversity. This is underpinned by our brand promise, here for good.

The approach is articulated through the PLC Group's long-term sustainability goals –Sustainability Aspirations – and short-term sustainability targets – the Sustainability Strategic Pillars. The Aspirations and Pillars set out how we intend to deliver across our sustainability agenda.

Sustainability continues to be included in the 2024 PLC Group scorecard and 2024–26 Long-Term Incentive Plan (LTIP), which include the Group employees, with performance measures that align with our Sustainability Aspirations and Sustainability Strategic Pillars.

The Group's strategy leverages the PLC Group's sustainability approach. This section sets out PLC Group's progress against the Sustainability Aspirations and Sustainability Strategic Pillars before we dive deeper into the material topics set out on pages 33 to 34, including sustainable finance, climate, nature and social impact.

+ For more information on our approach to sustainability see page 63 of PLC's 2024 Annual Report

Sustainability Aspirations: our long-term goals

The PLC Group Sustainability Aspirations (indicated below) are consolidated into four overarching long-term goals, each supported by key performance indicators. Together, these reflect our commitment to fostering sustainable social and economic development in our markets.

- Aspiration 1: Mobilise $300 billion of sustainable finance
- Aspiration 2: Operationalise our interim 2030 financed emissions targets to meet our 2050 net zero ambition
- Aspiration 3: Enhance and deepen the sustainability ecosystem
- Aspiration 4: Drive social impact with our clients and communities

Sustainability Strategic Pillars: our short-term targets and immediate priorities

The four Sustainability Strategic Pillars represent our near-term strategic focus designed to drive momentum and accelerate progress toward the longer-term Sustainability Aspirations.

- Pillar 1: Scale sustainable finance income
- Pillar 2: Further embed sustainability across the organisation
- Pillar 3: Deliver on the annual milestones set forth in our net zero roadmap
- Pillar 4: Leverage our Innovation Hubs

+ For more information on our sustainability aspirations see page 64 of PLC's 2024 Annual Report

Innovation Hubs

The PLC Group's four thematic Innovation Hubs – Adaptation Finance1, Blended Finance Programmes, Carbon Markets and Nature Finance – focus on emerging sustainability themes that are nascent but ripe for scale, aligned to areas where the Group has a core competency, and are particularly suited to clients in our footprint markets.

+ For more information on innovation hubs see page 66 of PLC's 2024 Annual Report

Sustainable finance

Sustainable finance, including transition finance, is a crucial part of the sustainability strategy and is therefore reflected in both long-term Sustainability Aspirations and short-term Sustainability Strategic Pillars.

The PLC Group's broad sustainable finance product suite, which includes bonds, loans, advisory and trade finance, is underpinned by our sustainable finance frameworks that outline how we apply the 'green', 'social', 'sustainable' or 'transition' labels across products and transactions. We also work with retail and wealth clients to mobilise diverse sources of capital in support of social and environmental outcomes.

+ For more information on our approach to sustainable finance see page 69 of PLC's 2024 Annual Report

Climate
The PLC Group aims to reach net zero in financed emissions by 2050 and in scope 1 and scope 2 emissions by 2025. The Net Zero Roadmap sets out the key steps needed to achieve this goal, and good progress has been made achieving the goals set for 2024.

PLC Group's global footprint informs our unique understanding of the complexity associated with reaching the targets across financed and facilitated emissions, including a heightened focus on the security and resilience of our markets as they respond to greater climate change induced uncertainty. As a financial institution, the Group has an important role to play in supporting our clients and markets as they navigate this complexity, while driving and encouraging change in the real-world economy.

+ For more information see page 74 of PLC's 2024 Annual Report

Nature
It is estimated that over half of global GDP is directly dependent upon nature. Despite this, nature is rapidly declining. We acknowledge that protecting nature is essential to limiting global warming and mitigating the effects of climate change and ensuring that the planet can sustain livelihoods as well as support inclusive sustainable economic development.

In 2024, the PLC Group published the inaugural **Nature Position Statement** outlining our approach to nature across our business, our clients, operations and supply chains. We seek to contribute to the Global Biodiversity Framework (GBF) 2030 mission of halting and reversing nature loss by: (1) continuing to integrate nature in decision-making within our business (target 14); (2) publishing nature-related disclosures in alignment with Taskforce on Nature-related Financial Disclosures TNFD recommendations from 2026 onwards (target 15); and (3) shifting financial flows toward nature positive outcomes and contributing to mobilising funding for nature and delivery of the GBF (target 19).

We are members of a wide range of industry platforms and memberships working to address nature-related challenges and advance nature considerations in financial decision making.

+ For more information see page 90 of PLC's 2024 Annual Report

Social impact
We believe in the power of finance to drive positive change in the world. Our desire to drive social impact extends across both our commercial and our philanthropic activities, reflecting our aspiration to build a future that is both financially resilient and socially inclusive - this being a foundation for healthy and sustainable economies in our markets.

We approach social impact from two angles concurrently:

- Through our business and clients: we provide clients with the financing that they and their communities need to tackle urgent matters such as inequality, access to essential services, and inclusive growth.
- Through our philanthropic community engagement: we work to empower disadvantaged young people by providing them with skills and networks and connecting them with employment and commercial opportunities.

+ For more information see page 91 of PLC's 2024 Annual Report

Managing environmental risk
We seek to proactively manage environmental and social risks and impacts arising from the Group's client relationships and transactions.

+ For more information see page 93 of PLC's 2024 Annual Report

Integrity, conduct and ethics
We aim to live our valued behaviours, which are 'Never settle', 'Better together' and 'Do the right thing' through our actions, decisions and interactions day-to-day with colleagues, clients and the markets we serve.

+ For more information see page 95 of PLC's 2024 Annual Report

Sustainability governance
Sustainability-related risks, opportunities and organisational implications are overseen by the PLC Group's Board, Management Team and supporting sub-committees.

+ For more information see page 98 of PLC's 2024 Annual Report

Non-financial and sustainability information statement

This table sets out where shareholders and stakeholders of the Group can find key non-financial and sustainability matters in this report. As the Company is a subsidiary undertaking of PLC and included within PLC Group, compliance with the non-financial and sustainability reporting requirements contained in sections 414 CA and 414 CB of the Companies Act 2006 is achieved by reference to PLC Group activities where relevant and to the PLC Group report available at sc.com via **sc.com/sustainabilitylibrary**

Reporting requirement	Where to read more in this report about policies, impact (including risks, policy embedding, due diligence and outcomes)
Business model	Pages 10 to 11
Risk Review (principal risks)	Page 19
Environment	
• Sustainable & Responsible Business	Pages 33 to 34
• Directors Report	Pages 36 to 42
Employees	Pages 30 to 32
Human rights	Page 23
Social matters	Page 29
Anti-corruption and anti-bribery	Page 55

Authority

The strategic report up to page 35 has been issued by order of the Court.

Bill Winters
Director

21 February 2025

Company Reference Number: ZC18

Directors' Report

The directors present their report and the audited financial statements of Standard Chartered Bank and its subsidiaries (the 'Group') and Standard Chartered Bank (the 'Company') for the year ended 31 December 2024. The Company has chosen in accordance with Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (the Regulations), to include certain matters in its Strategic report (see pages 1 -35) that would otherwise be disclosed in this Directors' report as required by paragraphs 2,6,10,11,12 of the Regulations.

Activities

The activities of the Group are banking and providing other financial services. The Group comprises a network of branches and outlets in 51 markets. The Financial Review on pages 14 to 17 contains a review of the business during 2024.

Key stakeholders

The long-term success of the Group is dependent on its relationships with its key stakeholders. On pages 26 to 32 we outline the ways in which we have engaged with key stakeholders, the material issues that they have raised with us, and how these issues have been taken into account in the Court's decision-making processes.

Results and dividends

The results for the year are given in the income statement on page 123.

Dividends of $2,395 million were paid during the year to ordinary shareholders (2023: $2,599 million).

Share capital

Details of the Company's share capital including the particulars of any share buy-backs are given in Note 27 to the accounts.

Loan capital

Details of the loan capital are given in Note 26 to the accounts.

Property, plant and equipment

Details of the property, plant and equipment of the Company are given in Note 17 to the accounts.

Financial instruments

Details of financial instruments are given in Note 12 to the accounts.

Details of exposure to credit, traded, liquidity and funding risk can be found in the Risk Profile section of the accounts.

Post balance sheet events

Details of post balance sheet events are given in Note 40 to the accounts.

Research and development

During the year, the PLC Group invested $2.13 billion (2023: $2.01 billion) in research and development, of which $1.18 billion (2023: $0.99 billion) was recognised as an expense. The research and development investment primarily related to the planning, analysis, design, development, testing, integration, deployment and initial support of technology systems.

Future developments in the business of the Group

An indication of likely future developments in the business of the Group is provided in the Strategic report.

Directors and their interests

Mr A Halford (Resigned 2 January 2024)
Mr W Winters, CBE
Mr D De Giorgi (Appointed 3 January 2024)
Mr S Apte
Ms G Huey Evans, CBE (Resigned 29 February 2024)
Ms J Hunt
Ms D Jurgens (Appointed 1 March 2024)
Ms R Lawther, CBE (Resigned 30 December 2024)
Mr L Leong (Appointed 2 November 2024)
Ms A McFadyen
Ms M Ramos
Ms S Ricke
Mr P Rivett
Mr D Tang (Resigned 9 May 2024)
Dr J Viñals
Dr L Yueh, CBE

Mr S Apte, MS J Hunt, Ms D Jurgens, Mr L Leong, Ms M Ramos, Mr P Rivett, and Dr L Yueh, CBE are all independent non-executive directors.

Mr Halford resigned from the Company on 2 January 2024 and Mr D De Giorgi was appointed a director of the Company on 3 January 2024.

Ms G Huey Evans, Mr D Tang and Ms R Lawther, CBE resigned as a director of the Company with effect from 29 February 2024, 9 May 2024 and 30 December 2024, respectively.

Ms D Jurgens and Mr L Leong were appointed as directors of the Company with effect from 1 March 2024 and 2 November 2024, respectively.

None of the directors have a beneficial or non-beneficial interest in the shares of the Company or in any of its subsidiary undertakings.

Details of directors' pay and benefits are disclosed in Note 37 to the accounts.

All of the directors as at 31 December 2024 (except Ms McFadyen and Ms Ricke) are directors of the Company's ultimate holding company, Standard Chartered PLC.

Director training

Director induction

Upon joining the Court, our directors are given a comprehensive tailored induction programme.

Diane Jurgens was appointed as an INED on 1 March 2024. She undertook a formal induction plan consisting of a combination of meetings with existing Court members, senior staff and external counsel, receiving tailored training sessions on topics including Directors' Duties, Governance Requirements, Strategy, Risk and Finance and Banking and a deep dive into topics relevant to her membership of the PLC Group's Risk Committee. She also visited some key markets on the overseas Court trips to Shanghai and Beijing in April, to Mumbai in June and to Nairobi in November, a trip to Silicon Valley with the Group's MT and visits to Singapore where she met with senior management. Diane also studied for an on-line Finance course at Harvard and attended a financial services conference in New York, where she met members of our US senior management team.

Lincoln Leong was appointed as an INED in November 2024. Lincoln is undertaking an induction programme consisting of a combination of meetings with existing Court members, senior staff and external counsel, receiving tailored training sessions on topics including Directors' Duties, Governance Requirements, Strategy, Risk, Finance, and Cyber/AI and a deep dive into topics relevant to his membership of the PLC Group's Audit Committee.

The PLC Group's Governance and Nomination Committee reviews the induction programme of all new INEDs. The Committee is satisfied that all new INEDs have made excellent progress with their induction programmes.

Ongoing training

Ongoing development plans ensure that directors lead with confidence and integrity and promote the Group's culture, purpose and values. Mandatory learning and training are also important elements of directors' fitness and propriety assessments as required under the UK Senior Managers and Certification Regime. During the year, all directors received a combination of mandatory learning, briefings, presentations from guest speakers and papers on a wide range of topics to ensure that they are well informed and that the Court remains highly effective. The table below gives further detail on Directors' training this year.

2024 director training overview

	Sustainability Position Statements	Artificial Intelligence	Geopolitical Outlook: 2024 Elections and their likely impact on the evolving global order	ACG Socialisation	Recovery and Resolvability PLC Board simulation exercise	BlueSky	Directors' duties and regulatory updates
José Viñals	✓	✓	✓	✓	✓	✓	✓
Bill Winters	✔	✓	✓	✓	✓	✓	✓
Diego De Giorgi[1]	✔	✓	✓	✓	✓	✓	✓
Shirish Apte	✓	✓	✓	✓	✓	✓	✓
Alison McFadyen	✓	✔	✓	✓	✓	✓	✓
Jackie Hunt	✔	✓	✓	✓	✓	✓	✓
Diane Jurgensi[1]	n/a	✓	✓	✔	✓	✓	✓
Robin Lawther[2]	✓	✓	✓	✔	✓	✓	✓
Maria Ramos	✓	✓	✓	✓	✓	✓	✓
Phil Rivett	✓	✓	✓	✓	✓	✓	✓
Sadia Ricke	✔	✔	✓	✔	✓	✓	✓
Linda Yueh	✓	✓	✓	✓	✓	✓	✓
Lincoln Leong[3]	n/a	n/a	n/a	n/a	n/a	n/a	✓

✓ Director attended the session

✔ Director was unable to attend the session but received any accompanying material and had opportunities to raise questions and observations with the Group Chairman and Group Company Secretary

In 2024, Court members received briefings from and engaged with diplomats, former political advisers and politicians, former leaders of international organisations and economists on topics including the evolving geopolitical outlook, the impact of the conflicts in the Middle East, the potential impact of the incoming administration in the United States , the role of the global bank, the power and impact of technology in banking, regulatory developments and the global macroeconomic environment.

Going concern

Having made appropriate enquiries, the Court is satisfied that the Company and the Group as a whole have adequate resources to continue in operation and meet their liabilities as they fall due for a period of at least 12 months from 21 February 2025 and therefore continue to adopt the going concern basis in preparing the financial statements.

Political donations

The Group has a policy in place which prohibits donations being made that would: (i) improperly influence legislation or regulation, (ii) promote political views or ideologies, (iii) fund political causes. In alignment to this, no political donations were made in the year ended 31 December 2024.

Qualifying Third Party Indemnities

The Company has granted indemnities to all of its directors on terms consistent with the applicable statutory provisions. Qualifying third-party indemnity provisions for the purposes of section 234 of the Companies Act 2006 were accordingly in force during the course of the financial year ended 31 December 2024 and remain in force at the date of this report.

Qualifying Pension Scheme Indemnities

Qualifying pension scheme indemnity provisions (as defined by section 235 of the Companies Act 2006) were in force during the course of the financial year ended 31 December 2024 for the benefit of the directors of the UK's pension fund corporate trustee (Standard Chartered Trustees (UK) Limited) and remain in force at the date of this report.

Areas of operation

The Company operates through branches and subsidiaries in 51 markets across Asia, the Middle East, Africa, Europe and the Americas.

1 Diego de Giorgi and Diane Jurgens joined the Court on 3 January 2024 and 1 March 2024 respectively
2 Robin Lawther stepped down from the Court on 30 December 2024
3 Lincoln Leong joined the Court on 2 November 2024

Related party transactions
Details of transactions with directors and officers and other related parties are set out in Note 35 to the financial statements.

Corporate Governance Statement
The Group operates under the subsidiary governance model. As the Group continues to cover the vast majority of PLC Group's total footprint, the governance arrangements of the Company and PLC similarly reflect this overlap and is represented by a predominately mirrored board structure between PLC and the Company.

As a wholly-owned subsidiary of a listed PLC and its governance structure as a company established by Royal Charter, the Company complies with expectations set for listed companies in accordance with the UK Corporate Governance Code (2018) (the "Code") where applicable with respect to board leadership, responsibilities, composition (including succession and evaluation), audit, risk and internal control, and remuneration to ensure that the Group is well managed, with appropriate oversight and control. Certain matters, such as remuneration, values, and external audit, are set at PLC Group level and considered or approved, if appropriate, by the Court. It is considered more appropriate for the purposes of Group wide consistency that principles are set at PLC Board level and then disseminated through the Group to be approved by subsidiary boards.

The Court is supported by four primary committees: Audit Committee; Risk Committee; Nomination Committee; and US Risk Committee. Each of the primary committees and the Court have implemented clear lines of responsibility and policies to support the Court in its effective decision making. The Court also has a Standing Committee with a remit to approve matters, on behalf of the Court, where a formal resolution is required for legal and regulatory purposes. The Court, and its Nomination, Audit and Risk Committees have similar membership as the Board of PLC and its Nomination, Audit and Risk Committees, with the appropriate balance, skills, background and experience to make a valued contribution. The Court Nomination Committee is responsible for the oversight and review of Court succession and overall Court effectiveness. The Court Audit Committee is responsible for the oversight and review of financial, audit, internal control and non-financial crime issues. The Court Risk Committee is responsible for the oversight and review of principal risks. The Committee Chairs report to the Court on the Committees' key areas of focus following each meeting. For further information on how the Nomination Committee, Audit Committee and Risk Committee operate (including in respect of their compliance with the Code), please see pages 123 to 133 and 137 to 141 of PLC's 2024 Annual Report.

The Court, together with the PLC Group, are committed to high standards of engagement with employees, suppliers and other stakeholders. For a description of how the directors engaged with stakeholders, including as to how such engagement has been considered in the Court's decision making, please refer to page 26.

+ A copy of the UK Corporate Governance Code can be found at **frc.org.uk**

Employee policies and engagement
We work hard to ensure that our employees are kept informed about matters affecting, or of interest to, them and more importantly that they have opportunities to provide feedback and engage in a dialogue.

We strive to listen and act on feedback from colleagues to ensure internal communications are timely, informative, meaningful, and in support of our strategy and transformation. Pulse is our primary internal communications channel that allows colleagues to receive company updates and information that is personalised by role and location, sign up for events, provide feedback, and navigate to other internal platforms. In addition to targeted digital communications, we also organise audio and video calls, virtual and face-to-face townhalls, and other staff engagement and recognition events.

To continue to improve the way we communicate and ensure our employee communications remain relevant, we also periodically analyse and measure the impact of our communications through a range of feedback tools, including an annual global internal communications survey. Our senior leaders and people leaders play a critical role in engaging our teams across the network, ensuring that they are kept up to date on key business developments related to our performance and strategy. We offer additional support to our senior leaders and people leaders with specific calls and communications packs to help them provide context and guidance to their team members to better understand their role in executing and delivering our strategy.

Across the organisation, regular team meetings with people leaders, one-to-one conversations and various management meetings provide an important platform for colleagues to discuss and clarify key issues. Regular performance conversations provide the opportunity to discuss how individuals, the team and the business area have contributed to our overall performance and how recognition and reward relate to this. Senior leadership also regularly shares global, business, function, and market updates on performance, strategy, structural changes, HR programmes, community involvement and other campaigns. The Court also engages with and listens to the views of the workforce through several sources, including through interactive engagement sessions.

Employees past, present and future can follow our progress through the PLC Group's LinkedIn network and Facebook page, as well as other social network channels including Instagram and X.

The diverse range of internal and external communication tools and channels we have put in place aim to ensure that all colleagues receive timely and relevant information to support their effectiveness.

We work hard to ensure that our employees' wellbeing is so that they can thrive at work and in their personal lives. Our PLC Group minimum standards provide employees with a range of flexible working options, in relation to both location and working patterns. Employees are provided with at least thirty days' leave (through annual leave and public holidays), and new parents are provided a minimum of twenty calendar weeks' fully paid leave, irrespective of gender, relationship status or how a child comes to permanently join a family. These benefits are in excess of the International Labour Organisation's (ILO) minimum standards.

We seek to maintain a meaningful relationship based on mutual trust and respect with various employee representative bodies (including unions and work councils). In our recognition and interactions, we are heavily influenced by the 1948 United Nations Universal Declaration of Human Rights (UDHR), and several ILO conventions including the Right to Organise and Collective Bargaining Convention, 1949 (No. 98) and the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87). Working conditions and terms of employment of other employees are based on our Group and country policies, and in accordance with individual employment contracts issued by the Group.

Employees' concerns in relation to their employment or another colleague which cannot be resolved through informal mechanisms such as counselling, coaching or mediation, are dealt with through our PLC Group Grievance Standard. This includes concerns related to bullying, harassment, sexual harassment, discrimination and/or victimisation, as well as concerns regarding conditions of employment (for example, working practices or the working environment).

Employees can raise grievances to their People Leader or a Human Resources (HR) Representative. The global process for addressing grievances involves an HR representative and a member of the business reviewing the grievance, conducting fact finding into the grievance and providing a written outcome to the aggrieved employee. Where employees raise concerns regarding alleged wrongdoing pertaining to another employee or in circumstances where the employee alleges wrongdoing, but does not wish to raise a grievance, such concerns are investigated in accordance with the PLC Group Investigations Standard.

If a grievance or investigation is upheld, the next steps might include remedying a process, or initiating a disciplinary review of the conduct of the colleague who is the subject of the concern. The PLC Group Grievance Standard and accompanying process is reviewed on a periodic basis in consultation with stakeholders across HR, Legal, Compliance and Shared Investigative Services. Grievance trends are reviewed on a quarterly basis and action is taken to address any concerning trends.

There is a distinct PLC Group Speaking Up Policy and Standard which covers instances where an employee wishes to 'blow the whistle' on actual, planned or potential wrongdoing by another employee or the Bank.

We are committed to creating a fair, consistent and transparent approach to making decisions in a disciplinary context. This commitment is codified in our Fair Accountability Principles, which underpin our PLC Group Disciplinary Standard. Dismissals due to misconduct issues and/or performance (where required by law to follow a disciplinary process) are governed by the PLC Group Disciplinary Standard. Where local law or regulation requires a different process with regards to dismissals and other disciplinary outcomes, we have clearly documented country variances in place.

Our PLC Group Diversity and Inclusion Standard has been developed to ensure a diverse and inclusive workplace, with fair and equal treatment, and the provision of opportunities for employees to participate fully and reach their full potential in a respectful working environment. All individuals are entitled to be treated with dignity and respect, and to be free from harassment, bullying, discrimination and victimisation. This helps to support productive working conditions, decreased staff attrition, positive employee morale and engagement, maintains employee wellbeing, and reduces people-related risk.

All colleagues are responsible for fostering an inclusive culture where individuality and differing skills, capabilities and experience are understood, respected and valued. All colleagues, consultants, contractors, volunteers, interns, casual workers and agency workers are required to comply with the Standard, including conducting themselves in a manner that demonstrates appropriate, non-discriminatory behaviours.

We do not accept unlawful discrimination in our recruitment or employment practices on any grounds including but not limited to: sex, race, colour, nationality, ethnicity, national or indigenous origin, disability, age, marital or civil partner status, pregnancy or maternity, sexual orientation, gender identity, expression or reassignment, HIV or AIDS status, parental status, military and veterans status, flexibility of working arrangements, religion or belief. We are committed to provide equal opportunities and fair treatment in recruitment, appraisals, pay and conditions, training, development, succession planning, promotion, grievance/disciplinary procedures and employment termination practices, that are inclusive and accessible; and that do not directly or indirectly discriminate. Recruitment, employment, training, development and promotion decisions are based on the skills, knowledge and behaviour required to perform the role to the Group's standards. Implied in all employment terms is the commitment to equal pay for equal work. We also endeavour to make reasonable workplace adjustments (including during the hiring process by giving full and fair considerations to all applications) to ensure all individuals feel supported and are able to participate fully and reach their potential.

We aim to be a disability confident organisation with a focus on removing barriers and improving accessibility. If employees become disabled, we will aim to support them with appropriate training and workplace adjustments where possible and support their career development and continued employment.

Health, Safety and Wellbeing

Our Health, Safety and Wellbeing (HSW) vision is to support employee productivity through a healthy and resilient workforce, and our mission is to deliver every day in a safe and secure resilient way. Our corporate HSW programme covers both mental and physical health and wellbeing. We comply with both external regulatory requirements and internal policy and standards for HSW in all markets. It is our policy to ensure that the more stringent of the two requirements is always met, ensuring our HSW practices meet or exceed the regulatory minimum. Compliance rates are reported at least biannually to each country's Management Team.

We follow the ILO code of practice on recording and notification of occupational accidents and diseases, as well as aligning to UK Health and Safety Executive (HSE), and ensuring we meet all local Health and Safety (H&S) regulatory reporting requirements. We record and report all work-related illness and injuries, including sub-contractors, visitors and clients.

In 2024, we saw a reduction in serious work injuries in PLC Group with nil work-related fatalities nor ill health to report. Major injuries (per the UK HSE definition) decreased from 21 in 2023 to 14 in 2024 in PLC Group, with fractures the most common type of major injury (57 per cent). Overall, there is an increase of 6 percent in reported injuries in 2024 across PLC Group, with 'slips/trips/falls' and 'transport/commuting' accidents remaining aligned to or better than industry benchmarks. Hazards and near- miss reports decreased 1 percent between 2023 and 2024 in PLC Group.

HSW performance and risks are reported annually to the PLC Group Risk Committee and Court Risk Committee. We use a H&S management system and local regulatory compliance tracker across all countries to ensure a consistently high level of H&S reporting and compliance for all our colleagues and clients.

In 2024, we refreshed our PLC Group Health Safety and Wellbeing Standards with enhanced focus on incident management through a clear process for timely investigations, root cause analysis, and putting together corrective and preventive actions, and on communicating lessons learned. We enhanced contractor safety with guidelines for selecting, onboarding, and managing contractors, and continuous monitoring and evaluation of contractor performance to address the elevated H&S risks faced by our contractors due to the nature of their work. In April 2024, we celebrated World Day for Safety and Health at Work across the Group. Over 900 colleagues joined webinars on topics of burnout and supporting resilience. We also relaunched the Safety and Security Learning Pathway reminding how each employee can help maintain a safe working environment in the Group.

The Group sponsors medical and healthcare services for all employees, except in markets where cover is provided through State-mandated healthcare, which represent less than 0.8 per cent of the PLC Group's employees. More details on how we support our colleagues' wellbeing are on Page 39 of the PLC Group's Annual Report.

Psychosocial risk is an area that an increasing number of H&S regulators are legislating on. Psychosocial risks are those that cause physical or psychological harm, arising from the design or management of work, the work environment, workplace interactions or behaviours. In line with the Australia Work Health and Safety (Managing Psychosocial Hazards at Work) Code of Practice 2024 a pilot study was conducted in Australia, assessing the psychosocial hazards and factors. In 2025 we aim to expand our health and safety management systems to cover management of psychosocial risks.

In 2024, we achieved the WELL Equity Rating for nine key office buildings across the globe and achieved the WELL Gold Certification for Capitol Tower Hanoi Vietnam. Developed by the International WELL Building Institute (IWBI), the rating & certification recognises our commitment to creating people first workplaces that promote health, wellbeing, and equity, and a significant milestone in our broader strategy toward enhancing social sustainability.

Supply Chain Management

Our purchases of goods and services are governed through a third-party risk management framework through which we aim to follow the highest standards in terms of selection of suppliers, due diligence and contract management.

For information about how the PLC Group engages with suppliers on environmental and social matters, please see our Supplier Charter and Supplier Diversity and Inclusion Standard.

The PLC Group publishes a Modern Slavery Statement annually under the UK Modern Slavery Act 2015 and Australian Modern Slavery Act 2018. The PLC Group's 2024 Modern Slavery Statement will be published at the same time as the PLC Group Annual Report. This document sets out the actions the PLC Group has taken during 2024 to assess and manage the risk of slavery, forced, bonded or compulsory labour, the worst forms of child labour, and human trafficking (modern slavery) in its operations and supply chain.

+ Our Supplier Charter and Supplier Diversity and Inclusion standard can be viewed at **sc.com/suppliercharter and sc.com/supplierdiversity**

Product responsibility

The PLC Group has in place a risk framework, comprising policies, standards and controls to support these objectives in alignment with our Conduct Risk Management Approach. This framework covers sales practices, client communications, appropriateness and suitability, and post-sales practice. There are controls across all activities above and the controls are tested on a regular basis to provide assurance on the framework. As part of this, we ensure products sold are suitable for clients and comply with relevant laws and regulations. We also review our products on a periodic basis and refine them to keep them relevant to the changing needs of Clients and to meet regulatory obligations.

We have processes and guidelines specific to each of our Client industries, to promptly resolve Client complaints, understand and respond to client issues. Conduct considerations are given significant weighting in front-line incentive structures to drive the right behaviours.

For more information on our approach to product design, product pricing, treating Clients fairly and protecting vulnerable customers, and incentivising our frontline employees, see pages 26 and 27. For more information on fraud identification see page 96 of PLC's 2024 Annual Report.

Environmental impact of our operations

The PLC Group aims to minimise the environmental impact of our operations as part of our commitment to be a responsible company. The PLC Group reports on energy, water and non-hazardous waste data and the targets the PLC Group has set to reduce energy, water and waste consumption.

The PLC Group's reporting methodology is based upon the "The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition)".

+ Information on the principles and methodologies used to calculate the GHG emissions of the PLC Group can be found in our Environmental Reporting Criteria document at **sc.com/environmentcriteria**

Reporting period

The reporting period of our Scope 1 and 2, emissions is from 1 October 2023 to 30 September 2024. This allows sufficient time for independent assurance to be completed on our Scope 1 and Scope 2 emissions prior to the publication of the PLC Annual Report. Accordingly, the operating income used in this inventory corresponds to the same time period rather than the calendar year used in financial reporting

Summary of Activities of the Company's Jersey Branch

Standard Chartered Bank Jersey Branch's Affluent banking activities include deposit taking, lending and investment business in accordance with Jersey laws and regulations.

Auditor

The Audit Committee reviews the appointment of the Group statutory auditor, its effectiveness and its relationship with the Group, which includes monitoring our use of the auditors for non-audit services and the balance of audit and non-audit fees paid. Each director believes that there is no relevant information of which our Group statutory auditor is unaware. Each has taken all reasonable steps necessary as a director to be aware of any relevant audit information and to establish that Ernst & Young LLP (EY) is made aware of any pertinent information. A resolution to re-appoint EY as auditor was passed at the 2024 PLC Annual General Meeting.

By order of the Court

Bill Winters
Director

21 February 2025

Company Reference Number: ZC18

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the Group and Company Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and with International Financial Reporting Standards as adopted by the European Union (EU IFRS) and applicable law, and the Company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of their profit or loss for that period. In preparing each of the Group and Company financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable, relevant and reliable;
- State whether they have been prepared in accordance international accounting standards in conformity with the requirements of the Companies Act 2006 and with EU IFRS;
- Assess the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and Directors' Report that complies with that law and those regulations.

Responsibility statement of the directors in respect of the Directors' Report and Financial Statements

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the emerging risks and uncertainties that they face.

We consider the Directors' Report and Financial Statements, taken as a whole to be fair, balanced and understandable and provides the information necessary to assess the Group's position and performance, business model and strategy.

By order of the Court

Diego De Giorgi
Director

21 February 2025

Risk review and Capital review

The following parts of the Risk review and Capital review form part of these financial statements –

- **a) Risk review:** Disclosures marked as 'audited' from the start of Credit Risk section (page 45) to the end of other principal risks in the same section (page 108); and
- **b) Capital review:** Tables marked as 'audited' from the start of 'Capital base' (page 109) to the end of 'Total capital' (page 110).

Risk Profile

Risk Management Framework

Risk management is at the heart of banking; it is what we do. Managing risk effectively is how we drive commerce and prosperity for our clients and our communities, and it is how we grow sustainably and profitably as an organisation.

Effective risk management is essential in delivering consistent and sustainable performance for all our stakeholders and is a central part of the financial and operational management of the Group. The Group adds value to clients and the communities in which they operate by balancing risk and reward to generate returns for shareholders.

The Risk Management Framework (RMF) enables the Group to manage enterprise-wide risks, with the objective of maximising risk-adjusted returns while remaining within our Risk Appetite (RA). The RMF has been designed in accordance with the PLC Group's Enterprise Risk Management Framework (ERMF). It is reviewed and approved by the SC Bank Court annually, with the latest version being effective from August 2024.

Risk culture

Risk culture encompasses our general awareness, attitudes, and behaviours towards risk, as well as how risk is managed at enterprise level.

A healthy risk culture is one in which everyone takes personal responsibility to identify and assess, openly discuss, and take prompt action to address existing and emerging risks. We expect our control functions to provide oversight and challenge constructively, collaboratively, and in a timely manner on the risks that are owned by the first line of defence. This effort is reflected in our valued behaviours and underpinned by our Code of Conduct and Ethics.

> Further details on our **Code of Conduct and Ethics** can be found on page 95 of SC PLC Group 2024 Annual Report.

The risks we face constantly evolve, and we must always look for ways to manage them as effectively as possible. Whilst unfavourable outcomes will occur from time to time, a healthy risk culture means that we react quickly and transparently. We can then take the opportunity to learn from our experience and improve our framework and processes.

Strategic risk management

The Group's approach to strategic risk management includes the following:

- **Risk identification:** impact analyses of risks that arise from the Group's growth plans, strategic initiatives, and business model vulnerabilities are reviewed. This assesses how existing risks have evolved in terms of relative importance and whether new risks have emerged.
- **Risk Appetite:** impact analysis is performed to assess if strategic initiatives can be achieved within RA and highlight areas where additional RA should be considered.
- **Stress testing:** identified risks are used to develop scenarios for enterprise stress tests.

Roles and responsibilities

Senior Managers Regime[1]

Roles and responsibilities under the RMF are aligned to the objectives of the UK Senior Managers and Certification Regime. The Group Chief Risk Officer (GCRO) is responsible for the overall development and maintenance of the Group's RMF and for identifying material risks which the Group may be exposed to. The GCRO delegates effective implementation of the Risk Type Frameworks (RTF) to Risk Framework Owners (RFO), who provide second line of defence oversight for their respective PRTs.

The Risk function

The Risk function provides oversight and challenge on the Group's risk management, ensuring that business is conducted in line with regulatory expectations. The GCRO directly manages the Risk function, which is independent from the origination, trading, and sales functions of the businesses. The Risk function is responsible for:

- proposing the RA for approval by the SC Bank Court
- maintaining the RMF, ensuring that it remains relevant and appropriate to the Group's business activities, and is effectively communicated and implemented across the Group
- ensuring that risks are properly assessed, risk and return decisions are transparent and risks are controlled in accordance with the PLC Group's standards and RA
- overseeing and challenging the management of PRTs under the RMF
- independence of the Risk function by ensuring that the necessary balance in making risk and return decisions is not compromised by short-term pressures to generate revenues.

The Risk function supports the Group's strategy by building a sustainable RMF that places regulatory and compliance standards, together with culture of appropriate conduct, at the forefront of the Group's agenda.

1 Senior managers refer to individuals designated as senior management functions under the FCA and PRA Senior Managers Regime.

Our Compliance, Financial Crime and Conduct Risk (CFCR) function[2] works alongside the Risk function within the RMF to deliver a unified second line of defence. Compliance Risk and Financial Crime Risk, as PRTs, fall under the scope of the CFCR's responsibilities.

Three lines of defence model

The Group applies a three lines of defence model to its day-to-day activities for effective risk management, and to reinforce a strong governance and control environment. Typically:

- Businesses and functions engaged in or supporting revenue generating activities that own and manage risks constitute the first line of defence.
- Control functions, independent of the first line of defence, that provide oversight and challenge of risk management activities act as the second line of defence.
- Internal Audit acts as the third line of defence, providing independent assurance on the effectiveness of controls supporting the activities of the first and second lines of defence.

Each PRT has an RTF which outlines the areas of governance and risk management and is the formal mechanism through which authorities are delegated. Risk management plans, processes, activities, and resource allocations are consistent with the three lines of defence model prescribed by the RMF.

Risk identification and assessment

Identification and assessment of potentially adverse risk events is an essential first step in managing the risks of any business or activity. To ensure consistency, we use PRTs to classify our risk exposures. However, we also recognise the need to maintain a holistic perspective since:

- a single transaction or activity may give rise to multiple types of risk exposure
- risk concentrations may arise from multiple exposures that are closely correlated
- a given risk exposure may change its form from one risk type to another.

There are also sources of risk that arise beyond our own operations, such as the Group's dependency on suppliers for the provision of services and technology.

As the Group remains accountable for risks arising from the actions of such third parties, failure to adequately monitor and manage these relationships could materially impact the Group's ability to operate.

The Group maintains a taxonomy of risks inherent to the strategy and business model, as well as a risk inventory which captures identified risks, including the TERs to which the Group is or might be exposed to. Multiple identification and assessment techniques are used to ensure breadth and depth of understanding of the internal and external risk environment, as well as potential opportunities. A risk assessment of the corporate plan is undertaken annually, supplemented by risk assessments of new initiatives. Risk identification findings inform the related risk oversight process, and most importantly RA and controls setting, scenario selection and design, and model refinement and development.

The GCRO and the Standard Chartered Bank Executive Risk Committee (SCB ERC) regularly review reports on the risk profile for the PRTs, adherence to Group RA, stress test results and the Group risk inventory, including TERs.

Risk Appetite and profile

The Group recognises the following constraints which determine the risks that we are willing to take in pursuit of our strategy and the development of a sustainable business:

- Risk capacity is the maximum level of risk the Group can assume, given its current capabilities and resources, before breaching constraints determined by capital and liquidity requirements or the internal operational environment, or otherwise failing to meet the expectations of regulator and law enforcement agencies.
- RA is defined by the Group and approved by the Court. It is the boundary for the risk that the Group is willing to undertake to achieve its strategic objectives and corporate plan. We set RA to enable us to grow sustainably whilst managing our risks, giving confidence to our stakeholders. The RA is supplemented by risk control tools such as granular-level limits, policies and standards to maintain the Group's risk profile within approved RA.

The Court is responsible for approving the RA Statements, which are underpinned by a set of financial and operational control parameters known as RA metrics and their associated thresholds. These set boundaries for the aggregate risk exposures that can be taken across the Group.

The Group RA is reviewed bi-annually to ensure that it is fit for purpose and aligned with strategy, with focus given to new or emerging risks.

2 From 1 January 2025, our Conduct, Financial Crime and Compliance (CFCC) function was renamed as Compliance, Financial Crime and Conduct Risk (CFCR)

Risk Appetite Statement
"The Group's objective is to not compromise adherence with its RA in order to pursue revenue growth or higher returns".

See the table on page 48 for the set of RA Statements.

Stress testing
The objective of stress testing is to support the PLC Group in assessing that it:

- does not have exposure to excessive risk concentrations that could produce unacceptably high losses under severe but plausible scenarios;
- has sufficient financial resources to withstand severe but plausible scenarios;
- has the financial flexibility to respond to extreme but plausible scenarios;
- understands key business model risks and considers what kind of event might crystallise those risks – even if extreme and with a low likelihood of occurring;
- identifies as required, actions to mitigate the likelihood or impact of those events; and
- has set RA metrics at appropriate levels.

The PLC Group enterprise stress tests incorporate capital and liquidity adequacy stress tests, including recovery and resolution, as well as reverse stress tests.

Stress tests are performed at PLC Group, Solo, country, business, and portfolio level under a wide range of risks and at varying degrees of severity.

Based on the stress test results, the Group Chief Financial Officer (GCFO) and GCRO can recommend strategic actions to the Court to ensure that the Group's strategy remains within RA.

In addition, analysis is run at the PRT level to assess specific risks and concentrations that the Group may be exposed to. These include qualitative assessments such as stressing of credit sectors or portfolios, and quantitative assessments such as potential losses from severe but plausible market risk scenarios or internal stressed liquidity metrics.

Stress testing plays a critical role in assessing the potential impact on portfolio values of extreme but plausible scenarios, leading to potential losses typically much larger than those predicted by the Value at Risk (VaR) model. The Group uses historical and forward-looking scenarios. A common set of scenarios is used across all legal entities complemented in some cases with entity-specific scenarios. RA for market risk stress losses is set at the Group as well as legal entity level.

Non-financial risk types are also stressed to assess the necessary capital requirements under the Operational and Technology RTF.

The PLC Group has also undertaken a number of Climate Risk stress tests, both those mandated by regulators as well as management scenarios.

Principal Risk Types

PRTs are those risks that are inherent in our strategy and business model and have been formally defined in the Group's RMF.

These risks are managed in line with the PLC Group's RTFs which are cascaded to the Group.

The PRTs and associated RA Statements are approved by the Court, and reviewed annually.

The table below shows the Group's current PRTs, their definition and RA Statements.

Principal Risk Type	Definition	Risk Appetite Statement
Credit Risk	Potential for loss due to failure of a counterparty to meet its agreed obligations to pay the Group.	The Group manages its credit exposures following the principle of diversification across products, geographies, client segments and industry sectors.
Traded Risk	Potential for loss resulting from activities undertaken by the Group in financial markets.	The Group should control its financial markets activities to ensure that Market and Counterparty Credit Risk losses do not cause material damage to the Group's franchise.
Treasury Risk	Potential for insufficient capital, liquidity, or funding to support our operations, the risk of reductions in earnings or value from movements in interest rates impacting banking book items and the potential for losses from a shortfall in the Group's pension plans.	Individual regulated entities within the Group should maintain sufficient capital, liquidity, and funding to support its operations, and an interest rate profile ensuring that the reductions in earnings or value from movements in interest rates impacting banking book items does not cause material damage to the Group's franchise. In addition, the Group should ensure its pension plans are adequately funded.
Operational and Technology Risk	Potential for loss resulting from inadequate or failed internal processes, technology events, human error, or from the impact of external events (including legal risks).	The Group aims to control operational and technology risks to ensure that operational losses (financial or reputational), including those related to the conduct of business matters, do not cause material damage to the Group's franchise.
Information and Cyber Security (ICS) Risk	Risk to the Group's assets, operations, and individuals due to the potential for unauthorised access, use, disclosure, disruption, modification, or destruction of information assets and/or information systems.	The Group aims to mitigate and control ICS risks to ensure that incidents do not cause the Bank material harm, business disruption, financial loss or reputational damage – recognising that whilst incidents are unwanted, they cannot be entirely avoided.
Financial Crime Risk[3]	Potential for legal or regulatory penalties, material financial loss or reputational damage resulting from the failure to comply with applicable laws and regulations relating to international sanctions, anti-money laundering and anti-bribery and corruption, and fraud.	The Group has no appetite for breaches of laws and regulations related to financial crime, recognising that whilst incidents are unwanted, they cannot be entirely avoided.
Compliance Risk	Potential for penalties or loss to the Group or for an adverse impact to our clients, stakeholders or to the integrity of the markets we operate in through a failure on our part to comply with laws, or regulations.	The Group has no appetite for breaches of laws and regulations related to regulatory non-compliance; recognising that whilst incidents are unwanted, they cannot be entirely avoided.
Environmental, Social and Governance and Reputational (ESGR) Risk	Potential or actual adverse impact on the environment and/or society, the Group's financial performance, operations, or the Group's name, brand or standing, arising from environmental, social or governance factors, or as a result of the Group's actual or perceived actions or inactions.	The Group aims to measure and manage financial and non-financial risks arising from climate change, reduce emissions in line with our net zero strategy and protect the Group from material reputational damage by upholding responsible conduct and striving to do no significant environmental and social harm.
Model Risk	Potential loss that may occur because of decisions or the risk of mis-estimation that could be principally based on the output of models, due to errors in the development, implementation, or use of such models.	The Group has no appetite for material adverse implications arising from misuse of models or errors in the development or implementation of models, whilst accepting some model uncertainty.

3 Fraud forms part of the Financial Crime RA Statement but, in line with market practice, does not apply a zero-tolerance approach

As of November 2024, Climate Risk RA statement is integrated into the ESGR PRT.

RMF effectiveness reviews

Effectiveness review of the RMF is managed as part of the PLC Group ERMF effectiveness review. At Group level, a self-assessment is conducted to assess the overall effectiveness of the RMF, and the results are taken into consideration in the ERMF effectiveness review. The GCRO is responsible for annually affirming the effectiveness of the RMF to the Court Risk Committee (CRC).

The RMF effectiveness review measures year-on-year progress. Ongoing effectiveness reviews allow for a structured approach to identify improvement opportunities and build plans to address them.

In 2025, the Group aims to further strengthen its risk management practices by improving the management of non-financial risks within its businesses, functions and across our footprint. As the regulatory environment continuously changes, the Group constantly monitors regulatory developments and take pro-active actions for compliance.

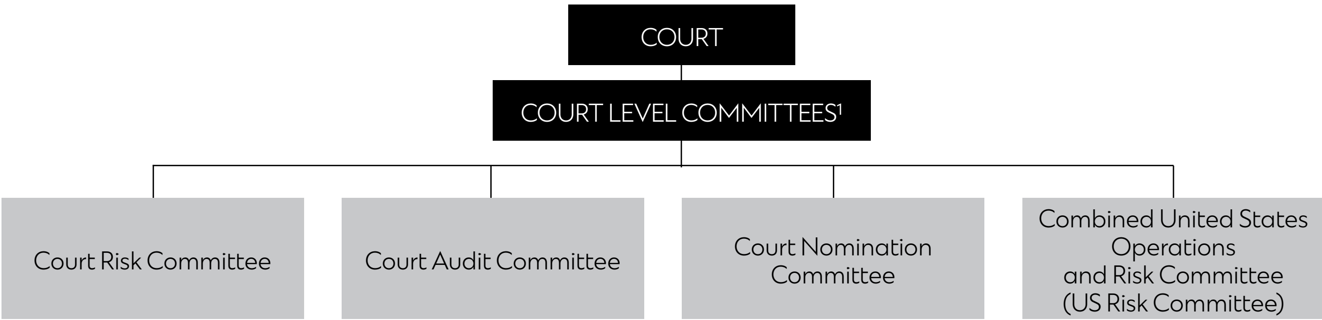
Executive and Board risk oversight

Overview

The corporate governance and committee structure helps the Group to conduct our business. The Court has ultimate responsibility for risk management and approves the RMF based on the recommendation of the Court Risk Committee, which also recommends the Group RA Statement for all PRTs and other risks. The Court comprises of the majority of the independent non-executive directors from the PLC Board, executive directors from the PLC Board as well as an executive director and non-executive director who are appointed solely to the Court with the specific purpose of providing independent decision making at the Court meetings.

Court and Executive level risk committee governance structure

The Committee governance structure below presents the view as of 2024.



1 The Court also has a Standing Committee with a remit to approve matters, on behalf of the Court, where a formal resolution is required for legal and regulatory purposes

Court Risk Committee

The CRC is concerned with the oversight and review of principal risks.

Court Audit Committee

The Court Audit Committee is concerned with the oversight and review of financial, audit, internal control and non-financial crime issues.

Court Nomination Committee

The Court Nomination Committee is responsible for oversight and review of the composition of, and appointments to the Company's Court, and the development of a diverse pipeline for succession.

Combined United States Operations and Risk Committee (US Risk Committee)

The Committee is appointed by the SC Bank Court to oversee risk and governance of the Combined US Operations (CUSO) to ensure compliance with the Dodd-Frank Act section 165 Enhanced Prudential Standards in particular for the requirements relating to the responsibilities of the US Risk Committee and the US Chief Risk Officer. The Committee is responsible for approval and oversight of the US strategy, the Risk Management Framework and associated policies, and the Risk Appetite Statement and metrics for CUSO. The Committee also approves the remuneration and performance objectives of key US Officers. Membership of the Committee is comprised of directors of the SC Bank or PLC Group, including at least one independent non-executive director and one member with significant risk management experience.

The Group has two management level committees, namely the SCB ERC and Solo & Standard Chartered Bank UK (Branch) Asset and Liability Management Committee (Solo & SCB ALCO).

Standard Chartered Bank Executive Risk Committee
SCB ERC is responsible for ensuring the effective management of risk throughout the Group in support of the Group's strategy. The GCRO chairs the Committee, whose members are drawn from the GMT. The Committee oversees the implementation of the Standard Chartered Bank RMF, including the delegation of any part of its authorities to appropriate individuals or properly constituted sub-committees. SCB ERC relies on joint meetings with the PLC Group Risk Committee and its sub-committees to provide oversight of the PRTs across clients, businesses, products and functions. The Committee requests and receives relevant information to fulfil its governance mandates relating to the risks to which the Group is exposed, and alerts Senior/Executive management when risk reports do not meet its requirements.

Solo & Standard Chartered Bank UK (Branch) Asset and Liability Management Committee
Solo & SCB ALCO is appointed by the SC Bank CFO and chaired by the Group Treasurer. The Committee is responsible for determining the Group's approach to balance sheet management and ensuring that, in executing the Group's strategy, the Group operates within the internally approved RA and external requirements relating to capital, loss-absorbing capacity, liquidity, leverage, Interest Rate Risk in the Banking Book (IRRBB), Banking Book Basis Risk and Structural Foreign Exchange Risk as well as monitoring the structural impact of decisions around sustainable finance, Net Zero and Climate Risk. The Committee is also responsible for ensuring that internal and external recovery planning requirements are met.

The SCB ERC and Solo & SCB ALCO receive reports that include information on risk measures, RA metrics and thresholds, risk concentrations, forward-looking assessments, updates on specific risk situations and actions agreed by these committees to reduce or manage risk.

Principal risks

We manage and control our PRTs through distinct RTFs, policies and RA.

> See page 48 for the Group's current **PRT definitions** and **Risk Appetite Statements**.

In May 2024, to further align with our risk strategy and promote consistency and efficiency the Operational and Technology Risk and Information and Cyber Security Risk teams were unified under the Operational, Technology and Cyber Risk (OTCR) function. The PRT disclosures and RA statements for ICS Risk and Operational and Technology Risk remain separate.

Following Tracey McDermott's retirement as Group Head, Conduct, Financial Crime and Compliance at the end of 2024, David Howes has been appointed as Group Head, Compliance, Financial Crime and Conduct Risk (CFCR) from 1 January 2025 and will assume Senior Manager responsibilities for Financial Crime, including the Group Entity Senior Manager Function, Compliance Oversight Function (SMF16) and Money Laundering Reporting Officer (MLRO) role (SMF 17).

Credit Risk

Mitigation
We apply segment-specific PLC Group policies for Corporate & Investment Banking (CIB) and Wealth & Retail Banking (WRB), which set the principles that must be followed for the end-to-end credit process covering initiation, assessment, documentation, approval, monitoring and governance.

We also apply the PLC Group standards for the eligibility, enforceability, and effectiveness of mitigation arrangements. Potential losses are mitigated using a range of tools, such as collateral, netting agreements, credit insurance, credit derivatives and guarantees.

Risk mitigants are carefully assessed for their market value, legal enforceability, correlation, and counterparty risk of the protection provider. Collateral is valued prior to drawdown and regularly thereafter as required, to reflect current market conditions, the probability of recovery and the period of time to realise the collateral in the event of liquidation. We also seek to diversify its collateral holdings across asset classes and markets.

Where guarantees, credit insurance, standby letters of credit or credit derivatives are used as Credit Risk mitigation, the creditworthiness of the protection provider is assessed and monitored using the same credit process applied to the obligor.

Monitoring
The Group regularly monitors credit exposures, portfolio performance, external trends and emerging risks that may impact risk management outcomes. Internal risk management reports that are presented to risk committees contain information on key political and economic trends across major portfolios and countries, portfolio delinquency and loan impairment performance.

In CIB, clients and portfolios are subject to additional review when they display signs of actual or potential weakness; for example, where there is a decline in the client's position within their industry, financial deterioration, a breach of covenants, or non-performance of an obligation within the stipulated period. Such accounts are subject to a dedicated process overseen by the Credit Issues Committee in the relevant countries where client account strategies and credit grades are re-evaluated. In addition, remedial actions can be undertaken, such as placing accounts on early alert for exposure reduction, security enhancement or exiting the account. Credit-impaired accounts are managed by the Group's specialist recovery unit, Stressed Asset Group (SAG), which is independent of the Client Coverage/Relationship Managers. The Stressed Asset Risk (SAR) Group is the second line risk unit.

On an annual basis, senior members from the CIB business and Risk participate in a more extensive portfolio review (known as the 'industry portfolio review') for certain industry groups. In addition to a review of the portfolio information, this industry portfolio review incorporates industry outlook, key elements of the business strategy, RA, credit profile and emerging and horizon risks. A summary of these industry portfolio reviews is also shared with the CIB Financial Risk Committee.

For WRB, exposures and collateral monitoring are performed at the counterparty and/or portfolio level across different client segments to ensure transactions and portfolio exposures remain within RA. Portfolio delinquency trends are also monitored. Accounts that are past due (or perceived as high risk but not yet past due) are subject to collections or recovery processes managed by a specialist independent function. In some countries, aspects of collections and recovery activities are outsourced. For discretionary lending portfolios, similar processes to those of CIB are followed.

Any material in-country developments that may impact sovereign ratings are monitored closely by Country Risk within the ERM function. The Country Risk Early Warning system, a triage-based risk identification system, categorises countries based on a forward-looking view of possible downgrades and the potential incremental risk-weighted assets (RWA) impact.

In addition, an independent Credit Risk review team within the ERM function performs assessments of the Credit Risk profiles at various portfolio levels. They focus on selected countries and segments through deep dives, comparative analysis, and review and challenge of the basis of credit approvals. The review aims to ensure that the evolving Credit Risk profiles of CIB and
WRB are well managed within RA and policies. Results of the reviews are reported to the SC Bank ERC and CRC.

Credit rating and measurement

All credit proposals are subject to a robust credit risk assessment. It includes a comprehensive evaluation of the client's credit quality, including willingness, ability, and capacity to repay. The primary lending consideration for counterparties is based on their credit quality and operating cashflows, while for individual borrowers it is based on personal income or wealth. The risk assessment gives due consideration to the client's liquidity and leverage position.

Where applicable, the assessment includes a detailed analysis of the Credit Risk mitigation arrangements to determine the level of reliance on such arrangements as the secondary source of repayment in the event of a significant deterioration in a client's credit quality leading to default. Client income, net worth, and the liquidity of asset by class are considered for overall risk assessment for wealth lending. Wealth lending credit limits are subject to the availability of qualified collateral.

A standard alphanumeric Credit Risk grade system is used for CIB, whereby credit grades 1 to 12 are assigned to performing customers, and credit grades 13 and 14 are assigned to non-performing or defaulted customers.

WRB internal ratings-based portfolios use application and behavioural credit scores that are calibrated to generate a probability of default. The Risk Decision Framework uses a credit rating system to define the portfolio/new booking segmentation, shape and decision criteria for the unsecured consumer business segment.

Advanced Internal Ratings-Based (AIRB) models cover the majority of our exposures and are used in assessing risks at a customer and portfolio level, setting strategy, and optimising our risk-return decisions. The PLC Group Model Risk Committee (MRC) approves material internal ratings-based risk measurement models. Prior to review and approval, all internal ratings-based models are validated by an independent model validation team. Reviews are also triggered if the performance of a model deteriorates materially against predetermined thresholds, measured through the ongoing model performance monitoring process.

We adopt the AIRB approach under the Basel regulatory framework to calculate Credit Risk capital requirements for the majority of our exposures. The Group has also established a global programme to assess capital requirements necessary to be implemented to meet the latest revised Basel III regulation (referred to as Basel 3.1 or Basel IV).

Credit Concentration Risk

Credit Concentration Risk for CIB is managed through concentration limits covering large exposure limit to a single counterparty or a group of connected counterparties (based on control and economic dependence criteria), or at portfolio level for multiple exposures that are closely correlated. Portfolio RA metrics are set, where appropriate, by industry, products, tenor, collateralisation level, top clients, and exposure to holding companies.

For concentrations that are material at a Group level, breaches and potential breaches are monitored by the respective governance committees and reported to the SC Bank ERC and CRC.

Credit impairment

For CIB, in line with the regulatory guidelines, Stage 3 expected credit loss (ECL) is considered when an obligor is more than 90 days past due on any amount payable to the Group, or the obligor has symptoms of unlikeliness to pay its credit obligations in full as they fall due. These credit-impaired accounts are managed by SAG.

In WRB, loans to individuals and small businesses are considered credit-impaired as soon as any payment of interest or principal is 90 days overdue or they meet other objective evidence of impairment, such as bankruptcy, debt restructuring, fraud, or death, with unlikely continuation of contractual payments. Financial assets are written off, in the amount that is determined to be irrecoverable, when they meet conditions set such that empirical evidence suggests the client is unlikely to meet their contractual obligations, or a loss of principal is reasonably expected.

Estimating the amount and timing of future recoveries involves significant judgement and considers the assessment of matters such as future economic conditions and the value of collateral, for which there may not be a readily accessible market. The total amount of the Group's impairment provision is inherently uncertain, being sensitive to changes in economic and credit conditions across the markets in which the Group operates.

> Further details on sensitivity analysis of ECL under IFRS 9 can be found in the '**Risk profile**' section on page 91.

Underwriting

The underwriting of securities and loans is in scope of the CIB RA. Additional limits approved by the GCRO are set on sectoral concentration and maximum holding period. The Underwriting Committee, under the authority of the GCRO, approves individual proposals to underwrite new security issues and loans for our clients. In July 2024, oversight of Underwriting Committee was transferred from Traded Risk to CIB Credit Risk.

Traded Risk

Mitigation

Traded Risk limits are defined at a level which aims to ensure that the Group remains within RA. The Traded Risk Policy sets the principles that must be followed for the end-to-end traded risk management process including limit setting, risk capture and measurement, limit monitoring and escalation, risk mitigation and stress testing. Policies are reviewed and approved by the Global Head, Traded Risk Management periodically to ensure their ongoing effectiveness.

Market Risk measurement

The Group uses a VaR model to measure the risk of losses arising from future potential adverse movements in market rates, prices, and volatilities. VaR is a quantitative measure of market risk that applies recent historical market conditions to estimate the potential future loss in market value that will not be exceeded in a set time period at a set statistical confidence level.

VaR provides a consistent measure that can be applied across trading businesses and products over time and can be set against actual daily trading profit and loss outcomes.

For day-to-day risk management, VaR is calculated as at the close of business, generally at UK time for expected market movements over one business day and to a confidence level of 97.5 per cent. Intra-day risk levels may vary from those reported at the end of the day.

The Group applies two VaR methodologies:

- Historical simulation: this involves the revaluation of all existing positions to reflect the effect of historically observed changes in Market Risk factors on the valuation of the current portfolio. This approach is applied for general Market Risk factors and the majority of specific (credit spread) risk factors. The enhanced Volatility Scaling VaR (VSV) model went live in January 2025, where risk factors' returns are scaled to reflect historical volatility. The VSV model is more responsive to volatility changes observed in the market.
- Monte Carlo simulation: this methodology is similar to historical simulation but with considerably more input risk factor observations. These are generated by random sampling techniques, but the results retain the essential variability and correlations of historically observed risk factor changes. This approach is applied for capturing the idiosyncratic credit spread risk factors.

As an input to regulatory capital, trading book VaR is calculated for expected movements over 10 business days and to a confidence level of 99 per cent. Some types of market risk are not captured in the regulatory VaR measure and these risks not in VaR are subject to capital add-ons.

An analysis of VaR results in 2024 is available in the Risk profile section (page 96).

Counterparty Credit Risk

A Potential Future Exposure (PFE) model is used to measure the credit exposure arising from the positive mark-to-market of traded products. The PFE model provides a quantitative estimate of future potential movements in market rates, prices, and volatilities at a certain confidence level over different time horizons based on the tenor of the transactions.

The Group applies two PFE methodologies: simulation based, which is predominantly used, and an add-on based PFE methodology.

Monitoring
Traded Risk Management monitors the overall portfolio risk and ensures that it is within specified limits and therefore RA. Limits are typically reviewed twice a year.

All material Traded Risks are monitored daily against approved limits. Traded Risk limits apply at all times unless separate intra-day limits have been set.

Treasury Risk
We apply the PLC Group policies for the management of material Treasury Risks and closely monitor our risk profile through RA metrics set at Solo and country level.

Capital Risk
In order to manage Capital Risk, strategic business, and capital plans (Corporate Plan) are drawn up covering a five-year horizon and are approved by the Court annually. The plan ensures that adequate levels of capital, including loss-absorbing capacity, and an efficient mix of the different components of capital are maintained to support our strategy and business plans.

Treasury is responsible for the ongoing assessment of the demand for capital and the updating of the Solo's capital plan.

Solo level RA metrics including capital, leverage and minimum requirement for own funds and eligible liability (MREL) and are assessed within the Corporate Plan to ensure that the strategy can be achieved within risk tolerances.

Structural Foreign Exchange (FX) Risk
The Group's structural FX position results from the Company's non-US dollar investment in the share capital and reserves of subsidiaries and branches. The FX translation gains or losses are recorded in the Company's translation reserves with a direct impact on the PLC Group's and Solo's Common Equity Tier 1 ratio.

Hedges are contracted across PLC Group and Solo to manage its structural FX position in accordance with the RA, and as a result net investment hedges to partially cover its exposure to certain non-US dollar currencies to mitigate the FX impact of such positions on its capital ratios.

> Our **structural foreign exchange exposures** can be found in page 98.

Liquidity and Funding Risk
At Solo and country level we implement various RA metrics to monitor and manage Liquidity and Funding risk. This ensures that the Group maintains an adequate and well-diversified liquidity buffer, as well as a stable funding base, to meet its liquidity and funding regulatory requirements.

> Further detail on **Liquidity and Funding Risk** can be found in page 99.

Interest Rate Risk in the Banking Book
At Solo level, we implement the RA for Economic Value of Equity and Annual Earnings at Risk and monitor these against limits and management action triggers. This risk arises from differences in the repricing profile, interest rate basis, and optionality of banking book assets, liabilities and off-balance sheet items. IRRBB represents an economic and commercial risk to the Group and its capital adequacy.

> Further detail on **IRRBB** can be found in page 106.

Pension Risk
Pension Risk is the potential for loss due to having to meet an actuarially assessed shortfall in the Group's pension plans. Pension Risk arises from the Group's contractual or other liabilities with respect to its occupational pension plans or other long-term benefit obligation. For a funded plan, it represents the risk that additional contributions will need to be made because of a future funding shortfall. For unfunded obligations, it represents the risk that the cost of meeting future benefit payments is greater than currently anticipated.

Recovery and resolution planning
In line with PRA requirements, the Group maintains a Recovery Plan and a Solo Recovery Plan (SCB UK and its branches). The Solo Recovery Plan includes a set of recovery indicators, an escalation framework and a set of management actions capable of being implemented during a stress. The Solo Recovery Plan is also subject to periodic fire-drill testing in line with the Group. Other major entities of SC Bank also maintain their own recovery plans in line with the Group Standards and local requirements.

As the UK resolution authority, the BoE set a single point of entry bail-in at the ultimate holding company level (Standard Chartered PLC) as the preferred resolution strategy for the PLC Group. In support of this strategy, the PLC Group has a set of capabilities, arrangements, and resources in place to maintain, test and improve resolution capabilities, and continue to meet the required resolvability outcomes on an ongoing basis.

Following the BoE's first resolvability assessment and public disclosure for major UK firms in 2022, the PLC Group submitted its Resolvability Self-Assessment Report to the BoE and PRA and subsequently published its resolvability public disclosure in August 2024 as part of the second Resolvability Assessment Framework cycle.

Monitoring
On a day-to-day basis, Treasury Risk is managed by Treasury, Finance and country CEOs. The Group regularly reports and monitors Treasury Risk inherent in its business activities and those that arise from internal and external events.

Internal risk management reports covering the balance sheet and the capital and liquidity position are presented to the Solo & SCB ALCO. The reports contain key information on balance sheet trends, exposures against RA and supporting risk measures which enable members to make informed decisions around the overall management of the balance sheet. In addition, an independent Treasury CRO within ERM reviews the prudency and effectiveness of Treasury Risk management.

Pension Risk is managed by the Head of Pensions and Reward Analytics, and monitored by the Global Head, ERM on a periodic basis.

Operational and Technology Risk

Mitigation
The Company addendum to the Operational and Technology RTF sets out the Group's overall approach to the management of Operational and Technology Risk in line with the Group's Operational and Technology RA. This is supported by the Risk and Control Self-Assessment (RCSA), which provides a systematic approach for identification and assessment of operational risks, including design and operation of mitigating controls (applicable to all risks as per the Non-Financial Risk Taxonomy).

The RCSA is used to determine the design and operating effectiveness of each process, and requires

- the recording of end-to-end processes which deliver our key client journey and business outcomes
- the identification of risks to support the achievement of client and business outcomes
- the assessment of inherent risk on the impact to client and business outcomes, and likelihood of occurrence
- the design and monitoring of key controls to effectively and efficiently mitigate prioritised risks within acceptable levels and
- the assessment of residual risk and timely treatment of elevated risks.

Elevated Residual Risks require treatment plans to address the underlying causes and reduce the risks to within the RA.

Monitoring
To deliver services to clients and to participate in the financial services sector, the Group runs processes which are exposed to Operational and Technology risks. The Group prioritises and manages risks which are significant to our clients and to the financial services sectors. The control indicators are regularly monitored to determine the Group's exposure to residual risk.

The residual risk assessments and reporting of events form the Group's Operational and Technology Risk profile. The completeness of the Operational and Technology Risk profile ensures appropriate prioritisation and timeliness of risk decisions, including risk acceptances with treatment plans for risks that exceed acceptable thresholds.

The CRC is informed on adherence to Operational and Technology RA through metrics reported for selected risks. These metrics are monitored, and escalation thresholds are devised based on the materiality and significance of the risk. These Operational and Technology RA metrics are consolidated on a regular basis and reported to the SCB ERC and CRC, providing senior management with the relevant information to inform their risk decisions.

Information and Cyber Security Risk

Mitigation
ICS Risk is managed through the ICS RTF, comprising a risk assessment methodology and supporting policy, standards, and methodologies. The ICS Policy and standards are aligned to industry best practice models including the National Institute of Standards and Technology Cyber Security Framework and ISO 27001. We undertake an annual ICS Effectiveness Review to evaluate ICS Risk management practices in alignment with the RMF.

Monitoring
The Group Chief Information Security Officer (CISO) function monitors the evolving threat landscape covering cyber threats, attack vectors and threat actors that could target the Group. This includes performing a threat-led risk assessment to identify key threats, in-scope applications and key controls required to ensure the Group remains within RA.

The ICS Risk profiles of all businesses, functions and countries are consolidated to present a holistic Group-level ICS Risk profile for ongoing monitoring. Mandatory ICS learning, phishing exercises and role-specific training support colleagues to monitor and manage this risk.

During these reviews, the status of each risk is assessed against the Group's controls to identify any changes to impact and likelihood, which affects the overall risk rating.

The Group stress tests its cyber posture through extensive control testing and by executing offensive security testing exercises, including vulnerability testing, code reviews, penetration tests and Red Team attack simulation testing. This testing approach constantly stress tests the Group's defence and approach to cyber security. These show a wider picture of the Group's risk profile, leading to better visibility on potential 'in flight' risks.

The CISO and OTCR functions monitor the ICS Risk profile and ensure that breaches of RA are escalated to the appropriate governance committee or authority levels for remediation and tracking.

Financial Crime Risk

Roles and responsibilities

The Group Head, CFCR is the Group's Compliance and Money-Laundering Reporting Officer and performs the Financial Conduct Authority (FCA) controlled function and senior management function in accordance with the requirements set out by the FCA, including those set out in their handbook on systems and controls.

Mitigation

The CFCR function is responsible for the establishment and maintenance of policies, standards, and oversight of first line of defence controls to ensure continued compliance with financial crime laws and regulations, and the mitigation of Financial Crime Risk. In this, the requirements of the PLC Group's Operational and Technology RTF are followed to ensure a consistent approach to the management of processes and controls.

Financial Crime Risk management is built on a risk-based approach, meaning the risk management plans, processes, activities, and resource allocations are determined according to the level of risk.

Risk mitigation takes place through the process of identification of new and amended regulations and the implementation of necessary process and control changes to address these.

Monitoring

The Group monitors enterprise-wide financial crime risks through the Financial Crime Risk Assessment. This is undertaken annually to assess the inherent financial crime risk exposures and the associated processes and controls by which these exposures are mitigated.

Financial Crime Risk controls are governed in line with the PLC Group's Operational and Technology RTF. The Group has a monitoring and reporting process in place for Financial Crime Risk, which includes escalation and reporting to the CFCR relevant risk committees.

Whilst not a formal governance committee, the PLC Group's CFCR Oversight Group provides oversight of CFCR risks including the effective implementation of the PLC Group's Financial Crime RTF. It also provides oversight, challenge and direction to CFCR policy owners on material changes and positions taken in CFCR-owned policies, including issues relating to regulatory interpretation and Group's CFCR RA. The Regulatory Change Oversight Forum provides visibility and oversight of material and/or complex large-scale regulatory change emanating from financial services regulators impacting non-financial risks.

> Further details on **how we manage Financial Crime** can be found on page 96 of SC PLC Group 2024 Annual Report.

Compliance Risk

Roles and responsibilities

All activities that the Group engages in must comply with the relevant country/local specific and extraterritorial regulations.

Compliance Risk includes the risks associated with a failure to comply with all regulations that are applicable to the Group regardless of the issuing regulatory authority. Where Compliance Risk arises, or could arise, from failure to manage another PRT, the oversight and management processes for that specific PRT must be followed, to ensure that effective oversight and challenge of the first line of defence can be provided by the appropriate second line of defence function.

Areas of regulation can be broadly divided into two distinct categories; those issued by financial services regulatory authorities and those issued by non-financial services regulators. The Group is exposed to both categories of regulation, and roles and responsibilities differ depending on the category. For regulations issued by financial services regulatory authorities and other regulators that may issue regulations pertaining to Compliance Risk, CFCR identifies new and amended regulations as and when issued and communicates the relevant regulatory obligations to the country RFO delegate. The areas where CFCR does not act in a second line of defence capacity are specified in the respective RTF with appropriate ownership.

Each of the assigned second line of defence functions have responsibilities, including monitoring relevant regulatory developments from non-financial services regulators at both Group and country levels, policy development, implementation, and validation as well as oversight and challenge of first line of defence processes and controls.

Mitigation

We apply the PLC Group's policies for management of Compliance Risk. The CFCR function is responsible for the establishment and maintenance of policies, standards, and oversight of the first line of defence controls to ensure compliance with laws and regulations, and the mitigation of Compliance Risk. In this, the requirements of the PLC Group's Operational and Technology RTF are followed to ensure a consistent approach to the management of processes and controls.

Monitoring
The monitoring of controls designed to mitigate the risk of regulatory non-compliance in processes is governed in line with the PLC Group's Operational and Technology RTF. Compliance Risk reporting includes escalation and reporting to the CFCR and relevant risk committees.

Whilst not a formal governance committee, the PLC Group's CFCR Oversight Group provides oversight of CFCR risks including the effective implementation of the PLC Group's Compliance RTF, and oversight, challenge and direction to CFCR policy owners on material changes and positions taken in CFCR-owned policies, including issues relating to regulatory interpretation and the Group's CFCR RA. The Regulatory Change Oversight Forum provides visibility and oversight of material and/or complex large-scale regulatory change emanating from financial services regulators impacting non-financial risks.

Environmental, Social and Governance (ESGR) Risk

Mitigation
The ESGR RTF provides the overall risk management approach for Environmental, Social and Governance (ESG) and Reputational risks.

The ESG Risk policy outlines the Group's commitment to integrating ESG considerations into its business, operations, and decision-making process. The policy sets out the requirements for identifying, assessing, and managing ESG risks including Climate Risk.

The Reputational Risk policy sets out the principal sources of reputational risk driven by negative shifts in stakeholder perceptions, as well as the responsibilities for managing Reputational Risk arising out of client onboarding and due diligence, from transactions, product design and product features, or strategic coverages such as exposure to sensitive industries, markets, or investments. Whenever potential for stakeholder concerns is identified, issues are subject to review and decision by both the first and second lines of defence. The Reputational Risk policy also sets out the key considerations for mitigating greenwashing risk that can arise during product and/or deal lifecycle, sustainability reporting and disclosures, and external campaigns related to sustainability themes.

Monitoring
Exposure to reputational risks arising from transactions, clients, products and strategic coverage is monitored through established triggers to prompt the appropriate risk-based considerations and assessment by the first line of defence and escalations to the second line of defence. Risk acceptance decisions and thematic trends are also reviewed on a periodic basis.

Exposure to ESG Risks is monitored through triggers embedded within the first line of defence processes. The environmental and social risks are considered for clients and transactions via Environmental and Social Risk Assessments and/or Climate Risk Assessments (CRAs). Vendors that are presenting as high risk are assessed for modern slavery risk. Based on responses provided by the supplier at on-boarding, those that meet the high-risk category-country combinations are subjected to further risk assessment.

Exposure to Climate Risk is monitored in conjunction with other PRTs. We have embedded qualitative and quantitative climate considerations into the Group's Credit Underwriting Principles for Oil and Gas, Mining, Shipping, Commercial Real Estate and Project Finance portfolio. We have expanded coverage of Climate and Credit Risk considerations to physical collateral, as they serve as key risk mitigants especially in default events. We assess physical risk concentrations for our WRB portfolio on a quarterly basis and assess the physical risk vulnerabilities of our sites periodically and when new sites are onboarded.

Our Net Zero Climate Risk Working Forum meets quarterly to discuss account plans for high Climate Risk and net zero divergent clients. Stress testing and scenario analysis are used to assess the impact of ESGR related risks. The impact on capital requirements has been included in the PLC Group Internal Capital Adequacy Assessment Process. Management information is reviewed at a quarterly frequency and any breaches in RA are reported to the SC Bank ERC and CRC.

Model Risk

Mitigation

The Model Risk Policy and Standards define requirements for model development, validation, implementation and use, including regular model performance monitoring and, where required, model risk mitigants.

Model deficiencies identified through the development or validation process, or model performance issues identified through ongoing monitoring, are mitigated through respective model risk mitigants. Mitigants include model overlays as either post-model adjustments (PMAs) or management adjustments, model restrictions and potentially a model recalibration or redevelopment, all of which undergo independent review, challenge, and approval. PMAs are used to address observed deficiencies caused from within the model, by adjusting the model output either directly or indirectly (e.g. adjusting parameters). Where a PMA is applied as a mitigant for a model used in Pillar 1 or Pillar 2 calculations, or models with material impact on financial accounting disclosures (e.g. IFRS 9), the independent review must be performed by Group Model Validation (GMV) with sign-off from the Model Approver prior to implementation.

As with all PRTs, operational controls are used to govern all Model Risk-related processes, with regular risk assessments performed to assess appropriateness and effectiveness of those controls, in line with the Operational and Technology RTF, with remediation plans implemented where necessary. Group Model Risk Policy and Standards also define requirements for deterministic quantitative methods (DQMs) that are used as part of an end-to-end modelled process. DQMs are similar in nature to a Model, however the processing component is either purely deterministic or has an element of expert judgement. Unlike a Model, there is no use of statistical, economic financial or mathematical theories.

The regulatory framework around Model Risk is continuously evolving, the PRA's Supervisory Statement 1/23 (SS1/23) is an example. The Group proactively monitors regulatory changes to take the required actions timely for compliance. Regarding SS1/23, the Group is currently delivering to a roadmap to compliance, which commenced in 2024 and will continue over the next two years.

Monitoring

The Group monitors Model Risk via a set of RA metrics. Adherence to Model RA and any threshold breaches are reported to the CRC, SCB ERC and PLC Model Risk Committee (MRC). These metrics and thresholds are reviewed twice per year to ensure that threshold calibration remains appropriate, and the themes adequately cover the current risks.

Models undergo regular performance monitoring based on their level of perceived Model Risk, with monitoring results presented, and breaches escalated to the Model Sponsor, Model Owner, GMV and respective MRC or Individual Delegated Model Approvers.

Model Risk management produces Model Risk reports covering the model landscape, which include performance metrics, identified model issues and remediation plans. These are presented for discussion at the Model Risk governance committees on a regular basis.

Credit Risk (audited)

Basis of preparation

Unless otherwise stated the balance sheet and income statement information presented within this section is based on the Group's management view. This is principally the location from which a client relationship is managed, which may differ from where it is financially booked and may be shared between businesses and/or regions. This view reflects how the client segments and regions are managed internally.

Loans and advances to customers and banks held at amortised cost in this Risk profile section include reverse repurchase agreement balances held at amortised cost, per Note 15 Reverse repurchase and repurchase agreements including other similar secured lending and borrowing.

Credit Risk overview

Credit Risk is the potential for loss due to the failure of a counterparty to meet its obligations to pay the Group. Credit exposures arise from both the banking and trading books.

Impairment model

IFRS 9 requires an impairment model that requires the recognition of expected credit losses (ECL) on all financial debt instruments held at amortised cost, fair value through other comprehensive income (FVOCI), undrawn loan commitments and financial guarantees.

Staging of financial instruments

Financial instruments that are not already credit-impaired are originated into stage 1 and a 12-month expected credit loss provision is recognised.

Instruments will remain in stage 1 until they are repaid, unless they experience significant credit deterioration (stage 2) or they become credit-impaired (stage 3).

Instruments will transfer to stage 2 and a lifetime expected credit loss provision recognised when there has been a significant change in the credit risk compared to what was expected at origination.

The framework used to determine a significant increase in credit risk is set out below.

Stage 1	Stage 2	Stage 3
• 12-month ECL • Performing	• Lifetime expected credit loss • Performing but has exhibited significant increase in credit risk (SICR)	• Credit-impaired • Non-performing

IFRS 9 expected credit loss principles and approaches

The main methodology principles and approach adopted by the Group are set out in the following table.

Title	Supplementary information	Page
Approach for determining expected credit losses	IFRS 9 ECL methodology Application of lifetime ECL	88
Key assumptions and judgements in determining ECL	Incorporation of forward-looking information Forecast of key macroeconomic variables underlying the expected credit loss calculation and the impact of non-linearity Judgemental adjustments and management overlays and sensitivity of ECL calculation to macroeconomic variables	89
Significant increase in Credit risk (SICR)	Significant increase in credit risk thresholds Specific qualitative and quantitative criteria per segment: Corporate and Investment Banking clients Wealth and Retail Banking clients Private Banking clients Debt securities	93
Assessment of credit-impaired financial assets	WRB clients CIB and Private Banking clients	94
Transfers between stages	Movement in loan exposures and credit impairment	71
Modified financial assets	Forbearance and other modified loans	76
Governance of Post Model Adjustments (PMAs) and application of expert credit judgement in respect of expected credit losses	Models and Model Performance Post Model Adjustments (PMAs) IFRS 9 Impairment Committee (IIC)	95

Summary of Credit Risk Performance

Maximum exposure

The Group's on-balance sheet maximum exposure to Credit Risk increased by $26.7 billion to $543.2 billion (31 December 2023: $516.6 billion). Cash and balances at Central bank decreased by $7.5 billion to $56.7 billion (31 December 2023: $64.2 billion) due to reduced placements. Fair Value through profit and loss increased by $6.6 billion to $102.3 billion (31 December 2023: $95.7 billion) largely due to an increase in debt securities. Loans and advances to customers increased by $2.1 billion to $158.2 billion (31 December 2023: $156.1 billion). Debt securities decreased by $5.9 billion to $96.2 billion (31 December 2023: $102 billion) due to maturing exposures. Off-balance sheet instruments increased by $26.7 billion to $205.3 billion (31 December 2023: $178.6 billion), due to increases in financial guarantees, other equivalents and undrawn commitments, which was driven by new business.

> Further details can be found in the '**Maximum exposure to Credit Risk**' section in pages 60 to 61.

Loans and Advances

93 per cent (31 December 2023: 92 per cent) of the Group's gross loans and advances to customers remain in stage 1 at $149.8 billion (31 December 2023: $146.7 billion), reflecting our continued focus on high-quality origination.

Stage 1 loans and advances to customers increased by $3 billion to $149.8 billion (31 December 2023: $146.7 billion) mainly due to increases in CIB exposures in Energy and Financing and Insurance sectors. This was offset by lower balances in Central and other items due to a reduction in exposures to the Government sector, across a number of our markets. For WRB, stage 1 balances decreased by $0.6 billion to $45.7 billion (31 December 2023: $46.4 billion) mainly due to a reduction in mortgages in Singapore as sales slowed due to the higher interest rate environment.

Stage 2 gross loans and advances to customers decreased by $0.4 billion to $7.3 billion (31 December 2023: $7.7 billion). For CIB, stage 2 balances increased by $0.6 billion to $6.3 billion (31 December 2023: $5.7 billion) driven by Transport and Commercial real estate (CRE) sectors. For WRB, stage 2 balances remain unchanged at $1 billion (31 December 2023: $1 billion), due to reduction in the Singapore mortgage portfolio of $0.1 billion, offset by an increase in secured wealth balances. Higher risk exposure decreased by $0.9 billion to $35 million (31 December 2023: $1 billion) for Central and other items due to the maturity of short-term loan exposures that were replaced with debt securities in Pakistan.

Stage 3 loans decreased by $1.1 billion to $4.1 billion (31 December 2023: $5.2 billion) due to repayments and write-offs in CIB. For WRB, stage 3 balances remained stable at $1.1 billion (31 December 2023: $1.1 billion). For Central and other items, stage 3 balances decreased by $0.1 billion to $0.1 billion (31 December 2023: $0.2 billion).

> Further details can be found in the '**Analysis of financial instrument by stage**' section in pages 62 to 65; '**Credit quality by client segment**' section in pages 66 to 70.

Credit impairment charge

The Group's credit impairment was a net charge of $15 million (31 December 2023: release of $58 million).

For CIB, credit impairment release increased by $99 million to a net release of $262 million (31 December 2023: release of $163 million) largely due to a number of stage 3 releases and one significant repayment. This was offset by new overlays of $42 million in 2024.

For WRB, credit impairment charges increased by $157 million to $286 million (31 December 2023: $129 million). This charge off increase was driven by higher interest rate environment impacting repayments on credit cards and personal loans, as well as maturity and portfolio growth of digital partnerships in Indonesia.

For Ventures, credit impairment charges increased by $12 million to $25 million (31 December 2023: $13 million) due to portfolio growth and maturity of Trust Bank Plc.

For Central and other items, credit impairment release was lower at $34 million (31 December 2023: release of $37 million). The release in 2024 was mainly driven by two sovereign upgrades.

> Further details can be found in the '**Credit impairment charge**' section in page 76.

Maximum exposure to Credit Risk (audited)

The table below presents the Group's maximum exposure to Credit Risk for its on-balance sheet and off-balance sheet financial instruments as at 31 December 2024, before and after taking into account any collateral held or other Credit Risk mitigation.

> Further details can be found in the '**Summary of Credit Risk Performance**' section in page 59.

Group

	2024				2023			
		Credit risk management				Credit risk management		
	Maximum exposure $million	Collateral[8] $million	Master netting agreements $million	Net exposure $million	Maximum exposure $million	Collateral[8] $million	Master netting agreements $million	Net exposure $million
On-balance sheet								
Cash and balances at central banks	56,665	–	–	56,665	64,198		-	64,198
Loans and advances to banks[1]	22,941	2,889	–	20,052	22,803	1,653	-	21,150
of which – reverse repurchase agreements and other similar secured lending[7]	2,889	2,889	–	–	1,653	1,653	-	–
Loans and advances to customers[1]	158,242	54,780	–	103,462	156,143	51,985	-	104,158
of which – reverse repurchase agreements and other similar secured lending[7]	9,121	9,121	–	–	13,827	13,827	-	–
Investment securities – Debt securities and other eligible bills[2]	96,179	–	–	96,179	102,040	–	–	102,040
Fair value through profit or loss[3,7]	102,258	65,603	–	36,655	95,658	68,149	–	27,509
Loans and advances to banks	2,033	–	-	2,033	2,265	-	-	2,265
Loans and advances to customers	3,989	–	-	3,989	3,188	-	-	3,188
Reverse repurchase agreements and other similar lending[7]	65,603	65,603	-	–	68,149	68,149	-	–
Investment securities – Debt securities and other eligible bills[2]	30,633	-	-	30,633	22,056	-	-	22,056
Derivative financial instruments[4,7]	82,717	12,984	65,027	4,706	52,554	7,960	43,684	910
Accrued income	1,846	-	-	1,846	1,768	-	-	1,768
Assets held for sale[9]	866	-	-	866	693	-	-	693
Other assets[5]	21,535	-	-	21,535	20,714	-	-	20,714
Total balance sheet	543,249	136,256	65,027	341,966	516,571	129,747	43,684	343,140
Off-balance sheet[6]								
Undrawn Commitments	123,931	1,861	-	122,070	117,899	2,296	-	115,603
Financial Guarantees and other equivalents	81,343	1,570	-	79,773	60,707	2,139	-	58,568
Total off-balance sheet	205,274	3,431	–	201,843	178,606	4,435	–	174,171
Total	748,523	139,687	65,027	543,809	695,177	134,182	43,684	517,311

1 Amounts are net of ECL provisions. An analysis of credit quality is set out in the credit quality analysis section- page 66. Further details of collateral held by client segment and stage are set out in the collateral analysis section on page 77. The Group also has credit mitigation through Credit Linked Notes as set out on page 81
2 Excludes equity and other investments of $263 million (31 December 2023: $ 434million). Further details are set out in Note 12 Financial instruments
3 Excludes equity and other investments of $1,366 million (31 December 2023: $1,442 million). Further details are set out in Note 12 Financial instruments
4 The Group enters into master netting agreements, which in the event of default result in a single amount owed by or to the counterparty through netting the sum of the positive and negative mark-to-market values of applicable derivative transactions
5 Other assets include cash collateral, and acceptances, in addition to unsettled trades and other financial assets
6 Excludes ECL provisions of $208 million (31 December 2023: $180 million) which are reported under Provisions for liabilities and charges
7 Collateral capped at maximum exposure (over-collateralised)
8 Adjusted for over-collateralisation, which has been determined with reference to the drawn and undrawn component as this best reflects the effect on the amount arising from expected credit losses. Loans and advances to customers collateral now re-presented between on and off -balance sheet as it also includes guarantees
9 The amount is after ECL provisions. Further details are set out in Note 20 Assets held for sale and associated liabilities

Company

	2024				2023			
		Credit risk management				Credit risk management		
	Maximum exposure $million	Collateral[8] $million	Master netting agreements $million	Net exposure $million	Maximum exposure $million	Collateral[8] $million	Master netting agreements $million	Net exposure $million
On-balance sheet								
Cash and balances at central banks	45,233	–	–	45,233	52,758	–	–	52,758
Loans and advances to banks[1]	11,755	1,423	–	10,332	10,135	554	–	9,581
of which – reverse repurchase agreements and other similar secured lending[7]	1,423	1,423	–	–	554	554	–	–
Loans and advances to customers[1]	77,597	24,378	–	53,219	75,883	23,157	–	52,726
of which – reverse repurchase agreements and other similar secured lending[7]	9,041	9,041	–	–	12,212	12,212	–	–
Investment securities – Debt securities and other eligible bills[2]	81,855		–	81,855	92,362	–	–	92,362
Fair value through profit or loss[3,7]	87,122	62,141	–	24,981	85,097	64,804	–	20,293
Loans and advances to banks	1,880	–	–	1,880	2,244	–	–	2,244
Loans and advances to customers	3,276	–	–	3,276	2,622	–	–	2,622
Reverse repurchase agreements and other similar lending[7]	62,141	62,141	–	–	64,804	64,804	–	–
Investment securities – Debt securities and other eligible bills[2]	19,825	–	–	19,825	15,427	–	–	15,427
Derivative financial instruments[4,7]	82,844	11,788	67,030	4,026	53,221	7,289	45,556	376
Accrued income	1,256	–	–	1,256	1,151	–	–	1,151
Assets held for sale[9]	474	–	–	474	52	–	–	52
Other assets[5]	17,587	–	–	17,587	16,990	–	–	16,990
Total balance sheet	405,723	99,730	67,030	238,963	387,649	95,804	45,556	246,289
Off-balance sheet[6]								
Undrawn Commitments	69,293	1,033	–	68,260	69,007	1,387	–	67,620
Financial Guarantees and other equivalents	69,038	1,215	–	67,823	49,586	1,836	–	47,750
Total off-balance sheet	138,331	2,248	–	136,083	118,593	3,223	–	115,370
Total[10]	544,054	101,978	67,030	375,046	506,242	99,027	45,556	361,659

1 Amounts are net of ECL provisions. An analysis of credit quality is set out in the credit quality analysis section page 66. Further details of collateral held by client segment and stage are set out in the collateral analysis section page 77. The Group also has credit mitigation through Credit Linked Notes as set out on page 81
2 Excludes equity and other investments of $246 million (31 December 2023: $409 million). Further details are set out in Note 12 Financial instruments
3 Excludes equity and other investments of $1,227 million (31 December 2023: $1,315 million). Further details are set out in Note 12 Financial instruments
4 The Group enters into master netting agreements, which in the event of default result in a single amount owed by or to the counterparty through netting the sum of the positive and negative mark-to-market values of applicable derivative transactions
5 Other assets include cash collateral, and acceptances, in addition to unsettled trades and other financial assets
6 Excludes ECL provisions of $148 million (31 December 2023: $132 million) which are reported under Provisions for liabilities and charges
7 Collateral capped at maximum exposure (over-collateralised)
8 Adjusted for over-collateralisation, which has been determined with reference to the drawn and undrawn component as this best reflects the effect on the amount arising from expected credit losses. Loans and advances to customers collateral now re-presented between on and off -balance sheet as it also includes guarantees
9 The amount is after ECL provisions. Further details are set out in Note 20 Assets held for sale and associated liabilities
10 Excludes 'Amounts due from subsidiary undertakings and other related parties' of $10,066 million (31 December 2023: $10,053 million). The amounts are held within stage 1 and rated as 'strong' and is net of an expected credit loss of $2.4 million (31 December 2023: $20.4 million)

Analysis of financial instrument by stage (audited)

The table below presents the gross and credit impairment balances by stage for amortised cost and FVOCI financial instruments as at 31 December 2024.

> Further details can be found in the '**Summary of Credit Risk Performance**' section in page 59.

Group

	2024											
	Stage 1			Stage 2			Stage 3			Total		
	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million
Cash and balances at central banks	55,815	–	55,815	432	(4)	428	426	(4)	422	56,673	(8)	56,665
Loans and advances to banks (amortised cost)	22,556	(5)	22,551	313	(1)	312	80	(2)	78	22,949	(8)	22,941
Loans and advances to customers (amortised cost)	149,751	(254)	149,497	7,292	(193)	7,099	4,098	(2,452)	1,646	161,141	(2,899)	158,242
Debt securities and other eligible bills[5]	94,480	(20)	–	1,612	(4)	–	103	(2)	–	96,195	(26)	–
Amortised cost	36,867	(14)	36,853	473	(2)	471	42	–	42	37,382	(16)	37,366
FVOCI[2]	57,613	(6)	–	1,139	(2)	–	61	(2)	–	58,813	(10)	–
Accrued income (amortised cost)[4]	1,846	–	1,846	–	–	–	–	–	–	1,846	–	1,846
Assets held for sale	822	(7)	815	38	–	38	58	(45)	13	918	(52)	866
Other assets	21,535	–	21,535	–	–	–	3	(3)	–	21,538	(3)	21,535
Undrawn commitments[3]	120,578	(25)	–	3,346	(33)	–	7	(1)	–	123,931	(59)	–
Financial guarantees, trade credits and irrevocable letter of credits[3]	78,996	(13)	–	1,744	(7)	–	603	(129)	–	81,343	(149)	–
Total	546,379	(324)	–	14,777	(242)	–	5,378	(2,638)	–	566,534	(3,204)	–

1 Gross carrying amount for off-balance sheet refers to notional values
2 These instruments are held at fair value on the balance sheet. The ECL provision in respect of debt securities measured at FVOCI is held within the OCI reserve
3 These are off-balance sheet instruments. Only the ECL is recorded on-balance sheet as a financial liability and therefore there is no "net carrying amount". ECL allowances on off-balance sheet instruments are held as liability provisions to the extent that the drawn and undrawn components of loan exposures can be separately identified. Otherwise they will be reported against the drawn component
4 Stage 1 ECL is not material
5 Stage 3 gross includes $59 million (2023: $80 million) originated credit-impaired debt securities with impairment of nil million (2023: $14 million)

	2023											
	Stage 1			Stage 2			Stage 3			Total		
	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million
Cash and balances at central banks	63,606	–	63,606	207	(7)	200	404	(12)	392	64,217	(19)	64,198
Loans and advances to banks (amortised cost)	22,210	(3)	22,207	537	(9)	528	74	(6)	68	22,821	(18)	22,803
Loans and advances to customers (amortised cost)	146,718	(198)	146,520	7,657	(193)	7,464	5,177	(3,018)	2,159	159,552	(3,409)	156,143
Debt securities and other eligible bills[5]	100,092	(26)		1,861	(34)		165	(61)		102,118	(121)	
Amortised cost	39,774	(19)	39,755	103	(2)	101	121	(57)	64	39,998	(78)	39,920
FVOCI[2]	60,318	(7)		1,758	(32)		44	(4)		62,120	(43)	
Accrued income (amortised cost)[4]	1,768	–	1,768	–	–	–	–	–	–	1,768	–	1,768
Assets held for sale[4]	654	(34)	620	76	(4)	72	1	–	1	731	(38)	693
Other assets	20,714	–	20,714	–	–	–	3	(3)	–	20,717	(3)	20,714
Undrawn commitments[3]	113,301	(20)		4,596	(27)	–	2	–		117,899	(47)	–
Financial guarantees, trade credits and irrevocable letter of credits[3]	57,505	(8)	–	2,530	(13)	–	672	(112)	–	60,707	(133)	–
Total	526,568	(289)	–	17,464	(287)	–	6,498	(3,212)	–	550,530	(3,788)	–

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3 These are off-balance sheet instruments. Only the ECL is recorded on-balance sheet as a financial liability and therefore there is no "net carrying amount". ECL allowances on off-balance sheet instruments are held as liability provisions to the extent that the drawn and undrawn components of loan exposures can be separately identified. Otherwise they will be reported against the drawn component
4 Stage 1 ECL is not material
5 Stage 3 gross includes $80 million originated credit-impaired debt securities and $14 million impairment

Company

	2024											
	Stage 1			Stage 2			Stage 3			Total		
	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million
Cash and balances at central banks	45,093	–	45,093	140	–	140	–	–	–	45,233	–	45,233
Loans and advances to banks (amortised cost)	11,545	(1)	11,544	209	(1)	208	3	–	3	11,757	(2)	11,755
Loans and advances to customers (amortised cost)	72,697	(116)	72,581	4,010	(99)	3,911	2,685	(1,580)	1,105	79,392	(1,795)	77,597
Debt securities and other eligible bills[5]	81,618	(16)	–	244	(1)	–	–	–		81,862	(17)	–
Amortised cost	35,212	(7)	35,205	–	–	–	–	–	–	35,212	(7)	35,205
FVOCI[2]	46,406	(9)	–	244	(1)	–	–	–		46,650	(10)	–
Accrued income (amortised cost)[4]	1,256	–	1,256	–	–	–	–	–	–	1,256	–	1,256
Assets held for sale	479	(5)	474	–	–	–	–	–	–	479	(5)	474
Other assets	17,587	–	17,587	–	–	–	–	–	–	17,587	–	17,587
Undrawn commitments[3]	66,520	(15)	–	2,770	(17)	–	3	–		69,293	(32)	–
Financial guarantees, trade credits and irrevocable letter of credits[3]	67,538	(10)	–	1,059	(4)	–	441	(102)	–	69,038	(116)	–
Total[6]	364,333	(163)	–	8,432	(122)	–	3,132	(1,682)	–	375,897	(1,967)	–

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3 These are off-balance sheet instruments. Only the ECL is recorded on-balance sheet as a financial liability and therefore there is no "net carrying amount". ECL allowances on off-balance sheet instruments are held as liability provisions to the extent that the drawn and undrawn components of loan exposures can be separately identified. Otherwise they will be reported against the drawn component
4 Stage 1 ECL is not material
5 Stage 3 gross includes nil (2023: $25 million) originated credit-impaired debt securities with impairment of nil (2023: $14million)
6 Excludes 'Amounts due from subsidiary undertakings and other related parties' of $10,066 million. The amounts are held within stage 1 and rated as 'strong' at 31 December 2024 and is net of an expected credit loss of $2.4 million

	2023											
	Stage 1			Stage 2			Stage 3			Total		
	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million
Cash and balances at central banks	52,756	–	52,756	2	–	2	–	–	–	52,758	–	52,758
Loans and advances to banks (amortised cost)	9,849	(1)	9,848	286	(1)	285	6	(4)	2	10,141	(6)	10,135
Loans and advances to customers (amortised cost)	70,343	(89)	70,254	4,077	(80)	3,997	3,761	(2,129)	1,632	78,181	(2,298)	75,883
Debt securities and other eligible bills[5]	92,038	(23)		315	–		76	(56)		92,429	(79)	
Amortised cost	38,053	(11)	38,042	–	–	–	76	(56)	20	38,129	(67)	38,062
FVOCI[2]	53,985	(11)		315	–		–	–		54,300	(11)	
Accrued income (amortised cost)[4]	1,151	–	1,151	–	–	–	–	–	–	1,151	–	1,151
Assets held for sale[4]	52	–	52	–	–	–	–	–	–	52	–	52
Other assets	16,990	–	16,990	–	–	–	–	–	–	16,990	–	16,990
Undrawn commitments[3]	65,255	(15)	–	3,752	(18)	–	–	–	–	69,007	(33)	–
Financial guarantees, trade credits and irrevocable letter of credits[3]	47,186	(4)	–	1,886	(8)	–	514	(87)	–	49,586	(99)	–
Total[6]	355,620	(132)		10,318	(107)		4,357	(2,276)		370,295	(2,515)	

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3 These are off-balance sheet instruments. Only the ECL is recorded on-balance sheet as a financial liability and therefore there is no "net carrying amount". ECL allowances on off-balance sheet instruments are held as liability provisions to the extent that the drawn and undrawn components of loan exposures can be separately identified. Otherwise they will be reported against the drawn component
4 Stage 1 ECL is not material
5 Stage 3 gross includes $25 million originated credit-impaired debt securities and $14 million impairment
6 Excludes 'Amounts due from subsidiary undertakings and other related parties' of $10,053 million. The amounts are held within stage 1 and rated as 'strong' at 31 December 2023 and is net of an expected credit loss of $20.4 million

Credit quality analysis (audited)

Credit quality by client segment

For CIB, exposures are analysed by credit grade (CG), which plays a central role in the quality assessment and monitoring of risk. All loans are assigned a CG, which is reviewed periodically and amended in light of changes in the borrower's circumstances or behaviour. CGs 1 to 12 are assigned to stage 1 and stage 2 (performing) clients or accounts, while CGs 13 and 14 are assigned to stage 3 (credit-impaired) clients. The mapping of credit quality is as follows.

Mapping of credit quality

The Group uses the following internal risk mapping to determine the credit quality for loans.

	Corporate & Investment Banking			Private Banking[1]	Wealth & Retail Banking[4]
Credit quality description	**Internal grade mapping**	**S&P external ratings equivalent**	**Regulatory PD range (%)**	**Internal ratings**	**Number of days past due**
Strong	1A to 5B	AAA/AA+ to BBB-/ BB+[2]	0 to 0.425	Class I and Class IV	Current loans (no past dues nor impaired)
Satisfactory	6A to 11C	BB to CCC+[3]	0.426 to 15.75	Class II and Class III	Loans past due till 29 days
Higher risk	Grade 12	CCC+/C	15.751 to 99.999	Stressed Assets Group (SAG) Managed	Past due loans 30 days and over till 90 days

1 For Private Banking, classes of risk represent the type of collateral held. Class I represents facilities with liquid collateral, such as cash and marketable securities. Class II represents unsecured/partially secured facilities and those with illiquid collateral, such as equity in private enterprises. Class III represents facilities with residential or Commercial real estate collateral. Class IV covers margin trading facilities
2 Banks' rating: AAA/AA+ to BB+/BB. Sovereigns' rating: AAA to BB+
3 Banks' rating: BB to "CCC+ to C". Sovereigns' rating: BB+/BB to B-/CCC+
4 Wealth & Retail Banking excludes Private Banking. Medium enterprise clients within Business Banking are managed using the same internal credit grades as CIB

The table below sets out the gross loans and advances held at amortised cost, expected credit loss provisions and expected credit loss coverage by business segment and stage. Expected credit loss coverage represents the expected credit loss reported for each segment and stage as a proportion of the gross loan balance for each segment and stage.

> Further details can be found in the '**Summary of Credit Risk Performance**' section in page 59.

Loans and advances by client segment (audited)

Group

	2024							
		Customers						
Amortised cost	Banks $million	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Ventures $million	Central & other items $million	Customer Total $million	Undrawn commitments $million	Financial Guarantees $million
Stage 1	22,556	83,297	45,743	584	20,127	149,751	120,578	78,996
• Strong	14,002	59,798	41,697	576	19,750	121,821	109,269	50,039
• Satisfactory	8,554	23,499	4,046	8	377	27,930	11,309	28,957
Stage 2	313	6,251	1,001	5	35	7,292	3,346	1,744
• Strong	7	896	684	–	–	1,580	851	371
• Satisfactory	121	4,683	81	–	–	4,764	2,341	1,210
• Higher risk	185	672	236	5	35	948	154	163
Of which (stage 2):								
• Less than 30 days past due	–	52	81	–	–	133	–	–
• More than 30 days past due	2	5	236	5	–	246	–	–
Stage 3, credit-impaired financial assets	80	2,877	1,117	6	98	4,098	7	603
Gross balance[1]	22,949	92,425	47,861	595	20,260	161,141	123,931	81,343
Stage 1	(5)	(69)	(174)	(11)	–	(254)	(25)	(13)
• Strong	(4)	(26)	(133)	(10)	–	(169)	(14)	(5)
• Satisfactory	(1)	(43)	(41)	(1)	–	(85)	(11)	(8)
Stage 2	(1)	(134)	(55)	(4)	–	(193)	(33)	(7)
• Strong	–	(4)	(17)	–	–	(21)	(2)	–
• Satisfactory	(1)	(95)	(7)	–	–	(102)	(22)	(4)
• Higher risk	–	(35)	(31)	(4)	–	(70)	(9)	(3)
Of which (stage 2):								
• Less than 30 days past due	–	(1)	(7)	–	–	(8)	–	–
• More than 30 days past due	–	–	(31)	(4)	–	(35)	–	–
Stage 3, credit-impaired financial assets	(2)	(1,830)	(616)	(6)	–	(2,452)	(1)	(129)
Total credit impairment	(8)	(2,033)	(845)	(21)	–	(2,899)	(59)	(149)
Net carrying value	22,941	90,392	47,016	574	20,260	158,242		
Stage 1	0.0%	0.1%	0.4%	1.9%	0.0%	0.2%	0.0%	0.0%
• Strong	0.0%	0.0%	0.3%	1.7%	0.0%	0.1%	0.0%	0.0%
• Satisfactory	0.0%	0.2%	1.0%	12.5%	0.0%	0.3%	0.1%	0.0%
Stage 2	0.3%	2.1%	5.5%	80.0%	0.0%	2.6%	1.0%	0.4%
• Strong	0.0%	0.4%	2.5%	0.0%	0.0%	1.3%	0.2%	0.0%
• Satisfactory	0.8%	2.0%	8.6%	0.0%	0.0%	2.1%	0.9%	0.3%
• Higher risk	0.0%	5.2%	13.1%	80.0%	0.0%	7.4%	5.8%	1.8%
Of which (stage 2):								
• Less than 30 days past due	0.0%	1.9%	8.6%	0.0%	0.0%	6.0%	0.0%	0.0%
• More than 30 days past due	0.0%	0.0%	13.1%	80.0%	0.0%	14.2%	0.0%	0.0%
Stage 3, credit-impaired financial assets (S3)	2.5%	63.6%	55.1%	100.0%	0.0%	59.8%	14.3%	21.4%
• Stage 3 Collateral	1	169	412	–	–	581	–	45
• Stage 3 Cover ratio (after collateral)	3.8%	69.5%	92.0%	100.0%	0.0%	74.0%	14.3%	28.9%
Cover ratio	0.0%	2.2%	1.8%	3.5%	0.0%	1.8%	0.0%	0.2%
Fair value through profit or loss								
Performing	29,725	41,897	–	–	–	41,897	–	–
• Strong	23,890	24,589	–	–	–	24,589	–	–
• Satisfactory	5,825	17,200	–	–	–	17,200	–	–
• Higher risk	10	108	–	–	–	108	–	–
Defaulted (CG13-14)	–	3	–	–	–	3	–	–
Gross balance (FVTPL)[2]	29,725	41,900	–	–	–	41,900	–	–
Net carrying value (incl FVTPL)	52,666	132,292	47,016	574	20,260	200,142	–	–

1 Loans and advances includes reverse repurchase agreements and other similar secured lending of $9,121 million under Customers and of $2,889 million under Banks, held at amortised cost
2 Loans and advances includes reverse repurchase agreements and other similar secured lending of $37,911 million under Customers and of $27,692 million under Banks, held at fair value through profit or loss

Group

Amortised cost	Banks $million	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Ventures $million	Central & other items $million	Customer Total $million	Undrawn commitments $million	Financial Guarantees $million
	2023							
		Customers						
Stage 1	22,210	77,513	46,378	235	22,592	146,718	113,301	57,505
• Strong	14,756	55,407	42,362	232	22,254	120,255	104,198	37,642
• Satisfactory	7,454	22,106	4,016	3	338	26,463	9,103	19,863
Stage 2	537	5,696	994	2	965	7,657	4,596	2,530
• Strong	53	862	659	–	–	1,521	947	801
• Satisfactory	211	3,955	100	–	–	4,055	3,168	1,472
• Higher risk	273	879	235	2	965	2,081	481	257
Of which (stage 2):								
• Less than 30 days past due	–	78	100	–	–	178	–	–
• More than 30 days past due	–	10	235	2	–	247	–	–
Stage 3, credit-impaired financial assets	74	3,887	1,064	2	224	5,177	2	672
Gross balance[1]	22,821	87,096	48,436	239	23,781	159,552	117,899	60,707
Stage 1	(3)	(68)	(123)	(7)	–	(198)	(20)	(8)
• Strong	(2)	(26)	(80)	(7)	–	(113)	(8)	(1)
• Satisfactory	(1)	(42)	(43)	–	–	(85)	(12)	(7)
Stage 2	(9)	(133)	(59)	–	(1)	(193)	(27)	(13)
• Strong	–	(11)	(22)	–	–	(33)	(3)	–
• Satisfactory	(2)	(64)	(7)	–	–	(71)	(15)	(6)
• Higher risk	(7)	(58)	(30)	–	(1)	(89)	(9)	(7)
Of which (stage 2):								
• Less than 30 days past due	–	(1)	(7)	–	–	(8)	–	–
• More than 30 days past due	–	(1)	(30)	–	–	(31)	–	–
Stage 3, credit-impaired financial assets	(6)	(2,362)	(639)	(2)	(15)	(3,018)	–	(112)
Total credit impairment	(18)	(2,563)	(821)	(9)	(16)	(3,409)	(47)	(133)
Net carrying value	22,803	84,533	47,615	230	23,765	156,143	–	–
Stage 1	0.0%	0.1%	0.3%	3.0%	0.0%	0.1%	0.0%	0.0%
• Strong	0.0%	0.0%	0.2%	3.0%	0.0%	0.1%	0.0%	0.0%
• Satisfactory	0.0%	0.2%	1.1%	0.0%	0.0%	0.3%	0.1%	0.0%
Stage 2	1.7%	2.3%	5.9%	0.0%	0.1%	2.5%	0.6%	0.5%
• Strong	0.0%	1.3%	3.3%	0.0%	0.0%	2.2%	0.3%	0.0%
• Satisfactory	0.9%	1.6%	7.0%	0.0%	0.0%	1.8%	0.5%	0.4%
• Higher risk	2.6%	6.6%	12.8%	0.0%	0.1%	4.3%	1.9%	2.7%
Of which (stage 2):								
• Less than 30 days past due	0.0%	1.3%	7.0%	0.0%	0.0%	4.5%	0.0%	0.0%
• More than 30 days past due	0.0%	10.0%	12.8%	0.0%	0.0%	12.6%	0.0%	0.0%
Stage 3, credit-impaired financial assets (S3)	8.1%	60.8%	60.1%	100.0%	6.7%	58.3%	0.0%	16.7%
• Stage 3 Collateral	2	350	393	–	–	743	–	34
• Stage 3 Cover ratio (after collateral)	10.8%	69.8%	97.0%	100.0%	6.7%	72.6%	0.0%	21.7%
Cover ratio	0.1%	2.9%	1.7%	3.8%	0.1%	2.1%	0.0%	0.2%
Fair value through profit or loss								
Performing	28,318	45,266	–	–	–	45,266	–	–
• Strong	23,954	27,667	–	–	–	27,667	–	–
• Satisfactory	4,364	17,536	–	–	–	17,536	–	–
• Higher risk	–	63	–	–	–	63	–	–
Defaulted (CG13-14)	–	18	–	–	–	18	–	–
Gross balance (FVTPL)[2]	28,318	45,284	–	–	–	45,284	–	–
Net carrying value (incl FVTPL)	51,121	129,817	47,615	230	23,765	201,427	–	–

1 Loans and advances includes reverse repurchase agreements and other similar secured lending of $13,827 million under Customers and of $1,653 million under Banks, held at amortised cost

2 Loans and advances includes reverse repurchase agreements and other similar secured lending of $42,096 million under Customers and of $26,053 million under Banks, held at fair value through profit and loss.

Loans and advances by client segment (audited)

Company

Amortised cost	Banks $million	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Central & other items $million	Customer Total $million	Undrawn commitments $million	Financial Guarantees $million
	2024						
		Customers					
Stage 1	11,545	60,503	11,380	814	72,697	66,520	67,538
• Strong	6,614	44,809	9,397	501	54,707	57,856	41,193
• Satisfactory	4,931	15,694	1,983	313	17,990	8,664	26,345
Stage 2	209	3,787	223	–	4,010	2,770	1,059
• Strong	3	367	99	–	466	539	250
• Satisfactory	118	3,074	38	–	3,112	2,152	744
• Higher risk	88	346	86	–	432	79	65
Of which (stage 2):							
• Less than 30 days past due	–	42	38	–	80	–	–
• More than 30 days past due	–	–	86	–	86	–	–
Stage 3, credit-impaired financial assets	3	2,005	680	–	2,685	3	441
Gross balance[1]	11,757	66,295	12,283	814	79,392	69,293	69,038
Stage 1	(1)	(48)	(68)	–	(116)	(15)	(10)
• Strong	–	(16)	(59)	–	(75)	(7)	(3)
• Satisfactory	(1)	(32)	(9)	–	(41)	(8)	(7)
Stage 2	(1)	(68)	(31)	–	(99)	(17)	(4)
• Strong	–	-	(5)	–	(5)	(2)	–
• Satisfactory	(1)	(48)	(2)	–	(50)	(13)	(2)
• Higher risk	–	(20)	(24)	–	(44)	(2)	(2)
Of which (stage 2):							
• Less than 30 days past due	–	–	(2)	–	(2)	–	–
• More than 30 days past due	–	–	(24)	–	(24)	–	–
Stage 3, credit-impaired financial assets	–	(1,175)	(405)	–	(1,580)	–	(102)
Total credit impairment	(2)	(1,291)	(504)	–	(1,795)	(32)	(116)
Net carrying value	11,755	65,004	11,779	814	77,597		
Stage 1	0.0%	0.1%	0.6%	0.0%	0.2%	0.0%	0.0%
• Strong	0.0%	0.0%	0.6%	0.0%	0.1%	0.0%	0.0%
• Satisfactory	0.0%	0.2%	0.5%	0.0%	0.2%	0.1%	0.0%
Stage 2	0.5%	1.8%	13.9%	0.0%	2.5%	0.6%	0.4%
• Strong	0.0%	0.0%	5.1%	0.0%	1.1%	0.4%	0.0%
• Satisfactory	0.8%	1.6%	5.3%	0.0%	1.6%	0.6%	0.3%
• Higher risk	0.0%	5.8%	27.9%	0.0%	10.2%	2.5%	3.1%
Of which (stage 2):							
• Less than 30 days past due	0.0%	0.0%	5.3%	0.0%	2.5%	0.0%	0.0%
• More than 30 days past due	0.0%	0.0%	27.9%	0.0%	27.9%	0.0%	0.0%
Stage 3, credit-impaired financial assets (S3)	0.0%	58.6%	59.6%	0.0%	58.8%	0.0%	23.1%
• Stage 3 Collateral	–	123	244	–	367	–	20
• Stage 3 Cover ratio (after collateral)	0.0%	64.7%	95.4%	0.0%	72.5%	0.0%	27.7%
Cover ratio	0.0%	1.9%	4.1%	0.0%	2.3%	0.0%	0.2%
Fair value through profit or loss							
Performing	26,846	40,449	–	–	40,449	–	–
• Strong	21,409	23,548	–	–	23,548	–	–
• Satisfactory	5,437	16,882	–	–	16,882	–	–
• Higher risk	–	19	–	–	19	–	–
Defaulted (CG13-14)	–	2	–	–	2	–	–
Gross balance (FVTPL)[2]	26,846	40,451	–	–	40,451	–	–
Net carrying value (incl FVTPL)[3]	38,601	105,455	11,779	814	118,048	–	–

1 Loans and advances include reverse repurchase agreements and other similar secured lending for $9,041 million under Customers and for $1,423 million under Banks, held at amortised cost

2 Loans and advances include reverse repurchase agreements and other similar secured lending for $37,175 million under Customers and for $24,966 million under Banks, held at fair value through profit and loss

3 Excludes 'Amounts due from subsidiary undertakings and other related parties' of $10,066 million. The amounts are held within stage 1 and rated as 'strong' at 31 December 2024 and is net of an expected credit loss of $2.4 million

Company

Amortised cost	Banks $million	Customers: Corporate & Investment Banking $million	Customers: Wealth & Retail Banking $million	Customers: Central & other items $million	Customers: Customer Total $million	Undrawn commitments $million	Financial Guarantees $million
	2023						
Stage 1	9,849	57,077	12,096	1,170	70,343	65,255	47,186
• Strong	5,987	42,254	9,812	867	52,933	58,451	30,160
• Satisfactory	3,862	14,823	2,284	303	17,410	6,804	17,026
Stage 2	286	3,819	258	–	4,077	3,752	1,886
• Strong	54	437	119	–	556	700	679
• Satisfactory	201	2,954	50	–	3,004	2,690	1,098
• Higher risk	31	428	89	–	517	362	109
Of which (stage 2):							
• Less than 30 days past due	–	69	50	–	119	–	–
• More than 30 days past due	–	8	89	–	97	–	–
Stage 3, credit-impaired financial assets	6	2,907	630	224	3,761	–	514
Gross balance[1]	10,141	63,803	12,984	1,394	78,181	69,007	49,586
Stage 1	(1)	(35)	(54)	–	(89)	(15)	(4)
• Strong	(1)	(17)	(35)	–	(52)	(6)	–
• Satisfactory	–	(18)	(19)	–	(37)	(9)	(4)
Stage 2	(1)	(52)	(28)	–	(80)	(18)	(8)
• Strong	(1)	(3)	(3)	–	(6)	(2)	–
• Satisfactory	–	(29)	(2)	–	(31)	(11)	(6)
• Higher risk	–	(20)	(23)	–	(43)	(5)	(2)
Of which (stage 2):							
• Less than 30 days past due	–	–	(2)	–	(2)	–	–
• More than 30 days past due	–	(1)	(23)	–	(24)	–	–
Stage 3, credit-impaired financial assets	(4)	(1,715)	(399)	(15)	(2,129)	–	(87)
Total credit impairment	(6)	(1,802)	(481)	(15)	(2,298)	(33)	(99)
Net carrying value	10,135	62,001	12,503	1,379	75,883	–	–
Stage 1	0.0%	0.1%	0.4%	0.0%	0.1%	0.0%	0.0%
• Strong	0.0%	0.0%	0.4%	0.0%	0.1%	0.0%	0.0%
• Satisfactory	0.0%	0.1%	0.8%	0.0%	0.2%	0.1%	0.0%
Stage 2	0.3%	1.4%	10.9%	0.0%	2.0%	0.5%	0.4%
• Strong	1.9%	0.7%	2.5%	0.0%	1.1%	0.3%	0.0%
• Satisfactory	0.0%	1.0%	4.0%	0.0%	1.0%	0.4%	0.5%
• Higher risk	0.0%	4.7%	25.8%	0.0%	8.3%	1.4%	1.8%
Of which (stage 2):							
• Less than 30 days past due	0.0%	0.0%	4.0%	0.0%	1.7%	0.0%	0.0%
• More than 30 days past due	0.0%	12.5%	25.8%	0.0%	24.7%	0.0%	0.0%
Stage 3, credit-impaired financial assets (S3)	66.7%	59.0%	63.3%	6.7%	56.6%	0.0%	16.9%
• Stage 3 Collateral	–	293	217	–	510	–	22
• Stage 3 Cover ratio (after collateral)	66.7%	69.1%	97.8%	6.7%	70.2%	0.0%	21.2%
Cover ratio	0.1%	2.8%	3.7%	1.1%	2.9%	0.0%	0.2%
Fair value through profit or loss							
Performing	25,655	44,013	–	–	44,013	–	–
• Strong	21,448	26,803	–	–	26,803	–	–
• Satisfactory	4,207	17,210	–	–	17,210	–	–
• Higher risk	–	–	–	–	–	–	–
Defaulted (CG13-14)	–	2	–	–	2	–	–
Gross balance (FVTPL)[2]	25,655	44,015	–	–	44,015	–	–
Net carrying value (incl FVTPL)[3]	35,790	106,016	12,503	1,379	119,898	–	–

1 Loans and advances include reverse repurchase agreements and other similar secured lending of $12,212 million under Customers and of $554 million under Banks, held at amortised cost
2 Loans and advances include reverse repurchase agreements and other similar secured lending of $41,393 million under Customers and of $23,411 million under Banks, held at fair value through profit and loss
3 Excludes 'Amounts due from subsidiary undertakings and other related parties' of $10,053 million. The amounts are held within stage 1 and rated as 'strong' at 31 December 2023 and is net of an expected credit loss of $20.4 million

Movement in gross exposures and credit impairment for loans and advances, debt securities, undrawn commitments and financial guarantees (audited)

The tables overleaf set out the movement in gross exposures and credit impairment by stage in respect of amortised cost loans to banks and customers, undrawn commitments, financial guarantees and debt securities classified at amortised cost and FVOCI.

Methodology

The movement lines within the tables are an aggregation of monthly movements over the year and will therefore reflect the accumulation of multiple trades during the year. The credit impairment charge in the income statement comprises the amounts within the boxes in the table below less recoveries of amounts previously written off. Discount unwind is reported in net interest income and related to stage 3 financial instruments only.

The approach for determining the key line items in the tables is set out below.

- **Transfers** – transfers between stages are deemed to occur at the beginning of a month based on prior month closing balances.
- **Net remeasurement from stage changes** – the remeasurement of credit impairment provisions arising from a change in stage is reported within the stage that the assets are transferred to. For example, assets transferred into stage 2 are remeasured from a 12 month to a lifetime expected credit loss, with the effect of remeasurement reported in stage 2. For stage 3, this represents the initial remeasurement from specific provisions recognised on individual assets transferred into stage 3 in the year.
- **Net changes in exposures** – new business written less repayments in the year. Within stage 1, new business written will attract up to 12 months of expected credit loss charges. Repayments of non-amortising loans (primarily within CIB) will have low amounts of expected credit loss provisions attributed to them, due to the release of provisions over the term to maturity. In stages 2 and 3, the net change in exposures reflect repayments although stage 2 may include new facilities where clients are on non-purely precautionary early alert, are a credit grade 12, or when non-investment grade debt securities are acquired.
- **Changes in risk parameters** – for stages 1 and 2, this reflects changes in the PD, LGD and EAD of assets during the year, which includes the impact of releasing provisions over the term to maturity. It also includes the effect of changes in forecasts of macroeconomic variables during the year and movements in management overlays. In stage 3, this line represents additional specific provisions recognised on exposures held within stage 3.
- **Interest due but not paid** – change in contractual amount of interest due in stage 3 financial instruments but not paid, being the net of accruals, repayments and write-offs, together with the corresponding change in credit impairment.

Changes to ECL models, which incorporates changes to model approaches and methodologies, is not reported as a separate line item as it has an impact over a number of lines and stages.

Movements during the year

Stage 1 gross exposures increased by $26 billion to $466 billion (31 December 2023: $440 billion). CIB exposure increased by $28 billion to $360 billion (31 December 2023: $332 billion), due to increase in exposures in financial guarantees. WRB exposures increased by $0.8 billion to $78.8 billion (31 December 2023: $78 billion), driven by off balance sheet commitments.

Total stage 1 provisions increased by $62 million to $317 million (31 December 2023: $255 million). CIB provisions increased by $26 million to $131 million (31 December 2023: $105 million) which includes new overlays of $25 million, primarily in Bangladesh. WRB provisions increased by $49 million to $180 million (31 December 2023: $131 million), due to delinquencies in the personal loans and unsecured lending portfolio.

Stage 2 gross exposures decreased by $3 billion to $14 billion (31 December 2023: $17 billion), primarily driven by a net reduction in CIB exposures from off balance sheet instruments.

Stage 2 provisions decreased by $39 million to $237 million (31 December 2023: $276 million). Most of the decrease is from Central and other items driven by sovereign upgrades and exposure reductions. CIB provisions remain unchanged at $0.2 billion (31 December 2023: $0.2 billion) as portfolio movements were largely offset by $17 million of new overlays.

Stage 3 gross exposures decreased by $1.2 billion to $4.9 billion (31 December 2023: $6.1 billion) due to repayments and write-offs, leading to a decrease in stage 3 provisions by $0.6 billion to $2.6 billion (31 December 2023: $3.2 billion). WRB stage 3 loans is stable at $1.1 billion (31 December 2023: $1.1 billion).

All segments – Group (audited)

Amortised cost and FVOCI	Stage 1 Gross balance[6] $million	Stage 1 Total credit impairment $million	Stage 1 Net $million	Stage 2 Gross balance[6] $million	Stage 2 Total credit impairment $million	Stage 2 Net $million	Stage 3[5] Gross balance[6] $million	Stage 3[5] Total credit impairment $million	Stage 3[5] Net $million	Total Gross balance[6] $million	Total Total credit impairment $million	Total Net $million
As at 1 January 2023	430,079	(330)	429,749	20,469	(349)	20,120	7,173	(3,831)	3,342	457,721	(4,510)	453,211
Transfers to stage 1	11,184	(515)	10,669	(11,174)	515	(10,659)	(10)	–	(10)	–	–	–
Transfers to stage 2	(26,645)	130	(26,515)	26,784	(138)	26,646	(139)	8	(131)	–	–	–
Transfers to stage 3	(19)	1	(18)	(1,523)	132	(1,391)	1,542	(133)	1,409	–	–	–
Net change in exposures	20,964	(150)	20,814	(14,050)	19	(14,031)	(1,476)	460	(1,016)	5,438	329	5,767
Net remeasurement from stage changes	–	48	48	–	(153)	(153)	–	(61)	(61)	–	(166)	(166)
Changes in models	–	–	–	–	–	–	–	–	–	–	–	–
Changes in risk parameters	–	160	160	–	53	53	–	(503)	(503)	–	(290)	(290)
Derecognised	–	–	–	–	–	–	–	–	–	–	–	–
Write-offs	–	–	–	–	–	–	(666)	666	–	(666)	666	–
Interest due but unpaid	–	–	–	–	–	–	(19)	19	–	(19)	19	–
Discount unwind	–	–	–	–	–	–	–	139	139	–	139	139
Exchange translation differences and other movements[1]	4,263	401	4,664	(3,325)	(355)	(3,680)	(315)	39	(276)	623	85	708
As at 31 December 2023[2]	439,826	(255)	439,571	17,181	(276)	16,905	6,090	(3,197)	2,893	463,097	(3,728)	459,369
Income statement ECL (charge)/release[3]		58			(81)			(104)			(127)	
Recoveries of amounts previously written off		–			–			185			185	
Total credit impairment (charge)/release[4]		58			(81)			81			58	

All segments – Group (audited) continued

Amortised cost and FVOCI	Stage 1			Stage 2			Stage 3[5]			Total		
	Gross balance[6] $million	Total credit impairment $million	Net $million	Gross balance[6] $million	Total credit impairment $million	Net $million	Gross balance[6] $million	Total credit impairment $million	Net $million	Gross balance[6] $million	Total credit impairment $million	Net $million
As at 1 January 2024	439,826	(255)	439,571	17,181	(276)	16,905	6,090	(3,197)	2,893	463,097	(3,728)	459,369
Transfers to stage 1	10,616	(351)	10,265	(10,609)	351	(10,258)	(7)	–	(7)	–	–	–
Transfers to stage 2	(21,414)	78	(21,336)	21,836	(103)	21,733	(422)	25	(397)	–	–	–
Transfers to stage 3	(1,531)	62	(1,469)	538	44	582	993	(106)	887	–	–	–
Net change in exposures	48,007	(169)	47,838	(12,337)	25	(12,312)	(1,023)	578	(445)	34,647	434	35,081
Net remeasurement from stage changes	–	33	33	–	(118)	(118)	–	(94)	(94)	–	(179)	(179)
Changes in models	–	–	–	–	–	–	–	–	–	–	–	–
Changes in risk parameters	–	69	69	–	(42)	(42)	–	(467)	(467)	–	(440)	(440)
Derecognised	–	–	–	–	–	–	–	–	–	–	–	–
Write-offs	–	–	–	–	–	–	(687)	687	–	(687)	687	–
Interest due but unpaid	–	–	–	–	–	–	(132)	132	–	(132)	132	–
Discount unwind	–	–	–	–	–	–	–	106	106	–	106	106
Exchange translation differences and other movements[1]	(9,143)	216	(8,927)	(2,302)	(118)	(2,420)	79	(250)	(171)	(11,366)	(152)	(11,518)
As at 31 December 2024[2]	466,361	(317)	466,044	14,307	(237)	14,070	4,891	(2,586)	2,305	485,559	(3,140)	482,419
Income statement ECL (charge)/release[3]		(67)			(135)			17			(185)	
Recoveries of amounts previously written off		–			–			167			167	
Total credit impairment (charge)/release[4]		(67)			(135)			184			(18)	

1 Includes fair value adjustments and amortisation on debt securities
2 Excludes Cash and balances at central banks, Accrued income, Assets held for sale and Other assets gross balance of $80,975 million (31 December 2023: $87,433 million) and total credit impairment of $63 million (31 December 2023: $60 million)
3 Does not include release relating to Other assets of $3 million (31 December 2023: $Nil million)
4 Reported basis
5 Stage 3 gross includes $59 million (31 December 2023: $80 million) and ECL Nil million (31 December 2023: $14 million) originated credit-impaired debt securities
6 The gross balance includes the notional amount of off balance sheet instruments

All segments – Company (audited)

Amortised cost and FVOCI	Stage 1 Gross balance[6] $million	Stage 1 Total credit impairment $million	Stage 1 Net $million	Stage 2 Gross balance[6] $million	Stage 2 Total credit impairment $million	Stage 2 Net $million	Stage 3[5] Gross balance[6] $million	Stage 3[5] Total credit impairment $million	Stage 3[5] Net $million	Total Gross balance[6] $million	Total Total credit impairment $million	Total Net $million
As at 1 January 2023	280,763	(195)	280,568	12,812	(120)	12,692	5,435	(2,789)	2,646	299,010	(3,104)	295,906
Transfers to stage 1	8,709	(222)	8,487	(8,699)	222	(8,477)	(10)	–	(10)	–	–	–
Transfers to stage 2	(17,712)	43	(17,669)	17,784	(48)	17,736	(72)	5	(67)	–	–	–
Transfers to stage 3	–	–	–	(767)	117	(650)	767	(117)	650	–	–	–
Net change in exposures	8,702	(56)	8,646	(9,095)	12	(9,083)	(1,088)	273	(815)	(1,481)	229	(1,252)
Net remeasurement from stage changes	–	–	–	–	(16)	(16)	–	(32)	(32)	–	(48)	(48)
Changes in risk parameters	–	64	64	–	93	93	–	(330)	(330)	–	(173)	(173)
Write-offs	–	–	–	–	–	–	(435)	435	–	(435)	435	–
Interest due but unpaid	–	–	–	–	–	–	(154)	154	–	(154)	154	–
Discount unwind	–	–	–	–	–	–	–	139	139	–	139	139
Exchange translation differences and other movements[1]	4,209	234	4,443	(1,719)	(367)	(2,086)	(86)	(14)	(100)	2,404	(147)	2,257
As at 31 December 2023[2]	284,671	(132)	284,539	10,316	(107)	10,209	4,357	(2,276)	2,081	299,344	(2,515)	296,829
Income statement ECL (charge)/release		8			89			(89)			8	
Recoveries of amounts previously written off		–			–			73			73	
Total credit impairment (charge)/release[4]		8			89			(16)			81	

All segments – Company (audited) continued

Amortised cost and FVOCI	Stage 1 Gross balance[6] $million	Stage 1 Total credit impairment $million	Stage 1 Net $million	Stage 2 Gross balance[6] $million	Stage 2 Total credit impairment $million	Stage 2 Net $million	Stage 3[5] Gross balance[6] $million	Stage 3[5] Total credit impairment $million	Stage 3[5] Net $million	Total Gross balance[6] $million	Total Total credit impairment $million	Total Net $million
As at 1 January 2024	284,671	(132)	284,539	10,316	(107)	10,209	4,357	(2,276)	2,081	299,344	(2,515)	296,829
Transfers to stage 1	7,448	(173)	7,275	(7,445)	173	(7,272)	(3)	–	(3)	–	–	–
Transfers to stage 2	(14,259)	35	(14,224)	14,573	(52)	14,521	(314)	17	(297)	–	–	–
Transfers to stage 3	(187)	(4)	(191)	(270)	48	(222)	457	(44)	413	–	–	–
Net change in exposures	29,361	(64)	29,297	(7,981)	(2)	(7,983)	(822)	398	(424)	20,558	332	20,890
Net remeasurement from stage changes	–	7	7	–	(21)	(21)	–	(19)	(19)	–	(33)	(33)
Changes in risk parameters	–	31	31	–	29	29	–	(304)	(304)	–	(244)	(244)
Write-offs	–	–	–	–	–	–	(422)	422	–	(422)	422	–
Interest due but unpaid	–	–	–	–	–	–	(145)	145	–	(145)	145	–
Discount unwind	–	–	–	–	–	–	–	51	51	–	51	51
Exchange translation differences and other movements[1]	(7,116)	143	(6,973)	(901)	(191)	(1,092)	24	(72)	(48)	(7,993)	(120)	(8,113)
As at 31 December 2024[2]	299,918	(157)	299,761	8,292	(123)	8,169	3,132	(1,682)	1,450	311,342	(1,962)	309,380
Income statement ECL (charge)/release[3]		(26)			6			75			55	
Recoveries of amounts previously written off		–			–			60			60	
Total credit impairment (charge)/release[4]		(26)			6			135			115	

1 Includes fair value adjustments and amortisation on debt securities
2 Excludes Cash and balances at central banks, Accrued income, Assets held for sale and Other assets gross balance of $64,555 million (31 December 2023: $70,951 million) and total credit impairment of $5 million(31 December 2023: $Nil million)
3 Does not include charge relating to Other assets of $2 million (31 December 2023: Nil)
4 Reported basis
5 Stage 3 gross includes Nil million (31 December 2023: $25 million) and ECL Nil million (31 December 2023: $14 million) originated credit-impaired debt securities
6 The gross balance includes the notional amount of off balance sheet instruments

Credit impairment charge (audited)

The table below analyses credit impairment charges or releases of the ongoing business portfolio and restructuring business portfolio for the year ended 31 December 2024.

> Further details can be found in the '**Summary of Credit Risk Performance**' section in page 59.

	2024			2023		
	Stage 1 & 2 $million	Stage 3 $million	Total $million	Stage 1 & 2 $million	Stage 3 $million	Total $million
Ongoing business portfolio						
Corporate & Investment Banking	31	(293)	(262)	5	(168)	(163)
Wealth & Retail Banking	171	115	286	50	79	129
Ventures	13	12	25	7	6	13
Central & other items	(16)	(18)	(34)	(39)	2	(37)
Total credit impairment charge/(release)	199	(184)	15	23	(81)	(58)

Problem credit management and provisioning (audited)

Forborne and other modified loans by client segment

A forborne loan arises when a concession has been made to the contractual terms of a loan in response to a customer's financial difficulties.

Net forborne loans decreased by $67 million to $503 million (31 December 2023: $570 million) largely due to repayments. Net non-performing forborne loans decreased by $78 million to $461 million (31 December 2023: $539 million) mainly in CIB. This was partly offset by an increase of $11 million in performing forborne loans.

The table below presents loans with forbearance measures by segment.

Group

	2024				2023			
Amortised cost	Corporate, & Investment Banking $million	Wealth & Retail Banking $million	Ventures $million	Total $million	Corporate, & Investment Banking $million	Wealth & Retail Banking $million	Ventures $million	Total $million
Gross Stage 1 and 2 forborne loans	17	26	–	43	–	33	–	33
Modification of terms and conditions[1]	17	26	–	43	–	33	–	33
Impairment provisions	–	(1)	–	(1)	–	(2)	–	(2)
Modification of terms and conditions[1]	–	(1)	–	(1)	–	(2)	–	(2)
Net stage 1 and 2 forborne loans	17	25	–	42	–	31	–	31
Collateral	–	25	–	25	–	31	–	31
Gross stage 3 forborne loans	960	148	–	1,108	1,218	161	–	1,379
Modification of terms and conditions[1]	959	148	–	1,107	1,210	161	–	1,371
Refinancing[2]	1	–	–	1	8	–	–	8
Impairment provisions	(575)	(72)	–	(647)	(755)	(85)	–	(840)
Modification of terms and conditions[1]	(574)	(72)	–	(646)	(747)	(85)	–	(832)
Refinancing[2]	(1)	–	–	(1)	(8)	–	–	(8)
Net stage 3 forborne loans	385	76	–	461	463	76	–	539
Collateral	74	53	–	127	153	42	–	195
Net Carrying value of forborne loans	402	101	–	503	463	107	–	570

1 Modification of terms is any contractual change apart from refinancing, as a result of credit stress of the counterparty, i.e. interest reductions, loan covenant waivers
2 Refinancing is a new contract to a lender in credit stress, such that they are refinanced and can pay other debt contracts that they were unable to honour

Company

Amortised cost	2024 Corporate, & Investment Banking $million	2024 Wealth & Retail Banking $million	2024 Total $million	2023 Corporate, & Investment Banking $million	2023 Wealth & Retail Banking $million	2023 Total $million
Gross stage 1 and 2 forborne loans	–	15	15	–	17	17
Modification of terms and conditions[1]	–	15	15	–	17	17
Impairment provisions	–	–	–	–	(1)	(1)
Modification of terms and conditions[1]	–	–	–	–	(1)	(1)
Net stage 1 and 2 forborne loans	–	15	15	–	16	16
Collateral	–	14	14	–	18	18
Gross stage 3 forborne loans	701	7	708	904	8	912
Modification of terms and conditions[1]	701	7	708	897	8	905
Refinancing[2]	–	–	–	7	–	7
Impairment provisions	(394)	(3)	(397)	(549)	(3)	(552)
Modification of terms and conditions[1]	(394)	(3)	(397)	(542)	(3)	(545)
Refinancing[2]	–	–	–	(7)	–	(7)
Net stage 3 forborne loans	307	4	311	355	5	360
Collateral	62	3	65	124	3	127
Net carrying value of forborne loans	307	19	326	355	21	376

1 Modification of terms is any contractual change apart from refinancing, as a result of credit stress of the counterparty, i.e. interest reductions, loan covenant waivers
2 Refinancing is a new contract to a lender in credit stress, such that they are refinanced and can pay other debt contracts that they were unable to honour

Credit risk mitigation

Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, netting arrangements, credit insurance and credit derivatives, taking into account expected volatility and guarantees.

The reliance that can be placed on these mitigants is carefully assessed in light of issues such as legal certainty and enforceability, market valuation correlation and counterparty risk of the guarantor.

Collateral (audited)

A secured loan is one where the borrower pledges an asset as collateral of which the Group is able to take possession in the event that the borrower defaults.

The collateral values in the table below (which covers loans and advances to banks and customers, excluding those held at fair value through profit or loss) are adjusted where appropriate in accordance with our risk mitigation policy and for the effect of over-collateralisation. The extent of over-collateralisation has been determined with reference to both the drawn and undrawn components of exposure as this best reflects the effect of collateral and other credit enhancements on the amounts arising from expected credit losses. We have remained prudent in the way we assess the value of collateral, which is calibrated for a severe downturn and backtested against our prior experience.

Collateral held on loans and advances

The table below details collateral held against exposures, separately disclosing stage 2 and stage 3 exposure and corresponding collateral.

Group

	2024								
	Net amount outstanding			Collateral			Net exposure		
Amortised cost	Total $million	Stage 2 financial assets $million	Credit-impaired financial assets (S3) $million	Total[2] $million	Stage 2 financial assets $million	Credit-impaired financial assets (S3) $million	Total $million	Stage 2 financial assets $million	Credit-impaired financial assets (S3) $million
Corporate & Investment Banking[1]	113,333	6,429	1,125	26,379	2,398	170	86,954	4,031	955
Wealth & Retail Banking	47,016	946	501	31,210	688	412	15,806	258	89
Ventures	574	1	–	–	–	–	574	1	–
Central & other items	20,260	35	98	80	35	–	20,180	–	98
Total[2]	181,183	7,411	1,724	57,669	3,121	582	123,514	4,290	1,142

	2023								
	Net amount outstanding			Collateral			Net exposure		
Amortised cost	Total $million	Stage 2 financial assets $million	Credit-impaired financial assets (S3) $million	Total[2] $million	Stage 2 financial assets $million	Credit-impaired financial assets (S3) $million	Total $million	Stage 2 financial assets $million	Credit-impaired financial assets (S3) $million
Corporate & Investment Banking[1]	107,336	6,091	1,593	25,744	2,043	352	81,592	4,048	1,241
Wealth & Retail Banking	47,615	935	425	29,960	619	393	17,655	316	32
Ventures	230	2	–	–	–	–	230	2	–
Central & other items	23,765	964	209	2,369	964	–	21,396	–	209
Total[2]	178,946	7,992	2,227	58,073	3,626	745	120,873	4,366	1,482

1 Includes loans and advances to banks
2 Adjusted for over-collateralisation based on the drawn and undrawn components of exposures

Company

	2024								
	Net amount outstanding			Collateral			Net exposure		
Amortised cost	Total $million	Stage 2 financial assets $million	Credit-impaired financial assets (S3) $million	Total[2] $million	Stage 2 financial assets $million	Credit-impaired financial assets (S3) $million	Total $million	Stage 2 financial assets $million	Credit-impaired financial assets (S3) $million
Corporate & Investment Banking[1]	76,759	3,927	833	19,149	1,542	123	57,610	2,385	710
Wealth & Retail Banking	11,779	192	275	6,653	110	244	5,126	82	31
Central & other items	814	–	–	–	–	–	814	–	–
Total[2]	89,352	4,119	1,108	25,802	1,652	367	63,550	2,467	741

	2023								
	Net amount outstanding			Collateral			Net exposure		
Amortised cost	Total $million	Stage 2 financial assets $million	Credit-impaired financial assets (S3) $million	Total[2] $million	Stage 2 financial assets $million	Credit-impaired financial assets (S3) $million	Total $million	Stage 2 financial assets $million	Credit-impaired financial assets (S3) $million
Corporate & Investment Banking[1]	72,136	4,052	1,194	19,783	1,343	293	52,353	2709	901
Wealth & Retail Banking	12,503	230	231	6,401	94	217	6,102	136	14
Central & other items	1,379	–	209	750	–	–	629	0	209
Total[2]	86,018	4,282	1,634	26,934	1,437	510	59,084	2,845	1,124

1 Includes loans and advances to banks
2 Adjusted for over-collateralisation based on the drawn and undrawn components of exposures

Collateral – Corporate & Investment Banking (audited)

Our underwriting standards encourage taking specific charges on assets and we consistently seek high-quality, investment-grade collateral.

88 per cent (31 December 2023: 82 per cent) of tangible collateral excluding reverse repurchase agreements and financial guarantees held comprises physical assets or is property based, with the remainder held in cash. Overall collateral increased by $0.7 billion to $26.4 billion (31 December 2023: $25.7 billion).

Non-tangible collateral, such as guarantees and standby letters of credit, is also held against corporate exposures, although the financial effect of this type of collateral is less significant in terms of recoveries. However, this is considered when determining the probability of default and other credit-related factors. Collateral is also held against off balance sheet exposures, including undrawn commitments and trade-related instruments.

The following table provides an analysis of the types of collateral held against CIB loan exposures.

Group

Corporate & Investment Banking

Amortised cost	2024 $million	2023 $million
Maximum exposure	113,333	107,336
Property	3,459	3,486
Plant, machinery and other stock	904	896
Cash	1,031	1,497
Reverse repos	11,972	13,127
AA- to AA+	897	395
A- to A+	8,225	10,548
BBB- to BBB+	981	855
Lower than BBB-	95	169
Unrated	1,774	1,160
Financial guarantees and insurance	5,564	4,169
Commodities	33	5
Ships and aircraft	3,416	2,564
Total value of collateral[1]	26,379	25,744
Net exposure	86,954	81,592

Company

Corporate & Investment Banking

Amortised cost	2024 $million	2023 $million
Maximum exposure	76,759	72,136
Property	1,752	2,186
Plant, machinery and other stock	636	602
Cash	835	953
Reverse repos	10,464	12,016
AA- to AA+	742	395
A- to A+	8,225	10,548
BBB- to BBB+	564	21
Unrated	933	1,052
Financial guarantees and insurance	4,187	2,916
Commodities	8	2
Ships and aircraft	1,267	1,108
Total value of collateral[1]	19,149	19,783
Net exposure	57,610	52,353

1 Adjusted for over-collateralisation based on the drawn and undrawn components of exposures

Group

Collateral – Wealth & Retail Banking (audited)

In WRB, fully secured products increased by 1 per cent to 86 per cent of the total portfolio (31 December 2023: 85 per cent).

The following table presents an analysis of loans to individuals by product; split between fully secured, partially secured and unsecured:

Amortised cost	2024 Fully secured[1] $million	2024 Partially secured[1] $million	2024 Unsecured $million	2024 Total[2] $million	2023 Fully secured[1] $million	2023 Partially secured[1] $million	2023 Unsecured $million	2023 Total[2] $million
Maximum exposure	**40,229**	**226**	**6,561**	**47,016**	40,483	198	6,934	47,615
Loans to individuals								
Mortgages	**23,001**	**–**	**–**	**23,001**	24,750	–	–	24,750
CCPL	**463**	**–**	**5,930**	**6,393**	370	–	6,334	6,704
Auto	**160**	**–**	**–**	**160**	312	–	–	312
Secured wealth products	**16,595**	**–**	**–**	**16,595**	15,009	–	–	15,009
Other	**10**	**226**	**631**	**867**	42	198	600	840
Total collateral[2]				**31,210**				29,960
Net exposure[3]				**15,806**				17,655
Percentage of total loans	**86%**	**0%**	**14%**		85%	0%	15%	

1 Secured loans are fully secured if the fair value of the collateral is equal to or greater than the loan at the time of origination. All other secured loans are considered to be partly secured
2 Collateral values are adjusted where appropriate in accordance with our risk mitigation policy and for the effect of over-collateralisation
3 Amounts net of ECL

Company

Collateral - Wealth & Retail Banking (audited)

In WRB, $9.4 billion which equates to 80 per cent of the portfolio is fully secured (31 December 2023: 76 per cent).

The following table presents an analysis of loans to individuals by product; split between fully secured, partially secured and unsecured:

Amortised cost	2024 Fully secured[1] $million	2024 Partially secured[1] $million	2024 Unsecured $million	2024 Total[2] $million	2023 Fully secured[1] $million	2023 Partially secured[1] $million	2023 Unsecured $million	2023 Total[2] $million
Maximum exposure	**9,375**	**167**	**2,237**	**11,779**	9,531	156	2,816	12,503
Loans to individuals								
Mortgages	**5,030**	**–**	**–**	**5,030**	5,345	–	–	5,345
CCPL	**464**	**–**	**1,890**	**2,354**	369	–	2,460	2,829
Auto	**7**	**–**	**–**	**7**	15	–	–	15
Secured wealth products	**3,860**	**–**	**–**	**3,860**	3,786	–	–	3,786
Other	**14**	**167**	**347**	**528**	16	156	356	528
Total collateral[2]				**6,653**				6,401
Net exposure[3]				**5,126**				6,102
Percentage of total loans	**80%**	**1%**	**19%**		76%	1%	23%	

1 Secured loans are fully secured if the fair value of the collateral is equal to or greater than the loan at the time of origination. All other secured loans are considered to be partly secured
2 Collateral values are adjusted where appropriate in accordance with our risk mitigation policy and for the effect of over-collateralisation
3 Amounts net of ECL

Mortgage loan-to-value ratios by geography (audited)

Loan-to-value (LTV) ratios measure the ratio of the current mortgage outstanding to the current fair value of the properties on which they are secured.

In mortgages, the value of property held as security significantly exceeds the value of mortgage loans. The average LTV of the overall mortgage portfolio is low at 45.1 per cent (31 December 2023: 45.8 per cent). Singapore, which represents 56 per cent of the mortgage portfolio as at 31 December 2023, has an average LTV of 42.5 per cent (31 December 2023: 43.4 per cent).

An analysis of LTV ratios by geography for the mortgage portfolio is presented in the table below.

	2024					2023[1]				
Amortised cost	Singapore %	Malaysia %	Jersey %	Others %	Total %	Singapore %	Malaysia %	Jersey %	Others %	Total %
Less than 50 per cent	**52.7**	**37.4**	**28.2**	**62.8**	**51.0**	50.9	41.1	31.0	57.4	49.6
50 per cent to 59 per cent	**21.8**	**15.2**	**14.9**	**16.5**	**19.2**	24.7	14.1	17.4	17.9	21.4
60 per cent to 69 per cent	**15.6**	**18.1**	**33.7**	**12.4**	**16.7**	15.2	15.4	33.9	13.8	16.4
70 per cent to 79 per cent	**9.6**	**16.2**	**17.6**	**6.4**	**10.4**	8.7	16.2	14.4	7.9	9.8
80 per cent to 89 per cent	**0.1**	**11.6**	**3.9**	**1.2**	**2.2**	0.5	11.8	2.5	1.5	2.2
90 per cent to 99 per cent	**0.0**	**0.9**	**1.7**	**0.5**	**0.4**	0.0	0.8	0.6	0.7	0.3
100 per cent and greater	**0.1**	**0.6**	**0.1**	**0.3**	**0.2**	0.0	0.6	0.3	0.8	0.3
Average portfolio loan-to-value	**42.5**	**55.4**	**58.8**	**42.2**	**45.1**	43.4	54.2	56.0	45.4	45.8
Loans to individuals – mortgages ($million)	**13,756**	**3,332**	**2,142**	**3,771**	**23,001**	15,292	3,199	2,218	4,041	24,750

1 Amounts have been re-presented from a regional basis (Asia; Africa & Middle East; and Europe & Americas) to key geographies covering the majority of the reported balances.

Collateral and other credit enhancements possessed or called upon (audited)

The Group obtains assets by taking possession of collateral or calling upon other credit enhancements (such as guarantees). Repossessed properties are sold in an orderly fashion. Where the proceeds are in excess of the outstanding loan balance the excess is returned to the borrower.

Certain equity securities acquired may be held by the Group for investment purposes and are classified as fair value through profit or loss, and the related loan written off. The carrying value of collateral possessed and held by the Group as at 31 December 2024 is $23.7 million (31 December 2023: $16.5 million).

	2024 $million	2023 $million
Property, plant and equipment	**6.1**	10.5
Guarantees	**4.7**	6.0
Other	**12.9**	–
Total	**23.7**	16.5

Other Credit Risk mitigation

Other forms of Credit Risk mitigation are set out below.

Credit default swaps

The Group has entered into credit default swaps for portfolio management purposes, referencing loan assets with a notional value of $2.8 billion (31 December 2023: $3.5 billion). These credit default swaps are accounted for as financial guarantees as per IFRS 9 as they will only reimburse the holder for an incurred loss on an underlying debt instrument. The Group continues to hold the underlying assets referenced in the credit default swaps and it continues to be exposed to related Credit and Foreign Exchange Risk on these assets.

Credit linked notes

The Group has issued credit linked notes for portfolio management purposes, referencing loan assets with a notional value of $18.6 billion (31 December 2023: $22.5 billion). The Group continues to hold the underlying assets for which the credit linked notes provide mitigation. The credit linked notes are recognised as a financial liability at amortised cost on the balance sheet and are adjusted, where appropriate, for reductions in expected future cash flows with a corresponding credit to credit impairment in the income statement.

Derivative financial instruments

The Group enters into master netting agreements, which in the event of default result in a single amount owed by or to the counterparty through netting the sum of the positive and negative mark-to-market values of applicable derivative transactions. These are also set out under the Derivative financial instruments Credit Risk mitigation section (page 77).

Off-balance sheet exposures

For certain types of exposures, such as letters of credit and guarantees, the Group obtains collateral such as cash depending on internal Credit Risk assessments, as well as in the case of letters of credit holding legal title to the underlying assets should a default take place.

Other portfolio analysis

This section provides maturity analysis of loans and advances by business segment.

Contractual maturity analysis of loans and advances by client segment (audited)

Loans and advances to the CIB segment remain predominantly short-term, with $58 billion (31 December 2023: $56 billion) maturing in less than one year. 88 per cent (31 December 2023: 97 per cent) of loans to banks mature in less than one year. Shorter maturities give us the flexibility to respond promptly to events and rebalance or reduce our exposure to clients or sectors that are facing increased pressure or uncertainty. The WRB loan book continues to be longer-term in nature with 47 per cent (31 December 2023: 49 per cent) of the loans maturing over five years, as mortgages constitute the majority of this portfolio.

Group

	2024				2023			
Amortised cost	One year or less $million	One to five years $million	Over five years $million	Total $million	One year or less $million	One to five years $million	Over five years $million	Total $million
Corporate & Investment Banking	58,427	20,537	13,461	92,425	55,898	21,194	10,004	87,096
Wealth & Retail Banking	20,579	4,748	22,534	47,861	20,078	4,767	23,591	48,436
Ventures	391	204	–	595	198	41	–	239
Central & other items	20,259	–	1	20,260	23,725	56	–	23,781
Gross loans and advances to customers	99,656	25,489	35,996	161,141	99,899	26,058	33,595	159,552
Impairment provisions	(2,652)	(172)	(75)	(2,899)	(3,245)	(101)	(63)	(3,409)
Net loans and advances to customers	97,004	25,317	35,921	158,242	96,654	25,957	33,532	156,143
Net loans and advances to banks	20,285	2,376	280	22,941	22,029	773	1	22,803

Company

	2024				2023			
Amortised cost	One year or less $million	One to five years $million	Over five years $million	Total $million	One year or less $million	One to five years $million	Over five years $million	Total[1] $million
Corporate & Investment Banking	44,859	12,646	8,790	66,295	42,803	13,828	7,172	63,803
Wealth & Retail Banking	5,831	2,278	4,174	12,283	5,692	2,762	4,530	12,984
Ventures	–	–	–	–	–	–	–	–
Central & other items	813	–	1	814	1,349	45	–	1,394
Gross loans and advances to customers	51,503	14,924	12,965	79,392	49,844	16,635	11,702	78,181
Impairment provisions	(1,683)	(75)	(37)	(1,795)	(2,202)	(54)	(42)	(2,298)
Net loans and advances to customers	49,820	14,849	12,928	77,597	47,642	16,581	11,660	75,883
Net loans and advances to banks	10,162	1,313	280	11,755	9,439	695	1	10,135

1 Excludes 'Amounts due from subsidiary undertakings and other related parties' of $10,066 million (31 December 2023: $10,053 million). The amounts are held within stage 1 and rated as 'strong' and is net of an expected credit loss of $2.4 million (31 December 2023: $20.4 million)

Credit quality by industry

Loans and advances

This section provides an analysis of the Group's amortised cost portfolio by industry on a gross, total credit impairment and net basis.

Group

	2024											
	Stage 1			Stage 2			Stage 3			Total		
Amortised cost	Gross balance $million	Total credit impairment $million	Net carrying amount $million	Gross balance $million	Total credit impairment $million	Net carrying amount $million	Gross balance $million	Total credit impairment $million	Net carrying amount $million	Gross balance $million	Total credit impairment $million	Net carrying amount $million
Industry:												
Energy	10,695	(11)	10,684	449	(33)	416	859	(551)	308	12,003	(595)	11,408
Manufacturing	9,610	(9)	9,601	509	(10)	499	390	(278)	112	10,509	(297)	10,212
Financing, insurance and non-banking	26,699	(12)	26,687	804	(1)	803	86	(74)	12	27,589	(87)	27,502
Transport, telecom and utilities	9,542	(9)	9,533	1,962	(26)	1,936	330	(85)	245	11,834	(120)	11,714
Food and household products	6,484	(8)	6,476	267	(8)	259	236	(184)	52	6,987	(200)	6,787
Commercial real estate	5,394	(7)	5,387	879	(9)	870	120	(82)	38	6,393	(98)	6,295
Mining and quarrying	3,757	(3)	3,754	251	(12)	239	124	(56)	68	4,132	(71)	4,061
Consumer durables	2,699	(6)	2,693	187	(16)	171	245	(229)	16	3,131	(251)	2,880
Construction	1,181	(1)	1,180	478	(5)	473	171	(160)	11	1,830	(166)	1,664
Trading companies & distributors	364	–	364	2	–	2	82	(44)	38	448	(44)	404
Government	24,374	–	24,374	428	(12)	416	193	(18)	175	24,995	(30)	24,965
Other	2,624	(2)	2,622	72	(4)	68	139	(68)	71	2,835	(74)	2,761
Total	103,423	(68)	103,355	6,288	(136)	6,152	2,975	(1,829)	1,146	112,686	(2,033)	110,653
Retail Products:												
Mortgage	22,266	(7)	22,259	436	(2)	434	431	(123)	308	23,133	(132)	23,001
Credit Cards	3,665	(70)	3,595	95	(37)	58	49	(44)	5	3,809	(151)	3,658
Personal loans and other unsecured lending	3,280	(82)	3,198	69	(13)	56	118	(64)	54	3,467	(159)	3,308
Auto	159	–	159	1	–	1	–	–	–	160	–	160
Secured wealth products	16,110	(24)	16,086	387	(5)	382	460	(334)	126	16,957	(363)	16,594
Other	848	(3)	845	16	–	16	65	(58)	7	929	(61)	868
Total	46,328	(186)	46,142	1,004	(57)	947	1,123	(623)	500	48,455	(866)	47,589
Net carrying value (customers)[1]	149,751	(254)	149,497	7,292	(193)	7,099	4,098	(2,452)	1,646	161,141	(2,899)	158,242
Net carrying value (banks)[1]	22,556	(5)	22,551	313	(1)	312	80	(2)	78	22,949	(8)	22,941

1 Includes reverse repurchase agreements and other similar secured lending held at amortised cost of $9,121 million for Customers and $2,889 million for Banks

	2023											
	Stage 1			Stage 2			Stage 3			Total		
Amortised cost	Gross balance $million	Total credit impairment $million	Net carrying amount $million	Gross balance $million	Total credit impairment $million	Net carrying amount $million	Gross balance $million	Total credit impairment $million	Net carrying amount $million	Gross balance $million	Total credit impairment $million	Net carrying amount $million
Industry:												
Energy	8,064	(9)	8,055	648	(22)	626	933	(527)	406	9,645	(558)	9,087
Manufacturing	10,639	(6)	10,633	491	(13)	478	541	(329)	212	11,671	(348)	11,323
Financing, insurance and non-banking	24,376	(10)	24,366	169	(1)	168	79	(76)	3	24,624	(87)	24,537
Transport, telecom and utilities	8,846	(6)	8,840	1,583	(32)	1,551	481	(178)	303	10,910	(216)	10,694
Food and household products	5,853	(15)	5,838	323	(7)	316	354	(261)	93	6,530	(283)	6,247
Commercial real estate	5,917	(9)	5,908	705	(13)	692	282	(170)	112	6,904	(192)	6,712
Mining and quarrying	3,795	(3)	3,792	132	(10)	122	147	(81)	66	4,074	(94)	3,980
Consumer durables	2,363	(2)	2,361	221	(20)	201	290	(271)	19	2,874	(293)	2,581
Construction	1,520	(1)	1,519	480	(8)	472	358	(326)	32	2,358	(335)	2,023
Trading companies & distributors	355	–	355	10	–	10	102	(55)	47	467	(55)	412
Government	26,209	(4)	26,205	1,768	(5)	1,763	357	(33)	324	28,334	(42)	28,292
Other	2,168	(3)	2,165	131	(3)	128	187	(70)	117	2,486	(76)	2,410
Total	100,105	(68)	100,037	6,661	(134)	6,527	4,111	(2,377)	1,734	110,877	(2,579)	108,298
Retail Products:												
Mortgage	24,008	(7)	24,001	509	(3)	506	353	(110)	243	24,870	(120)	24,750
Credit Cards	3,310	(57)	3,253	120	(25)	95	42	(29)	13	3,472	(111)	3,361
Personal loans and other unsecured lending	3,500	(48)	3,452	65	(19)	46	180	(105)	75	3,745	(172)	3,573
Auto	310	–	310	1	–	1	1	–	1	312	–	312
Secured wealth products	14,663	(14)	14,649	258	(8)	250	435	(325)	110	15,356	(347)	15,009
Other	822	(4)	818	43	(4)	39	55	(72)	(17)	920	(80)	840
Total	46,613	(130)	46,483	996	(59)	937	1,066	(641)	425	48,675	(830)	47,845
Net carrying value (customers)[1]	146,718	(198)	146,520	7,657	(193)	7,464	5,177	(3,018)	2,159	159,552	(3,409)	156,143
Net carrying value (Banks)[1]	22,210	(3)	22,207	537	(9)	528	74	(6)	68	22,821	(18)	22,803

1 Includes reverse repurchase agreements and other similar secured lending held at amortised cost of $13,827 million for Customers and $1,653 million for Banks

Company

Amortised cost	2024 Stage 1 Gross balance $million	Stage 1 Total credit impairment $million	Stage 1 Net carrying amount $million	Stage 2 Gross balance $million	Stage 2 Total credit impairment $million	Stage 2 Net carrying amount $million	Stage 3 Gross balance $million	Stage 3 Total credit impairment $million	Stage 3 Net carrying amount $million	Total Gross balance $million	Total Total credit impairment $million	Total Net carrying amount $million
Industry:												
Energy	7,345	(5)	7,340	342	(10)	332	564	(266)	298	8,251	(281)	7,970
Manufacturing	6,415	(7)	6,408	330	(4)	326	312	(234)	78	7,057	(245)	6,812
Financing, insurance and non-banking	23,812	(9)	23,803	413	(1)	412	24	(22)	2	24,249	(32)	24,217
Transport, telecom and utilities	5,256	(6)	5,250	1,485	(22)	1,463	267	(62)	205	7,008	(90)	6,918
Food and household products	3,743	(4)	3,739	106	(5)	101	83	(59)	24	3,932	(68)	3,864
Commercial real estate	3,655	(7)	3,648	443	(8)	435	115	(79)	36	4,213	(94)	4,119
Mining and quarrying	2,795	(2)	2,793	56	(8)	48	51	(48)	3	2,902	(58)	2,844
Consumer durables	1,796	(6)	1,790	83	(9)	74	225	(209)	16	2,104	(224)	1,880
Construction	878	(1)	877	127	–	127	105	(96)	9	1,110	(97)	1,013
Trading companies & distributors	227	–	227	2	–	2	54	(23)	31	283	(23)	260
Government	3,874	–	3,874	378	(3)	375	94	(18)	76	4,346	(21)	4,325
Other	1,521	(1)	1,520	22	(2)	20	111	(59)	52	1,654	(62)	1,592
Total	61,317	(48)	61,269	3,787	(72)	3,715	2,005	(1,175)	830	67,109	(1,295)	65,814
Retail Products:												
Mortgage	4,805	(5)	4,800	69	(1)	68	243	(81)	162	5,117	(87)	5,030
Credit Cards	599	(12)	587	35	(16)	19	18	(10)	8	652	(38)	614
Personal loans and other unsecured lending	1,744	(44)	1,700	34	(8)	26	26	(11)	15	1,804	(63)	1,741
Auto	7	–	7	–	–	–	–	–	–	7	–	7
Secured wealth products	3,708	(6)	3,702	79	(2)	77	367	(285)	82	4,154	(293)	3,861
Other	517	(1)	516	6	–	6	26	(18)	8	549	(19)	530
Total	11,380	(68)	11,312	223	(27)	196	680	(405)	275	12,283	(500)	11,783
Net carrying value (customers)[1]	72,697	(116)	72,581	4,010	(99)	3,911	2,685	(1,580)	1,105	79,392	(1,795)	77,597
Net carrying value (banks)[1]	11,545	(1)	11,544	209	(1)	208	3	–	3	11,757	(2)	11,755

1 Includes reverse repurchase agreements and other similar secured lending held at amortised cost of $9,041 million for Customers and $1,423 million for Banks

Amortised cost	2023 Stage 1 Gross balance $million	Stage 1 Total credit impairment $million	Stage 1 Net carrying amount $million	Stage 2 Gross balance $million	Stage 2 Total credit impairment $million	Stage 2 Net carrying amount $million	Stage 3 Gross balance $million	Stage 3 Total credit impairment $million	Stage 3 Net carrying amount $million	Total Gross balance $million	Total Total credit impairment $million	Total Net carrying amount $million
Industry:												
Energy	5,560	(4)	5,556	475	(3)	472	648	(276)	372	6,683	(283)	6,400
Manufacturing	6,907	(3)	6,904	275	(4)	271	426	(283)	143	7,608	(290)	7,318
Financing, insurance and non-banking	21,533	(4)	21,529	85	(1)	84	29	(26)	3	21,647	(31)	21,616
Transport, telecom and utilities	4,915	(4)	4,911	1,288	(18)	1,270	367	(110)	257	6,570	(132)	6,438
Food and household products	3,640	(3)	3,637	58	(1)	57	190	(149)	41	3,888	(153)	3,735
Commercial real estate	4,560	(7)	4,553	288	(1)	287	257	(165)	92	5,105	(173)	4,932
Mining and quarrying	2,968	(1)	2,967	76	(7)	69	77	(73)	4	3,121	(81)	3,040
Consumer durables	1,811	(2)	1,809	95	(7)	88	260	(244)	16	2,166	(253)	1,913
Construction	1,127	(1)	1,126	305	(5)	300	293	(269)	24	1,725	(275)	1,450
Trading companies & distributors	163	–	163	7	–	7	78	(38)	40	248	(38)	210
Government	3,688	(4)	3,684	794	(3)	791	357	(33)	324	4,839	(40)	4,799
Other	1,375	(2)	1,373	73	(2)	71	149	(64)	85	1,597	(68)	1,529
Total	58,247	(35)	58,212	3,819	(52)	3,767	3,131	(1,730)	1,401	65,197	(1,817)	63,380
Retail Products:												
Mortgage	5,160	(4)	5,156	72	(1)	71	191	(73)	118	5,423	(78)	5,345
Credit Cards	634	(14)	620	62	(11)	51	11	(8)	3	707	(33)	674
Personal loans and other unsecured lending	2,125	(26)	2,099	41	(11)	30	38	(12)	26	2,204	(49)	2,155
Auto	15	–	15	–	–	–	–	–	–	15	–	15
Secured wealth products	3,649	(7)	3,642	70	(3)	67	368	(291)	77	4,087	(301)	3,786
Other	513	(3)	510	13	(2)	11	22	(15)	7	548	(20)	528
Total	12,096	(54)	12,042	258	(28)	230	630	(399)	231	12,984	(481)	12,503
Net carrying value (customers)[1]	70,343	(89)	70,254	4,077	(80)	3,997	3,761	(2,129)	1,632	78,181	(2,298)	75,883
Net carrying value (banks)[1]	9,849	(1)	9,848	286	(1)	285	6	(4)	2	10,141	(6)	10,135

1 Includes reverse repurchase agreements and other similar secured lending held at amortised cost of $12,212 million for Customers and $554 million for Banks

Debt securities and other eligible bills (audited)

This section provides further detail on gross debt securities and treasury bills.

The standard credit ratings used by the Group are those used by Standard & Poor's or its equivalent. Debt securities held that have a short-term rating are reported against the long-term rating of the issuer. For securities that are unrated, the Group applies an internal credit rating, as described under the credit rating and measurement section on page 51. Total gross debt securities and other eligible bills decreased by $5.9 billion to $96 billion (31 December 2023: $102 billion) due to maturity of exposures in stage 1.

Stage 1 gross balance decreased by $5.6 billion to $94 billion (31 December 2023: $100 billion) due to maturity of exposures in United Kingdom and United States.

Stage 2 gross balance decreased by $0.3 billion to $1.6 billion (31 December 2023: $1.9 billion).

Stage 3 gross balance decreased by $0.1 billion to $0.1 billion (31 December 2023: $0.2 billion) due to exposure reductions and disposals during the year.

Group

	2024			2023		
Amortised cost and FVOCI	Gross $million	ECL $million	Net[2] $million	Gross $million	ECL $million	Net[2] $million
Stage 1	94,480	(20)	94,460	100,092	(26)	100,066
Strong	90,971	(16)	90,955	97,346	(23)	97,323
Satisfactory	3,509	(4)	3,505	2,746	(3)	2,743
Stage 2	1,612	(3)	1,609	1,861	(34)	1,827
Strong	560	–	560	918	(7)	911
Satisfactory	31	–	31	50	(1)	49
High Risk	1,021	(3)	1,018	893	(26)	867
Stage 3	103	(2)	101	165	(61)	104
Gross balance[1]	96,195	(25)	96,170	102,118	(121)	101,997

1 Stage 3 gross includes $59 million (2023: $80 million) originated credit-impaired debt securities with Nil impairment (2023: $14 million)
2 FVOCI instrument are not presented net of ECL. While the presentation is on a net basis for the table, the total net on-balance sheet amount is $96,179 million (31 December 2023: $102,041 million). Refer to the Analysis of financial instrument by stage table on page 62

Company

	2024			2023		
Amortised cost and FVOCI	Gross $million	ECL $million	Net[2] $million	Gross $million	ECL $million	Net[2] $million
Stage 1	81,618	(15)	81,603	92,038	(23)	92,015
Strong	78,648	(12)	78,636	90,028	(21)	90,007
Satisfactory	2,970	(3)	2,967	1,979	(2)	1,977
Stage 2	244	(2)	242	315	–	315
Strong	–	–	–	315	–	315
Satisfactory	6	–	6	–	–	–
High Risk	238	(2)	236	–	–	–
Stage 3	–	–	–	76	(56)	20
Gross balance[1]	81,862	(17)	81,845	92,429	(79)	92,350

1 Stage 3 gross includes Nil (31 December 2023: $25 million) originated credit-impaired debt securities with Nil impairment (31 December 2023: $14 million)
2 FVOCI instrument are not presented net of ECL. While the presentation is on a net basis for the table, the total net on-balance sheet amount is $81,855 million (31 December 2023: $92,362 million). Refer to the Analysis of financial instrument by stage table on page 62

IFRS 9 expected credit loss methodology (audited)

Approach for determining expected credit losses

Credit loss terminology

Component	Definition
Probability of default (PD)	The probability that a counterparty will default, over the next 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2), incorporating the impact of forward-looking economic assumptions that have an effect on Credit Risk, such as unemployment rates and GDP forecasts. The PD estimates will fluctuate in line with the economic cycle. The lifetime (or term structure) PDs are based on statistical models, calibrated using historical data and adjusted to incorporate forward-looking economic assumptions.
Loss given default (LGD)	The loss that is expected to arise on default, incorporating the impact of forward-looking economic assumptions where relevant, which represents the difference between the contractual cashFlows due and those that the bank expects to receive. The Group estimates LGD based on the history of recovery rates and considers the recovery of any collateral that is integral to the financial asset, taking into account forward-looking economic assumptions where relevant.
Exposure at default (EAD)	The expected balance sheet exposure at the time of default, taking into account expected changes over the lifetime of the exposure. This incorporates the impact of drawdowns of facilities with limits, principal and repayments of interest and amortisation.

To determine the expected credit loss, these components are multiplied together: PD for the reference period (up to 12 months or lifetime) x LGD x EAD and discounted to the balance sheet date using the effective interest rate as the discount rate.

IFRS 9 expected credit loss models have been developed for the CIB business on a global basis, in line with their respective portfolios. However, for some of the key countries, country-specific models have also been developed. The calibration of forward-looking information is assessed at a country or region level to take into account local macroeconomic conditions.

Retail expected credit loss models are country and product specific given the local nature of the retail business.

For less material retail portfolios, the Group has adopted less sophisticated approaches based on historical roll rates or loss rates:

- For medium-sized retail portfolios, a roll rate model is applied, which uses a matrix that gives the average loan migration rate between delinquency states from period to period. A matrix multiplication is then performed to generate the final PDs by delinquency bucket over different time horizons.
- For smaller retail portfolios, a loss rate approach is applied. These use an adjusted gross charge-off rate, developed using monthly write-off and recoveries over the preceding 12 months and total outstanding balances.
- Whilst the loss rate approaches do not incorporate forward looking information, to the extent that there are significant changes in the macroeconomic forecasts an assessment is completed on whether an adjustment to the modelled output is required.

For a limited number of exposures, proxy parameters or approaches are used where the data is not available to calculate the origination PDs for the purpose of applying the SICR criteria; or for some retail portfolios where a full history of LGD data is not available, estimates based on the loss experience from similar portfolios are used. The use of proxies is monitored and will reduce over time.

The following processes are in place to assess the ongoing performance of the models:

- Quarterly model monitoring that uses recent data to compare the differences between model predictions and actual outcomes against approved thresholds.
- Annual independent validation is performed by Group Model Valuation (GMV); Depth of GMV's validation varies depending on the model materiality. Material models would go through a full annual re-validation process, while a less intensive validation process will be performed on non-material models.

Application of lifetime

Expected credit loss is estimated based on the period over which the Group is exposed to Credit Risk. For the majority of exposures this equates to the maximum contractual period. For retail credit cards and corporate overdraft facilities, however, the Group does not typically enforce the contractual period, which can be as short as one day. As a result, the period over which the Group is exposed to Credit Risk for these instruments reflects their behavioural life, which incorporates expectations of customer behaviour and the extent to which Credit Risk management actions curtail the period of that exposure. The average behavioural life for retail credit cards is between 3 and 6 years across our footprint markets.

The behavioural life for corporate overdraft facilities is 24 months.

Key assumptions and judgements in determining expected credit loss

Incorporation of forward-looking information

The evolving economic environment is a key determinant of the ability of a bank's clients to meet their obligations as they fall due. It is a fundamental principle of IFRS 9 that the provisions banks hold against potential future credit risk losses should depend not just on the health of the economy today but should also take into account potential changes to the economic environment. For example, if a bank were to anticipate a sharp slowdown in the world economy over the coming year, it should hold more provisions today to absorb the credit losses likely to occur in the near future.

To capture the effect of changes to the economic environment, the PDs and LGDs used to calculate ECL incorporate forward-looking information in the form of forecasts of the values of economic variables and asset prices that are likely to have an effect on the repayment ability of the Group's clients.

The 'Base Forecast' of the economic variables and asset prices is based on management's view of the five-year outlook, supported by projections from the Group's in-house research team and outputs from a third-party model that project specific economic variables and asset prices. The research team takes consensus views into consideration and senior management reviews projections for some core country variables against consensus when forming their view of the outlook. For the period beyond five years, management utilises the in-house research view and third-party model outputs, which allow for a reversion to long-term growth rates or norms. All projections are updated on a quarterly basis.

Forecast of key macroeconomic variables underlying the expected credit loss calculation and the impact on non-linearity

In the Base Forecast – management's view of the most likely outcome – the pace of growth of the world economy is expected to remain broadly unchanged from 2024 at around 3 per cent in 2025. This compares to the average of 3.7 per cent growth for the 10 years prior to COVID-19 (between 2010 and 2019). Support from easing financial conditions and expansionary fiscal policy may be partly offset by protectionist trade policies and still-high interest rates in the US and elsewhere. The US economy is set to moderate in 2025, after a resilient 2024 performance despite elevated interest rates. The euro area continues to struggle with major European economies including Germany and France who risk slipping into recession. Asia is relatively healthy, although growth at the regional level is set to moderate slightly in 2025 as both China and India slow. The Middle-East is expected also to remain a bright spot for global growth, with the region's non-oil growth exceeding overall global growth.

The uncertainty around the economic outlook remains elevated. In particular, the change in US Presidency is expected to lead to significant changes in US policies, including new and higher tariffs on key US trading partners. On the geopolitical front, tensions remain elevated over the conflict in Ukraine and the situation in the Middle-East.

Whilst the quarterly Base Forecast inform the Group's strategic plan, one key requirement of IFRS 9 is that the assessment of provisions should consider multiple future economic environments. For example, the global economy may grow more quickly or more slowly than the Base Forecast, and these variations would have different implications for the provisions that the Group should hold today. As the negative impact of an economic downturn on credit losses tends to be greater than the positive impact of an economic upturn, if the Group sets provisions only on the ECL under the Base Forecast it might maintain a level of provisions that does not appropriately capture the range of potential outcomes. To address the inherent uncertainty in economic forecast, and the property of skewness (or non-linearity), IFRS 9 requires reported ECL to be a probability-weighted ECL calculated over a range of possible outcomes.

To assess the range of possible outcomes the Group simulates a set of 50 scenarios around the Base Forecast, calculates the ECL under each of them and assigns an equal weight of 2 per cent to each scenario outcome. These scenarios are generated by a Monte Carlo simulation, which addresses the challenges of crafting many realistic alternative scenarios in the many countries in which the Group operates by means of a model, which produces these alternative scenarios whilst considering the degree of historical uncertainty (or volatility) observed from Q1 1990 to Q3 2023 around economic outcomes, the trends in each macroeconomic variable modelled and the correlation in the unexplained movements around these trends. This naturally means that each of the 50 scenarios do not have a specific narrative, although collectively they explore a range of hypothetical alternative outcomes for the global economy, including scenarios that turn out better than expected and scenarios that amplify anticipated stresses.

The tables on page 91 provide a summary of the Group's Base Forecast for key markets. The peak/trough amounts in the tables show the highest and lowest points within the Base Forecast.

China's GDP growth is expected to ease slightly to 4.5 per cent in 2025 from 4.8 per cent in 2024. This reflects persistent weakness in the property sector, though it is expected to moderate, external headwinds and low consumer confidence. Growth in India is also expected to ease with GDP expanding by 6.5 per cent from 6.9 per cent in 2024 as the impact from recent one-off factors such as construction activity and electricity demand (amid below normal rains) fade. GDP growth for Singapore is expected to slow to 2.4 per cent in 2025 from 3.5 per cent last year . An uncertain global trade outlook will weigh on sentiment in trade-reliant economies. Recent economic activity may have also been partly driven by front-loading of orders of electronics ahead of potentially negative trade policies in 2025. In contrast the GDP growth for the UAE is expected to improve to 5 per cent from 4 per cent in 2024. The faster growth in 2025 is mostly supported by an increase in oil-sector growth, as the UAE is set to increase its oil output this year.

Brent crude oil prices are expected to average around $77 in 2025 compared to around $78 in 2024. They are expected to remain at similar levels beyond this year. The five-year average oil price is $76.

2024 year-end forecasts[7]

	China[5]				UAE				Singapore[6]				India			
	5 yr average base forecast	Base forecast quarterly peak/ trough	Low[2]	High[3]	5 yr average base forecast	Base forecast quarterly peak/ trough	Low[2]	High[3]	5 yr average base forecast	Base forecast quarterly peak/ trough	Low[2]	High[3]	5 yr average base forecast	Base forecast quarterly peak/ trough	Low[2]	High[3]
GDP growth (YoY%)	4.1	5.3/3.2	(1.0)	9.3	3.7	5.4/2.7	(0.1)	12.6	2.3	3.4/0.6	(2.7)	7.0	6.6	7.1/5.9	3.2	10.0
Unemployment (%)	3.3	3.5/3.1	2.8	3.7	NA	NA	NA	NA	2.7	2.8/2.7	2.0	3.6	NA	NA	NA	NA
3 month interest rates (%)	1.7	1.9/1.6	0.6	3.0	2.9	3.6/2.7	0.5	5.5	2.0	2.4/1.6	0.3	3.9	6.0	6.2/6.0	1.9	10.3
House prices (YoY%)	(1.3)	2.3/(5.6)	(10.1)	7.8	3.5	12.4/1.9	(12.0)	22.3	2.4	3.2/(0.4)	(10.5)	17.5	6.4	7.3/6.0	(0.1)	12.6

2023 year-end forecasts

	China[5]				UAE				Singapore[6]				India			
	5 yr average base forecast	Base forecast quarterly peak/ trough	Low[2]	High[3]	5 yr average base forecast	Base forecast quarterly peak/ trough	Low[2]	High[3]	5 yr average base forecast	Base forecast quarterly peak/ trough	Low[2]	High[3]	5 yr average base forecast	Base forecast quarterly peak/ trough	Low[2]	High[3]
GDP growth (YoY%)	4.3	5.7/3.8	0.6	7.7	3.4	4.3/2.4	(1.3)	8.8	2.9	3.8/1.9	(2.4)	8.5	6.2	9.1/4.4	2.1	10.5
Unemployment (%)	4.0	4.1/3.8	3.3	4.4	NA	NA	NA	NA	2.8	2.9/2.8	1.7	3.8	NA	NA	NA	NA
3 month interest rates (%)	2.1	2.5/1.7	0.8	3.8	3.8	5.3/2.7	0.4	7.8	2.9	4.1/2.3	0.6	5.9	6.2	6.3/5.8	2.7	9.9
House prices (YoY%)	4.6	7.2/1.5	(1.5)	12.0	2.6	8.4/1.9	(15.3)	19.1	2.2	3.9/(0.7)	(16.2)	19.2	6.1	6.5/4.7	(0.5)	13.8

	2024 year-end forecasts				2023 year-end forecasts			
	5 yr average base forecast	Base forecast peak/trough	Low[2]	High[3]	5 yr average base forecast	Base forecast peak/trough	Low[2]	High[3]
Brent Crude, $ pb	76.2	77.8/74.8	44.5	107.8	88.2	93.8/82.8	46.0	137.8

1 N/A – Not available
2 Represents the 10th percentile in the range of economic scenarios used to determine non-linearity
3 Represents the 90th percentile in the range of economic scenarios used to determine non-linearity
4 Base forecasts are evaluated from Q1 2024 to Q4 2028. The forward-looking simulation starts from Q1 2024.
5 A judgemental management adjustment is held in respect of the China commercial real estate sector as discussed below.
6 Singapore unemployment rate covers the resident unemployment rate, which refers to citizens and permanent residents.
7 Data presented are those used in the calculation of ECL. These may differ slightly to forecasts presented elsewhere in the Financial statements as they are finalised before the period end.

Judgemental adjustments

As at 31 December 2024, the Group held $50 million (31 December 2023: $33 million) of judgemental management overlays, $42 million (31 December 2023: $11 million) of which relates to CIB, $1 million (31 December 2023: $5 million) to WRB and $7 million (31 December 2023: $17 million) to Central and Others. Overlays have been taken for Bangladesh by estimating the impact of deterioration to certain exposures in the country, together with an immaterial amount for climate risks. The overlay in Bangladesh reflects that the political situation has contributed to an increasing level of uncertainty in the macroeconomic outlook. Further details on the adjustment for climate risk are set out in Note 1 Accounting policies.

Overlays held at 31 December 2023 of $33 million were fully released in 2024. This comprises of $11 million in CIB for China Commercial real estate due to repayments, $5 million in WRB for macroeconomic environment challenges and $17 million in Central and Others relating to a temporary market dislocation in Africa and the Middle East.

As at 31 December 2024, judgemental post model adjustments which reduced ECL by a net $9 million (31 December 2023: $1 million decrease in ECL) have been applied. There was a $16 million upward adjustment for non-linearity, as the current set of ceilings and floors used in the Monte Carlo model generated a relatively narrow range of forecasts at 31 December 2024. The total amount of non-linearity has been estimated by assigning probability weights of 68 per cent, 22 per cent and 10 per cent respectively to the Base Forecast, Higher for Longer Commodities and Rates, and Global Trade and Geopolitical Tensions scenarios which are presented on pages 91 and comparing this to the unweighted Base Forecast ECL. The non-linearity PMA represents the difference between the probability weighted ECL calculated using the three scenarios and the probability weighted ECL calculated by the Monte Carlo model. The remaining $25 million reduction in ECL relates to adjustments applied to and for certain WRB models, primarily to adjust for temporary factors impacting modelled outputs. These will be released when these factors normalise.

Judgemental adjustments are re-assessed quarterly, are reviewed and approved by the IFRS 9 IIC and will be released when the risks are no longer relevant.

Stage 3 assets

Credit-impaired assets managed by Stressed Asset Risk incorporate forward-looking economic assumptions in respect of the recovery outcomes identified, and are assigned individual probability weightings. These assumptions are not based on a Monte Carlo simulation but are informed by the Base Forecast.

Sensitivity of expected credit loss calculation to macroeconomic variables

The ECL calculation relies on multiple variables and is inherently non-linear and portfolio-dependent, which implies that no single analysis can fully demonstrate the sensitivity of the ECL to changes in the macroeconomic variables. The Group has conducted a series of analyses with the aim of identifying the macroeconomic variables which might have the greatest impact on overall ECL. These encompassed single variable and multi-variable exercises, using simple up/down variation and extracts from actual calculation data, as well as bespoke scenario design and assessments.

The primary conclusion of these exercises is that no individual macroeconomic variable is materially influential. The Group believes this is plausible as the number of variables used in the ECL calculation is large. This does not mean that macroeconomic variables are uninfluential; rather, that the Group believes that consideration of macroeconomics should involve whole scenarios, as this aligns with the multi-variable nature of the calculation.

The Group faces downside risks in the operating environment related to the uncertainties surrounding the macroeconomic outlook. To explore this, a sensitivity analysis of ECL was undertaken to explore the effect of slower economic recoveries across the Group's footprint markets. Two downside scenarios were considered in particular to explore the current uncertainties over commodity prices. The Global Trade and Geopolitical Trade Tensions (GTGT) scenario is characterised by an escalating trade war between the US and China and other economies. The "Higher for Longer Commodities and Rates" scenario explores the impact from stickier than expected inflation due to persistent shipping disruptions and rise in energy prices amid fears of an escalation of the Middle East conflict.

	Baseline		Global Trade and Geopolitical Tensions (GTGT)		Higher for longer: Commodities and Rates	
	Five year average	Peak/Trough	Five year average	Peak/Trough	Five year average	Peak/Trough
China GDP	4.1	5.3 / 3.2	0.8	3.8 / (2.6)	3.5	4.3 / 1.8
China unemployment	3.3	3.5 / 3.1	4.9	5.5 / 3.8	4.3	5.2 / 3.1
China property prices	(1.3)	2.3 / (5.6)	(5.1)	11.1 / (47.6)	(1.4)	8.6 / (24.5)
UAE GDP	3.7	5.4 / 2.7	0.8	3.7 / (6.5)	3.5	4.2 / 2.8
UAE property prices	3.5	12.4 / 1.9	(0.6)	12.0 / (12.1)	3.2	11.6 / 1.7
US GDP	2.0	2.6 / 1.1	0.3	2.2 / (3.2)	1.1	2.5 / (2.1)
Singapore GDP	2.3	3.4 / 0.6	0.0	3.1 / (5.9)	1.6	2.8 / (2.3)
India GDP	6.6	7.1 / 5.9	4.7	6.7 / 0.8	6.1	7.4 / 4.3
Crude oil	76.2	77.8 / 74.8	59.1	86.2 / 46.2	84.9	113.4 / 74.8

The total reported stage 1 and 2 ECL provisions (including both on and off-balance sheet instruments) would be approximately $47 million higher under the Higher for Longer Commodities and Rates scenario and $172 million higher under the Global Trade and Geopolitical Tensions scenario than the baseline ECL provisions (which excluded the impact of multiple economic scenarios and management overlays which may already capture some of the risks in these scenarios). The proportion of stage 2 assets would increase from 3.1 per cent in the base case to 3.3 per cent and 3.9 per cent respectively under the Higher for Longer Commodities and Rates and Global Trade and Geopolitical Tensions scenarios. This includes the impact of exposures transferring to stage 2 from stage 1 but does not consider an increase in stage 3 defaults.

Under both scenarios the majority of the increase in CIB came from the main corporate and project finance portfolios booked in the Singapore. For the WRB portfolios most of the increases came from the unsecured retail portfolios with Singapore credit cards most impacted.

There was no material change in modelled stage 3 provisions as these primarily relate to unsecured retail exposures for which the LGD is not sensitive to changes in the macroeconomic forecasts. There is also no material change for non-modelled stage 3 exposures as these are more sensitive to client specific factors than to alternative macroeconomic scenarios.

The actual outcome of any scenario may be materially different due to, among other factors, the effect of management actions to mitigate potential increases in risk and changes in the underlying portfolio.

Modelled provisions

	Increase in ECL	
	ECL Higher for Longer Commodities and Rates $million	ECL Global Trade and Geopolitical Trade Tensions $ million
Stage 1		
Corporate & Investment Banking	12	19
Wealth & Retail Banking	6	18
Ventures	–	–
Central & Others	1	2
Total increase in stage 1 ECL	19	39
Stage 2		
Corporate & Investment Banking	19	96
Wealth & Retail Banking	9	37
Ventures	–	–
Central & Others	–	–
Total increase in stage 2 ECL	28	133
Total Stage 1 & 2		
Corporate & Investment Banking	31	115
Wealth & Retail Banking	15	55
Ventures	–	–
Central & Others	1	2
Total increase in stage 1 & 2 ECL	47	172

Significant increase in credit risk (SICR)

Quantitative criteria

SICR is assessed by comparing the risk of default at the reporting date to the risk of default at origination. Whether a change in the risk of default is significant or not is assessed using quantitative and qualitative criteria. These criteria have been separately defined for each business and where meaningful are consistently applied across business lines.

Assets are considered to have experienced SICR if they have breached both relative and absolute thresholds for the change in the average annualised IFRS 9 lifetime probability of default (IFRS 9 PD) over the residual term of the exposure.

The absolute measure of increase in credit risk is used to capture instances where the IFRS 9 PDs on exposures are relatively low at initial recognition as these may increase by several multiples without representing a significant increase in credit risk. Where IFRS 9 PDs are relatively high at initial recognition, a relative measure is more appropriate in assessing whether there is a significant increase in credit risk, as the IFRS 9 PDs increase more quickly.

The SICR thresholds have been calibrated based on the following principles:

- Stability – The thresholds are set to achieve a stable stage 2 population at a portfolio level, trying to minimise the number of accounts moving back and forth between stage 1 and stage 2 in a short period of time
- Accuracy – The thresholds are set such that there is a materially higher propensity for stage 2 exposures to eventually default than is the case for stage 1 exposures
- Dependency from backstops – The thresholds are stringent enough such that a high proportion of accounts transfer to stage 2 due to movements in forward-looking IFRS 9 PDs rather than relying on backward-looking backstops such as arrears
- Relationship with business and product risk profiles – the thresholds reflect the relative risk differences between different products, and are aligned to business processes

For CIB clients the quantitative thresholds are a relative 100 per cent increase in IFRS 9 PD and an absolute change in IFRS 9 PD of between 50 and 100 bps for investment grade and sub-investment grade assets. For debt securities originated before 1 January 2018, the bank is utilising the low Credit Risk simplified approach, where debt securities with an internal credit rating mapped to an investment grade equivalent are allocated to stage 1 and all other debt securities are allocated to stage 2.

For Wealth and Retail Banking (excluding Private Banking) clients, portfolio specific quantitative thresholds in Singapore, Malaysia, India and UAE are applied for credit cards and one Business Client portfolio in India. The thresholds include relative and absolute increases in IFRS 9 PD with average lifetime IFRS 9 PD cut-offs for those exposures that are within a range of customer utilisation limits (for credit cards) and remaining tenor (for personal loans) and differentiate between exposures that are current and those that are 1 to 29 days past due.

The range of thresholds applied are:

Portfolio	Relative IFRS 9 PD increase (%)	Absolute IFRS 9 PD increase (%)	Customer utilisation (%)	Average IFRS 9 PD (lifetime)
Credit cards – Current	50%-120%	3.5%-9.3%	15%-85%	4.15%-11.6%
Credit cards – 1-29 days past due	100%-180%	3.5%-6.1%	25%-47%	3.5%-9.5%
Business Client Mortgages – Current	100%	4.4%	–	–
Business Client Mortgages – 1-29 days past due	100%	7.0%	–	–

For all other material WRB portfolios (excluding Private Banking) for which a statistical model has been built, the quantitative SICR thresholds applied are a relative threshold of 100 per cent increase in IFRS 9 PD and an absolute change in IFRS 9 PD of between 100 and 350 bps depending on the product. Certain countries have a higher absolute threshold reflecting the lower default rate within their personal loan portfolios compared with the Group's other personal loan portfolios. The original lifetime IFRS 9 PD term structure is determined based on the original Application Score or Risk Segment of the client.

For all Private Banking classes, in line with risk management practice, an increase in credit risk is deemed to have occurred where margining or loan-to-value covenants have been breached. For Class I assets (lending against diversified liquid collateral), if these margining requirements have not been met within 30 days of a trigger, a significant increase in credit risk is assumed to have occurred. For Class I and Class III assets (real-estate lending), a significant increase in credit risk is assumed to have occurred where the bank is unable to 'sell down' the applicable assets to meet revised collateral requirements within five days of a trigger. Class II assets are typically unsecured or partially secured, or secured against illiquid collateral such as shares in private companies. Significant credit deterioration of these assets is deemed to have occurred when any early alert trigger has been breached.

Qualitative criteria
Qualitative factors that indicate that there has been a significant increase in credit risk include processes linked to current risk management, such as placing loans on non-purely precautionary early alert or being assigned a CG12 rating. An account is placed on non-purely precautionary early alert if it exhibits risk or potential weaknesses of a material nature requiring closer monitoring, supervision or attention by management. Weaknesses in such a borrower's account, if left uncorrected, could result in deterioration of repayment prospects and the likelihood of being downgraded. Indicators could include a rapid erosion of position within the industry, concerns over management's ability to manage operations, weak/deteriorating operating results, liquidity strain and overdue balances, among other factors.

All client assets that have been assigned a CG12 rating, equivalent to 'Higher risk', are deemed to have experienced a significant increase in credit risk. Accounts rated CG12 are primarily managed by relationship managers in the CIB unit with support from SAG for certain accounts. All CIB clients are placed in CG12 when they are 30days past due (DPD) unless they are granted a waiver through a strict governance process.

In WRB, SICR is also assessed for where specific risk elevation events have occurred in a market that are not yet reflected in modelled outcomes or in other metrics. This is applied collectively either to impacted specific products/customer cohorts or across the overall consumer banking portfolio in the affected market.

Backstop
Across all portfolios, accounts that are 30 or more DPD on contractual payments of principal and/or interest that have not been captured by the criteria above are considered to have experienced a significant increase in credit risk.
For less material portfolios, which are modelled based on a roll-rate or loss-rate approach, SICR is primarily assessed through the 30 DPD trigger.

Expert credit judgement may be applied in assessing SICR to the extent that certain risks may not have been captured by the models or through the above criteria. Such instances are expected to be rare, for example due to events and material uncertainties arising close to the reporting date.

Assessment of credit-impaired financial assets

WRB clients
The core components in determining credit-impaired expected credit loss provisions are the value of gross charge-off and recoveries. Gross charge-off and/or loss provisions are recognised when it is established that the account is unlikely to pay through the normal process. Recovery of unsecured debt post credit impairment is recognised based on actual cash collected, either directly from clients or through the sale of defaulted loans to third-party institutions. Release of credit impairment provisions for secured loans is recognised if the loan outstanding is paid in full (release of full provision), or the provision is higher than the loan outstanding (release of the excess provision).

CIB and Private Banking clients
Credit-impaired accounts are managed by the Group's specialist recovery unit, Stressed Asset Group (SAG), which is independent of the Client Coverage/Relationship Managers. Where a portion of exposure is considered not recoverable, a stage 3 credit impairment provision is raised. This stage 3 provision is the difference between the loan-carrying amount and the probability-weighted present value of estimated future cash flows, reflecting a range of scenarios (typically the Upside, Downside and Likely recovery outcomes). Where the exposure is secured by collateral, the values used will incorporate the impact of forward-looking economic information on the value recoverable collateral and time to realise the same.

The individual circumstances of each client are considered when SAR estimates future cashflows and the timing of future recoveries which involves significant judgement. All available sources, such as cashflow arising from operations, selling assets or subsidiaries, realising collateral or payments under guarantees, are considered. In any decision relating to the raising of provisions, the Group attempts to balance economic conditions, local knowledge and experience, and the results of independent asset reviews. The individual impairment provisions (viz. those not directly from a model) are approved by Stressed Assets Risk (SAR) who are in the Second Line of Defence.

Write-offs
Where it is considered that there is no realistic prospect of recovering a portion of an exposure against which an impairment provision has been raised, that amount will be written off.

Governance of PMAs and application of expert credit judgement in respect of expected credit losses

The Group's Credit Policy and Standards framework details the requirements for continuous monitoring to identify any changes in credit quality and resultant ratings, as well as ensuring a consistent approach to monitoring, managing and mitigating credit risks. The framework aligns with the governance of ECL estimation through the early recognition of significant deteriorations in ratings which drive stage 2 and 3 ECL.

The models used in determining expected credit losses are reviewed and approved by the Group Credit Model Assessment Committee (CMAC) or Delegate Model Approver, which is appointed by the Model Risk Committee. CMAC has the responsibility to assess and approve the use of models and to review all IFRS 9 interpretations related to models. CMAC also provides oversight on operational matters related to model development, performance monitoring and model validation activities, including standards and regulatory matters.

Prior to submission to CMAC for approval, the models are validated by GMV, a function which is independent of the business and the model developers. GMV's analysis comprises review of model documentation, model design and methodology, data validation, review of the model development and calibration process, out-of-sample performance testing, and assessment of compliance review against IFRS 9 rules and internal standards.

Model performance PMAs - The process of PMA identification, calculation and approval are prescribed in the Credit Risk IFRS 9 ECL Model Family Standards, which are approved by the Global Head, Model Risk Management. PMA calculations are reviewed by GMV and submitted to CMAC for approval and will be removed when the estimates return to being within the monitoring thresholds or validation standards. The level of PMAs and remediation plans are regularly tracked at CMAC.

Judgemental adjustments - These comprise judgemental PMAs and judgemental management overlays and , account for events that are not captured in the Base Case Forecast or the resulting ECL calculated by the models. judgemental adjustments must be approved by the IIC having considered the nature of the event, why the risk is not captured in the model, and the basis on which the quantum of the overlay has been calculated. Judgemental adjustments are subject to quarterly review and re-approval by the IIC and will be released when the risks are no longer relevant.

The IFRS 9 Impairment Committee:

- Oversees the appropriateness of all Business Model Assessment and Solely Payments of Principal and Interest tests
- Reviews and approves expected credit loss for financial assets classified as stages 1, 2 and 3 for each financial reporting period
- Reviews and approves stage allocation rules and thresholds
- Approves material adjustments in relation to expected credit loss for fair value through other comprehensive income and amortised cost financial assets
- Reviews, challenges and approves base macroeconomic forecasts and the multiple macroeconomic scenarios approach that are utilised in the forward-looking expected credit loss calculations

Key inputs into the calculation and resulting expected credit loss provisions are subject to review and approval by the IIC.

The IIC consists of senior representatives from Risk and Finance. It meets at least twice every quarter; once before the models are run to approve key inputs into the calculation, and once after the models are run to approve the expected credit loss provisions and any judgemental overrides that may be necessary.

The IIC is supported by an Expert Panel which also reviews and challenges the base case projections and multiple macroeconomic scenarios. The Expert Panel consists of members of Enterprise Risk Management (which includes the Scenario Design team), Finance, Group Economic Research and country representatives of major jurisdictions.

Traded Risk

Market Risk (audited)

Market Risk is the potential for fair value loss due to adverse moves in markets. The Group's exposure to Market Risk arises predominantly from the following sources:

- Trading book:
  - The Group provides clients with access to markets, facilitation of which entails the Group taking moderate market risk positions. All trading teams support client activity; there are no proprietary trading teams. Hence, income earned from market risk-related activities is primarily driven by the volume of client activity.
- Non-trading book:
  - Treasury is required to hold a liquid assets buffer, much of which is held in high-quality marketable debt securities
  - The Group underwrites and sells down loans, and invests in select investment grade debt securities with no trading intent
  - The Group has capital invested and related income streams denominated in currencies other than US dollars. To the extent that these income streams are not hedged, the Group is subject to Structural Foreign Exchange Risk which is reflected in reserves.

A summary of our current policies and practices regarding market risk management is provided in the Principal Risks section (page 52).

The primary categories of Market Risk for the Group are:

- Interest Rate Risk: arising from changes in yield curves and implied volatilities
- Foreign Exchange Risk: arising from changes in currency exchange rates and implied volatilities
- Commodity Risk: arising from changes in commodity prices and implied volatilities
- Credit Spread Risk: arising from changes in the price of debt instruments and credit-linked derivatives and driven by factors other than the level of risk-free interest rates
- Equity Risk: arising from changes in the prices of equities and implied volatilities

Market risk changes (audited)

Value at Risk (VaR) allows the Group to manage Market Risk across the trading book and most of the fair valued non-trading books.

The average level of total trading and non-trading VaR in 2024 was $30.2 million, 27 per cent lower than 2023 ($41.1 million). The year end level of total trading and non-trading VaR in 2024 was $30.7 million, 5 per cent lower than 2023 ($32.2 million), due to a reduction in credit spreads.

For the trading book, the average level of VaR in 2024 was $18.4 million, 2 per cent higher than 2023 ($18 million). Trading activities have remained relatively unchanged, and client driven.

Daily value at risk (VaR at 97.5%, one day) (audited)

Trading[1] and non-trading[2]	2024 Average $million	2024 High $million	2024 Low $million	2024 Year End $million	2023 Average $million	2023 High $million	2023 Low $million	2023 Year End $million
Interest Rate Risk	21.7	31.1	11.9	27.3	26.3	38.8	16.8	17.2
Credit Spread Risk	14.8	25.6	9.9	12.7	27.9	43.9	20.9	26.0
Foreign Exchange Risk	8.9	15.6	5.1	7.6	6.6	10.0	3.6	6.3
Commodity Risk	4.6	9.7	2.4	4.1	5.6	9.4	3.4	4.6
Equity Risk	0.4	0.9	–	–	0.1	0.4	–	–
Diversification effect[3]	(20.2)	NA	NA	(21.0)	(25.4)	NA	NA	(21.9)
Total	30.2	43.6	18.8	30.7	41.1	55.3	30.3	32.2

Trading[1]	2024 Average $million	2024 High $million	2024 Low $million	2024 Year End $million	2023 Average $million	2023 High $million	2023 Low $million	2023 Year End $million
Interest Rate Risk	10.7	18.2	5.6	12.4	10.8	14.8	6.3	6.3
Credit Spread Risk	4.6	8.5	2.9	3.4	6.9	9.7	5.7	6.9
Foreign Exchange Risk	8.9	15.6	5.1	7.6	6.6	10.0	3.6	6.3
Commodity Risk	4.5	9.7	2.3	4.1	5.6	9.4	3.4	4.5
Equity Risk	–	–	–	–	–	–	–	–
Diversification effect[3]	(10.3)	NA	NA	(6.0)	(11.9)	NA	NA	(9.8)
Total	18.4	29.4	11.0	21.5	18.0	25.3	13.0	14.2

Non-trading[2]	2024 Average $million	2024 High $million	2024 Low $million	2024 Year End $million	2023 Average $million	2023 High $million	2023 Low $million	2023 Year End $million
Interest Rate Risk	18.4	23.6	11.5	22.8	22.9	31.0	13.4	14.3
Credit Spread Risk	13.1	21.3	8.1	11.5	24.1	37.8	17.6	20.1
Equity Risk	0.4	0.9	–	–	0.1	0.4	–	–
Diversification effect[3]	(8.1)	NA	NA	(4.2)	(13.1)	NA	NA	(8.6)
Total	23.8	30.5	17.4	30.1	34.0	43.1	23.6	25.8

The following table sets out how trading and non-trading VaR is distributed across the Group's businesses:

	2024 Average $million	2024 High $million	2024 Low $million	2024 Year End $million	2023 Average $million	2023 High $million	2023 Low $million	2023 Year End $million
Trading[1] and non-trading[2]	30.2	43.6	18.8	30.7	41.0	55.3	30.3	32.2
Trading[1]								
Global Credit	5.2	9.2	3.1	4.0	11.1	15.7	7.2	7.6
Macro Trading[4]	15.8	27.7	8.0	17.7	11.6	16.0	7.6	9.6
XVA	4.3	5.7	3.3	3.3	5.8	7.8	4.1	5.6
Diversification effect[3]	(6.9)	NA	NA	(3.5)	(10.5)	NA	NA	(8.6)
Total	18.4	29.4	11.0	21.5	18.0	25.3	13.0	14.2
Non-trading[2]								
Treasury[5]	22.8	27.2	16.8	27.0	33.0	40.9	22.2	25.5
Global Credit	4.0	9.5	2.3	8.2	3.7	14.0	1.9	3.7
Listed Private Equity	0.4	0.9	–	–	0.1	0.4	–	–
Diversification effect[3]	(3.4)	NA	NA	(5.1)	(2.9)	NA	NA	(3.4)
Total	23.8	30.5	17.4	30.1	34.0	43.1	23.6	25.8

1 The trading book for Market Risk is defined in accordance with the UK onshored Capital Requirements Regulation Part 3 Title I Chapter 3, which restricts the positions permitted in the trading book
2 The non-trading book VaR does not include the loan underwriting business
3 The total VaR is non-additive across risk types due to diversification effects, which is measured as the difference between the sum of the VaR by individual risk type or business and the combined total VaR. As the maximum and minimum occur on different days for different risk types or businesses, it is not meaningful to calculate a portfolio diversification benefit for these measures
4 Macro Trading comprises the Rates, FX and Commodities businesses
5 Treasury comprises Treasury Markets and Treasury Capital Management businesses

Average daily income earned from Market Risk-related activities[1] (audited)

Trading: The average level of total trading daily income in 2024 was $8.3 million, 6 per cent higher than 2023 ($7.8 million). The increase is largely attributable to higher financing income across Credit Trading businesses including Global Repo and Structured Credit Financing.

Non-trading: The average level of total non-trading daily income in 2024 was $2.3 million, attributable to translation gains on the revaluation of FX positions in Egypt, and FX revaluation gains across currencies in Markets Credit Trading business.

Trading	2024 $million	2023 $million
Interest Rate Risk	3.0	3.0
Credit Spread Risk	1.1	0.7
Foreign Exchange Risk	3.7	3.7
Commodity Risk	0.5	0.4
Equity Risk	–	–
Total	8.3	7.8

Non-trading	$million	$million
Interest Rate Risk	0.6	(0.1)
Credit Spread Risk	1.7	(0.5)
Equity Risk	–	0.1
Total	2.3	(0.5)

1 Reflects total product income which is the sum of client income and own account income. Includes elements of trading income, interest income and non funded income which are generated from Market Risk-related activities. Rates, XVA and Treasury income are included under Interest Rate Risk whilst Credit Trading income is included under Credit Spread Risk

Structural foreign exchange exposures

The table below sets out the principal structural foreign exchange exposures (net of investment hedges) of the Group.

	2024 $million	2023 $million
Indian rupee	3,451	3,291
Singapore dollar	3,279	2,370
Malaysian ringgit	1,538	1,540
Bangladeshi taka	1,113	1,007
Euro	1,112	1,125
UAE dirham	797	696
Thai baht	763	782
Pakistani rupee	392	306
Indonesian rupiah	230	293
Other	3,512	3,300
	16,187	14,710

As at 31 December 2024, the Group had taken net investment hedges using derivative financial instruments to partly cover its exposure to the Indian rupee of $1,784 million (31 December 2023: $1,809 million), UAE dirham of $1,470 million (31 December 2023: $1,470 million), Singapore dollar of $nil million (31 December 2023: $1,047 million) and South African rand of $nil million (31 December 2023: $64 million). An analysis has been performed on these exposures to assess the impact of a 1 per cent fall in the US dollar exchange rates, adjusted to incorporate the impacts of correlations of these currencies to the US dollar. The impact on the positions above would be an increase of $294 million (31 December 2023: $146 million). Changes in the valuation of these positions are taken to reserves.

For analysis of the Group's capital position and requirements, refer to the Capital Review (page 109).

Counterparty credit risk

Counterparty Credit Risk is the potential for loss in the event of the default of a derivative counterparty, after taking into account the value of eligible collaterals and risk mitigation techniques. The Group's counterparty credit exposures are included in the Credit Risk section.

Derivative financial instruments Credit Risk mitigation

The Group enters into master netting agreements, which in the event of default result in a single amount owed by or to the counterparty through netting the sum of the positive and negative mark-to-market values of applicable derivative transactions.

In addition, the Group enters into credit support annexes (CSAs) with counterparties where collateral is deemed a necessary or desirable mitigant to the exposure. Cash collateral includes collateral called under a variation margin process from counterparties if total uncollateralised mark-to-market exposure exceeds the threshold and minimum transfer amount specified in the CSA. With certain counterparties, the CSA is reciprocal and requires us to post collateral if the overall mark-to-market values of positions are in the counterparty's favour and exceed an agreed threshold.

Liquidity and Funding risk

Liquidity and Funding Risk is the risk that the Group may not have sufficient stable or diverse sources of funding to meet its obligations as they fall due.

The Group follows the PLC Group's Liquidity and Funding Risk framework, which requires each country to ensure that it operates within predefined liquidity limits and remains in compliance with PLC Group's liquidity policies and practices, as well as local regulatory requirements.

The table below shows the composition of liabilities in which customer deposits make up 50 per cent of total liabilities and equity as at 31 December 2024, the majority of which are current accounts, savings accounts and time deposits.

Composition of liabilities and equity	Percentage
Equity	6.1%
Subordinated liabilities and other borrowed funds	1.8%
Debt securities in issue	9.2%
Derivative financial instruments	14.7%
Customer accounts	50.3%
Deposit by banks	5.7%
Other liabilities	12.2%
Total	**100.0%**

Liquidity and Funding risk metrics

The Group monitors key liquidity metrics regularly on a country basis.

The following liquidity and funding Board Risk Appetite metrics define the maximum amount and type of risk that the Group is willing to assume in pursuit of its strategy: liquidity coverage ratio (LCR), recovery capacity and net stable funding ratio (NSFR). In addition to the Board Risk Appetite, there are further limits that apply at Group and country level such as external wholesale borrowing (WBE) and cross currency limits.

Liquidity coverage ratio (LCR)

The LCR aims to ensure that a bank has sufficient unencumbered high-quality liquid assets to meet its liquidity needs in a 30-calendar-day liquidity stress scenario. Standard Chartered Bank is not regulated for LCR, however, the bank and material subsidiaries in the consolidation have standalone LCR ratios above 100 per cent at 31 December 2024, calculated under the Liquidity Coverage Ratio (CRR) Part of the PRA Rulebook.

Stress coverage

Stress testing and scenario analysis are used to assess the financial and management capability to continue to operate effectively under extreme, but plausible, operating conditions and to understand the potential threats to the PLC Group's liquidity and other financial resources.

The PLC Group's internal liquidity adequacy assessment process ('ILAAP') stress testing framework covers the following stress scenarios:

- Standard Chartered-specific – Captures the liquidity impact from an idiosyncratic event affecting Standard Chartered only, with the rest of the market assumed to be operating normally;
- Market wide – Captures the liquidity impact from a market wide crisis affecting all participants in a country, region or globally, and;
- Combined – Assumes both Standard Chartered-specific and Market-wide events affect the PLC Group simultaneously and hence is the most severe scenario.

All scenarios include, but are not limited to, modelled outflows for retail and wholesale funding, off-balance sheet funding risk, cross currency funding risk, intraday risk, franchise risk and risks associated with a deterioration of a firm's credit rating. Concentration risk approach has been enhanced to capture single name and industry concentration.

As of 31 December 2024, all entities within the Group follow a consistent approach and met their individual ILAAP stress test requirements within risk appetite, and as a result, ensure Group has surplus liquidity on a consolidated basis to meet the defined survival horizon.

External wholesale borrowing
This metric seeks to monitor and prevent excessive reliance on wholesale borrowing. Triggers are applied to branches and operating subsidiaries in the Group.

Advances-to-deposits ratio
This is defined as the ratio of total loans and advances to customers relative to total customer accounts. An advances-to-deposits ratio of below 100 per cent demonstrates that customer deposits exceed customer loans as a result of the emphasis placed on generating a high level of funding from customers. Limits and targets are applied to all branches and operating subsidiaries in the Group.

Advances-to-deposits ratio has increased by 3.4 percent due to a $9.1 billion increase in loans and advances.

	2024 $million	2023 $million
Total loans and advances to customers[1,2]	**133,923**	124,794
Total customer accounts[3]	**248,426**	247,068
Advances-to-deposits ratio	**53.9%**	50.5%

1 Excludes reverse repurchase agreement and other similar secured lending of $9,121 million and includes loans and advances to customers held at fair value through profit and loss of $3,989 million
2 Loans and advances to customers for the purpose of the advances-to-deposits ratio excludes $19,187 million of approved balances held with central banks, confirmed as repayable at the point of stress.
3 Includes customer accounts held at fair value through profit or loss of $9,222 million (31 December 2023: $9,166 million)

Net stable funding ratio (NSFR)
The NSFR is a balance sheet metric which requires institutions to maintain a stable funding profile in relation to an assumed duration of their assets and off-balance sheet activities over a one-year horizon. It is the ratio between the amount of available stable funding (ASF) and the amount of required stable funding (RSF). ASF factors are applied to balance sheet liabilities and capital, based on their perceived stability and the amount of stable funding they provide. Likewise, RSF factors are applied to assets and off-balance sheet exposures according to the amount of stable funding they require. Standard Chartered Bank is not regulated for NSFR, however the bank and material subsidiaries in the consolidation have standalone NSFR ratios above 100 per cent at 31 December 2024.

Liquidity pool
The liquidity value of the Group's LCR eligible liquidity pool at the reporting date was $131 billion. The figures in the below table account for haircuts, currency convertibility and portability constraints, and therefore are not directly comparable with the consolidated balance sheet. A liquidity pool is held to offset stress outflows as defined in the LCR per PRA rulebook.

	Group		Company	
	2024 $million	2023 $million	**2024 $million**	2023 $million
Level 1 securities				
Cash and balances at central banks	**69,453**	78,030	**42,180**	50,494
Central banks, governments /public sector entities	**42,389**	34,580	**23,714**	23,296
Multilateral development banks and international organisations	**14,385**	11,842	**14,287**	11,715
Other	**343**	1,287	**343**	1,161
Total Level 1 securities	**126,570**	125,739	**80,524**	86,666
Level 2A securities	**4,060**	9,046	**3,306**	7,176
Level 2B securities	**411**	724	**410**	376
Total LCR eligible assets	**131,041**	135,509	**84,240**	94,218

Liquidity analysis of the Group's balance sheet (audited)

Contractual maturity of assets and liabilities

The following table presents assets and liabilities by maturity groupings based on the remaining period to the contractual maturity date as at the balance sheet date on a discounted basis. Contractual maturities do not necessarily reflect actual repayments or cashflows.

Within the tables below, cash and balances with central banks, interbank placements and investment securities that are fair value through other comprehensive income are used by the Group principally for liquidity management purposes.

As at the reporting date, assets remain predominantly short-dated, with 65 per cent maturing in one year.

Group

	2024								
	One month or less $million	Between one month and three months $million	Between three months and six months $million	Between six months and nine months $million	Between nine months and one year $million	Between one year and two years $million	Between two years and five years $million	More than five years and undated $million	Total $million
Assets									
Cash and balances at central banks	53,804	–	–	–	–	–	–	2,861	56,665
Derivative financial instruments	23,025	15,570	11,128	6,655	3,632	6,858	9,013	6,836	82,717
Loans and advances to banks[1,2]	11,412	13,483	7,778	5,090	3,333	7,517	2,881	1,172	52,666
Loans and advances to customers[1,2]	49,102	42,519	18,989	8,543	9,355	15,843	18,433	37,358	200,142
Investment securities[1]	7,519	15,812	9,680	4,581	7,223	18,256	26,620	38,750	128,441
Other assets	8,575	21,365	1,045	376	827	71	64	5,358	37,681
Due from subsidiary undertakings and other related parties	5,222	–	–	–	–	–	–	–	5,222
Total assets	158,659	108,749	48,620	25,245	24,370	48,545	57,011	92,335	563,534
Liabilities									
Deposits by banks[1,3]	21,215	2,145	1,473	786	451	4,288	1,935	3	32,296
Customer accounts[1,4]	221,755	25,761	15,092	5,243	6,086	6,420	2,358	426	283,141
Derivative financial instruments	22,341	17,329	10,929	6,454	3,640	6,168	9,285	6,431	82,577
Senior debt[5]	606	1,711	2,431	1,934	849	2,362	6,293	4,373	20,559
Other debt securities in issue[1]	2,672	2,314	6,479	4,521	4,726	806	6,673	3,290	31,481
Due to parent companies and other related undertakings	28,246	–	–	–	–	–	–	–	28,246
Other liabilities	9,131	23,171	669	483	125	3,987	419	2,774	40,759
Subordinated liabilities and other borrowed funds	8	36	–	73	19	206	532	9,485	10,359
Total liabilities	305,974	72,467	37,073	19,494	15,896	24,237	27,495	26,782	529,418
Net liquidity gap	(147,315)	36,282	11,547	5,751	8,474	24,308	29,516	65,553	34,116

1 Loans and advances, investment securities, deposits by banks, customer accounts and debt securities in issue include financial instruments held at fair value through profit or loss, see Note 12 Financial instruments
2 Loans and advances include reverse repurchase agreements and other similar secured lending of $77.6 billion
3 Deposits by banks include repurchase agreements and other similar secured borrowing of $8.4 billion
4 Customer accounts include repurchase agreements and other similar secured borrowing of $34.7 billion
5 Senior debt maturity profiles are based upon contractual maturity, which may be later than call options over the debt held by the Group

	2023								
	One month or less $million	Between one month and three months $million	Between three months and six months $million	Between six months and nine months $million	Between nine months and one year $million	Between one year and two years $million	Between two years and five years $million	More than five years and undated $million	Total $million
Assets									
Cash and balances at central banks	61,147	–	–	–	–	–	–	3,051	64,198
Derivative financial instruments	19,240	9,324	6,132	3,098	2,548	3,997	5,208	3,007	52,554
Loans and advances to banks[1,2]	17,521	14,057	7,166	3,563	4,104	1,488	2,124	1,098	51,121
Loans and advances to customers[1,2]	61,802	40,058	18,856	8,866	8,234	13,212	15,950	34,449	201,427
Investment securities[1]	6,246	12,824	9,487	8,350	7,274	12,020	31,708	38,063	125,972
Other assets	9,071	20,691	1,088	408	528	65	93	5,697	37,641
Due from subsidiary undertakings and other related parties	5,666	–	–	–	–	–	–	–	5,666
Total assets	180,693	96,954	42,729	24,285	22,688	30,782	55,083	85,365	538,579
Liabilities									
Deposits by banks[1,3]	21,993	1,637	1,086	503	594	1,243	2,845	4	29,905
Customer accounts[1,4]	220,227	34,561	17,476	7,681	6,031	4,916	2,446	227	293,565
Derivative financial instruments	18,540	11,042	5,836	3,299	2,438	4,125	5,952	3,941	55,173
Senior debt[5]	45	992	1,353	758	536	3,742	5,897	4,301	17,624
Other debt securities in issue[1]	3,063	5,257	5,247	3,182	2,153	1,827	3,191	4,787	28,707
Due to parent companies and other related undertakings	31,166	–	–	–	–	–	–	–	31,166
Other liabilities	9,437	20,040	213	20	62	1,687	1,556	4,026	37,041
Subordinated liabilities and other borrowed funds	–	–	11	–	11	21	73	11,338	11,454
Total liabilities	304,471	73,529	31,222	15,443	11,825	17,561	21,960	28,624	504,635
Net liquidity gap	(123,778)	23,425	11,507	8,842	10,863	13,221	33,123	56,741	33,944

1 Loans and advances, investment securities, deposits by banks, customer accounts and debt securities in issue include financial instruments held at fair value through profit or loss, see Note 12 Financial instruments
2 Loans and advances include reverse repurchase agreements and other similar secured lending of $83.6 billion
3 Deposits by banks include repurchase agreements and other similar secured borrowing of $5.0 billion
4 Customer accounts include repurchase agreements and other similar secured borrowing of $46.5 billion
5 Senior debt maturity profiles are based upon contractual maturity, which may be later than call options over the debt held by the Group

Company

	2024								
	One month or less $million	Between one month and three months $million	Between three months and six months $million	Between six months and nine months $million	Between nine months and one year $million	Between one year and two years $million	Between two years and five years $million	More than five years and undated $million	Total $million
Assets									
Cash and balances at central banks	44,072	–	–	–	–	–	–	1,161	45,233
Derivative financial instruments	23,313	15,490	10,848	6,513	3,741	6,913	9,901	6,125	82,844
Loans and advances to banks[1,2]	7,857	9,599	5,346	3,886	2,403	5,762	2,575	1,173	38,601
Loans and advances to customers[1,2]	30,561	20,110	14,562	6,837	7,989	13,176	10,613	14,200	118,048
Investment securities[1]	3,726	7,620	7,679	3,010	5,953	15,370	23,346	36,449	103,153
Investment in subsidiary undertaking	–	–	–	–	–	–	–	10,671	10,671
Other assets	7,595	15,370	652	234	359	33	51	2,781	27,075
Due from subsidiary undertakings and other related parties	10,066	–	–	–	–	–	–	–	10,066
Total assets	127,190	68,189	39,087	20,480	20,445	41,254	46,486	72,560	435,691
Liabilities									
Deposits by banks[1,3]	17,521	1,933	1,385	758	440	3,506	1,883	–	27,426
Customer accounts[1,4]	126,657	14,880	7,380	2,275	3,410	5,746	2,158	414	162,920
Derivative financial instruments	22,875	17,383	10,601	6,297	3,574	6,271	9,803	5,941	82,745
Senior debt[5]	606	1,690	2,380	1,934	849	2,303	6,271	4,373	20,406
Other debt securities in issue[1]	2,392	1,899	6,050	4,266	4,375	806	5,584	2,365	27,737
Due to parent companies and other related undertakings	42,313	–	–	–	–	–	–	–	42,313
Other liabilities	9,648	16,332	648	432	92	3,888	321	–	31,361
Subordinated liabilities and other borrowed funds	8	36	–	73	19	206	514	8,945	9,801
Total liabilities	222,020	54,153	28,444	16,035	12,759	22,726	26,534	22,038	404,709
Net liquidity gap	(94,830)	14,036	10,643	4,445	7,686	18,528	19,952	50,522	30,982

1 Loans and advances, investment securities, deposits by banks, customer accounts and debt securities in issue include financial instruments held at fair value through profit or loss, see Note 12 Financial instruments
2 Loans and advances include reverse repurchase agreements and other similar secured lending of $72.6 billion
3 Deposits by banks include repurchase agreements and other similar secured borrowing of $8.1 billion
4 Customer accounts include repurchase agreements and other similar secured borrowing of $34.6 billion
5 Senior debt maturity profiles are based upon contractual maturity, which may be later than call options over the debt held by the Group

	2023								
	One month or less $million	Between one month and three months $million	Between three months and six months $million	Between six months and nine months $million	Between nine months and one year $million	Between one year and two years $million	Between two years and five years $million	More than five years and undated $million	Total $million
Assets									
Cash and balances at central banks	51,446	–	–	–	–	–	–	1,312	52,758
Derivative financial instruments	12,441	10,666	6,527	3,491	2,867	4,842	7,113	5,274	53,221
Loans and advances to banks[1,2]	12,528	10,389	4,157	2,431	1,675	1,431	2,082	1,097	35,790
Loans and advances to customers[1,2]	39,724	18,061	16,415	7,159	6,593	9,930	9,456	12,560	119,898
Investment securities[1]	3,575	9,204	8,090	7,419	7,179	10,918	27,202	35,926	109,513
Investment in subsidiary undertaking	–	–	–	–	–	–	–	10,066	10,066
Other assets	7,634	15,125	615	183	253	12	35	2,993	26,850
Due from subsidiary undertakings and other related parties	10,053	–	–	–	–	–	–	–	10,053
Total assets	137,401	63,445	35,804	20,683	18,567	27,133	45,888	69,228	418,149
Liabilities									
Deposits by banks[1,3]	17,512	1,140	1,035	500	571	1,179	2,488	–	24,425
Customer accounts[1,4]	129,023	22,499	11,447	4,496	3,020	3,905	2,221	216	176,827
Derivative financial instruments	12,638	11,984	6,225	3,710	2,969	5,207	7,506	5,292	55,531
Senior debt[5]	44	990	1,214	758	448	3,711	5,851	4,284	17,300
Other debt securities in issue[1]	2,876	4,813	4,810	2,921	1,754	1,688	3,191	4,941	26,994
Due to parent companies and other related undertakings	47,317	–	–	–	–	–	–	–	47,317
Other liabilities	10,851	13,610	168	6	23	1,535	1,323	690	28,206
Subordinated liabilities and other borrowed funds	–	12	28	4	28	93	214	10,517	10,896
Total liabilities	220,261	55,048	24,927	12,395	8,813	17,318	22,794	25,940	387,496
Net liquidity gap	(82,860)	8,397	10,877	8,288	9,754	9,815	23,094	43,288	30,653

1 Loans and advances, investment securities, deposits by banks, customer accounts and debt securities in issue include financial instruments held at fair value through profit or loss, see Note 12 Financial instruments
2 Loans and advances include reverse repurchase agreements and other similar secured lending of $77.6 billion
3 Deposits by banks include repurchase agreements and other similar secured borrowing of $4..8 billion
4 Customer accounts include repurchase agreements and other similar secured borrowing of $46.3 billion
5 Senior debt maturity profiles are based upon contractual maturity, which may be later than call options over the debt held by the Group

Behavioural maturity of financial assets and liabilities

The cashflows presented in the previous section reflect the cashflows that will be contractually payable over the residual maturity of the instruments. However, contractual maturities do not necessarily reflect the timing of actual repayments or cashflow. In practice, certain assets and liabilities behave differently from their contractual terms, especially for short-term customer accounts, credit card balances and overdrafts, which extend to a longer period than their contractual maturity. On the other hand, mortgage balances tend to have a shorter repayment period than their contractual maturity date. Expected customer behaviour is assessed and managed on a country basis using qualitative and quantitative techniques, including analysis of observed customer behaviour over time.

Maturity of financial liabilities on an undiscounted basis (audited)

The following table analyses the contractual cashflows payable for the Group's financial liabilities by remaining contractual maturities on an undiscounted basis. The financial liability balances in the table below will not agree to the balances reported in the consolidated balance sheet as the table incorporates all contractual cashflows, on an undiscounted basis, relating to both principal and interest payments. Derivatives not treated as hedging derivatives are included in the 'On demand' time bucket and not by contractual maturity.

Within the 'More than five years and undated' maturity band are undated financial liabilities, the majority of which relate to subordinated debt, on which interest payments are not included as this information would not be meaningful, given the instruments are undated. Interest payments on these instruments are included within the relevant maturities up to five years.

Group

	2024								
	One month or less $million	Between one month and three months $million	Between three months and six months $million	Between six months and nine months $million	Between nine months and one year $million	Between one year and two years $million	Between two years and five years $million	More than five years and undated $million	Total $million
Deposits by banks	21,217	2,158	1,510	800	467	4,294	1,935	4	32,385
Customer accounts	222,004	25,930	15,321	5,388	6,322	6,600	2,528	457	284,550
Derivative financial instruments[1]	81,886	23	26	8	3	74	247	310	82,577
Debt securities in issue	3,340	4,052	9,000	6,524	5,679	3,654	13,819	8,176	54,244
Due to parent companies and other related undertakings	28,246								28,246
Subordinated liabilities and other borrowed funds	33	132	89	191	89	534	1,450	14,350	16,868
Other liabilities	10,019	23,101	659	464	125	3,925	419	2,981	41,693
Total liabilities	366,745	55,396	26,605	13,375	12,685	19,081	20,398	26,278	540,563

	2023								
	One month or less $million	Between one month and three months $million	Between three months and six months $million	Between six months and nine months $million	Between nine months and one year $million	Between one year and two years $million	Between two years and five years $million	More than five years and undated $million	Total $million
Deposits by banks	21,997	1,643	1,102	512	604	1,245	2,845	4	29,952
Customer accounts	220,861	34,791	17,728	7,905	6,238	5,100	2,663	248	295,534
Derivative financial instruments[1]	53,511	487	11	2	48	90	438	586	55,173
Debt securities in issue	3,148	6,277	6,727	4,034	2,795	5,408	9,802	8,553	46,744
Due to parent companies and other related undertakings	31,166								31,166
Subordinated liabilities and other borrowed funds	47	79	146	154	146	572	1,743	17,558	20,445
Other liabilities	7,613	19,995	213	21	66	1,689	1,556	2,786	33,939
Total liabilities	338,343	63,272	25,927	12,628	9,897	14,104	19,047	29,735	512,953

1 Derivatives are on a discounted basis

Company

	2024								
	One month or less $million	Between one month and three months $million	Between three months and six months $million	Between six months and nine months $million	Between nine months and one year $million	Between one year and two years $million	Between two years and five years $million	More than five years and undated $million	Total $million
Deposits by banks	17,523	1,945	1,421	771	456	3,511	1,883	–	27,510
Customer accounts	126,792	14,989	7,501	2,351	3,561	5,919	2,312	438	163,863
Derivative financial instruments[1]	82,072	23	25	8	3	68	237	309	82,745
Debt securities in issue	3,057	3,608	8,506	6,251	5,305	3,534	12,621	7,424	50,306
Due to parent companies and other related undertakings	42,313								42,313
Subordinated liabilities and other borrowed funds	–	132	41	191	92	138	1,619	14,121	16,334
Other liabilities	8,481	16,293	648	432	92	3,888	321	1,821	31,976
Total liabilities	280,238	36,990	18,142	10,004	9,509	17,058	18,993	24,113	415,047

	2023								
	One month or less $million	Between one month and three months $million	Between three months and six months $million	Between six months and nine months $million	Between nine months and one year $million	Between one year and two years $million	Between two years and five years $million	More than five years and undated $million	Total $million
Deposits by banks	17,515	1,143	1,049	509	581	1,181	2,487	–	24,465
Customer accounts	129,577	22,647	11,602	4,637	3,128	4,081	2,426	230	178,328
Derivative financial instruments[1]	53,886	487	11	2	48	89	422	586	55,531
Debt securities in issue	2,961	5,830	6,145	3,770	2,301	6,021	9,755	9,383	46,166
Due to parent companies and other related undertakings	47,317								47,317
Subordinated liabilities and other borrowed funds	47	79	146	154	146	572	1,717	15,920	18,781
Other liabilities	6,425	13,573	168	6	23	1,535	1,323	2,343	25,396
Total liabilities	257,728	43,759	19,121	9,078	6,227	13,479	18,130	28,462	395,984

1 Derivatives are on a discounted basis

Interest Rate Risk in the Banking Book

The following table provides the estimated impact to a hypothetical base case projection of the Group's earnings under the following scenarios:

- A 50 basis point parallel interest rate shock (up and down) to the current market-implied path of rates, across all yield curves
- A 100 basis point parallel interest rate shock (up and down) to the current market-implied path of rates, across all yield curves

These interest rate shock scenarios assume all other economic variables remain constant. The sensitivities shown represent the estimated change to a hypothetical base case projected net interest income (NII), plus the change in interest rate implied income and expense from FX swaps used to manage banking book currency positions, under the different interest rate shock scenarios.

The base case projected NII is based on the current market-implied path of rates and forward rate expectations. The NII sensitivities below stress this base case by a further 50 or 100bps. Actual observed interest rate changes will likely differ from market expectation. Accordingly, the shocked NII sensitivity does not represent a forecast of the Group's net interest income.

The interest rate sensitivities are indicative stress tests and based on simplified scenarios, estimating the aggregate impact of an unanticipated, instantaneous parallel shock across all yield curves over a one-year horizon, including the time taken to implement changes to pricing before becoming effective. The assessment assumes that the size and mix of the balance sheet remain constant and that there are no specific management actions in response to the change in rates. No assumptions are made in relation to the impact on credit spreads in a changing rate environment.

Significant modelling and behavioural assumptions are made regarding scenario simplification, market competition, pass-through rates, asset and liability re-pricing tenors, and price flooring. In particular, the assumption that interest rates of all currencies and maturities shift by the same amount concurrently, and that no actions are taken to mitigate the impacts arising from this are considered unlikely. Reported sensitivities will vary over time due to a number of factors including changes in balance sheet composition, market conditions, customer behaviour and risk management strategy. Therefore, while the NII sensitivities are a relevant measure of the Group's interest rate exposure, they should not be considered an income or profit forecast.

Estimated one-year impact to earnings from a parallel shift in yield curves at the beginning of the period of	USD bloc $million	SGD bloc $million	EUR bloc $million	INR bloc $million	Other currency bloc $million	Total $million
	2024					
+ 50 basis points	**20**	**10**	**10**	**30**	**50**	**120**
- 50 basis points	**(20)**	**(20)**	**(10)**	**(30)**	**(60)**	**(140)**
+ 100 basis points	**30**	**20**	**20**	**40**	**110**	**220**
- 100 basis points	**(50)**	**(40)**	**(20)**	**(40)**	**(130)**	**(280)**
	2023					
+ 50 basis points	70	50	20	20	100	260
- 50 basis points	(100)	(50)	(30)	(30)	(90)	(300)
+ 100 basis points	150	100	40	40	180	510
- 100 basis points	(190)	(100)	(50)	(60)	(180)	(580)

As at 31 December 2024, the Group estimates the one-year impact of an instantaneous, parallel increase across all yield curves of 50 basis points to increase projected NII by $120 million. The equivalent impact from a parallel decrease of 50 basis points would result in a reduction in projected NII of $140 million. The Group estimates the one-year impact of an instantaneous, parallel increase across all yield curves of 100 basis points to increase projected NII by $220 million. The equivalent impact from a parallel decrease of 100 basis points would result in a reduction in projected NII of $280 million.

The benefit from rising interest rates is primarily from reinvesting at higher yields and from assets re-pricing faster and to a greater extent than deposits. NII sensitivity in falling rate scenarios has decreased versus 31 December 2023, due to an increase in programmatic hedging as well as actions taken in discretionary portfolios to increase asset duration.

Operational and Technology Risk

Operational and Technology Risk profile

The implementation of standardised Non-Financial risk, control and causal taxonomies is enabling improved risk aggregation and reporting, and has provided opportunities for simplifying the process for risk identification and assessment in the Group.

Operational and Technology Risk is elevated in areas such as Change Mismanagement Risk and Third-Party Risk Management, which are subject to ongoing control enhancement programmes. Other key areas of focus are Systems Health/Technology Risk, Operational Resilience and Regulatory Compliance. To address these areas, the Group has focused on improving the sustainable operating environment and has initiated several programmes to enhance the control environment. The Group continues to monitor and manage Operational and Technology risks associated with the external environment such as geopolitical factors, the increasing risk of cyber-attacks and inappropriate use of Artificial Intelligence. This enables the Group to keep pace with the new business developments, whilst ensuring that its risk and control frameworks evolve accordingly. The Group continues to strengthen its risk management to understand the full spectrum of risks in the operating environment, enhance its defences and improve resilience.

Operational Risk events and losses

Operational losses are one indicator of the effectiveness and robustness of our non-financial risk and control environment.

The Group's profile of operational loss events in 2024 and 2023 is summarised in the table below, which shows the distribution of gross operational losses by Basel business line. There has been a sharp increase in Corporate Items in 2024 due to a single large event pertaining to Finance Accounting Adjustment.

	% Loss	
Distribution of Operational Losses by Basel business line	**2024**	2023[1]
Agency Services	**0.0%**	2.1%
Asset Management	**0.0%**	0.0%
Commercial Banking	**1.6%**	8.5%
Corporate Finance	**0.0%**	9.0%
Corporate Items	**86.2%**	42.1%
Payment and Settlements	**7.7%**	11.3%
Retail Banking	**2.9%**	16.8%
Retail Brokerage	**0.0%**	0.0%
Trading and Sales	**1.6%**	10.2%

1 Losses in 2023 have been restated to include incremental events recognised in 2024

The Group's profile of operational loss events in 2024 and 2023 is also summarised by Basel event type in the table below. It shows the distribution of gross operational losses by Basel event type.

	% Loss	
Distribution of Operational Losses by Basel event type	**2024**	2023[1]
Business disruption and system failures	**0.8%**	5.4%
Clients' products and business practices	**1.0%**	0.9%
Damage to physical assets	**0.0%**	0.0%
Employment practices and workplace safety	**0.1%**	0.1%
Execution delivery and process management	**96.5%**	80.9%
External fraud	**1.5%**	12.5%
Internal fraud	**0.1%**	0.2%

1 Losses in 2023 have been restated to include incremental events recognised in 2024

Other principal risks

The losses arising from operational failures for other principal and integrated risks are reported as operational losses. Operational losses do not include operational risk-related credit impairments.

Capital review

Capital management and governance

Capital disclosures in this document are provided on the basis of Standard Chartered Bank (Group), being Standard Chartered Bank and its subsidiaries.

Standard Chartered Bank is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA).

Capital requirements are set by the PRA for Standard Chartered Bank on a solo-consolidation basis. The solo-consolidated group differs from Standard Chartered Bank (Company) in that it includes the full consolidation of four subsidiaries, namely Standard Chartered Holdings (International) B.V., Standard Chartered Grindlays PTY Limited, SCMB Overseas Limited and Corrasi Covered Bonds LLP.

The Group continues to operate through its branches and various subsidiaries, all of which remain well-capitalised in accordance with their applicable regulatory requirements.

The Group's CET1 capital ratio increased by 12bps to 13.3 per cent at 31 December 2024 with a leverage ratio of 5.1 per cent. The Group maintains high levels of loss absorbing capacity.

RWAs increased by $3.6 billion to $169.2 billion. CET1 capital increased by $0.7 billion to $22.5bn driven primarily by profits of $3 billion, lower regulatory deductions of $0.6 billion largely from intangible assets and movements in other comprehensive income of $0.2 billion. These increases were partially offset by distributions of $2.7 billion and the foreign currency translation impact of $0.4 billion.

Capital ratios

	2024	2023
CET1 capital	**13.3%**	13.2%
Tier 1 capital	**16.8%**	16.5%
Total capital	**23.0%**	23.5%

Capital base[1] (audited)

	2024 $million	2023 $million
CET1 capital instruments and reserves		
Capital instruments and the related share premium accounts	**20,893**	20,893
Of which: share premium accounts	**296**	296
Retained earnings	**10,215**	9,687
Accumulated other comprehensive income (and other reserves)	**(6,939)**	(6,508)
Non-controlling interests (amount allowed in consolidated CET1)	**178**	162
Independently audited year-end profits	**2,953**	3,208
Foreseeable dividends	**(193)**	(166)
CET1 capital before regulatory adjustments	**27,107**	27,276
CET1 regulatory adjustments		
Additional value adjustments (prudential valuation adjustments)	**(426)**	(534)
Intangible assets (net of related tax liability)	**(3,675)**	(4,115)
Deferred tax assets that rely on future profitability (excludes those arising from temporary differences)	**(30)**	(23)
Fair value reserves related to net losses on cash flow hedges	**(8)**	13
Deduction of amounts resulting from the calculation of excess expected loss	**(417)**	(566)
Net gains on liabilities at fair value resulting from changes in own credit risk	**246**	(47)
Defined-benefit pension fund assets	**(115)**	(75)
Fair value gains arising from the institution's own credit risk related to derivative liabilities	**(91)**	(107)
Exposure amounts which could qualify for risk weighting of 1250%	**(116)**	(28)
Total regulatory adjustments to CET1	**(4,632)**	(5,482)
CET1 capital	**22,475**	21,794
Additional Tier 1 capital (AT1) instruments[2]	**5,917**	5,473
AT1 regulatory adjustments	**(20)**	(20)
Tier 1 capital	**28,372**	27,247
Tier 2 capital instruments	**10,583**	11,637
Tier 2 regulatory adjustments	**(30)**	(30)
Tier 2 capital	**10,553**	11,607
Total capital	**38,925**	38,854
Total risk-weighted assets (unaudited)	**169,223**	165,623

1 Capital base is prepared on the regulatory scope of consolidation
2 Includes Instrument issued by subsidiaries that are given recognition in AT1 Capital

Leverage ratio

Capital and total exposures	2024 $million	2023 $million
Tier 1 capital	**28,372**	27,247
Total leverage ratio exposures	**559,409**	544,061
Leverage ratio	**5.1%**	5.0%

Opinion

In our opinion:

- Standard Chartered Bank's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2024 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards (UK IAS) and International Financial Reporting Standards (IFRS) as adopted by the European Union (EU IFRS);
- the parent company financial statements have been properly prepared in accordance with UK IAS as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Standard Chartered Bank (the 'Company' or the 'Parent Company') and its subsidiaries, interests in associates, and jointly controlled entities (together with the Company—the 'Group') for the year ended 31 December 2024 which comprise:

Group	Company
Consolidated income statement for the year ended 31 December 2024;	Balance sheet as at 31 December 2024;
Consolidated statement of comprehensive income for the year then ended;	Cash flow statement for the year then ended;
Consolidated balance sheet as at 31 December 2024;	Statement of changes in equity for the year then ended; and
Consolidated statement of changes in equity for the year then ended;	Related notes 1 to 40 to the financial statements, including: material accounting policy information.
Consolidated cash flow statement for the year then ended;	
Related notes 1 to 40 to the financial statements, including: material accounting policy information;	
Risk and capital disclosures marked as 'audited' from page 44 to page 110.	

The financial reporting framework that has been applied in their preparation is applicable law and UK IAS and EU IFRS; and as regards the Parent Company financial statements, UK IAS as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Company and we remain independent of the Group and the Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- performing a risk assessment to identify factors that could impact the going concern basis of accounting, including consideration of principal and emerging risks;
- assessing management's going concern assessment, including the Group's forecast capital, liquidity, and leverage ratios over the period of twelve months from 21 February 2025 to evaluate the headroom against minimum regulatory requirements and the risk appetite set by the directors;
- engaging EY valuation and economic specialists to assess and challenge the reasonableness of assumptions used to develop the forecasts in the Corporate Plan (5-year forward looking plan of the business) and evaluating the accuracy of historical forecasting;
- assessing the Group's funding plan and repayment plan for funding instruments maturing over the period of twelve months from 21 February 2025;
- understanding and evaluating credit rating agency ratings;

- engaging EY prudential regulatory specialists to assess the results of management's stress testing, including consideration of principal and emerging risks, on funding, liquidity, and regulatory capital;
- reviewing correspondence with prudential regulators and authorities for matters that may impact the going concern assessment; and
- evaluating the going concern disclosure included in note 1 to the financial statements to assess that the disclosure was appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and the Parent Company's ability to continue as a going concern for a period of twelve months from 21 February 2025.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of 6 components in 5 countries and audit procedures on specific balances for a further 7 components in 6 countries. • We performed central procedures for certain audit areas and balances as outlined in Tailoring the scope section of our report.
Key audit matters	• Credit impairment • Impairment of investments in subsidiary undertakings • Valuation of financial instruments held at fair value with higher risk characteristics.
Materiality	• Overall Group materiality of $252m which represents 5% of Adjusted Profit before Tax.

An overview of the scope of the parent company and group audits

Tailoring the scope

In the current year our audit scoping has been updated to reflect the new requirements of ISA (UK) 600 (Revised). We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures, with input from our component auditors, to identify and assess risks of material misstatement of the Group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered our understanding of the Group and its business environment, the applicable financial framework, the Group's system of internal control at the entity level, the existence of centralised processes, IT application environment, and any relevant internal audit results.

We took a centralised approach to auditing certain processes and controls, as well as the substantive testing of specific balances. This included audit work over the Group's Global Business Services shared services centre (SSC), Corporate and Investment Banking (CIB) SSC, Credit Impairment SSC and Technology.

We determined that centralised audit procedures can be performed across certain components for the key audit matters outlined later in this report, and for other audit areas, including: Revenue recognition; Management override of controls; Technology costs; Legal and regulatory matters; Impairment of goodwill; Going concern and long-term viability; Defined benefit pension obligations; Hedge accounting; Climate risk; Centralised reconciliations; Share based payments; Onerous contracts, including impairment of leased properties; Taxation; IT matters, and certain restructuring and transformation programmes.

In addition to the above areas, for selected components in Germany, Japan, South Africa, Iraq and Singapore, the primary audit engagement team (the "Primary Audit Team") performed certain procedures centrally over the cash balances as at 31 December 2024. These components are separate to those described below.

We identified 13 components in 10 countries as individually relevant to the Group due a significant risk or an area of higher assessed risk of material misstatement of the group financial statements being associated with the components, or due to financial size of the component relative to the group.

For those individually relevant components, we identified the significant accounts where audit work needed to be performed at these components by applying professional judgement, having considered the group significant accounts on which centralised procedures are performed, the reasons for identifying the financial reporting component as an individually relevant component and the size of the component's account balance relative to the group significant financial statement account balance.

We then considered whether the remaining group significant account balances that are not subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the group financial statements.

Having identified the components for which work will be performed, we determined the scope to assign to each component.

Of the 13 components selected, we designed and performed audit procedures on the entire financial information of 6 components ("full scope components"). For 4 components, we designed and performed audit procedures on specific significant financial statement account balances or disclosures of the financial information of the component ("specific scope components"). For the remaining 3 components, we performed specified audit procedures to obtain evidence for one or more relevant assertions.

	Group's Absolute PBT		Group Total Assets		Group's Absolute Operating Income	
	2024	2023	**2024**	2023	**2024**	2023
Full scope components	**54%**	57%	**84%**	84%	**61%**	62%
Specific scope components	**11%**	18%	**4%**	8%	**10%**	18%
Specified procedures	**3%**	2%	**0.50%**	0.40%	**3%**	2%
Total	**68%**	**77%**	**89%**	**92%**	**74%**	**82%**

Of the remaining components that together represent 32% of the Group's absolute PBT, none are individually greater than 3.1% of the Group's absolute PBT. For certain of these components, we performed other procedures at the Group level which included: performing analytical reviews at the Group financial statement line item level, evaluating entity level controls, performing audit procedures on the centralised shared service centres, testing of consolidation journals and intercompany eliminations, inquiring with certain overseas EY teams on the outcome of prior year local statutory audits (where audited by EY) to identify any potential risks of material misstatement to the Group financial statements. We also had regard for the extent of centralised procedures in respect of key audit matters.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the Primary Audit Team, or by component auditors from other firms operating under our instruction. All of the direct components of the Group (full, specific or specified procedures) were audited by EY global network firms.

Audit procedures were performed on 2 full scope components (including the audit of the Company) directly by the Primary Audit Team (EY London) in the United Kingdom. Where components were audited by the Primary Audit Team, this was under the direction and supervision of the Senior Statutory Auditor. For the remaining 11 components, where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

In addition to the above, the Primary Audit Team also performed full-scope audit procedures on components related to the Group consolidation process.

In addition, the Group has centralised processes and controls over key areas in its shared service centres. Members of the Primary Audit Team undertook direct oversight, review and coordination of our shared service centre audits. The Primary Audit Team continued to follow a programme of planned visits to component teams and shared service centres. During the current year's audit cycle, visits were undertaken by the Primary Audit Team to the component teams in the following locations:

- India (including the shared services centre)
- Malaysia (including the shared services centre)
- Pakistan
- Singapore (including the shared services centre)
- United Arab Emirates
- United States of America

These visits involved discussing the audit approach with the component team and any issues arising from their work, meeting with local management, attending planning and closing meetings, and reviewing relevant audit working papers on risk areas. In addition to the site visits, the Primary Audit Team interacted regularly with the component and SSC audit teams where appropriate during various stages of the audit, reviewed relevant working papers and deliverables to the Primary Audit Team, and were responsible for the scope and direction of the audit process.

The Primary Audit Team also undertook video conference meetings with component and SSC audit teams and management. These virtual meetings involved discussing the audit approach and any issues arising from their work, as well as performing remote reviews of key audit workpapers.

This, together with the procedures performed at Group level, gave us appropriate evidence for our opinion on the Group and Company financial statements.

Climate change

Stakeholders are increasingly interested in how climate change will impact the economy, including the banking sector, and further how this may consequently impact the valuation of assets and liabilities held on bank balance sheets. The Group manages climate risk according to the characteristics of the impacted risk types and is embedding climate-risk considerations into relevant frameworks, including principal risk type frameworks, and processes. The assessment of the risk by the Group is explained on page 56 in the 'Risk profile: Climate Risk' section, and in the Strategic Report on pages 33 to 35, where management has also explained their climate commitments.

All of these disclosures form part of the 'Other information', rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appear to be materially misstated, in line with our responsibilities on 'Other information'.

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in the strategic report how they have reflected the impact of climate change in their financial statements, including how this aligns with their commitment to the aspirations of the Paris Agreement to achieve net zero emissions by 2050. Significant judgements and estimates relating to climate change are included in the section 'Climate change impact on the Group's balance sheet' of note 1 to the financial statements. As stated in these disclosures, the Group has considered Climate change to be an area which can impact accounting estimates and judgements through the uncertainty of future events and the impact of that uncertainty on the Group's assets and liabilities.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating whether management's assessment of the impact of climate risk has been appropriately reflected in the valuation of assets and liabilities, where these can be reliably measured, following the currently effective requirements of UK IAS and EU IFRS. This was in the context of the Group's process being limited, given that this is an emerging area, as a result of limitations in the data available and the nascent modelling capabilities, and as the Group considers how it further embeds its climate ambitions into the planning process.

As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability, and the associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work, we have considered the impact of climate change on the financial statements to impact certain key audit matters. Details of our procedures and findings are included in our explanation of key audit matters below.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Credit Impairment Refer to Note 8 of the financial statements; and relevant credit risk disclosures (including pages 58 to 95) At 31 December 2024, the Bank reported total credit impairment balance sheet provision of $3,204 million (2023: $3,788 million). Management's judgements and estimates are highly subjective as a result of the significant uncertainty associated with the estimation of expected future credit losses. Assumptions with increased complexity in respect of the timing and measurement of expected credit losses (ECL) include: • **Staging** – the determination of what constitutes significant increase in credit risk and consequent timely allocation of qualifying assets to the appropriate stage in accordance with IFRS 9; • **Model output and adjustments** – Accounting interpretations, modelling assumptions and data used to develop, monitor and run the models that calculate the ECL, including the appropriateness, completeness and valuation of post-model adjustments applied to model output to address identified model deficiencies or risks not fully captured by the models; • **Economic scenarios** – Significant judgements involved in the determination of the appropriateness of economic variables, the future forecasting of these variables and the parameters used in both the base case forecast and the Monte Carlo Simulation. The assessment of non-linearity produced by the Monte Carlo simulation, the benchmarking of the output to backstop discrete scenarios and the evaluation of the need for any Post Model adjustments; • **Management overlays** – Appropriateness, completeness and valuation of risk event overlays to capture risks not identified by the credit impairment models, including the consideration of the risk of management override; and • **Individually assessed ECL allowances** – Measurement of individual provisions including the assessment of probability weighted recovery scenarios, exit strategies, collateral valuations, expected future cashflows and the timing of these cashflows. In 2024, the most material factors impacting the ECL were in relation to geopolitical uncertainty and the continuing impact of higher interest rates and inflation. In addition, we have considered the impact of climate on the impairment provisions. Overall, in line with the prior year the level of judgement and estimation remains elevated as a result of the factors above and consequently the risk of a material misstatement to the ECL remained consistent with that of the prior year.	We evaluated the design of controls relevant to the Bank's systems and processes over material ECL balances, involving EY specialists to assist us in performing our procedures where relevant. Based on our evaluation we selected the controls upon which we intended to rely and tested those for operating effectiveness. We performed an overall stand-back assessment of the ECL allowance in total and by stage to determine if the ECL was reasonable. We considered the overall credit quality of the Bank's portfolios, risk profile, the impact of sovereign risk, and the impact of higher interest rates for longer in certain markets. We performed peer benchmarking to the extent that this was considered relevant and investigated and sought explanations for any areas identified as being outliers. Our assessment also included the evaluation of the macroeconomic environment by considering trends in the economies and countries to which the Bank is exposed. **Staging** – We evaluated the criteria used to determine significant increase in credit risk including quantitative backstops with the resultant allocation of financial assets to stage 1, 2 or 3 in accordance with IFRS 9. We reperformed the staging distribution for a sample of financial assets and assessed the reasonableness of staging downgrades applied by management. We assessed the appropriateness of changes to the staging criteria. To test the completeness of the identification of significant increase in credit risk, we challenged the credit risk ratings (including appropriate operation of quantitative backstops) for a sample of performing accounts and other accounts exhibiting risk characteristics such as financial difficulty, deferment of payment, late payment and heightened risk accounts appearing on the watchlist. **Modelled output and adjustments** – With the support of our EY credit risk modelling specialists, we performed a risk assessment on models involved in the ECL calculation using EY independently determined quantitative and qualitative criteria and used this risk rating as a basis to select a sample of models to test. Based on this risk assessment, we evaluated a sample of ECL models by assessing the reasonableness of underpinning assumptions, inputs and formulae used. This included a combination of assessing the appropriateness of model design, model implementation and validation, sensitivity testing and recalculating the Probability of Default, Loss Given Default and Exposure at Default parameters. Together with our modelling specialists, we also assessed material post-model adjustments that were applied as a response to risks not fully captured by the models or for known model deficiencies. This included the completeness and appropriateness of these adjustments. We did not rely on controls over model monitoring and therefore adopted a substantive approach comprising reperformance of model monitoring procedures for models classified as significant or higher risk in accordance with our EY independent risk assessment. In response to the Bank's model simplification program that resulted in a number of low risk or immaterial models moving to a loss rate approach, we challenged whether there was a need for an overlay as result of the models no longer including a forward looking element as required by IFRS 9. To evaluate data quality, we performed sample testing over the completeness and accuracy of key data elements assessed to be material to the modelled ECL output, back to source evidence. **Economic scenarios** – In collaboration with our economists, we challenged the completeness and appropriateness of the macroeconomic variables used as inputs to the ECL models. Additionally, we involved our economic specialists to assist us in evaluating the reasonableness of the base forecast for a sample of macroeconomic variables most relevant for the Bank's ECL calculation. Procedures performed included benchmarking the forecast for a sample of macroeconomic variables to peers, historical data and a variety of global external sources. We assessed the output for a sample of economic variables across different markets from the Monte Carlo simulation for reasonableness. We reviewed and challenged the appropriateness of the underlying coding, assumptions, and output of the Monte Carlo simulation. We assessed the reasonableness of the non-linearity impact on ECL allowances. We engaged our economists, to assess and challenge the Bank's choice of discrete scenarios to benchmark the output from the Monte Carlo model and determine the sensitivity analysis as set out from page 91 in the annual report. This challenge included the choice of narrative scenarios and the weights applied to each scenario. We also performed a stand-back assessment by benchmarking the uplift and overall ECL charge and provision coverage to peers.

Risk	Our response to the risk
Credit Impairment (continued)	**Management overlays** – We challenged the completeness and appropriateness of overlays used for risks not captured by the models, including an assessment of the impact of ongoing political unrest in Bangladesh. Our procedures included assessing the need for management overlays, evaluating the assumptions and judgments used to determine the overlays taking current market conditions into account, and computing independent ranges where appropriate. In addition, with the support from our climate risk modelling specialists we evaluated the initial ECL produced by management's models and assessed the appropriateness of the adjustments to the model output to determine the overall climate overlay. **Individually assessed ECL allowances** – We selected a sample of individually assessed provisions to recalculate. Our recalculation procedures included challenging management's forward looking economic assumptions of the recovery outcomes identified, cashflow profiles and timings and the individual probability weightings used for each scenario. We also engaged our valuation specialists to test the value of the collateral used in management's calculations on a sample basis.

Key observations communicated to the Audit Committee

We communicated that we are satisfied the Bank's ECL provisions were reasonably estimated and materially in compliance with IFRS 9. We highlighted the following matters to the Audit Committee that contributed to our overall conclusion:

- Our evaluation of the appropriateness of the significant increase in credit risk triggers, and the results of our staging reperformance.
- For individually assessed ECL allowances, the overall reasonableness of the provisions, including assumptions applied.
- Our assessment of the appropriateness of post model adjustments and overlays, including non-linearity.
- Our assessment of the appropriateness of the Banks's models to generate the ECL and staging outcomes including the appropriateness and validity of the data used in the models and to generate the staging and consequent ECL.
- Our assessment of the appropriateness of the Bank's climate models to compute the impact of climate related risks on the portfolio, noting the judgmental nature of the output and that these first generation models are expected to evolve significantly over time.

We also highlighted to the Committee that there remains increased uncertainty and volatility in determining expected credit losses due to the elevated risks in the macroeconomic and geopolitical landscape

How we scoped our audit to respond to the risk and involvement with component teams

For the purposes of determining the scope of work to be conducted centrally and by component teams, we considered the following:

- The Bank's material IFRS 9 systems and processes, including modelled ECL, and where those systems and process were located
- The Bank's gross exposure and ECL by jurisdiction
- The Bank's and EY's independent sovereign risk assessment
- Jurisdiction of origin for individual stage 3 exposures

Based on this assessment, we determined that credit related procedures were required to be performed centrally and by 6 full scope, 4 specific scope and 2 specified scope locations.

The Group audit team`s involvement with the component teams and procedures performed are detailed in the "Involvement with component teams" section of our report.

Risk	Our response to the risk
Impairment assessment of investments in subsidiary undertakings Impairment of investments in subsidiary undertakings: Accounting policies (page 227); and Note 31 of the financial statements. In the Parent Company financial statements as at 31 December 2024, the investment in subsidiary undertakings balance was \$10,671 million (2023: \$10,066 million). On an annual basis, management is required to perform an assessment for indicators of impairment in respect of investments in subsidiary undertakings. Where indicators of impairment are identified, the recoverable amount of the investment should be estimated. The Group identified indicators of impairment of investments in subsidiary undertakings, including macroeconomic and geopolitical factors which have an impact on the financial position and performance of the subsidiaries. In assessing for indicators of impairment, among other procedures, management compares the Net Asset Value ('NAV') of the subsidiary to the carrying value of each direct subsidiary of the Parent Company. Where the net assets do not support the carrying value, the recoverable amount is estimated by determining the higher of VIU or fair value less cost to sell. Where the recoverable amount is based on the VIU, this is modelled by reference to future cashflow forecasts (profit forecast including a regulatory capital haircut adjustment), discount rates and macroeconomic assumptions such as long-term growth rates. There is a risk that if the judgements and assumptions underpinning the impairment assessments are inappropriate, then the investments in subsidiaries balances may be misstated. The level of risk remains consistent with the prior year.	We obtained an understanding of management's process and evaluated the design of controls. Our audit strategy was fully substantive. We assessed the appropriateness of the Group's methodology for testing the impairment of investments in subsidiary undertakings for compliance with accounting standards. We agreed the NAV of the subsidiaries to their carrying value to confirm impairment or reversal of impairment recognised in the Parent`s Company financial results. We agreed the inputs in the VIU model to their source and tested the mathematical accuracy of the VIU model. We engaged EY specialists to support the audit team in assessing reasonableness of the regulatory haircut adjustment to future profitability forecasts and calculating an independent range for assumptions underlying the VIU calculations, such as the discount rate and long-term growth rate. We also reconciled the future profitability forecasts of each subsidiary to the Group's approved Corporate Plan ('the Plan'). We engaged our specialist team to determine the reasonableness of the forward macroeconomic inputs used in the Plan. We assessed the appropriateness of disclosures for impairment of investments in subsidiary undertakings in accordance with IAS 36.

Key observations communicated to the Audit Committee

Investments in subsidiary undertakings balance reported in the Parent Company financial statements and the associated disclosures, are not materially misstated as at 31 December 2024.

How we scoped our audit to respond to the risk and involvement with component teams

All audit work performed to address this risk was materially undertaken centrally by the Group audit team.

Risk	Our response to the risk
Valuation of financial instruments held at fair value with higher risk characteristics Refer to the Accounting policies (page 130); and Note 12 of the financial statements. At 31 December 2024, the Group reported financial assets measured at fair value of \$245,417 million (2023: \$212,208 million), and financial liabilities at fair value of \$145,506 million (2023: \$120,992 million), of which financial assets of \$5,288 million (2023: \$4,234 million) and financial liabilities of \$2,016 million (2023: \$1,591 million) are classified as Level 3 in the fair value hierarchy. The fair value of financial instruments with higher risk characteristics involves the use of management judgement in the selection of valuation models and techniques, pricing inputs and assumptions and fair value adjustments. A higher level of estimation uncertainty is involved for financial instruments valued using complex models; pricing inputs that have limited observability; and fair value adjustments, including the Credit Valuation Adjustments for illiquid counterparties. We considered the following portfolios presented a higher level of estimation uncertainty: • Derivatives: Level 3 and certain Level 2 derivatives (including those embedded within customer accounts, debt securities in issue, and deposits by banks) whose valuation involves the use of complex models; and • Other Level 3 financial instruments: equity shares, loans and advances to customers, reverse repurchase agreements and other similar secured lending, and debt securities and other eligible bills with unobservable pricing inputs. The level of risk remains consistent with the prior year.	We evaluated the design and operating effectiveness of controls relating to the valuation of financial instruments, including independent price verification, model validation and approval, fair value adjustments, and significant deal review. Among other procedures, we engaged our valuation specialists to assist the audit team in performing the following testing on a risk-assessed sample basis: • Test valuations dependent on complex models by independently revaluing Level 3 and certain Level 2 derivative financial instruments (including those embedded within customer accounts, debt securities in issue, and deposits by banks) to assess the appropriateness of models and the adequacy of assumptions and inputs used by the Group; • Test valuations of other Level 3 financial instruments with higher estimation uncertainty, such as equity shares, loans and advances to customers, reverse repurchase agreements and other similar secured lending, and debt securities and other eligible bills. Where appropriate, we compared management's valuation to our own independently developed range; • Assessed the appropriateness of pricing inputs as part of the IPV process; and • Compared the methodology used for fair value adjustments to current market practice. We revalued a sample of valuation adjustments, compared market inputs to third party data, and challenged the basis for determining illiquid credit spreads. Where differences between our independent valuation and management's valuation were outside our thresholds, we performed additional testing to assess the impact on the valuation of financial instruments. Throughout our audit procedures we considered the continuing uncertainty arising from the current macroeconomic environment. In addition, we assessed whether there were any indicators of aggregate bias in financial instrument marking and methodology assumptions.

Key observations communicated to the Audit Committee

We concluded that assumptions used by management to estimate the fair value of financial instruments with higher risk characteristics and the recognition of related income were reasonable. We highlighted the following matters to the Audit Committee:

- We did not identify material differences arising from our independent testing of valuations dependent on complex models;
- The fair values of other Level 3 financial instruments, valued using pricing inputs with limited observability, were not materially misstated as at 31 December 2024, based on our independent calculations; and
- Valuation adjustments, including Credit Valuation Adjustments for illiquid counterparties, were appropriate, based on our analysis of market data and benchmarking of pricing information.

How we scoped our audit to respond to the risk and involvement with component teams

We performed centralised audit procedures over this risk. These procedures were performed by the Primary Team and CIB SSC, covering over 98.4% of the risk amount.

In the prior year, our auditor's report included key audit matters in relation to privileged access management and the valuation of goodwill. In the current year, following the implementation of management's remediation programme, the risk relating to privileged access has reduced below the threshold for being a key audit matter. Also, due to a reduction of the risk of material impairment of goodwill, we no longer consider it a key audit matter.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be $252 million (2023: $221 million), which is 5% (2023: 5%) of adjusted profit before tax. This reflects statutory profit before tax adjusted for certain non-recurring items. We believe that adjusted profit before tax provides us with most appropriate and relevant measure for the users of the financial statements, given the Group is profit making, it is consistent with the wider industry, and it is the standard for listed and regulated entities. This increase from prior year is driven by an increase in our materiality basis of adjusted profit before tax and is reflected in all materiality thresholds discussed below.

We determined materiality for the Parent Company to be $164 million (2023: $155 million), which is 5% (2023: 5%) of adjusted profit before tax. We believe that adjusted profit before tax provides us with most relevant and appropriate measure for the users of the financial statements, given the Company is profit making, it is consistent with the wider industry, and it is the standard for regulated entities.

Starting basis	• Reported profit before tax – $4,447 million
Adjustments	• Non-recurring items: $587 million
Materiality	• Adjusted profit before tax – $5,034 million • Materiality of $252 million (5% of adjusted profit before tax)

During the course of our audit, we reassessed initial materiality. This assessment resulted in a higher final materiality calculated based on the actual financial performance of the Group for the year.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% (2023: 50%) of our planning materiality, namely $126m (2023: $111m). We have set performance materiality at this percentage due to a variety of risk assessment factors such as the expectation of misstatements, internal control environment considerations and other factors such as the global complexity of the Group.

Audit work was undertaken at component locations for the purpose of responding to the assessed risks of material misstatement of the group financial statements. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was $16m to $31m (2023: $11.4m to $22.8m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of $13m (2023: $11m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Annual Report set out on pages 1 to 262, including the Strategic report (pages 1 to 35), the Directors' report (pages 36 to 42), the Statement of directors' responsibilities (page 43) and the information not marked as 'audited' in the Risk review and Capital review section (pages 44 to 110), and the Supplementary information, including Glossary (pages 245 to 262), other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 43, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (UK-adopted IAS and EU IFRS, the Companies Act 2006), regulations and supervisory requirements of the Prudential Regulation Authority (PRA), FRC, FCA and other overseas regulatory requirements, including but not limited to regulations in its major markets such as India, Singapore, the United States of America, the United Arab Emirates and the relevant tax compliance regulations in the jurisdictions in which the Group operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to regulatory capital and liquidity, conduct, financial crime including anti-money laundering, sanctions and market abuse, recognising the financial and regulated nature of the Group's activities.
- We understood how the Group is complying with those frameworks by performing a combination of inquiries of senior management and those charged with governance as required by auditing standards, review of board and certain committee meeting minutes, gaining an understanding of the Group's approach to governance, inspection of regulatory correspondence in the year and engaging with internal and external legal counsel. We also engaged EY financial crime and forensics specialists to perform procedures on areas relating to anti-money laundering, whistleblowing, and sanctions compliance. Through these procedures, we became aware of actual or suspected non-compliance. The identified actual or suspected non-compliance was not sufficiently significant to our audit that would have resulted in it being identified as a key audit matter.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by considering the controls that the Group has established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud. Our procedures to address the risks identified also included incorporation of unpredictability into the nature, timing and/or extent of our testing, challenging assumptions and judgements made by management in their significant accounting estimates and journal entry testing.
- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved inquiries of the Group's internal and external legal counsel, money laundering reporting officer, internal audit, certain senior management executives, and focused testing on a sample basis, including journal entry testing. We also performed inspection of key correspondence from the relevant regulatory authorities as well as review of board and committee minutes.
- For instances of actual or suspected non-compliance with laws and regulations, which have a material impact on the financial statements, these were communicated by management to the Group audit engagement team and component teams (where applicable) who performed audit procedures such as inquiries with management, sending confirmations to external legal counsel, substantive testing and meeting with regulators. Where appropriate, we involved specialists from our firm to support the audit team.
- The Group is authorised to provide banking, insurance, mortgages and home finance, consumer credit, pensions, investments and other activities. The Group operates in the banking industry which is a highly regulated environment. As such, the Senior Statutory Auditor considered the experience and expertise of the Group audit engagement team, the component teams and the shared service centre teams to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the audit committee, we were re-appointed by the Company on 10 May 2024 to audit the financial statements for the year ending 31 December 2024 and subsequent financial periods.

The period of total uninterrupted engagement including previous renewals and reappointments is five years, covering the years ending 31 December 2020 to 31 December 2024.

- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

David Canning-Jones (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London
21 February 2025

Consolidated income statement
For the year ended 31 December 2024

	Notes	2024 $million	2023 $million
Interest income		19,310	18,380
Interest expense		(14,910)	(13,773)
Net interest income	3	4,400	4,607
Fees and commission income		3,486	3,094
Fees and commission expense		(824)	(656)
Net fees and commission income	4	2,662	2,438
Net trading income	5	5,530	4,100
Other operating income	6	(178)	404
Operating income		12,414	11,549
Staff costs		(6,417)	(6,286)
Premises costs		(254)	(241)
General administrative expenses		(223)	27
Depreciation and amortisation		(656)	(647)
Operating expenses	7	(7,550)	(7,147)
Operating profit before impairment losses and taxation		4,864	4,402
Credit impairment	8	(15)	58
Goodwill, property, plant and equipment and other impairment	9	(410)	(42)
Profit from associates and joint ventures	31	8	(4)
Profit before taxation		4,447	4,414
Taxation	10	(1,465)	(1,177)
Profit for the year		2,982	3,237
Profit attributable to:			
Non-controlling interests	28	39	29
Parent company shareholders		2,943	3,208
Profit for the year		2,982	3,237

The notes on pages 130 to 244 form an integral part of these financial statements.

Consolidated statement of comprehensive income
For the year ended 31 December 2024

	Notes	2024 $million	2023 $million
Profit for the year		**2,982**	3,237
Other comprehensive income			
Items that will not be reclassified to income statement:		**(198)**	107
Own credit (losses)/gains on financial liabilities designated at fair value through profit or loss		**(319)**	99
Equity instruments at fair value through other comprehensive income		**(6)**	110
Actuarial gains on retirement benefit obligations	29	**26**	(27)
Revaluation Surplus		**9**	–
Taxation relating to components of other comprehensive income	10	**92**	(75)
Items that may be reclassified subsequently to income statement:		**(278)**	255
Exchange differences on translation of foreign operations:			
Net losses taken to equity		**(663)**	(563)
Net gains/(losses) on net investment hedges	13	**44**	(18)
Share of other comprehensive income from associates and joint ventures	31	**(5)**	–
Debt instruments at fair value through other comprehensive income:			
Net valuation gains taken to equity		**216**	300
Reclassified to income statement	6	**172**	92
Net impact of expected credit losses		**(36)**	(48)
Cash flow hedges:			
Net movements in cash flow hedge reserve	13	**32**	583
Taxation relating to components of other comprehensive income	10	**(38)**	(91)
Other comprehensive (loss)/gain for the year, net of taxation		**(476)**	362
Total comprehensive income for the year		**2,506**	3,599
Total comprehensive income attributable to:			
Non-controlling interests	28	**22**	(2)
Parent company shareholders		**2,484**	3,601
Total comprehensive income for the year		**2,506**	3,599

Consolidated balance sheet
As at 31 December 2024

		Group		Company	
	Notes	**2024 $million**	2023 $million	**2024 $million**	2023 $million
Assets					
Cash and balances at central banks	12,34	**56,665**	64,198	**45,233**	52,758
Financial assets held at fair value through profit or loss	12	**103,624**	97,100	**88,349**	86,412
Derivative financial instruments	12,13	**82,717**	52,554	**82,844**	53,221
Loans and advances to banks	12,14	**22,941**	22,803	**11,755**	10,135
Loans and advances to customers	12,14	**158,242**	156,143	**77,597**	75,883
Investment securities	12	**96,442**	102,474	**82,101**	92,771
Other assets	19	**28,478**	28,507	**21,552**	21,742
Due from subsidiary undertakings and other related parties		**5,222**	5,666	**10,066**	10,053
Current tax assets	10	**644**	484	**516**	395
Prepayments and accrued income		**2,197**	2,072	**1,535**	1,386
Interests in associates and joint ventures	31	**75**	81	**–**	–
Investments in subsidiary undertakings	31	**–**	–	**10,671**	10,066
Goodwill and intangible assets	16	**3,774**	4,210	**1,988**	2,359
Property, plant and equipment	17	**1,144**	1,030	**659**	521
Deferred tax assets	10	**350**	502	**233**	379
Retirement benefit schemes in surplus		**118**	–	**118**	–
Assets classified as held for sale	20	**901**	755	**474**	68
Total assets		**563,534**	538,579	**435,691**	418,149
Liabilities					
Deposits by banks	12	**22,409**	23,616	**17,824**	18,280
Customer accounts	12	**239,204**	237,902	**119,502**	121,648
Repurchase agreements and other similar secured borrowing	12,16	**9,921**	12,033	**9,845**	11,977
Financial liabilities held at fair value through profit or loss	12	**62,929**	65,819	**61,683**	64,467
Derivative financial instruments	12,13	**82,577**	55,173	**82,745**	55,531
Debt securities in issue	12,21	**39,864**	36,481	**36,081**	34,740
Other liabilities	22	**27,767**	24,477	**21,486**	19,213
Due to parent companies, subsidiary undertakings & other related parties		**28,246**	31,166	**42,313**	47,317
Current tax liabilities	10	**559**	445	**294**	188
Accruals and deferred income		**4,265**	4,288	**2,441**	2,453
Subordinated liabilities and other borrowed funds	12,26	**10,359**	11,454	**9,801**	10,896
Deferred tax liabilities	10	**427**	582	**308**	477
Provisions for liabilities and charges	23	**261**	235	**186**	171
Retirement benefit obligations	29	**249**	177	**200**	133
Liabilities included in disposal groups held for sale	20	**381**	787	**–**	5
Total liabilities		**529,418**	504,635	**404,709**	387,496
Equity					
Share capital and share premium account	27	**21,643**	21,643	**21,643**	21,643
Other reserves		**(6,939)**	(6,509)	**(3,804)**	(3,403)
Retained earnings		**13,226**	12,988	**7,421**	7,671
Total parent company shareholders' equity		**27,930**	28,122	**25,260**	25,911
Other equity instruments	27	**5,722**	4,742	**5,722**	4,742
Total equity excluding non-controlling interests		**33,652**	32,864	**30,982**	30,653
Non-controlling interests	28	**464**	1,080	**–**	–
Total equity		**34,116**	33,944	**30,982**	30,653
Total equity and liabilities		**563,534**	538,579	**435,691**	418,149

The Company has taken advantage of the exemption in section 408 of the Companies Act 2006 not to present its individual statement of comprehensive income and related notes that form a part of these financial statements. The Company profit for the year after tax is $2,325 million (2023: Profit after tax $2,585 million).

The notes on pages 130 to 244 form an integral part of these financial statements

These financial statements were approved by the Court of Directors and authorised for issue on 21 February 2025 and signed on its behalf by:

Bill Winters, Director

Diego De Giorgi, Director

Consolidated statement of changes in equity

For the year ended 31 December 2024

	Share capital and share premium account $million	Preference share capital and share premium account $million	Capital and merger reserves[1] $million	Own credit adjustment reserve $million	Fair value through other comprehensive income reserve – debt $million	Fair value through other comprehensive income reserve – equity $million	Cash flow hedge reserve $million	Translation reserve $million	Retained earnings $million	Parent company shareholders' equity $million	Other equity instruments $million	Non-controlling interests $million	Total $million
As at 1 January 2023	20,893	1,500	40	(26)	(851)	166	(513)	(5,781)	12,801	28,229	4,750	1,164	34,143
Profit for the year	–	–	–	–	–	–	–	–	3,208	3,208	–	29	3,237
Other comprehensive income/(loss)[7]	–	–	–	73	337	66	500	(550)	(33)[2]	393	–	(31)	362
Distributions	–	–	–	–	–	–	–	–	–	–	–	(103)	(103)
Other equity instruments issued, net of expenses	–	–	–	–	–	–	–	–	–	–	992	–	992
Redemption of other equity instruments	–	–	–	–	–	–	–	–	–	–	(1,000)	–	(1,000)
Share option expense, net of taxation	–	–	–	–	–	–	–	–	174	174	–	–	174
Dividends on ordinary shares	–	–	–	–	–	–	–	–	(2,599)	(2,599)	–	–	(2,599)
Dividends on preference shares and AT1 securities	–	–	–	–	–	–	–	–	(363)	(363)	–	–	(363)
Deemed distribution to parent[3]	–	–	–	–	–	–	–	–	(174)	(174)	–	–	(174)
Share buy-back[8]	–	(750)	–	–	–	–	–	–	–	(750)	–	–	(750)
Other movements[5]	–	–	–	–	–	(41)	–	71[4]	(26)	4	–	21[6]	25
As at 31 December 2023	20,893	750	40	47	(514)	191	(13)	(6,260)	12,988	28,122	4,742	1,080	33,944
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,943**	**2,943**	**–**	**39**	**2,982**
Other comprehensive (loss)/income[7]	**–**	**–**	**–**	**(292)**	**324**	**(90)**[11]	**21**	**(609)**	**187**[2,12]	**(459)**	**–**	**(17)**	**(476)**
Distributions	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(125)**	**(125)**
Other equity instruments issued, net of expenses	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**980**	**–**	**980**
Share option expenses	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**205**	**205**	**–**	**–**	**205**
Dividends on ordinary shares	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(2,395)**	**(2,395)**	**–**	**–**	**(2,395)**
Dividends on preference shares and AT1 securities	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(349)**	**(349)**	**–**	**–**	**(349)**
Deemed distribution to parent[3]	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(226)**	**(226)**	**–**	**–**	**(226)**
Other movements	**–**	**–**	**–**	**(1)**	**7**	**–**	**–**	**210**[4]	**(127)**[9]	**89**	**–**	**(513)**[10]	**(424)**
As at 31 December 2024	**20,893**	**750**	**40**	**(246)**	**(183)**	**101**	**8**	**(6,659)**	**13,226**	**27,930**	**5,722**	**464**	**34,116**

1 Includes capital reserve of $35 million, capital redemption reserve of $5 million
2 Includes actuarial (loss)/gain, net of taxation on Group defined benefit schemes
3 Relates to deemed capital contribution from parent company arising from share-based payment net of taxation of $226 million (2023: $174 million deemed capital contribution arising from share-based payment net of taxation)
4 Movement related to Translation adjustment in 2023. December 2024 movement includes realisation of translation adjustment loss from sale of SCB Zimbabwe Limited ($190 million), SCB Angola S.A. ($31 million), SCB Sierra Leone Limited ($25 million) transferred to other operating income.
5 Movements in Reserves relating to Ventures Group due to change in ownership
6 Movement from non-controlling interest of $28 million primarily from Trust Bank Singapore offset by release of non-controlling interest relating to Venture group ($7 million) due to change in ownership
7 All the amounts are net of tax
8 At an Extraordinary General Meeting of the Company duly convened and held at 1 Basinghall Avenue, London, EC2V 5DD on 26 June 2023, the capital of the Company was reduced by (i) cancelling and extinguishing 7,500 7.014% non-cumulative preference shares of US$5 each in the capital of the Company (the “Preference Shares”) and (ii) reducing the amount standing to the credit of the Company’s share premium account by US$749,962,500, and a repayment of capital of US$750,000,000 be paid to the holder of the Preference Shares
9 Mainly includes movements related to Ghana hyperinflation.
10 Movements primarily from non-controlling interest pertaining to Trust Bank Singapore Limited ($55 million) offset by Standard Chartered Bank Singapore Limited $562 million pertaining to redemption of Preference share and Standard Chartered Bank Angola S.A. $6 million.
11 Includes $174 million gain on sale of equity investment transferred to retained earnings partially offset by $76 million reversal of deferred liability
12 Includes $174 million gain on sale of equity investment in other comprehensive income reserve transferred to retained earnings partly offset by $13 million capital gain tax

Note 27 includes a description of each reserve.

The notes on pages 130 to 244 form an integral part of these financial statements

Cash flow statement
For the year ended 31 December 2024

		Group		Company	
	Notes	2024 $million	2023 $million	2024 $million	2023 $million
Cash flows from operating activities:					
Profit before taxation		**4,447**	4,414	**3,058**	3,088
Adjustments for non-cash items and other adjustments included within income statement	33	**1,107**	(107)	**(1)**	(790)
Change in operating assets	33	**(34,790)**	4,406	**(26,161)**	23,104
Change in operating liabilities	33	**25,731**	(4,503)	**13,864**	(13,891)
Contributions to defined benefit schemes	29	**(48)**	(60)	**(39)**	(46)
UK and overseas taxes paid	10	**(1,422)**	(1,229)	**(720)**	(658)
Net cash (used in)/from operating activities		**(4,975)**	2,921	**(9,999)**	10,807
Cash flows from investing activities:					
Internally generated capitalised software	16	**(479)**	(649)	**(246)**	(378)
Purchase of property, plant and equipment	17	**(224)**	(100)	**(176)**	(53)
Disposal of property, plant and equipment		**13**	15	**15**	1
Acquisition of investment in subsidiaries, associates, and joint ventures	31	**(1)**	(1)	**–**	–
Dividends received from subsidiaries, associates and joint ventures	31,33	**6**	4	**1,052**	2,060
Disposal of subsidiaries, associates and joint ventures		**51**	486	**26**	–
Disposal of assets held for sale and associated liabilities		**–**	108	**–**	108
Purchase of investment securities		**(131,058)**	(124,780)	**(84,630)**	(91,970)
Disposal and maturity of investment securities		**132,861**	136,837	**91,907**	97,216
Net cash from investing activities		**1,169**	11,920	**7,948**	6,984
Cash flows from financing activities:					
Cancellation of shares including share buy-back		**–**	(750)	**–**	(750)
Premises and equipment lease liability principal payment		**(97)**	(97)	**(43)**	(45)
Issue of Additional Tier 1 capital, net of expenses	27	**980**	992	**980**	992
Redemption of Tier 1 capital	27	**–**	(1,000)	**–**	(1,000)
Gross proceeds from issue of subordinated liabilities	33	**–**	18	**–**	–
Interest paid on subordinated liabilities	33	**(569)**	(714)	**(528)**	(583)
Repayment of subordinated liabilities	33	**(1,000)**	(2,160)	**(1,000)**	(2,160)
Proceeds from issue of senior debts	33	**3,134**	5,597	**3,114**	4,820
Repayment of senior debts	33	**(2,480)**	(2,546)	**(2,471)**	(1,806)
Interest paid on senior debts	33	**(282)**	(235)	**(282)**	(235)
Net cash inflow from non-controlling interests	28	**(506)**	21	**–**	–
Distributions and Dividends paid to non-controlling interests, preference shareholders and AT1 securities		**(474)**	(466)	**(349)**	(363)
Dividends paid to ordinary shareholders		**(2,395)**	(2,599)	**(2,395)**	(2,599)
Net cash used in financing activities		**(3,689)**	(3,939)	**(2,974)**	(3,729)
Net (decrease)/increase in cash and cash equivalents		**(7,495)**	10,902	**(5,025)**	14,062
Cash and cash equivalents at beginning of the year		**88,360**	78,255	**53,988**	40,264
Effect of exchange rate movements on cash and cash equivalents		**(1,916)**	(797)	**(862)**	(338)
Cash and cash equivalents at end of the year	34	**78,949**	88,360	**48,101**	53,988

For Bank Group, Interest received was $19,638 million (31 December 2023: $18,174 million) , interest paid was $15,035 million (31 December 2023: $13,773 million).

For Bank Company Interest received was $13,579 million (31 December 2023: $12,518 million), interest paid was $11,596 million (31 December 2023: $10,787 million).

Company statement of changes in equity

For the year ended 31 December 2024

	Share capital and share premium account $million	Preference share capital and share premium account $million	Capital and merger reserves[1] $million	Own credit adjustment reserve $million	Fair value through other comprehensive income reserve – debt $million	Fair value through other comprehensive income reserve – equity $million	Cash flow hedge reserve $million	Translation reserve $million	Retained earnings $million	Parent company shareholders' equity $million	Other equity instruments $million	Total $million
As at 1 January 2023	20,893	1,500	40	(24)	(1,040)	147	(522)	(2,853)	8,080	26,221	4,750	30,971
Profit for the year	–	–	–	–	–	–	–	–	2,585	2,585	–	2,585
Other comprehensive income/(loss)[4]	–	–	–	73	324	67	471	(86)	(21)[2]	828	–	828
Other equity instruments issued, net of expenses	–	–	–	–	–	–	–	–	–	–	992	992
Redemption of other equity instruments	–	–	–	–	–	–	–	–	–	–	(1,000)	(1,000)
Share option expense, net of taxation	–	–	–	–	–	–	–	–	114	114	–	114
Dividends on ordinary shares	–	–	–	–	–	–	–	–	(2,599)	(2,599)	–	(2,599)
Dividends on preference shares and AT1 securities	–	–	–	–	–	–	–	–	(363)	(363)	–	(363)
Deemed distribution to parent[3]	–	–	–	–	–	–	–	–	(113)	(113)	–	(113)
Share buy-back[5]	–	(750)	–	–	–	–	–	–	–	(750)	–	(750)
Other movements	–	–	–	–	–	–	–	–	(12)	(12)	–	(12)
As at 31 December 2023	20,893	750	40	49	(716)	214	(51)	(2,939)	7,671	25,911	4,742	30,653
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,325**	**2,325**	**–**	**2,325**
Other comprehensive (loss)/income[4]	**–**	**–**	**–**	**(291)**	**308**	**(83)**	**34**	**(326)**	**194[2]**	**(164)**	**–**	**(164)**
Other equity instruments issued, net of expenses	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**980**	**980**
Share option expenses	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**127**	**127**	**–**	**127**
Dividends on ordinary shares	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(2,395)**	**(2,395)**	**–**	**(2,395)**
Dividends on preference shares and AT1 securities	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(349)**	**(349)**	**–**	**(349)**
Deemed distribution to parent[3]	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(144)**	**(144)**	**–**	**(144)**
Other movements	**–**	**–**	**–**	**(1)**	**7**	**–**	**–**	**(49)**	**(8)**	**(51)**	**–**	**(51)**
As at 31 December 2024	**20,893**	**750**	**40**	**(243)**	**(401)**	**131**	**(17)**	**(3,314)**	**7,421**	**25,260**	**5,722**	**30,982**

1 Includes capital reserve of $35 million, capital redemption reserve of $5 million
2 Includes actuarial (loss)/gain, net of taxation on Group defined benefit schemes
3 Relates to deemed capital contribution from parent company arising from share-based payment net of taxation of $144 million (31 December 2023: $113 million deemed capital contribution arising from share-based payment net of taxation)
4 All amounts are net of tax
5 At an Extraordinary General Meeting of the Company duly convened and held at 1 Basinghall Avenue, London, EC2V 5DD on 26 June 2023, the capital of the Company was reduced by (i) cancelling and extinguishing 7,500 7.014% non-cumulative preference shares of US$5 each in the capital of the Company (the "Preference Shares") and (ii) reducing the amount standing to the credit of the Company's share premium account by US$749,962,500, and a repayment of capital of US$750,000,000 be paid to the holder of the Preference Shares.

Note 27 includes a description of each reserve.

The notes on pages 130 to 244 form an integral part of these financial statements.

Contents – Notes to the financial statements

Notes to the financial statements

1. Accounting policies

Statement of compliance

The Group financial statements consolidate Standard Chartered Bank (the Company) and its subsidiaries (together referred to as the Group) and equity account the Group's interests in associates and jointly controlled entities.

The parent company financial statements present information about the Company as a separate entity.

The Group financial statements have been prepared and approved by the directors in accordance with UK- adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and with international financial reporting standards (IFRS) (Accounting Standards) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union (EU IFRS). There are no significant differences between UK-adopted international accounting standards and EU IFRS.

The Company financial statements have been prepared in accordance with UK-adopted international accounting standards as applied in conformity with section 408 of the Companies Act 2006.

The following parts of the Risk review and Capital review form part of these financial statements:

a) Risk review: Disclosures from the start of Risk profile section (page 58) to the end of other principal risks in the same section (page 108) excluding:

- Liquidity coverage ratio (LCR), (page 99)
- Stressed coverage, (page 99)
- Net stable funding ratio (NSFR), (page 100)
- Liquidity pool, (page 100)
- Interest Rate Risk in the Banking Book, (page 106)
- Operational risk, (page 107)
- Other principal risks, (page 108)

b) Capital review: from the start of 'Capital Requirements Directive (CRD) capital base' to the end of 'movement in total capital', excluding capital ratios and risk-weighted assets (RWA)

Basis of preparation

The consolidated and Company financial statements have been prepared on a going concern basis and under the historical cost convention, as modified by the revaluation of cash-settled share-based payments, fair value through other comprehensive income, and financial assets and liabilities (including derivatives) at fair value through profit or loss.

The consolidated financial statements are presented in United States dollars ($), being the presentation currency of the Group and functional currency of the Company, and all values are rounded to the nearest million dollars, except when otherwise indicated.

Significant and other accounting estimates and judgement

In determining the carrying amounts of certain assets and liabilities, the Group makes assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The Group's estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. Further information about key assumptions concerning the future, and other key sources of estimation uncertainty and judgement, are set out in the relevant disclosure notes for the areas set out under the relevant headings below:

Significant accounting estimates and critical judgements

Significant accounting estimates and judgements represent those items which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year. Significant accounting estimates and judgements are:

- Expected credit loss calculations (Note 8)
- Financial instruments measured at fair value (Note 12)
- Investments in subsidiary undertakings (Note 31)

Other areas of accounting estimate and judgement

Other areas of accounting estimate and judgement do not meet the definition under IAS 1 of significant accounting estimates or critical accounting judgements, but the recognition of certain material assets and liabilities are based on assumptions and/or are subject to long-term uncertainties. The other areas of accounting estimate and judgement are:

- Taxation (Note 10)
- Goodwill and intangible assets-Goodwill impairment and capitalisation of internally generated software intangibles (Note 9 and Note 16)
- Provisions for liabilities and charges – Other provisions (Note 23)
- Legal and regulatory matters – (Note 25)
- Retirement benefit obligations (Note 29)
- Share-based payments (Note 30)

1. Accounting policies continued

Climate change impact on the Group's balance sheet

Climate, and the impact of climate on the Group's balance sheet is considered as an area which can impact accounting estimates and judgments through the uncertainty of future events and the impact of that uncertainty on the Group's assets and liabilities. However, the Group has concluded that Climate Change does not have a financially material impact at this time. In reaching this conclusion, the Group also leverages assessments performed at PLC Group level and the extent to which the results impact the Group.

The PLC Group has assessed the impact of climate risk on the PLC Group as a whole. This is set out within the Sustainability Overview and Sustainability Review chapter in the PLC Annual Report which incorporate the PLC Group's Climate-related Financial Disclosures which align with the recommendations from the Task Force for Climate related Financial Disclosures (TCFD). Further risk disclosure has been provided in the Principal Risks and Uncertainties section of the Annual Report where the PLC Group has described how it manages climate risk, which is integrated across relevant Principal Risk Types (PRTs) and is managed via the PLC Group ESGR Risk Type framework.

The areas of impact for the Group where judgements and the use of estimates have been applied were credit risk and the impact on lending portfolios; ESG features within issued loans and bonds; physical risk on our mortgage lending portfolio; and the corporate plan, in respect of which forward looking cash flows impact the recoverability of certain assets, including of goodwill, deferred tax assets and investments in subsidiary undertakings.

Transition risk, as our clients move to lower carbon emitting revenues, (either by virtue of legislation or changing end customer preference) is considered with reference to client transition pathways and manifests over a longer term than the maturity of the loan book (up to 2050). At PLC Group level, the setting of net zero targets, which as of this annual report covers our 12 highest emitting sectors, manages transition risk. Net zero targets enable the portfolio managers to work with our clients on their transition and deploy capital to those clients which are engaged and have adequate transition pathways. All of these actions manage the Group's transition risk and engage clients before transition risk manifests itself into credit losses. We have also evaluated transition risk to achieve net zero in our own operations.

While physical risk is included within the majority of our mortgage lending decisions, we have applied scenario analysis against the pathways of different temperature outcomes to examine exposure concentration risk in key markets subject to the extreme risk of floods and storms to assess the acute physical risk, and sea level rise to assess the chronic physical risk. Stranded assets analysis was conducted for residential mortgages to identify properties that are expected to become uninhabitable and/ore unusable due to increased frequency and intensity of physical risk events from acute and chronic risks. We assess the physical risk vulnerabilities of our existing sites on a regular basis and for new sites during the onboarding process. Additionally, we assess the impact of climate risk on the classification of financial instruments under IFRS 9, when Environmental, Social or Governance (ESG) triggers may affect the cash flows received by the Group under the contractual terms of the instrument.

The PLC Group's ESGR Risk team has performed a quantitative assessment of the impact of climate risk on the IFRS 9 ECL provision. This assessment has been performed across both the CIB and WRB portfolios. The Climate risk impact assessment on IFRS 9 business as usual ECL has been conducted based on newly developed and enhanced internal climate risk models for corporates across six priority sectors (Oil and Gas, Power, Steel, Mining, Shipping, and Automotive), one Generic model for the remaining corporate sectors and Sovereigns, whilst the top-down approach developed in 2022 was used for the remaining portfolios. The impact assessment, which primarily focused on transition risk, resulted in only a marginal ECL increase across CIB and WRB for the PLC Group, which has been recorded as a management overlay for the 2024 year end to the extent related to the Group.

The Group's corporate plan has a 5year outlook and considers the highest emitting sectors the Group finances. The majority of the PLC Group sector targets are production/physical intensities which allow continued levels of lending as long as the products the client produce have a decreasing carbon cost. For Coal Mining and Oil and Gas, these sectors have absolute targets which represent a decreasing carbon budget. Coal Mining is an immaterial book, whilst for Oil and Gas lending is being actively monitored towards lower carbon counterparties and technologies. The corporate plan is shorter term than many of the climate scenario outlooks but seeks to capture the nearer term performance as required by recoverability models. The Group has for the third time in the 2025 corporate plan included anticipated credit impairment charges, now across seven sectors (Oil and Gas, Metals and Mining, Power, and Transport, along with Cement, Automobile, and Commercial Real Estate which have been newly added this year). This addition of credit impairment has not in itself, materially impacted the recoverability of Group assets supported by discounted cash flow models (such as Value in Use) which utilise the Corporate plan.

The PLC Group has progressively strengthened its scenario analysis capabilities with the modelling of Climate Risk impact over a 30-year period across multiple dimensions including scenario data and pathways across CIB and WRB portfolios. While we have taken the first step in our journey to transition from our reliance on vendor models to in-house capabilities, challenges underpin the scenario analysis, such as reliance on nascent methodologies, dependencies on first generation models and data limitations. Notwithstanding these challenges, our work to date, using certain assumptions and proxies, indicates that our business is resilient to all Network of Central Banks and Supervisors for Greening the Financial System (NGFS) and bespoke scenarios that were explored.

1. Accounting policies continued
The Group, although acknowledging the limitations of current data available, increasing sophistication of models evolving and nascent nature of climate impacts on internal and client assets, considers Climate Risk to have limited quantitative impact in the immediate term and as a longer-term risk is expected to be addressed through its business strategy and financial planning as the Group implements its net zero journey.

Comparatives
Certain comparatives have been represented in line with current year disclosures. Details of these changes are set out in the relevant sections and notes below:

- Segment reporting- (Note 2)

New accounting standards in issue but not yet effective
There were no new accounting standards or interpretations that had a material effect on the Group's Financial Statements in 2024.

IAS 21 Amendment – Lack of Exchangeability
In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users to understand the impact of a currency not being exchangeable. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. The amendment is not expected to have a material impact on the Group's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements
The new standard IFRS 18 was issued in April 2024 and is effective for annual reporting periods beginning on or after January 1, 2027 but earlier application is permitted. This new standard replaces IAS 1 Presentation of Financial Statements and amends IAS 7 Statement of Cash Flows. IFRS 18 introduces three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and requires all companies to provide new defined subtotals, including operating profit. IFRS 18 will require disclosure of explanations of company-specific measures that are related to the income statement, referred to as management-defined performance measures. IFRS 18 sets out enhanced guidance on how to organise information and whether to provide it in the primary financial statements or in the notes. The Group will apply IFRS 18 for annual reporting periods beginning on January 1, 2027 and is currently not expected to have a material impact on the Group's financial statements other than a change in the presentation of the primary statements.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures Amendments
In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments which amended requirements related to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. The amendments are not expected to have a material impact on the Group's financial statements.

Going concern
These financial statements were approved by the Court of directors on 21 February 2025. The directors have made an assessment of the Group's ability to continue as a going concern. This assessment has been made having considered the current macroeconomic and geopolitical headwinds, including:

- A review of the Group Strategy and Corporate plan, including the annual budget.
- An assessment of the actual performance to date, loan book quality, credit impairment, legal and regulatory matters, compliance matters, and recent regulatory developments.
- Consideration of stress testing performed, including the PLC Group's Recovery Plan (RP) which was submitted to the PRA and includes the application of stressed scenarios. Under the tests and through the range of scenarios, the results of the RP demonstrate that the Group has sufficient capital and liquidity to continue as a going concern and meet minimum regulatory capital and liquidity requirements.
- Analysis of the capital position of the PLC Group, including the capital and leverage ratios, and ICAAP which summarises the PLC Group's capital and risk assessment processes, assesses its capital requirements and the adequacy of resources to meet them.
- Analysis of the funding and liquidity position of the PLC Group, including the PLC Group's Internal Liquidity Adequacy Assessment Process (ILAAP), which considers the Group's liquidity position, its framework and whether sufficient liquidity resources are being maintained to meet liabilities as they fall due, was also reviewed. Further, PLC Group's funding and liquidity was considered in the context of the risk appetite metrics, including the PLC Group's LCR ratio.
- The level of PLC Group's debt in issue, including redemptions and issuances during the year, debt falling due for repayment in the next 12 months and further planned debt issuances, including the appetite in the market for the PLC Group's debt.
- The PLC Group's portfolio of debt securities held at amortised cost.
- A detailed review of all PLC Group's principal risks as well as topical and emerging risks.

1. Accounting policies continued

Based on the analysis performed, the directors confirm they are satisfied that the Group has adequate resources to continue in business for a period of at least 12 months from 21 February 2025. For this reason, the Group continues to adopt the going concern basis of accounting for preparing the financial statements.

2. Segmental information

Basis of preparation

The analysis reflects the Financial view, that is, the location in which the transaction or balance was booked.

Client segments

The Group's segmental reporting is in accordance with IFRS 8 Operating Segments and is reported consistently with the internal performance framework and as presented to the Group's Management Team.

	2024					2023 (Restated)[1]				
	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Ventures $million	Central & other items $million	Total $million	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Ventures $million	Central & other items $million	Total $million
Operating income	8,531	3,706	86	91	12,414	8,032	3,501	137	(121)	11,549
External	6,391	2,044	87	3,892	12,414	6,086	2,169	138	3,156	11,549
Inter-segment	2,140	1,662	(1)	(3,801)	–	1,946	1,332	(1)	(3,277)	–
Operating expenses	(4,794)	(2,339)	(133)	(284)	(7,550)	(4,269)	(2,062)	(333)	(483)	(7,147)
Operating profit/(loss) before impairment losses and taxation	3,737	1,367	(47)	(193)	4,864	3,763	1,439	(196)	(604)	4,402
Credit impairment	262	(286)	(25)	34	(15)	163	(129)	(13)	37	58
Other impairment	(212)	(75)	(8)	(115)	(410)	(40)	(6)	(24)	28	(42)
Profit/(loss) from associates and joint ventures	–	–	–	8	8	–	–	(24)	20	(4)
Profit/(loss) before taxation	3,787	1,006	(80)	(266)	4,447	3,886	1,304	(257)	(519)	4,414
Total assets	327,528	48,915	3,037	184,054	563,534	285,036	49,137	2,208	202,198	538,579
Total liabilities	350,797	78,950	2,809	96,862	529,418	330,747	70,953	1,535	101,400	504,635

1 Prior period amounts have been restated to align with changes to the current year presentation which now reflect the impact of restructuring cost and gain on sale of businesses.

Additional segmental information

	2024					2023				
	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Ventures $million	Central & other items $million	Total $million	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Ventures $million	Central & other items $million	Total $million
Net interest income	2,377	2,404	54	(435)	4,400	3,259	2,346	9	(1,007)	4,607
Net fees and commission income	1,574	1,101	21	(34)	2,662	1,397	876	40	125	2,438
Net trading and other income	4,580	201	11	560	5,352	3,376	279	88	761	4,504
Operating income	8,531	3,706	86	91	12,414	8,032	3,501	137	(121)	11,549

2. Segmental information continued
Operating income by key geographies

	2024						
	Singapore $million	India $million	UAE $million	UK $million	US $million	Others $million	Total $million
Net interest income	717	961	522	(987)	533	2,654	4,400
Net fees and commission income	805	162	293	369	437	596	2,662
Net trading and other income	1,291	416	419	2,178	4	1,044	5,352
Operating income	**2,813**	**1,539**	**1,234**	**1,560**	**974**	**4,294**	**12,414**

	2023						
	Singapore $million	India $million	UAE $million	UK $million	US $million	Others $million	Total $million
Net interest income	1,156	934	510	(760)	176	2,591	4,607
Net fees and commission income	658	181	175	363	409	652	2,438
Net trading and other income	879	313	481	1,513	67	1,251	4,504
Operating income	2,693	1,428	1,166	1,116	652	4,494	11,549

3. Net interest income

Accounting Policy

Interest income for financial assets held at either fair value through other comprehensive income or amortised cost, and interest expense on all financial liabilities held at amortised cost is recognised in profit or loss using the effective interest method.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. For floating-rate financial instruments, periodic re-estimation of cash flows that reflect the movements in the market rates of interest alters the effective interest rate. Where the estimates of cash flows have been revised, the carrying amount of the financial asset or liability is adjusted to reflect the actual and revised cash flows, discounted at the instruments original effective interest rate. The adjustment is recognised as interest income or expense in the period in which the revision is made as long as the change in estimates is not due to credit issues.

Interest income for financial assets that are either held at fair value through other comprehensive income or amortised cost that have become credit-impaired subsequent to initial recognition (stage 3) and have had amounts written off, is recognised using the credit adjusted effective interest rate. This rate is calculated in the same manner as the effective interest rate except that expected credit losses are included in the expected cash flows. Interest income is therefore recognised on the amortised cost of the financial asset including expected credit losses. Should the credit risk on a stage 3 financial asset improve such that the financial asset is no longer considered credit-impaired, interest income recognition reverts to a computation based on the rehabilitated gross carrying value of the financial asset.

3. Net interest income continued

	2024 $million	2023 $million
Balances at central banks	2,500	2,813
Loans and advances to banks	1,296	1,175
Loans and advances to customers	10,436	9,399
Debt securities	3,718	3,650
Other eligible bills	1,254	1,204
Accrued on impaired assets (discount unwind)	106	139
Interest income	19,310	18,380
Of which: financial instruments held at fair value through other comprehensive income	2,892	2,550
Deposits by banks	728	626
Customer accounts[1]	11,896	10,739
Debt securities in issue	1,653	1,771
Subordinated liabilities and other borrowed funds	597	602
Interest expense on IFRS 16 lease liabilities	36	35
Interest expense	14,910	13,773
Net interest income	4,400	4,607

1 Deposit insurance premiums of $61m have been reclassified from customer accounts related interest expense to general operating expenses in 2024. The prior year has not been reclassified as it is not deemed material

4. Net fees and commission

Accounting policy

The Group can act as trustee or in other Fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. The assets and income arising thereon are excluded from these financial statements, as they are not assets and income of the Group.

The Group applies the following practical expedients:

- information on amounts of transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations at the end of the reporting period is not disclosed as almost all fee-earning contracts have an expected duration of less than one year
- promised consideration is not adjusted for the effects of a significant financing component as the period between the Group providing a service and the customer paying for it is expected to be less than one year
- incremental costs of obtaining a fee-earning contract are recognised upfront in 'Fees and commission expense' rather than amortised, if the expected term of the contract is less than one year

The determination of the services performed for the customer, the transaction price, and when the services are completed depends on the nature of the product with the customer. The main considerations on income recognition by product are as follows:

Transaction Banking

The Group recognises fee income associated with transactional trade and cash management at the point in time the service is provided. The Group recognises income associated with trade contingent risk exposures (such as letters of credit and guarantees) over the period in which the service is provided.

Payment of fees is usually received at the same time the service is provided. In some cases, letters of credit and guarantees issued by the Group have annual upfront premiums, which are amortised on a straight-line basis to fee income over the year.

Global Markets

The Group recognises fee income at the point in time the service is provided. Fee income is recognised for a significant non-lending service when the transaction has been completed and the terms of the contract with the customer entitle the Group to the fee. This includes fees such as structuring and advisory fees. Fees are usually received shortly after the service is provided.

Syndication fees are recognised when the syndication is complete defined as achieving the final approved hold position. Fees are generally received before completion of the syndication, or within 12 months of the transaction date.

Securities services include custody services, fund accounting and administration, and broker clearing. Fees are recognised over the period the custody or fund management services are provided, or as and when broker services are requested.

4. Net fees and commission continued

Wealth Management

Upfront consideration on bancassurance agreements is amortised straight-line over the contractual term. Commissions for bancassurance activities are recorded as they are earned through sales of third-party insurance products to customers. These commissions are received within a short time frame of the commission being earned. Target-linked fees are accrued based on percentage of the target achieved, provided it is assessed as highly probable that the target will be met. Cash payment is received at a contractually specified date after achievement of a target has been confirmed.

Upfront and trailing commissions for managed investment placements are recorded as they are confirmed. Income from these activities is relatively even throughout the period, and cash is usually received within a short time frame after the commission is earned.

Retail Products

The Group recognises most income at the point in time the Group is entitled to the fee, since most services are provided at the time of the customer's request.

In most of our retail markets there are circumstances under which fees are waived, income recognition is adjusted to reflect customer's intent to pay the annual fee. The Group defers the fair value of reward points on its credit card reward programmes, and recognises income and costs associated with fulfilling the reward at the time of redemption.

	2024 $million	2023 $million
Fees and commissions income	3,486	3,094
Of which:		
Financial instruments that are not fair valued through profit or loss	1,162	1,139
Trust and other fiduciary activities	278	239
Fees and commissions expense	(824)	(656)
Of which:		
Financial instruments that are not fair valued through profit or loss	(156)	(84)
Trust and other fiduciary activities	(12)	(17)
Net fees and commission	2,662	2,438

4. Net fees and commission continued

	2024					2023				
	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Ventures $million	Central & other items $million	Total $million	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Ventures $million	Central & other items $million	Total $million
Transaction Services	1,174	35	–	–	1,209	1,346	22	–	–	1,368
Payments & Liquidity	531	17	–	–	548	500	5	–	–	505
Securities & Prime Services	155	–	–	–	155	150	–	–	–	150
Trade & Working Capital	488	18	–	–	506	696	17	–	–	713
Global Banking	779	–	–	–	779	565	5	–	–	570
Lending & Financing Solutions	503	–	–	–	503	418	5	–	–	423
Capital Market & Advisory	276	–	–	–	276	147	–	–	–	147
Global Markets	121	(1)	–	–	120	61	–	–	–	61
Macro Trading	66	(1)	–	–	65	(24)	–	–	–	(24)
Credit Trading	56	–	–	–	56	81	–	–	–	81
Valuation & Other Adj	(1)	–	–	–	(1)	3	–	–	–	3
Wealth Solutions	–	891	–	–	891	–	678	–	–	678
Investment Products	–	712	–	–	712	–	516	–	–	516
Bancassurance	–	179	–	–	179	–	162	–	–	162
CCPL & Other Unsecured Lending	–	235	34	–	269	–	272	23	–	294
Deposits	–	96	–	–	96	–	111	–	–	111
Mortgages & Other Secured Lending	–	20	–	–	20	(1)	–	–	–	(1)
Treasury	–	–	–	(3)	(3)	–	–	–	4	4
Others	–	–	–	105	105	–	(12)	32	(11)	9
Net fees and commission income	**2,074**	**1,276**	**34**	**102**	**3,486**	1,971	1,075	55	(7)	3,094
Net fees and commission expense	(500)	(175)	(13)	(136)	(824)	(574)	(199)	(15)	132	(656)
Net fees and commission	**1,574**	**1,101**	**21**	**(34)**	**2,662**	1,397	876	40	125	2,438

Upfront bancassurance consideration amounts are amortised on a straight-line basis over the contractual period to which the consideration relates. Deferred income on the balance sheet in respect of these activities is $419 million (31 December 2023: $474 million). Following renegotiation of the contract in 2023, the life of the contract was extended for a further 3 years and the income will be earned evenly till June 2032. For the twelve months ended 31 December 2024, $45 million of fee income was released from deferred income (31 December 2023: $60 million).

5. Net trading income

Accounting policy

Gains and losses arising from changes in the fair value of financial instruments held at fair value through profit or loss are recorded in net trading income in the period in which they arise. This includes contractual interest receivable or payable.

When the initial fair value of a financial instrument held at fair value through profit or loss relies on unobservable inputs, the difference between the initial valuation and the transaction price is amortised to net trading income as the inputs become observable or over the life of the instrument, whichever is shorter. Any unamortised 'day one' gain is released to net trading income if the transaction is terminated.

Income is recognised from the sale and purchase of trading positions, margins on market making and customer business and fair value changes.

	2024 $million	2023 $million
Net trading income	5,530	4,100
Significant items within net trading income include:		
Gains on instruments held for trading[1]	4,272	2,762
Gains on financial assets mandatorily at fair value through profit or loss	4,580	3,976
Gains on financial assets designated at fair value through profit or loss	–	2
Losses on financial liabilities designated at fair value through profit or loss	(3,162)	(2,445)

1 Includes $54 million loss (31 December 2023: $104 million loss) from the translation of foreign currency monetary assets and liabilities, out of which $157 million gain (31 December 2023: $nil) relates to Egypt FX revaluation impact

6. Other operating income

	2024 $million	2023 $million
Other operating income includes:		
Rental income from operating lease assets	7	4
Net loss on disposal of fair value through other comprehensive income debt instruments	(172)	(92)
Net loss on disposal of amortized cost financial assets	(18)	(86)
Net (loss)/gain on sale of businesses[1]	(214)	448
Dividend income	3	10
Others[2]	216	120
Other operating income	(178)	404

1 Includes loss on disposal of subsidiaries- $217 million (SCB Zimbabwe Limited: $172 million, SCB Angola S.A.: $26 million and SCB Sierra Leone Limited: $19 million) of which $246 million relates to realization of translation adjustment loss, Total cash consideration received from the disposal was $51 million (SCB Zimbabwe Limited: $24 million, SCB Angola S.A.: $10 million, SCB Sierra Leone Limited: $17 million)

2 Includes IAS 29 adjustment Ghana hyperinflationary impact ($139 million), Research and development expenditure credit ($32 million), mark-to-market gains from deferred compensation income ($17 million), rebates / incentives received from VISA card ($10 million), gain on disposal of property, plant and equipment ($3 million) and immaterial balances across other geographies.

7. Operating expenses

	2024 $million	2023 $million
Staff costs:		
Wages and salaries	**5,007**	4,926
Social security costs	**184**	172
Other pension costs (Note 29)	**332**	312
Share-based payment costs (Note 30)	**219**	175
Other staff costs	**675**	701
	6,417	6,286
Premises and equipment expenses:	**254**	241
General administrative expenses:		
UK bank levy	**90**	111
Other general administrative expenses	**133**	(138)
Depreciation and amortisation:		
Property, plant and equipment:		
Premises	**130**	131
Equipment	**68**	72
Intangibles:		
Software	**455**	440
Acquired on business combinations	**3**	4
Total operating expenses	**7,550**	7,147

Other staff costs include redundancy expenses of $142 million (31 December 2023: $81 million). Further costs in this category include training, travel costs and other staff related costs.

Details of directors' pay, benefits, pensions and benefits and interests in shares are disclosed in Note 37 Remuneration of Directors'.

Transactions with directors, officers and other related parties are disclosed in Note 35.

Operating expenses include research expenditure of $801 million (31 December 2023: $687 million), which was recognised as an expense in the year.

The UK bank levy is applied to chargeable equity and liabilities on the balance sheet of UK operations. Key exclusions from chargeable equity and liabilities include Tier 1 capital, insured or guaranteed retail deposits, repos secured on certain sovereign debt and liabilities subject to netting. The rates are 0.10 per cent for short-term liabilities and 0.05 per cent for long-term liabilities.

8. Credit impairment

Accounting policy

Significant accounting estimates and judgements

The Group's expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions. The significant judgements in determining expected credit loss include:

- The Group's criteria for assessing if there has been a significant increase in credit risk;
- Development of expected credit loss models, including the choice of inputs relating to macroeconomic variables;
- Determining estimates of forward looking macroeconomic forecasts;
- Evaluation of management overlays and post-model adjustments;
- Determination of probability weightings for Stage 3 individually assessed provisions

The calculation of credit impairment provisions also involves expert credit judgement to be applied by the credit risk management team based upon counterparty information they receive from various sources including relationship managers and on external market information. Details on the approach for determining expected credit loss can be found in the credit risk section, under IFRS 9 Methodology (page 88).

Estimates of forecasts of key macroeconomic variables underlying the expected credit loss calculation can be found within the Risk review, Key assumptions and judgements in determining expected credit loss (page 89).

Expected credit losses

An ECL represents the present value of expected cash shortfalls over the residual term of a financial asset, undrawn commitment or financial guarantee.

A cash shortfall is the difference between the cash flows that are due in accordance with the contractual terms of the instrument and the cash flows that the Group expects to receive over the contractual life of the instrument.

Measurement

ECL are computed as unbiased, probability-weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information including that which is forward-looking.

For material portfolios, the estimate of expected cash shortfalls is determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD). There may be multiple default events over the lifetime of an instrument. Further details on the components of PD, LGD and EAD are disclosed in the Credit risk section. For less material Retail Banking loan portfolios, the Group has adopted less sophisticated approaches based on historical roll rates or loss rates.

Forward-looking economic assumptions are incorporated into the PD, LGD and EAD where relevant and where they influence credit risk, such as GDP growth rates, interest rates, house price indices and commodity prices among others. These assumptions are incorporated using the Group's most likely forecast for a range of macroeconomic assumptions. These forecasts are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally, and are consistent with those used for budgeting, forecasting and capital planning.

To account for the potential non-linearity in credit losses, multiple forward-looking scenarios are incorporated into the range of reasonably possible outcomes for all material portfolios. For example, where there is a greater risk of downside credit losses than upside gains, multiple forward-looking economic scenarios are incorporated into the range of reasonably possible outcomes, both in respect of determining the PD (and where relevant, the LGD and EAD) and in determining the overall ECL amounts. These scenarios are determined using a Monte Carlo approach centred around the Group's most likely forecast of macroeconomic assumptions.

The period over which cash shortfalls are determined is generally limited to the maximum contractual period for which the Group is exposed to credit risk. However, for certain revolving credit facilities, which include credit cards or overdrafts, the Group's exposure to credit risk is not limited to the contractual period. For these instruments, the Group estimates an appropriate life based on the period that the Group is exposed to credit risk, which includes the effect of credit risk management actions such as the withdrawal of undrawn facilities.

For credit-impaired financial instruments, the estimate of cash shortfalls may require the use of expert credit judgement.

The estimate of expected cash shortfalls on a collateralised financial instrument reflects the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, regardless of whether foreclosure is deemed probable.

Cash flows from unfunded credit enhancements held are included within the measurement of expected credit losses if they are part of, or integral to, the contractual terms of the instrument (this includes financial guarantees, unfunded risk participations and other non-derivative credit insurance). Although non-integral credit enhancements do not impact the measurement of expected credit losses, a reimbursement asset is recognised to the extent of the ECL recorded.

8. Credit impairment continued
Cash shortfalls are discounted using the effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired instruments (POCI)) on the financial instrument as calculated at initial recognition or if the instrument has a variable interest rate, the current effective interest rate determined under the contract.

Instruments	Location of expected credit loss provisions
Financial assets held at amortised cost	Loss provisions: netted against gross carrying value[1]
Financial assets held FVOCI – Debt instruments	Other comprehensive income (FVOCI expected credit loss reserve)[2]
Loan commitments	Provisions for liabilities and charges[3]
Financial guarantees	Provisions for liabilities and charges[3]

1 Purchased or originated credit-impaired assets do not attract an expected credit loss provision on initial recognition. An expected credit loss provision will be recognised only if there is an increase in expected credit losses from that considered at initial recognition
2 Debt and treasury securities classified as fair value through other comprehensive income (FVOCI) are held at fair value on the face of the balance sheet. The expected credit loss attributed to these instruments is held as a separate reserve within other comprehensive income (OCI) and is recycled to the profit and loss account along with any fair value measurement gains or losses held within FVOCI when the applicable instruments are derecognised
3 Expected credit loss on loan commitments and financial guarantees is recognised as a liability provision. Where a financial instrument includes both a loan (i.e. financial asset component) and an undrawn commitment (i.e. loan commitment component), and it is not possible to separately identify the expected credit loss on these components, expected credit loss amounts on the loan commitment are recognised together with expected credit loss amounts on the financial asset. To the extent the combined expected credit loss exceeds the gross carrying amount of the financial asset, the expected credit loss is recognised as a liability provision

Recognition

12 months expected credit losses (stage 1)

Expected credit losses are recognised at the time of initial recognition of a financial instrument and represent the lifetime cash shortfalls arising from possible default events up to 12 months into the future from the balance sheet date. Expected credit losses continue to be determined on this basis until there is either a significant increase in the credit risk of an instrument or the instrument becomes credit-impaired. If an instrument is no longer considered to exhibit a significant increase in credit risk, expected credit losses will revert to being determined on a 12-month basis.

Significant increase in credit risk (Stage 2)

Significant increase in credit risk is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination (after taking into account the passage of time). Significant does not mean statistically significant nor is it assessed in the context of changes in expected credit loss. Whether a change in the risk of default is significant or not is assessed using a number of quantitative and qualitative factors, the weight of which depends on the type of product and counterparty. Financial assets that are 30 or more days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk. For less material portfolios where a loss rate or roll rate approach is applied to compute expected credit loss, significant increase in credit risk is primarily based on 30 days past due.

Quantitative factors include an assessment of whether there has been significant increase in the forward-looking probability of default (PD) since origination. A forward-looking PD is one that is adjusted for future economic conditions to the extent these are correlated to changes in credit risk. We compare the residual lifetime PD at the balance sheet date to the residual lifetime PD that was expected at the time of origination for the same point in the term structure and determine whether both the absolute and relative change between the two exceeds predetermined thresholds. To the extent that the differences between the measures of default outlined exceed the defined thresholds, the instrument is considered to have experienced a significant increase in credit risk (see page 93 to 95).

Qualitative factors assessed include those linked to current credit risk management processes, such as lending placed on non-purely precautionary early alert (and subject to closer monitoring).

A non-purely precautionary early alert account is one which exhibits risk or potential weaknesses of a material nature requiring closer monitoring, supervision, or attention by management. Weaknesses in such a borrower's account, if left uncorrected, could result in deterioration of repayment prospects and the likelihood of being downgraded. Indicators could include a rapid erosion of position within the industry, concerns over management's ability to manage operations, weak/deteriorating operating results, liquidity strain and overdue balances among other factors.

8. Credit impairment continued

Credit-impaired (or defaulted) exposures (Stage 3)

Financial assets that are credit-impaired (or in default) represent those that are at least 90 days past due in respect of principal and/or interest. Financial assets are also considered to be credit-impaired where the obligors are unlikely to pay on the occurrence of one or more observable events that have a detrimental impact on the estimated future cash flows of the financial asset. It may not be possible to identify a single discrete event but instead the combined effect of several events may cause financial assets to become credit-impaired.

- Evidence that a financial asset is credit-impaired includes observable data about the following events:
- Significant financial difficulty of the issuer or borrower;
- Breach of contract such as default or a past due event;
- For economic or contractual reasons relating to the borrower's financial difficulty, the lenders of the borrower have granted the borrower concession/s that lenders would not otherwise consider. This would include forbearance actions (page 76);
- Pending or actual bankruptcy or other financial reorganisation to avoid or delay discharge of the borrower's obligation/s;
- The disappearance of an active market for the applicable financial asset due to financial difficulties of the borrower;
- Purchase or origination of a financial asset at a deep discount that reflects incurred credit losses

Lending commitments to a credit-impaired obligor that have not yet been drawn down are included to the extent that the commitment cannot be withdrawn. Loss provisions against credit-impaired financial assets are determined based on an assessment of the present value of expected cash shortfalls (discounted at the instrument's original effective interest rate) under a range of scenarios, including the realisation of any collateral held where appropriate. The Group's definition of default is aligned with the regulatory definition of default as set out in the UK's onshored capital requirements regulations (Art 178).

Expert credit judgement

For Corporate & Investment and Private Banking, borrowers are graded by credit risk management on a credit grading (CG) scale from CG1 to CG14. Once a borrower starts to exhibit credit deterioration, it will move along the credit grading scale in the performing book and when it is classified as CG12 (which is a qualitative trigger for significant increase in credit risk (see page 94)the credit assessment and oversight of the loan will normally be performed by Stressed Assets Risk (SAR).

Borrowers graded CG12 exhibit well-defined weaknesses in areas such as management and/or performance but there is no current expectation of a loss of principal or interest in the likely scenario. Where the impairment assessment indicates that there will be a loss of principal on a loan in the likely scenario, the borrower is graded a CG14 while borrowers of other credit-impaired loans are graded CG13. Instruments graded CG13 or CG14 are regarded as stage 3.

For individually significant financial assets within stage 3, SAR will consider all judgements that have an impact on the expected future cash flows of the asset. These include: the business prospects, industry and geo political climate of the customer, quality of realisable value of collateral, the Group's legal position relative to other claimants and any renegotiation/ forbearance/ modification options. The future cash flow calculation involves significant judgements and estimates. As new information becomes available and further negotiations/ forbearance measures are taken the estimates of the future cash flows will be revised, and will have an impact on the future cash flow analysis.

For financial assets which are not individually significant, such as the Retail Banking portfolio or small business loans, which comprise a large number of homogenous loans that share similar characteristics, statistical estimates and techniques are used, as well as credit scoring analysis.

Consumer and Business Banking clients are considered credit-impaired where they are more 90 days past due, or if the borrower files for bankruptcy or other forbearance programme, the borrower is deceased or the business is closed in the case of a small business, or if the borrower surrenders the collateral, or there is an identified fraud on the account. Additionally, if the account is unsecured and the borrower has other credit accounts with the Group that are considered credit-impaired, the account may be also be credit-impaired.

Techniques used to compute impairment amounts use models which analyse historical repayment and default rates over a time horizon. Where various models are used, judgement is required to analyse the available information provided and select the appropriate model or combination of models to use.

Expert credit judgement is also applied to determine whether any post-model adjustments are required for credit risk elements which are not captured by the models.

8. Credit impairment continued
Modified financial instruments
Where the original contractual terms of a financial asset have been modified for credit reasons and the instrument has not been derecognised (an instrument is derecognised when a modification results in a change in cash flows that the Group would consider substantial), the resulting modification loss is recognised within credit impairment in the income statement with a corresponding decrease in the gross carrying value of the asset. If the modification involved a concession that the bank would not otherwise consider, the instrument is considered to be credit-impaired and is considered forborne.

Expected credit loss for modified financial assets that have not been derecognised and are not considered to be credit-impaired will be recognised on a 12-month basis, or a lifetime basis, if there is a significant increase in credit risk. These assets are assessed (by comparison to the origination date) to determine whether there has been a significant increase in credit risk subsequent to the modification. Although loans may be modified for non-credit reasons, a significant increase in credit risk may occur. In addition to the recognition of modification gains and losses, the revised carrying value of modified financial assets will impact the calculation of expected credit losses, with any increase or decrease in expected credit loss recognised within impairment.

Forborne loans
Forborne loans are those loans that have been modified in response to a customer's financial difficulties. Forbearance strategies assist clients who are temporarily in financial distress and are unable to meet their original contractual repayment terms. Forbearance can be initiated by the client, the Group or a third-party including government sponsored programmes or a conglomerate of credit institutions. Forbearance may include debt restructuring such as new repayment schedules, payment deferrals, tenor extensions, interest only payments, lower interest rates, forgiveness of principal, interest or fees, or relaxation of loan covenants.

Forborne loans that have been modified (and not derecognised) on terms that are not consistent with those readily available in the market and/or where we have granted a concession compared to the original terms of the loans are considered credit-impaired if there is a detrimental impact on cash flows. The modification loss (see Classification and measurement – Modifications) is recognised in the profit or loss within credit impairment and the gross carrying value of the loan reduced by the same amount. The modified loan is disclosed as 'Loans subject to forbearance – credit-impaired'.

Loans that have been subject to a forbearance modification, but which are not considered credit-impaired (not classified as CG13 or CG14), are disclosed as 'Forborne – not credit-impaired'. This may include amendments to covenants within the contractual terms.

Write-offs of credit-impaired instruments and reversal of impairment
To the extent a financial debt instrument is considered irrecoverable, the applicable portion of the gross carrying value is written off against the related loan provision. Such loans are written off after all the necessary procedures have been completed, it is decided that there is no realistic probability of recovery and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for credit impairment in the income statement.

Loss provisions on purchased or originated credit-impaired instruments (POCI)
The Group measures expected credit loss on a lifetime basis for POCI instruments throughout the life of the instrument. However, expected credit loss is not recognised in a separate loss provision on initial recognition for POCI instruments as the lifetime expected credit loss is inherent within the gross carrying amount of the instruments. The Group recognises the change in lifetime expected credit losses arising subsequent to initial recognition in the income statement and the cumulative change as a loss provision. Where lifetime expected credit losses on POCI instruments are less than those at initial recognition, then the favourable differences are recognised as impairment gains in the income statement (and as impairment loss where the expected credit losses are greater).

Improvement in credit risk/curing
For financial assets that are credit-impaired (stage 3), a transfer to stage 2 or stage 1 is only permitted where the instrument is no longer considered to be credit-impaired. An instrument will no longer be considered credit-impaired when there is no shortfall of cash flows compared to the original contractual terms.

For financial assets within stage 2, these can only be transferred to stage 1 when they are no longer considered to have experienced a significant increase in credit risk.

Where significant increase in credit risk was determined using quantitative measures, the instruments will automatically transfer back to stage 1 when the original PD based transfer criteria are no longer met. Where instruments were transferred to stage 2 due to an assessment of qualitative factors, the issues that led to the reclassification must be cured before the instruments can be reclassified to stage 1. This includes instances where management actions led to instruments being classified as stage 2, requiring that action to be resolved before loans are reclassified to stage 1.

8. Credit impairment continued

A forborne loan can only be removed from being disclosed as forborne if the loan is performing (stage 1 or 2) and a further two-year probation period is met.

In order for a forborne loan to become performing, the following criteria have to be satisfied:

- At least a year has passed with no default based upon the forborne contract terms
- The customer is likely to repay its obligations in full without realising security
- The customer has no accumulated impairment against amount outstanding (except for ECL)

Subsequent to the criteria above, a further two-year probation period has to be fulfilled, whereby regular payments are made by the customer and none of the exposures to the customer are more than 30 days past due.

	2024 $million	2023 $million
Net credit impairment on loans and advances to banks and customers	58	55
Net credit impairment / (release) against profit or loss during the period relating to debt securities[1]	(58)	(50)
Net credit impairment / (release) relating to financial guarantees and loan commitments	18	(63)
Net credit impairment / (release) relating to other financial assets	(3)	–
Credit impairment/(release)[1]	**15**	(58)

1 Includes impairment release of $14 million (31 December 2023: $1 million charge) on originated credit-impaired debt securities

9. Goodwill, fixed assets and other impairment

Accounting policy

Refer to the below referenced notes for the relevant accounting policy.

	2024 $million	2023 $million
Impairment of property, plant and equipment (Note 17)	2	(1)
Impairment of other intangible assets (Note 16)	383	35
Other	25	8
Goodwill, fixed assets and other impairment	**410**	42

10. Taxation

Accounting policy

Income tax payable on profits is based on the applicable tax law in each jurisdiction and is recognised as an expense in the period in which profits arise.

Deferred tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted as at the balance sheet date, and that are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised. Where permitted, deferred tax assets and liabilities are offset on an entity basis and not by component of deferred taxation.

Current and deferred tax relating to items which are charged or credited directly to equity, is credited or charged directly to equity and is subsequently recognised in the income statement together with the current or deferred gain or loss.

Other accounting estimates and judgements

- Determining the Group's tax charge for the year involves estimation and judgement, which includes an interpretation of local tax laws and an assessment of whether the tax authorities will accept the position taken. These judgements take account of external advice where appropriate, and the Group's view on settling with the relevant tax authorities.
- The Group provides for current tax liabilities at the best estimate of the amount that is expected to be paid to the tax authorities where an outflow is probable. In making its estimates the Group assumes that the tax authorities will examine all the amounts reported to them and have full knowledge of all relevant information.
- The recoverability of the Group's deferred tax assets is based on management's judgement of the availability of future taxable profits against which the deferred tax assets will be utilised. In preparing management forecasts the effect of applicable laws and regulations relevant to the utilisation of future taxable profits have been considered.

10. Taxation continued

The following table provides analysis of taxation charge in the year:

	2024 $million	2023 $million
The charge for taxation based upon the profit for the year comprises:		
Current tax:		
United Kingdom corporation tax at 25 per cent (2023: 23.5 per cent):		
Current tax charge on income for the year	–	(111)
Adjustments in respect of prior years (including double tax relief)	1	16
Foreign tax:		
Current tax charge on income for the year	1,357	1,200
Adjustments in respect of prior years	(7)	6
	1,351	1,111
Deferred tax:		
Origination/reversal of temporary differences	123	76
Adjustments in respect of prior years	(9)	(10)
	114	66
Tax on profits on ordinary activities	1,465	1,177
Effective tax rate	32.9%	26.7%

The tax charge for the year of $1,465 million (31 December 2023: $1,177 million) on a profit before tax of $4,447 million (31 December 2023: $4,414 million) reflects the impact of non-creditable withholding taxes and other taxes, and non-deductible expenses.

Tax rate: The tax charge for the year is higher than the charge at the rate of corporation tax in the UK, 25 per cent. The differences are explained below:

	2024		2023	
	$million	%	$million	%
Profit on ordinary activities before tax	4,447		4,414	
Tax at 25 per cent (2023: 23.5 per cent)	1,112	25.0	1,037	23.5
Lower tax rates on overseas earnings	(274)	(6.2)	(264)	(6.0)
Higher tax rates on overseas earnings	269	6.1	302	6.8
Tax at domestic rates applicable where profits earned	1,107	24.9	1,075	24.3
Non-creditable withholding taxes and other taxes	221	5.0	70	1.6
Tax exempt income	(51)	(1.1)	(20)	(0.5)
Non-deductible expenses	156	3.5	146	3.3
Bank levy	23	0.5	26	0.6
Non-taxable losses on investments[1]	50	1.1	(98)	(2.2)
Payments on financial instruments in reserves	(75)	(1.7)	(65)	(1.5)
Deferred tax not recognised	64	1.4	34	0.8
Deferred tax rate changes	(3)	(0.1)	(3)	–
Adjustments to tax charge in respect of prior years	(15)	(0.3)	12	0.3
Other items	(12)	(0.3)	–	–
Tax on profit on ordinary activities	1,465	32.9	1,177	26.7

1 2024 Includes tax impact of $55m (2023: $nil) relating to loss on sale of subsidiaries in Africa.

Factors affecting the tax charge in future years: the Group's tax charge, and effective tax rate in future years could be affected by several factors including acquisitions, disposals and restructuring of our businesses, the mix of profits across jurisdictions with different reported tax rates, changes in tax legislation and tax rates and resolution of uncertain tax positions.

The evaluation of uncertain tax positions involves an interpretation of local tax laws which could be subject to challenge by a tax authority, and an assessment of whether the tax authorities will accept the position taken. The Group does not currently consider that assumptions or judgements made in assessing tax liabilities have a significant risk of resulting in a material adjustment within the next financial year.

10. Taxation continued

Tax recognised in other comprehensive income	2024 Current tax $million	2024 Deferred tax $million	2024 Total $million	2023 Current tax $million	2023 Deferred tax $million	2023 Total $million
Items that will not be reclassified to income statement	(16)	108	92	–	(75)	(75)
Own credit adjustment	1	27	28	–	(26)	(26)
Equity instruments at fair value through other comprehensive income	(17)	89	72	–	(56)	(56)
Retirement benefit obligations	–	(8)	(8)	–	7	7
Items that may be reclassed subsequently to income statement	(7)	(31)	(38)	–	(91)	(91)
Debt instruments at fair value through other comprehensive income	(7)	(20)	(27)	–	(8)	(8)
Cash flow hedges	–	(11)	(11)	–	(83)	(83)
Total tax credit/(charge) recognised in equity	(23)	77	54	–	(166)	(166)

Current tax: The following are the movements in current tax during the year:

Current tax comprises:	Group 2024 $million	Group 2023 $million	Company 2024 $million	Company 2023 $million
Current tax assets	484	446	395	347
Current tax liabilities	(445)	(556)	(188)	(329)
Net current tax opening balance	39	(110)	207	18
Movements in income statement	(1,351)	(1,111)	(681)	(487)
Movements in other comprehensive income	(23)	–	(23)	–
Taxes paid	1,422	1,229	720	658
Other movements	(2)	31	(1)	18
Net current tax balance as at 31 December	85	39	222	207
Current tax assets	644	484	516	395
Current tax liabilities	(559)	(445)	(294)	(188)
Total	85	39	222	207

Deferred tax: The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the year:

Group

Deferred tax comprises:	At 1 January 2024 $million	Exchange & other adjustments $million	(Charge)/ credit to profit $million	(Charge)/ credit to equity $million	At 31 December 2024 $million
Accelerated tax depreciation	(318)	8	53	(3)	(260)
Impairment provisions on loans and advances	203	(9)	(16)	–	178
Tax losses carried forward	70	(24)	23	–	69
Equity instruments at fair value through other comprehensive income	(126)	5	–	89	(32)
Debt instruments at fair value through other comprehensive income	28	4	(15)	(20)	(3)
Cashflow hedges	3	1	–	(11)	(7)
Own credit adjustment	(52)	25	–	27	–
Retirement benefit obligations	2	(4)	3	(8)	(7)
Share-based payments	30	–	11	–	41
Other temporary differences	80	2	(173)	35	(56)
Net deferred tax assets/liabilities	(80)	8	(114)	109	(77)

10. Taxation continued

Deferred tax comprises:	At 1 January 2023 $million	Exchange & other adjustments $million	(Charge)/ credit to profit $million	(Charge)/ credit to equity $million	At 31 December 2023 $million
Accelerated tax depreciation	(306)	(4)	(8)	–	(318)
Impairment provisions on loans and advances	222	(19)	–	–	203
Tax losses carried forward	89	32	(51)	–	70
Equity instruments at fair value through other comprehensive income	(74)	4	–	(56)	(126)
Debt instruments at fair value through other comprehensive income	53	(14)	(3)	(8)	28
Cashflow hedges	88	(2)	–	(83)	3
Own credit adjustment	–	(26)	–	(26)	(52)
Retirement benefit obligations	2	2	(9)	7	2
Share-based payments	26	–	4	–	30
Other temporary differences	64	15	1	–	80
Net deferred tax assets/liabilities	164	(12)	(66)	(166)	(80)

Deferred tax comprises assets and liabilities as follows:

	2024			2023		
Deferred tax comprises:	**Total $million**	**Asset $million**	**Liability $million**	Total $million	Asset $million	Liability $million
Accelerated tax depreciation	**(260)**	**29**	**(289)**	(318)	12	(330)
Impairment provisions on loans and advances	**178**	**153**	**25**	203	192	11
Tax losses carried forward	**69**	**46**	**23**	70	22	48
Equity instruments at fair value through other comprehensive income	**(32)**	**(7)**	**(25)**	(126)	(1)	(125)
Debt instruments at fair value through other comprehensive income	**(3)**	**5**	**(8)**	28	28	–
Cashflow hedges	**(7)**	**(2)**	**(5)**	3	12	(9)
Own credit adjustment	**–**	**–**	**–**	(52)	–	(52)
Retirement benefit obligations	**(7)**	**14**	**(21)**	2	9	(7)
Share-based payments	**41**	**7**	**34**	30	3	27
Other temporary differences	**(56)**	**105**	**(161)**	80	225	(145)
	(77)	**350**	**(427)**	(80)	502	(582)

Deferred tax: The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the year:

Company

Deferred tax comprises:	**At 1 January 2024 $million**	**Exchange & other adjustments $million**	**(Charge)/ credit to profit $million**	**(Charge)/ credit to equity $million**	**At 31 December 2024 $million**
Accelerated tax depreciation	**(264)**	**8**	**54**	**–**	**(202)**
Impairment provisions on loans and advances	**121**	**(7)**	**(18)**	**–**	**96**
Tax losses carried forward	**70**	**(25)**	**5**	**–**	**50**
Equity instruments at fair value through other comprehensive income	**(123)**	**2**	**–**	**91**	**(30)**
Debt instruments at fair value through other comprehensive income	**49**	**(1)**	**–**	**(26)**	**22**
Cashflow hedges	**5**	**3**	**–**	**(12)**	**(4)**
Own credit adjustment	**(52)**	**25**	**–**	**27**	**–**
Retirement benefit obligations	**(5)**	**(6)**	**3**	**(7)**	**(15)**
Share-based payments	**11**	**–**	**5**	**–**	**16**
Other temporary differences	**90**	**2**	**(100)**	**–**	**(8)**
Net deferred tax assets/liabilities	**(98)**	**1**	**(51)**	**73**	**(75)**

10. Taxation continued

Deferred tax comprises:	At 1 January 2023 $million	Exchange & other adjustments $million	(Charge)/ credit to profit $million	(Charge)/ credit to equity $million	At 31 December 2023 $million
Accelerated tax depreciation	(270)	(3)	9	–	(264)
Impairment provisions on loans and advances	135	(2)	(12)	–	121
Tax losses carried forward	67	32	(29)	–	70
Equity instruments at fair value through other comprehensive income	(65)	(4)	–	(54)	(123)
Debt instruments at fair value through other comprehensive income	61	–	–	(12)	49
Cashflow hedges	86	(2)	–	(79)	5
Own credit adjustment	–	(25)	–	(27)	(52)
Retirement benefit obligations	1	1	(11)	4	(5)
Share-based payments	10	–	1	–	11
Other temporary differences	68	(3)	25	–	90
Net deferred tax assets/liabilities	93	(6)	(17)	(168)	(98)

Deferred tax of the Company comprises assets and liabilities as follows:

	2024			2023		
Deferred tax comprises:	Total $million	Asset $million	Liability $million	Total $million	Asset $million	Liability $million
Accelerated tax depreciation	(202)	31	(233)	(264)	12	(276)
Impairment provisions on loans and advances	96	96	–	121	113	8
Tax losses carried forward	50	26	24	70	22	48
Equity instruments at fair value through other comprehensive income	(30)	(7)	(23)	(123)	(1)	(122)
Debt instruments at fair value through other comprehensive income	22	22	–	49	50	(1)
Cashflow hedges	(4)	(2)	(2)	5	12	(7)
Own credit adjustment	–	–	–	(52)	–	(52)
Retirement benefit obligations	(15)	9	(24)	(5)	4	(9)
Share-based payments	16	6	10	11	3	8
Other temporary differences	(8)	52	(60)	90	164	(74)
	(75)	233	(308)	(98)	379	(477)

Group

The recoverability of the Group's deferred tax assets is based on management's judgement of the availability of future taxable profits against which the deferred tax assets will be utilised. The Group's total deferred tax assets include $69 million relating to tax losses carried forward, of which $23 million arises in legal entities with offsetting deferred tax liabilities. The remaining deferred tax assets on losses of $46 million are forecast to be recovered before expiry and within five years.

Company

The recoverability of the Company's deferred tax assets is based on management's judgement of the availability of future taxable profits against which the deferred tax assets will be utilised. The Company's total deferred tax assets include $50 million relating to tax losses carried forward, of which $24 million arises in legal entities with offsetting deferred tax liabilities. The remaining deferred tax assets on losses of $26 million are forecast to be recovered before expiry and within five years.

10. Taxation continued
Unrecognised deferred tax

Group	Net 2024 $million	Gross 2024 $million	Net 2023 $million	Gross 2023 $million
No account has been taken of the following potential deferred tax assets/(liabilities):				
Withholding tax on unremitted earnings from overseas subsidiaries and associates	(358)	(2,719)	(347)	(2,634)
Tax losses	1,027	4,099	920	3,683
Held over gains on incorporation of overseas branches	(171)	(610)	(174)	(621)
Other temporary differences	345	1,310	377	1,436

Company	Net 2024 $million	Gross 2024 $million	Net 2023 $million	Gross 2023 $million
No account has been taken of the following potential deferred tax assets/(liabilities):				
Withholding tax on unremitted earnings from overseas subsidiaries and associates	(243)	(1,768)	(241)	(1,694)
Tax losses	911	3,530	827	3,215
Held over gains on incorporation of overseas branches	(171)	(610)	(174)	(621)
Other temporary differences	333	1,245	369	1,397

11. Dividends
Accounting policy
The Court considers a number of factors which include the rate of recovery in the Group's financial performance, the macroeconomic environment, and opportunities to further invest in our business and grow profitably in our markets.

Ordinary equity shares

	2024		2023	
	Cents per share	$million	Cents per share	$million
2023/2022 final dividend declared and paid during the year	6	1,240	8	1,661
2024/2023 Interim dividend declared and paid during the year	6	1,155	5	938

Dividends on ordinary equity shares are recorded in the period in which they are declared and, in respect of the final dividend, have been approved by the shareholders.

Preference shares and Additional Tier 1 securities
Dividends on these preference shares and securities classified as equity are recorded in the period in which they are declared

	2024 $million	2023 $million
Non-cumulative redeemable preference shares:		
7.014 per cent preference shares of $5 each	–	45
Floating rate preference shares of $5 each[1]	54	50
	54	95
Additional Tier 1 securities: Fixed rate resetting perpetual subordinated contingent convertible securities	295	268
	349	363

1 Floating rate is based on Secured Overnight Financing Rate (SOFR), average rate paid for floating preference shares is 7.21% (2023: 6.62%)

12. Financial instruments

Classification and measurement

Accounting policy

Financial assets held at amortised cost and fair value through other comprehensive income

Debt instruments held at amortised cost or held at FVOCI have contractual terms that give rise to cash flows that are solely payments of principal and interest (SPPI) characteristics.

In assessing whether the contractual cash flows have SPPI characteristics, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- Contingent events that would change the amount and timing of cash flows
- Leverage features
- Prepayment and extension terms
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements)
- Features that modify consideration of the time value of money – e.g. periodical reset of interest rates

Whether financial assets are held at amortised cost or at FVOCI depends on the objectives of the business models under which the assets are held. A business model refers to how the Group manages financial assets to generate cash flows.

The Group makes an assessment of the objective of a business model in which an asset is held at the individual product business line, and where applicable within business lines depending on the way the business is managed and information is provided to management. Factors considered include:

- How the performance of the product business line is evaluated and reported to the Group's management
- How managers of the business model are compensated, including whether management is compensated based on the fair value of assets or the contractual cash flows collected
- The risks that affect the performance of the business model and how those risks are managed
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity

The Group's business model assessment is as follows:

Business model	Business objective	Characteristics	Businesses	Products
Hold to collect	Intent is to originate financial assets and hold them to maturity, collecting the contractual cash flows over the term of the instrument	• Providing financing and originating assets to earn interest income as primary income stream • Performing credit risk management activities • Costs include funding costs, transaction costs and impairment losses	• Global Banking • Transaction Banking • Retail Lending • Treasury Markets (Loans and Borrowings)	• Loans and advances • Debt securities
Hold to collect and sell	Business objective met through both hold to collect and by selling financial assets	• Portfolios held for liquidity needs; or where a certain interest yield profile is maintained; or that are normally rebalanced to achieve matching of duration of assets and liabilities • Income streams come from interest income, fair value changes, and impairment losses	• Treasury Markets	• Debt securities
Fair value through profit or loss	All other business objectives, including trading and managing financial assets on a fair value basis	• Assets held for trading • Assets that are originated, purchased, and sold for profit taking or underwriting activity • Performance of the portfolio is evaluated on a fair value basis • Income streams are from fair value changes or trading gains or losses	• Treasury Markets • All other business lines	• Derivatives • Equity shares • Trading portfolios • Reverse repos • Bond and Loan Syndication

12. Financial instruments continued

Financial assets which have SPPI characteristics and that are held within a business model whose objective is to hold financial assets to collect contractual cashflows (hold to collect) are recorded at amortised cost. Conversely, financial assets which have SPPI characteristics but are held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets (Hold to collect and sell) are classified as held at FVOCI. Both hold to collect and hold to collect and sell business models involve holding financial assets to collect the contractual cashflows. However, the business models are distinct by reference to the frequency and significance that asset sales play in meeting the objective under which a particular group of financial assets is managed. Hold to collect business models are characterised by asset sales that are incidental to meeting the objectives under which a group of assets is managed. Sales of assets under a hold to collect business model can be made to manage increases in the credit risk of financial assets but sales for other reasons should be infrequent or insignificant. Cashflows from the sale of financial assets under a hold to collect and sell business model by contrast are integral to achieving the objectives under which a particular group of financial assets are managed. This may be the case where frequent sales of financial assets are required to manage the Group's daily liquidity requirements or to meet regulatory requirements to demonstrate liquidity of financial instruments. Sales of assets under hold to collect and sell business models are therefore both more frequent and more significant in value than those under the hold to collect model.

Equity instruments designated as held at FVOCI

Non-trading equity instruments acquired for strategic purposes rather than capital gain may be irrevocably designated at initial recognition as held at FVOCI on an instrument-by-instrument basis. Dividends received are recognised in profit or loss. Gains and losses arising from changes in the fair value of these instruments, including foreign exchange gains and losses, are recognised directly in equity and are never reclassified to profit or loss even on derecognition.

Mandatorily classified at fair value through profit or loss

Financial assets and liabilities which are mandatorily held at fair value through profit or loss are split between two subcategories as follows:

Trading, including:

- Financial assets and liabilities held for trading, which are those acquired principally for the purpose of selling in the short-term
- Derivatives

Non-trading mandatorily at fair value through profit or loss, including:

- Instruments in a business which has a fair value business model (see the Group's business model assessment) which are not trading or derivatives
- Hybrid financial assets that contain one or more embedded derivatives
- Financial assets that would otherwise be measured at amortised cost or FVOCI but which do not have SPPI characteristics
- Equity instruments that have not been designated as held at FVOCI
- Financial liabilities that constitute contingent consideration in a business combination

Designated at fair value through profit or loss

Financial assets and liabilities may be designated at fair value through profit or loss when the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities on a different basis ('accounting mismatch').

Financial liabilities may also be designated at fair value through profit or loss where they are managed on a fair value basis or have an embedded derivative where the Group is not able to separately value, and thus bifurcate, the embedded derivative component.

Financial liabilities held at amortised cost

Financial liabilities that are not financial guarantees or loan commitments and that are not classified as financial liabilities held at fair value through profit or loss are classified as financial liabilities held at amortised cost.

Preference shares which carry a mandatory coupon that represents a market rate of interest at the issue date, or which are redeemable on a specific date or at the option of the shareholder are classified as financial liabilities and are presented in other borrowed funds. The dividends on these preference shares are recognised in the income statement as interest expense on an amortised cost basis using the effective interest method.

12. Financial instruments continued

Financial guarantee contracts and loan commitments

The Group issues financial guarantee contracts and loan commitments in return for fees. Financial guarantee contracts and any loan commitments issued at below-market interest rates are initially recognised at their fair value as a financial liability, and subsequently measured at the higher of the initial value less the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers and their expected credit loss provision. Loan commitments may be designated at fair value through profit or loss where that is the business model under which such contracts are held.

Fair value of financial assets and liabilities

The fair value of financial instruments is generally measured on the basis of the individual financial instrument. However, when a group of financial assets and financial liabilities is managed on the basis of its net exposure to either market risk or credit risk, the fair value of the group of financial instruments is measured on a net basis.

The fair values of quoted financial assets and liabilities in active markets are based on current prices. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If the market for a financial instrument, and for unlisted securities, is not active, the Group establishes fair value by using valuation techniques.

Initial recognition

Regular way purchases and sales of financial assets held at fair value through profit or loss, and held at fair value through other comprehensive income are initially recognised on the trade date (the date on which the Group commits to purchase or sell the asset). Loans and advances and other financial assets held at amortised cost are recognised on the settlement date (the date on which cash is advanced to the borrowers).

All financial instruments are initially recognised at fair value, which is normally the transaction price, plus directly attributable transaction costs for financial assets and liabilities which are not subsequently measured at fair value through profit or loss.

In certain circumstances, the initial fair value may be based on a valuation technique which may lead to the recognition of profits or losses at the time of initial recognition. However, these profits or losses can only be recognised when the valuation technique used is based solely on observable market data. In those cases where the initially recognised fair value is based on a valuation model that uses unobservable inputs, the difference between the transaction price and the valuation model is not recognised immediately in the income statement, it will be recognised in profit or loss following the passage of time, or as the inputs become observable, or the transaction matures or is terminated.

Subsequent measurement

Financial assets and financial liabilities held at amortised cost

Financial assets and financial liabilities held at amortised cost are subsequently carried at amortised cost using the effective interest method (see 'Interest income and expense'). Foreign exchange gains and losses are recognised in the income statement.

Where a financial instrument carried at amortised cost is the hedged item in a qualifying fair value hedge relationship, its carrying value is adjusted by the fair value gain or loss attributable to the hedged risk.

Financial assets held at FVOCI

Debt instruments held at FVOCI are subsequently carried at fair value, with all unrealised gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in a separate component of equity. Foreign exchange gains and losses on the amortised cost are recognised in income. Changes in expected credit losses are recognised in the profit or loss and are accumulated in equity. On derecognition, the cumulative fair value gains or losses, net of the cumulative expected credit loss reserve, are transferred to the profit or loss.

Equity investments designated at FVOCI are subsequently carried at fair value with all unrealised gains and losses arising from changes in fair value (including any related foreign exchange gains or losses) recognised in other comprehensive income and accumulated in a separate component of equity. On derecognition, the cumulative reserve is transferred to retained earnings and is not recycled to profit or loss.

Financial assets and liabilities held at fair value through profit or loss

Gains and losses arising from changes in fair value, including contractual interest income or expense, recorded in the net trading income line in the profit or loss.

12. Financial instruments continued

Derecognition of financial instruments

Financial assets which are subject to commercial refinancing where the loan is priced to the market with no payment related concessions regardless of form of legal documentation or nature of lending will be derecognised. Where the Group's rights to the cash flows under the original contract have expired, the old loan is derecognised and the new loan is recognised at fair value. For all other modifications for example forborne loans or restructuring, whether or not a change in the cash flows is 'substantially different' is judgemental and will be considered on a case-by-case basis, taking into account all the relevant facts and circumstances.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss except for equity instruments elected FVOCI (see above) and cumulative fair value adjustments attributable to the credit risk of a liability, that are held in other comprehensive income.

Financial liabilities are derecognised when they are extinguished. A financial liability is extinguished when the obligation is discharged, cancelled or expires and this is evaluated both qualitatively and quantitatively. However, where a financial liability has been modified, it is derecognised if the difference between the modified cash flows and the original cash flows is more than 10 per cent, or if less than 10 per cent, the Group will perform a qualitative assessment to determine whether the terms of the two instruments are substantially different.

If the Group purchases its own debt, it is derecognised and the difference between the carrying amount of the liability and the consideration paid is included in 'Other income' except for the cumulative fair value adjustments attributable to the credit risk of a liability that are held in Other comprehensive income, which are never recycled to the profit or loss.

Modified financial instruments

Financial assets and financial liabilities whose original contractual terms have been modified, including those loans subject to forbearance strategies, are considered to be modified instruments. Modifications may include changes to the tenor, cash flows and or interest rates among other factors.

Where derecognition of financial assets is appropriate (see Derecognition), the newly recognised residual loans are assessed to determine whether the assets should be classified as purchased or originated credit-impaired assets (POCI).

Where derecognition is not appropriate, the gross carrying amount of the applicable instruments is recalculated as the present value of the renegotiated or modified contractual cash flows discounted at the original effective interest rate (or credit adjusted effective interest rate for POCI financial assets). The difference between the recalculated values and the pre-modified gross carrying values of the instruments are recorded as a modification gain or loss in the profit or loss.

Gains and losses arising from modifications for credit reasons are recorded as part of 'Credit Impairment' (see Credit Impairment policy). Modification gains and losses arising from non-credit reasons are recognised either as part of 'Credit Impairment' or within income depending on whether there has been a change in the credit risk on the financial asset subsequent to the modification. Modification gains and losses arising on financial liabilities are recognised within income. The movements in the applicable expected credit loss loan positions are disclosed in further detail in Risk Review.

12. Financial instruments continued

The Group's classification of its financial assets and liabilities is summarised in the following tables.

Group

Assets	Notes	Assets at fair value: Trading $million	Derivatives held for hedging $million	Non-trading mandatorily at fair value through profit or loss $million	Designated at fair value through profit or loss $million	Fair value through other comprehensive income $million	Total financial assets at fair value $million	Assets held at amortised cost $million	Total $million
Cash and balances at central banks[1]		–	–	–	–	–	–	56,665	56,665
Financial assets held at fair value through profit or loss									
Loans and advances to banks[2]		2,033	–	–	–	–	2,033	–	2,033
Loans and advances to customers[2]		3,833	–	156	–	–	3,989	–	3,989
Reverse repurchase agreements and other similar secured lending	15	260	–	65,343	–	–	65,603	–	65,603
Debt securities, alternative tier one and other eligible bills		30,217	–	416	–	–	30,633	–	30,633
Equity shares		1,240	–	126	–	–	1,366	–	1,366
		37,583	–	66,041	–	–	103,624	–	103,624
Derivative financial instruments	13	81,252	1,465	–	–	–	82,717	–	82,717
Loans and advances to banks[2,3]	14	–	–	–	–	–	–	22,941	22,941
of which – reverse repurchase agreements and other similar secured lending	15	–	–	–	–	–	–	2,889	2,889
Loans and advances to customers[2]	14	–	–	–	–	–	–	158,242	158,242
of which – reverse repurchase agreements and other similar secured lending	15	–	–	–	–	–	–	9,121	9,121
Investment securities									
Debt securities, alternative tier one and other eligible bills		–	–	–	–	58,813	58,813	37,366	96,179
Equity shares		–	–	–	–	263	263	–	263
		–	–	–	–	59,076	59,076	37,366	96,442
Other assets	19					–	–	21,535	21,535
Assets held for sale	20	–	–	–	–	–	–	866	866
Total at 31 December 2024		118,835	1,465	66,041	–	59,076	245,417	297,615	543,032

1 Comprises cash held at central banks in restricted accounts of $2,859 million, or on demand, or placements which are contractually due to mature over-night only. Other placements with central banks are reported as part of Loans and advances to customers

2 Further analysed in Risk review and Capital review (pages 44 to 110)

3 Loans and advances to banks include amounts due on demand from banks other than central banks

12. Financial instruments continued

		Assets at fair value							
Assets	Notes	Trading $million	Derivatives held for hedging $million	Non-trading mandatorily at fair value through profit or loss $million	Designated at fair value through profit or loss $million	Fair value through other comprehensive income $million	Total financial assets at fair value $million	Assets held at amortised cost $million	Total $million
Cash and balances at central banks[1]		–	–	–	–	–	–	64,198	64,198
Financial assets held at fair value through profit or loss									
Loans and advances to banks[2]		2,265	–	–	–	–	2,265	–	2,265
Loans and advances to customers[2]		3,001	–	187	–	–	3,188	–	3,188
Reverse repurchase agreements and other similar secured lending	15	185	–	67,964	–	–	68,149	–	68,149
Debt securities, alternative tier one and other eligible bills		21,452	–	604	–	–	22,056	–	22,056
Equity shares		1,322	–	120	–	–	1,442	–	1,442
		28,225	–	68,875	–	–	97,100	–	97,100
Derivative financial instruments	13	50,883	1,671	–	–	–	52,554	–	52,554
Loans and advances to banks[2,3]	14	–	–	–	–	–	–	22,803	22,803
of which – reverse repurchase agreements and other similar secured lending	15	–	–	–	–	–	–	1,653	1,653
Loans and advances to customers[2]	14	–	–	–	–	–	–	156,143	156,143
of which – reverse repurchase agreements and other similar secured lending	15	–	–	–	–	–	–	13,827	13,827
Investment securities									
Debt securities, alternative tier one and other eligible bills		–	–	–	–	62,120	62,120	39,920	102,040
Equity shares		–	–	–	–	434	434	–	434
		–	–	–	–	62,554	62,554	39,920	102,474
Other assets	19					–	–	20,714	20,714
Assets held for sale	20	–	–	–	–	–	–	693	693
Total at 31 December 2023		79,108	1,671	68,875	–	62,554	212,208	304,471	516,679

1 Comprises cash held at central banks in restricted accounts of $3,050 million, or on demand, or placements which are contractually due to mature over-night only. Other placements with central banks are reported as part of Loans and advances to customers
2 Further analysed in Risk review and Capital review (pages 44 to 110)
3 Loans and advances to banks include amounts due on demand from banks other than central banks

12. Financial instruments continued

Company

Assets	Notes	Trading $million	Derivatives held for hedging $million	Non-trading mandatorily at fair value through profit or loss $million	Designated at fair value through profit or loss $million	Fair value through other comprehensive income $million	Total financial assets at fair value $million	Assets held at amortised cost $million	Total $million
		Assets at fair value							
Cash and balances at central banks[1]		–	–	–	–	–	–	45,233	45,233
Financial assets held at fair value through profit or loss									
Loans and advances to banks[2]		1,880	–	–	–	–	1,880	–	1,880
Loans and advances to customers[2]		3,247	–	29	–	–	3,276	–	3,276
Reverse repurchase agreements and other similar secured lending	16	260	–	61,881	–	–	62,141	–	62,141
Debt securities, alternative tier one and other eligible bills		17,187	–	2,638	–	–	19,825	–	19,825
Equity shares		1,223	–	4	–	–	1,227	–	1,227
Other assets		–	–	–	–	–	–	–	–
		23,797	–	64,552	–	–	88,349	–	88,349
Derivative financial instruments	14	81,534	1,310	–	–	–	82,844	–	82,844
Loans and advances to banks[2,3]	15	–	–	–	–	–	–	11,755	11,755
of which – reverse repurchase agreements and other similar secured lending	16	–	–	–	–	–	–	1,423	1,423
Loans and advances to customers[2]	15	–	–	–	–	–	–	77,597	77,597
of which – reverse repurchase agreements and other similar secured lending	16	–	–	–	–	–	–	9,041	9,041
Investment securities									
Debt securities, alternative tier one and other eligible bills		–	–	–	–	46,650	46,650	35,205	81,855
Equity shares		–	–	–	–	246	246	–	246
		–	–	–	–	46,896	46,896	35,205	82,101
Other assets	20					–	–	17,587	17,587
Assets held for sale	21	–	–	–	–	–	–	474	474
Total at 31 December 2024		105,331	1,310	64,552	–	46,896	218,089	187,851	405,940

1 Comprises cash held at central banks in restricted accounts of $1,160 million, or on demand, or placements which are contractually due to mature over-night only. Other placements with central banks are reported as part of Loans and advances to customers
2 Further analysed in Risk review and Capital review (pages 44 to 110)
3 Loans and advances to banks include amounts due on demand from banks other than central banks

12. Financial instruments continued

Assets	Notes	Assets at fair value: Trading $million	Derivatives held for hedging $million	Non-trading mandatorily at fair value through profit or loss $million	Designated at fair value through profit or loss $million	Fair value through other comprehensive income $million	Total financial assets at fair value $million	Assets held at amortised cost $million	Total $million
Cash and balances at central banks[1]		–	–	–	–	–	–	52,758	52,758
Financial assets held at fair value through profit or loss									
Loans and advances to banks[2]		2,244	–	–	–	–	2,244	–	2,244
Loans and advances to customers[2]		2,566	–	56	–	–	2,622	–	2,622
Reverse repurchase agreements and other similar secured lending	16	185	–	64,619	–	–	64,804	–	64,804
Debt securities, alternative tier one and other eligible bills		13,713	–	1,714	–	–	15,427	–	15,427
Equity shares		1,312	–	3	–	–	1,315	–	1,315
Other assets		–	–	–	–	–	–	–	–
		20,020	–	66,392	–	–	86,412	–	86,412
Derivative financial instruments	14	51,627	1,594	–	–	–	53,221	–	53,221
Loans and advances to banks[2,3]	15	–	–	–	–	–	–	10,135	10,135
of which – reverse repurchase agreements and other similar secured lending	16	–	–	–	–	–	–	554	554
Loans and advances to customers[2]	15	–	–	–	–	–	–	75,883	75,883
of which – reverse repurchase agreements and other similar secured lending	16	–	–	–	–	–	–	12,212	12,212
Investment securities									
Debt securities, alternative tier one and other eligible bills		–	–	–	–	54,300	54,300	38,062	92,362
Equity shares		–	–	–	–	409	409	–	409
		–	–	–	–	54,709	54,709	38,062	92,771
Other assets	20					–	–	16,990	16,990
Assets held for sale	21	–	–	–	–	–	–	52	52
Total at 31 December 2023		71,647	1,594	66,392	–	54,709	194,342	193,880	388,222

1 Comprises cash held at central banks in restricted accounts of $1,311 million, or on demand, or placements which are contractually due to mature over-night only. Other placements with central banks are reported as part of Loans and advances to customers
2 Further analysed in Risk review and Capital review (pages 44 to 110)
3 Loans and advances to banks include amounts due on demand from banks other than central banks

12. Financial instruments continued
Group

Liabilities	Notes	Liabilities at fair value: Trading $million	Liabilities at fair value: Derivatives held for hedging $million	Liabilities at fair value: Designated at fair value through profit or loss $million	Liabilities at fair value: Total financial liabilities at fair value $million	Amortised cost $million	Total $million
Financial liabilities held at fair value through profit or loss							
Deposits by banks		**–**	**–**	**1,471**	**1,471**	**–**	**1,471**
Customer accounts		**–**	**–**	**9,222**	**9,222**	**–**	**9,222**
Repurchase agreements and other similar secured borrowing	15	**925**	**–**	**32,285**	**33,210**	**–**	**33,210**
Debt securities in issue	21	**–**	**–**	**12,176**	**12,176**	**–**	**12,176**
Short positions		**6,850**	**–**	**–**	**6,850**	**–**	**6,850**
		7,775	**–**	**55,154**	**62,929**	**–**	**62,929**
Derivative financial instruments	13	**81,764**	**813**	**–**	**82,577**	**–**	**82,577**
Deposits by banks		**–**	**–**	**–**	**–**	**22,409**	**22,409**
Customer accounts		**–**	**–**	**–**	**–**	**239,204**	**239,204**
Repurchase agreements and other similar secured borrowing	15	**–**	**–**	**–**	**–**	**9,921**	**9,921**
Debt securities in issue	21	**–**	**–**	**–**	**–**	**39,864**	**39,864**
Other liabilities	22	**–**	**–**	**–**	**–**	**27,350**	**27,350**
Subordinated liabilities and other borrowed funds	26	**–**	**–**	**–**	**–**	**10,359**	**10,359**
Liabilities included in disposal groups held for sale	20	**–**	**–**	**–**	**–**	**360**	**360**
Total at 31 December 2024		**89,539**	**813**	**55,154**	**145,506**	**349,467**	**494,973**
Financial liabilities held at fair value through profit or loss							
Deposits by banks		–	–	1,321	1,321	–	1,321
Customer accounts		39	–	9,127	9,166	–	9,166
Repurchase agreements and other similar secured borrowing	15	1,438	–	37,994	39,432	–	39,432
Debt securities in issue	21	–	–	9,850	9,850	–	9,850
Short positions		6,050	–	–	6,050	–	6,050
		7,527	–	58,292	65,819	–	65,819
Derivative financial instruments	13	53,209	1,964	–	55,173	–	55,173
Deposits by banks		–	–	–	–	23,616	23,616
Customer accounts		–	–	–	–	237,902	237,902
Repurchase agreements and other similar secured borrowing	15	–	–	–	–	12,033	12,033
Debt securities in issue	21	–	–	–	–	36,481	36,481
Other liabilities	22	–	–	–	–	24,109	24,109
Subordinated liabilities and other borrowed funds	26	–	–	–	–	11,454	11,454
Liabilities included in disposal groups held for sale	20	–	–	–	–	726	726
Total at 31 December 2023		60,736	1,964	58,292	120,992	346,321	467,313

12. Financial instruments continued
Company

Liabilities	Notes	Liabilities at fair value: Trading $million	Derivatives held for hedging $million	Designated at fair value through profit or loss $million	Total financial liabilities at fair value $million	Amortised cost $million	Total $million
Financial liabilities held at fair value through profit or loss							
Deposits by banks		–	–	1,463	1,463	–	1,463
Customer accounts		–	–	8,832	8,832	–	8,832
Repurchase agreements and other similar secured borrowing	16	724	–	32,156	32,880	–	32,880
Debt securities in issue	22	–	–	12,062	12,062	–	12,062
Short positions		6,446	–	–	6,446	–	6,446
		7,170	–	54,513	61,683	–	61,683
Derivative financial instruments	14	82,064	681	–	82,745	–	82,745
Deposits by banks		–	–	–	–	17,824	17,824
Customer accounts		–	–	–	–	119,502	119,502
Repurchase agreements and other similar secured borrowing	16	–	–	–	–	9,845	9,845
Debt securities in issue	22	–	–	–	–	36,081	36,081
Other liabilities	23	–	–	–	–	21,124	21,124
Subordinated liabilities and other borrowed funds	27	–	–	–	–	9,801	9,801
Total at 31 December 2024		89,234	681	54,513	144,428	214,177	358,605
Financial liabilities held at fair value through profit or loss							
Deposits by banks		–	–	1,321	1,321	–	1,321
Customer accounts		–	–	8,852	8,852	–	8,852
Repurchase agreements and other similar secured borrowing	16	1,438	–	37,736	39,174	–	39,174
Debt securities in issue	22	–	–	9,554	9,554	–	9,554
Short positions		5,566	–	–	5,566	–	5,566
		7,004	–	57,463	64,467	–	64,467
Derivative financial instruments	14	53,614	1,917	–	55,531	–	55,531
Deposits by banks		–	–	–	–	18,280	18,280
Customer accounts		–	–	–	–	121,648	121,648
Repurchase agreements and other similar secured borrowing	16	–	–	–	–	11,977	11,977
Debt securities in issue	22	–	–	–	–	34,740	34,740
Other liabilities	23	–	–	–	–	18,879	18,879
Subordinated liabilities and other borrowed funds	27	–	–	–	–	10,896	10,896
Total at 31 December 2023		60,618	1,917	57,463	119,998	216,420	336,418

12. Financial instruments continued

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In practice, for credit mitigation, the Group is able to offset assets and liabilities which do not meet the IAS 32 netting criteria set out below. Such arrangements include master netting arrangements for derivatives and global master repurchase agreements for repurchase and reverse repurchase transactions. These agreements generally allow that all outstanding transactions with a particular counterparty can be offset but only in the event of default or other predetermined events.

In addition, the Group also receives and pledges readily realisable collateral for derivative transactions to cover net exposure in the event of a default. Under repurchase and reverse repurchase agreements the Group pledges (legally sells) and obtains (legally purchases) respectively, highly liquid assets which can be sold in the event of a default.

The following tables set out the impact of netting on the balance sheet. This comprises derivative transactions settled through an enforceable netting agreement where we have the intent and ability to settle net and which are offset on the balance sheet.

Group

	2024					
				Related amount not offset in the balance sheet		
	Gross amounts of recognised financial instruments $million	Impact of offset in the balance sheet $million	Net amounts of financial instruments presented in the balance sheet $million	Financial instruments $million	Financial collateral $million	Net amount $million
As at 31 December 2024						
Derivative financial instruments	**98,176**	**(15,459)**	**82,717**	**(65,027)**	**(12,984)**	**4,706**
Reverse repurchase agreements and other similar secured lending	**115,927**	**(38,314)**	**77,613**	**–**	**(77,613)**	**–**
Total Assets	**214,103**	**(53,773)**	**160,330**	**(65,027)**	**(90,597)**	**4,706**
Derivative financial instruments	**98,036**	**(15,459)**	**82,577**	**(65,027)**	**(9,181)**	**8,369**
Repurchase agreements and other similar secured borrowing	**81,445**	**(38,314)**	**43,131**	**–**	**(43,131)**	**–**
Total Liabilities	**179,481**	**(53,773)**	**125,708**	**(65,027)**	**(52,312)**	**8,369**
	2023					
As at 31 December 2023						
Derivative financial instruments	100,321	(47,767)	52,554	(43,684)	(7,960)	910
Reverse repurchase agreements and other similar secured lending	95,461	(11,832)	83,629	–	(83,629)	–
Total Assets	195,782	(59,599)	136,183	(43,684)	(91,589)	910
Derivative financial instruments	102,940	(47,767)	55,173	(43,684)	(8,378)	3,111
Repurchase agreements and other similar secured borrowing	63,297	(11,832)	51,465	–	(51,465)	–
Total Liabilities	166,237	(59,599)	106,638	(43,684)	(59,843)	3,111

12. Financial instruments continued

Company

	2024					
	Gross amounts of recognised financial instruments $million	Impact of offset in the balance sheet $million	Net amounts of financial instruments presented in the balance sheet $million	Related amount not offset in the balance sheet: Financial instruments $million	Related amount not offset in the balance sheet: Financial collateral $million	Net amount $million
As at 31 December 2024						
Derivative financial instruments	**98,303**	**(15,459)**	**82,844**	**(67,030)**	**(11,788)**	**4,026**
Reverse repurchase agreements and other similar secured lending	**110,919**	**(38,314)**	**72,605**	**–**	**(72,605)**	**–**
Total Assets	**209,222**	**(53,773)**	**155,449**	**(67,030)**	**(84,393)**	**4,026**
Derivative financial instruments	**98,204**	**(15,459)**	**82,745**	**(67,030)**	**(8,196)**	**7,519**
Repurchase agreements and other similar secured borrowing	**81,039**	**(38,314)**	**42,725**	**–**	**(42,725)**	**–**
Total Liabilities	**179,243**	**(53,773)**	**125,470**	**(67,030)**	**(50,921)**	**7,519**
	2023					
As at 31 December 2023						
Derivative financial instruments	100,988	(47,767)	53,221	(45,556)	(7,289)	376
Reverse repurchase agreements and other similar secured lending	89,402	(11,832)	77,570	–	(77,570)	–
Total Assets	190,390	(59,599)	130,791	(45,556)	(84,859)	376
Liabilities						
Derivative financial instruments	103,298	(47,767)	55,531	(45,556)	(7,505)	2,470
Repurchase agreements and other similar secured borrowing	62,983	(11,832)	51,151	–	(51,151)	–
Total Liabilities	166,281	(59,599)	106,682	(45,556)	(58,656)	2,470

Related amounts not offset in the balance sheet comprises:

- Financial instruments not offset in the balance sheet but covered by an enforceable netting arrangement. This comprises master netting arrangements held against derivative financial instruments and excludes the effect of over-collateralisation
- Financial instruments where a legal opinion evidencing enforceability the right of offset may not have sought, or may have been unable to obtain such opinion
- Financial collateral comprises cash collateral pledged and received for derivative financial instruments and collateral bought and sold for reverse repurchase and repurchase agreements respectively and excludes the effect of over-collateralisation

Financial liabilities designated at fair value through profit or loss

	2024 $million	2023 $million
Carrying Balance aggregate fair value	**55,154**	58,292
Amount Contractually obliged to repay at maturity	**55,474**	59,576
Difference between aggregate fair value and contractually obliged to repay at maturity	**(320)**	(1,284)
Cumulative change in Fair Value accredited to Credit Risk Difference	**(182)**	87

The net fair value loss on financial liabilities designated at fair value through profit or loss was $3,162 million for the year (31 December 2023: net loss of $2,445 million).

Further details of the Group's own credit adjustment (OCA) valuation technique is described later in this note.

12. Financial instruments continued

Valuation of financial instruments

The Valuation Methodology function is responsible for independent price verification, oversight of fair value and appropriate value adjustments and escalation of valuation issues. Independent price verification is the process of determining that the valuations incorporated into the financial statements are validated independent of the business area responsible for the product. The Valuation Methodology function has oversight of the fair value adjustments to ensure the financial instruments are priced to exit. These are key controls in ensuring the material accuracy of the valuations incorporated in the financial statements. The market data used for price verification (PV) may include data sourced from recent trade data involving external counterparties or third parties such as Bloomberg, Reuters, brokers and consensus pricing providers. The Valuation Methodology function performs an ongoing review of the market data sources that are used as part of the PV and fair value processes which are formally documented on a semi-annual basis detailing the suitability of the market data used for price testing. Price verification uses independently sourced data that is deemed most representative of the market the instruments trade in. To determine the quality of the market data inputs, factors such as independence, relevance, reliability, availability of multiple data sources and methodology employed by the pricing provider are taken into consideration.

The Valuation and Benchmarks Committee (VBC) is the valuation governance forum consisting of representatives from Group Market Risk, Product Control, Valuation Methodology and the business, which meets monthly to discuss and approve the independent valuations of the inventory. For Principal Finance, the Investment Committee meeting is held on a quarterly basis to review investments and valuations.

Significant accounting estimates and judgements

The Group evaluates the significance of financial instruments and material accuracy of the valuations incorporated in the financial statements as they involve a high degree of judgement and estimation uncertainty in determining the carrying values of financial assets and liabilities at the balance sheet date.

- Fair value of financial instruments is determined using valuation techniques and estimates (see below) which, to the extent possible, use market observable inputs, but in some cases use non-market observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments
- When establishing the exit price of a financial instrument using a valuation technique, the Group estimates valuation adjustments in determining the fair value
- In determining the valuation of financial instruments, the Group makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 assets, and the significant valuation judgements in respect of Level 3 instruments (page 171)
- Where the estimated measurement of fair value is more judgemental in respect of Level 3 assets, these are valued based on models that use a significant degree of non-market-based unobservable inputs

Valuation techniques

Refer to the fair value hierarchy explanation – Level 1, 2 and 3 (page 165)

- **Financial instruments held at fair value**
  - **Debt securities** – asset-backed securities: Asset-backed securities are valued based on external prices obtained from consensus pricing providers, broker quotes, recent trades, arrangers' quotes, etc. Where an observable price is available for a given security, it is classified as Level 2. In instances where third-party prices are not available or reliable, the security is classified as Level 3. The fair value of Level 3 securities is estimated using market standard cash flow models with input parameter assumptions which include prepayment speeds, default rates, discount margins derived from comparable securities with similar vintage, collateral type, and credit ratings.
  - **Debt securities in issue:** These debt securities relate to structured notes issued by the Group. Where independent market data is available through pricing vendors and broker sources these positions are classified as Level 2. Where such liquid external prices are not available, valuations of these debt securities are implied using input parameters such as bond spreads and credit spreads, and are classified as Level 3. These input parameters are determined with reference to the same issuer (if available) or proxies from comparable issuers or assets.
  - **Derivatives:** Derivative products are classified as Level 2 if the valuation of the product is based upon input parameters which are observable from independent and reliable market data sources. Derivative products are classified as Level 3 if there are significant valuation input parameters which are unobservable in the market, such as products where the performance is linked to more than one underlying variable. Examples are foreign exchange basket options, equity options based on the performance of two or more underlying indices and interest rate products with quanto payouts. In most cases these unobservable correlation parameters cannot be implied from the market, and methods such as historical analysis and comparison with historical levels or other benchmark data must be employed.

12. Financial instruments continued

- **Equity shares - unlisted equity investments:** The majority of unlisted equity investments are valued based on market multiples, including Price to Book (P/B), Price-to-Earnings (P/E) or enterprise value to earnings before income tax, depreciation and amortisation (EV/EBITDA) ratios of comparable listed companies. The primary inputs for the valuation of these investments are the actual financials or forecasted earnings of the investee companies and market multiples obtained from the comparable listed companies. To ensure comparability between these unquoted investments and the comparable listed companies, appropriate adjustments are also applied (for example, liquidity and size) in the valuation. In circumstances where an investment does not have direct comparables or where the multiples for the comparable companies cannot be sourced from reliable external sources, alternative valuation techniques (for example, discounted cash flow model or net asset value ("NAV") or option pricing model), which use predominantly unobservable inputs or Level 3 inputs, may be applied. Even though market multiples for the comparable listed companies can be sourced from third-party sources (for example, Bloomberg), and those inputs can be deemed Level 2 inputs, all unlisted investments (excluding those where observable inputs are available, for example, over-the-counter (OTC) prices) are classified as Level 3 on the basis that the valuation methods involve judgements ranging from determining comparable companies to discount rates where the discounted cash flow method is applied.
- **Loans and advances:** These primarily include loans in the FM Bond and Loan Syndication business which were not fully syndicated as of the balance sheet date and other financing transactions within Financial Markets, and loans and advances including reverse repurchase agreements that do not have SPPI cashflows or are managed on a fair value basis. Where available, loan valuation is based on observable clean sales transactions prices or market observable spreads. If observable credit spreads are not available, proxy spreads based on comparables with similar credit grade, sector and region, are used. Where observable transaction prices, credit spreads and market standard proxy methods are available, these loans are classified as Level 2. Where there are no recent transactions or comparables, these loans are classified as Level 3.
- **Other debt securities:** These debt securities include convertible bonds, corporate bonds, credit and structured notes. Where quoted prices are available through pricing vendors, brokers or observable trading activities from liquid markets, these are classified as Level 2 and valued using such quotes. Where there are significant valuation inputs which are unobservable in the market, due to illiquid trading or the complexity of the product, these are classified as Level 3. The valuations of these debt securities are implied using input parameters such as bond spreads and credit spreads. These input parameters are determined with reference to the same issuer (if available) or proxied from comparable issuers or assets

• **Financial instruments held at amortised cost**

The following sets out the Group's basis for establishing fair values of amortised cost financial instruments and their classification between Levels 1, 2 and 3. As certain categories of financial instruments are not actively traded, there is a significant level of management judgement involved in calculating the fair values:

- **Cash and balances at central banks:** The fair value of cash and balances at central banks is their carrying amounts
- **Debt securities in issue, subordinated liabilities and other borrowed funds:** The aggregate fair values are calculated based on quoted market prices. For those notes where quoted market prices are not available, a discounted cash flow model is used based on a current market related yield curve appropriate for the remaining term to maturity
- **Deposits and borrowings:** The estimated fair value of deposits with no stated maturity is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits and other borrowings without quoted market prices is based on discounted cash flows using the prevailing market rates for debts with a similar Credit Risk and remaining maturity
- **Investment securities:** For investment securities that do not have directly observable market values, the Group utilises a number of valuation techniques to determine fair value. Where available, securities are valued using input proxies from the same or closely related underlying (for example, bond spreads from the same or closely related issuer) or input proxies from a different underlying (for example, a similar bond but using spreads for a particular sector and rating). Certain instruments cannot be proxies as set out above, and in such cases the positions are valued using non-market observable inputs. This includes those instruments held at amortised cost and predominantly relates to asset-backed securities. The fair value for such instruments is usually proxies from internal assessments of the underlying cash flows

12. Financial instruments continued

- **Loans and advances to banks and customers:** For loans and advances to banks, the fair value of floating rate placements and overnight deposits is their carrying amounts. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using the prevailing money market rates for debts with a similar Credit Risk and remaining maturity. The Group's loans and advances to customers' portfolio is well diversified by geography and industry. Approximately a quarter of the portfolio re-prices within one month, and approximately half re-prices within 12 months. Loans and advances are presented net of provisions for impairment. The fair value of loans and advances to customers with a residual maturity of less than one year generally approximates the carrying value. The estimated fair value of loans and advances with a residual maturity of more than one year represents the discounted amount of future cash flows expected to be received, including assumptions relating to prepayment rates and Credit Risk. Expected cash flows are discounted at current market rates to determine fair value. The Group has a wide range of individual instruments within its loans and advances portfolio and as a result providing quantification of the key assumptions used to value such instruments is impractical
- **Other assets**: Other assets comprise primarily of cash collateral and trades pending settlement. The carrying amount of these financial instruments is considered to be a reasonable approximation of fair value as they are either short-term in nature or re-price to current market rates frequently

Fair value adjustments

When establishing the exit price of a financial instrument using a valuation technique, the Group considers adjustments to the modelled price which market participants would make when pricing that instrument. The main valuation adjustments (described further below) in determining fair value for financial assets and financial liabilities are as follows:

	01.01.24 $million	**Movement during the year $million**	**31.12.24 $million**	01.01.23 $million	Movement during the year $million	31.12.23 $million
Bid-offer valuation adjustment	**91**	**2**	**93**	89	2	91
Credit valuation adjustment	**98**	**(3)**	**95**	135	(37)	98
Debit valuation adjustment	**(118)**	**20**	**(98)**	(91)	(27)	(118)
Model valuation adjustment	**4**	**1**	**5**	3	1	4
Funding valuation adjustment	**36**	**(5)**	**31**	44	(8)	36
Other fair value adjustments	**20**	**(1)**	**19**	19	1	20
Total	**131**	**14**	**145**	199	(68)	131
Income deferrals						
Day 1 and other deferrals	**63**	**18**	**81**	160	(97)	63
Total	**63**	**18**	**81**	160	(97)	63

Note: Bracket represents an asset and credit to the income statement

- **Bid-offer valuation adjustment:** Generally, market parameters are marked on a mid-market basis in the revaluation systems, and a bid-offer valuation adjustment is required to quantify the expected cost of neutralising the business' positions through dealing away in the market, thereby bringing long positions to bid and short positions to offer. The methodology to calculate the bid-offer adjustment for a derivative portfolio involves netting between long and short positions and the grouping of risk by strike and tenor based on the hedging strategy where long positions are marked to bid and short positions marked to offer in the systems.
- **Credit valuation adjustment (CVA):** The Group accounts for CVA against the fair value of derivative products. CVA is an adjustment to the fair value of the transactions to reflect the possibility that our counterparties may default and we may not receive the full market value of the outstanding transactions. It represents an estimate of the adjustment a market participant would include when deriving a purchase price to acquire our exposures. CVA is calculated for each subsidiary, and within each entity for each counterparty to which the entity has exposure and takes account of any collateral we may hold. The Group calculates the CVA by using estimates of future positive exposure, market-implied probability of default (PD) and recovery rates. Where market-implied data is not readily available, we use market-based proxies to estimate the PD. Wrong-way risk occurs when the exposure to a counterparty is adversely correlated with the credit quality of that counterparty, and the Group has implemented a model to capture this impact for key wrong-way exposures. The Group also captures the uncertainties associated with wrong-way risk in the Group's Prudential Valuation Adjustments framework.

12. Financial instruments continued

- **Debit valuation adjustment (DVA):** The Group calculates DVA adjustments on its derivative liabilities to reflect changes in its own credit standing. The Group's DVA adjustments will increase if its credit standing worsens and conversely, decrease if its credit standing improves. For derivative liabilities, a DVA adjustment is determined by applying the Group's probability of default to the Group's negative expected exposure against the counterparty. The Group's probability of default and loss expected in the event of default is derived based on bond and CDS spreads associated with the Group's issuances and market standard recovery levels. The expected exposure is modelled based on the simulation of the underlying risk factors over the expected life of the deal. This simulation methodology incorporates the collateral posted by the Group and the effects of master netting agreements.
- **Model valuation adjustment:** Valuation models may have pricing deficiencies or limitations that require a valuation adjustment. These pricing deficiencies or limitations arise due to the choice, implementation and calibration of the pricing model.
- **Funding valuation adjustment (FVA):** The Group makes FVA adjustments against derivative products, including embedded derivatives. FVA reflects an estimate of the adjustment to its fair value that a market participant would make to incorporate funding costs or benefits that could arise in relation to the exposure. FVA is calculated by determining the net expected exposure at a counterparty level and then applying a funding rate to those exposures that reflect the market cost of funding. The FVA for uncollateralised (including partially collateralised) derivatives incorporates the estimated present value of the market funding cost or benefit associated with funding these transactions.
- **Other fair value adjustments:** The Group calculates the fair value on the interest rate callable products by calibrating to a set of market prices with differing maturity, expiry and strike of the trades.
- **Day one and other deferrals:** In certain circumstances the initial fair value is based on a valuation technique which differs to the transaction price at the time of initial recognition. However, these gains can only be recognised when the valuation technique used is based primarily on observable market data. In those cases where the initially recognised fair value is based on a valuation model that uses inputs which are not observable in the market, the difference between the transaction price and the valuation model is not recognised immediately in the income statement. The difference is amortised to the income statement until the inputs become observable, or the transaction matures or is terminated. Other deferrals primarily represent adjustments taken to reflect the specific terms and conditions of certain derivative contracts which affect the termination value at the measurement date.

In addition, the Group calculates own credit adjustment (OCA) on its issued debt designated at fair value, including structured notes, in order to reflect changes in its own credit standing. Issued debt is discounted utilising the spread at which similar instruments would be issued or bought back at the measurement date as this reflects the value from the perspective of a market participant who holds the identical item as an asset. OCA measures the difference between the fair value of issued debt as of reporting date and theoretical fair values of issued debt adjusted up or down for changes in own credit spreads from inception date to the measurement date. Under IFRS 9 the change in the OCA component is reported under other comprehensive income. The Group's OCA reserve will increase if its credit standing worsens in comparison to the inception of the trade and, conversely, decrease if its credit standing improves. The Group's OCA reserve will reverse over time as its liabilities mature.

Fair value hierarchy – financial instruments held at fair value

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels The fair values of quoted financial assets and liabilities in active markets are based on current prices. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Wherever possible, fair values have been calculated using unadjusted quoted market prices in active markets for identical instruments held by the Group. Where quoted market prices are not available, or are unreliable because of poor liquidity, fair values have been determined using valuation techniques which, to the extent possible, use market observable inputs, but in some cases use unobservable inputs. Valuation techniques used include discounted cash flow analysis and pricing models and, where appropriate, comparison with instruments that have characteristics similar to those of the instruments held by the Group.

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values. Changes in the observability of significant valuation inputs during the reporting period may result in a transfer of assets and liabilities within the fair value hierarchy. The Group recognises transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period.

- **Level 1:** Fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities.
- **Level 2:** Fair value measurements are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- **Level 3:** Fair value measurements are those where inputs which could have a significant effect on the instrument's valuation are not based on observable market data.

12. Financial instruments continued

The following tables show the classification of financial instruments held at fair value into the valuation hierarchy:

Group

Assets	2024 Level 1 $million	2024 Level 2 $million	2024 Level 3 $million	2024 Total $million	2023 Level 1 $million	2023 Level 2 $million	2023 Level 3 $million	2023 Total $million
Financial instruments held at fair value through profit or loss								
Loans and advances to banks	–	2,033	–	2,033	–	2,265	–	2,265
Loans and advances to customers	–	2,633	1,356	3,989	–	2,016	1,172	3,188
Reverse repurchase agreements and other similar secured lending	–	63,047	2,556	65,603	–	66,784	1,365	68,149
Debt securities and other eligible bills	13,686	16,084	863	30,633	11,626	9,210	1,220	22,056
Of which:								
Issued by Central banks & Governments	13,226	12,212	9	25,447	11,178	5,994	–	17,172
Issued by corporates other than financial institutions[1]	3	938	355	1,296	–	927	318	1,245
Issued by financial institutions[1]	457	2,934	499	3,890	448	2,289	902	3,639
Equity shares	1,241	9	116	1,366	1,243	114	85	1,442
Derivative financial instruments	448	82,122	147	82,717	940	51,538	76	52,554
Of which:								
Foreign exchange	201	68,511	58	68,770	114	45,585	24	45,723
Interest rate	27	11,558	78	11,663	37	5,426	3	5,466
Credit	–	792	9	801	–	405	47	452
Equity and stock index options	–	204	2	206	–	47	2	49
Commodity	220	1,057	–	1,277	789	75	–	864
Investment securities								
Debt securities and other eligible bills	27,696	31,117	–	58,813	25,288	36,761	71	62,120
Of which:								
Issued by Central banks & Governments	20,740	13,360	–	34,100	19,475	14,530	51	34,056
Issued by corporates other than financial institutions[1]	–	490	–	490	–	1,019	–	1,019
Issued by financial institutions[1]	6,956	17,267	–	24,223	5,813	21,212	20	27,045
Equity shares	10	3	250	263	183	6	245	434
Total assets at 31 December	43,081	197,048	5,288	245,417	39,280	168,694	4,234	212,208
Liabilities								
Financial instruments held at fair value through profit or loss								
Deposits by banks	–	1,421	50	1,471	–	1,253	68	1,321
Customer accounts	–	8,867	355	9,222	–	8,934	232	9,166
Repurchase agreements and other similar secured borrowing	–	33,210	–	33,210	–	39,432	–	39,432
Debt securities in issue	–	10,983	1,193	12,176	–	8,824	1,026	9,850
Short positions	1,596	5,074	180	6,850	2,151	3,796	103	6,050
Derivative financial instruments	446	81,893	238	82,577	740	54,271	162	55,173
Of which:								
Foreign exchange	210	67,757	11	67,978	113	46,304	12	46,429
Interest rate	14	12,216	23	12,253	46	7,107	5	7,158
Credit	–	996	166	1,162	–	448	126	574
Equity and stock index options	–	109	37	146	–	108	19	127
Commodity	222	815	1	1,038	581	304	–	885
Total liabilities at 31 December	2,042	141,448	2,016	145,506	2,891	116,510	1,591	120,992

1 Includes covered bonds of $3,690 million (2023: $6,377 million), securities issued by Multilateral Development Banks/International Organisations of $8,867 million (2023: $6,300 million) and State-owned agencies and development banks of $10,268 million(2023: $3,186million)

The fair value of financial assets and financial liabilities classified as Level 2 in the fair value hierarchy that are subject to complex modelling techniques is $512 million (2023: $707 million) and $180 million (2023: $125 million) respectively.

There were no significant changes to valuation or levelling approaches in 2024.

There were no significant transfers of financial assets and liabilities measured at fair value between Level 1 and Level 2 during the year.

12. Financial instruments continued
Company

Assets	2024 Level 1 $million	2024 Level 2 $million	2024 Level 3 $million	2024 Total $million	2023 Level 1 $million	2023 Level 2 $million	2023 Level 3 $million	2023 Total $million
Financial instruments held at fair value through profit or loss								
Loans and advances to banks	–	1,880	–	1,880	–	2,244	–	2,244
Loans and advances to customers	–	2,414	862	3,276	–	1,598	1,024	2,622
Reverse repurchase agreements and other similar secured lending	–	59,942	2,199	62,141	–	63,712	1,092	64,804
Debt securities and other eligible bills	7,505	12,078	242	19,825	8,376	6,937	114	15,427
Of which:								
Issued by Central banks & governments	7,112	7,281	–	14,393	7,951	3,850	–	11,801
Issued by corporates other than financial institutions[1]	3	694	141	838	–	427	20	447
Issued by financial institutions[1]	390	4,103	101	4,594	425	2,660	94	3,179
Equity shares	1,218	9	–	1,227	1,203	112	–	1,315
Derivative financial instruments	484	82,230	130	82,844	932	52,217	72	53,221
Of which:								
Foreign exchange	238	68,497	47	68,782	107	41,092	21	41,220
Interest rate	27	11,788	72	11,887	37	10,478	2	10,517
Credit	–	614	9	623	–	432	47	479
Equity and stock index options	–	97	2	99	–	21	2	23
Commodity	219	1,234	–	1,453	788	194	–	982
Investment securities								
Debt securities and other eligible bills	18,882	27,768	–	46,650	21,960	32,340	–	54,300
Of which:								
Issued by central banks & governments	12,419	9,475	–	21,894	16,376	9,855	–	26,231
Issued by corporates other than financial institutions[1]	–	490	–	490	–	1,001	–	1,001
Issued by financial institutions[1]	6,463	17,803	–	24,266	5,584	21,484	–	27,068
Equity shares	10	3	233	246	182	1	226	409
Total financial instruments at 31 December 2024	28,099	186,324	3,666	218,089	32,653	159,161	2,528	194,342
Liabilities								
Financial instruments held at fair value through profit or loss								
Deposits by banks	–	1,413	50	1,463	–	1,253	68	1,321
Customer accounts	–	8,580	252	8,832	–	8,722	130	8,852
Repurchase agreements and other similar secured borrowing	–	32,880	–	32,880	–	39,174	–	39,174
Debt securities in issue	–	10,932	1,130	12,062	–	8,693	861	9,554
Short positions	1,413	4,853	180	6,446	1,956	3,507	103	5,566
Derivative financial instruments	472	82,183	90	82,745	737	54,732	62	55,531
Of which:								
Foreign exchange	236	68,193	27	68,456	110	42,525	16	42,651
Interest rate	14	12,453	23	12,490	46	11,161	5	11,212
Credit	–	703	16	719	–	525	32	557
Equity and stock index options	–	16	23	39	–	64	9	73
Commodity	222	818	1	1,041	581	457	–	1,038
Total financial instruments at 31 December 2024	1,885	140,841	1,702	144,428	2,693	116,081	1,224	119,998

1 Includes covered bonds of $3,608 million (2023: $6,149 million), securities issued by Multilateral Development Banks/International Organisations of $8,479 million (2023: $6,118 million) and State-owned agencies and development banks of $9,883 million (2023: $3,153 million)

The fair value of financial assets and financial liabilities classified as Level 2 in the fair value hierarchy that are subject to complex modelling techniques is $105 million (2023: $489 million) and $124 million (2023: $68 million) respectively.

There were no significant changes to valuation or levelling approaches in 2024.

There were no significant transfers of financial assets and liabilities measured at fair value between Level 1 and Level 2 during the year.

12. Financial instruments continued

Fair value hierarchy – financial instruments measured at amortised cost

The following table shows the carrying amounts and incorporates the Group's estimate of fair values of those financial assets and liabilities not presented on the Group's balance sheet at fair value. These fair values may be different from the actual amount that will be received or paid on the settlement or maturity of the financial instrument. For certain instruments, the fair value may be determined using assumptions for which no observable prices are available.

Group

	2024					2023				
	Carrying value $million	Fair value Level 1 $million	Level 2 $million	Level 3 $million	Total $million	Carrying value $million	Fair value Level 1 $million	Level 2 $million	Level 3 $million	Total $million
Assets										
Cash and balances at central banks[1]	56,665	–	56,665	–	56,665	64,198	–	64,198	–	64,198
Loans and advances to banks	22,941	–	22,780	162	22,942	22,803	–	22,746	–	22,746
of which – reverse repurchase agreements and other similar secured lending	2,889	–	2,892	–	2,892	1,653	–	1,653	–	1,653
Loans and advances to customers	158,242	–	35,308	125,075	160,383	156,143	–	47,454	106,336	153,790
of which – reverse repurchase agreements and other similar secured lending	9,121	–	9,121	–	9,121	13,827	–	13,827	–	13,827
Investment securities[2]	37,366	–	35,512	24	35,536	39,920	–	37,795	33	37,828
Other assets[1]	21,535	–	21,535	–	21,535	20,714	–	20,714	–	20,714
Assets held for sale	866	58	335	473	866	693	101	541	51	693
At 31 December	297,615	58	172,135	125,734	297,927	304,471	101	193,448	106,420	299,969
Liabilities										
Deposits by banks	22,409	–	22,246	–	22,246	23,616	–	23,671	–	23,671
Customer accounts	239,204	–	238,960	–	238,960	237,902	–	234,937	–	234,937
Repurchase agreements and other similar secured borrowing	9,921	–	9,921	–	9,921	12,033	–	12,033	–	12,033
Debt securities in issue	39,864	–	39,744	–	39,744	36,481	–	36,355	–	36,355
Subordinated liabilities and other borrowed funds	10,359	–	10,360	–	10,360	11,454	–	12,545	–	12,545
Other liabilities[1]	27,350	–	27,350	–	27,350	24,109	–	24,109	–	24,109
Liabilities held for sale	360	89	271	–	360	726	54	672	–	726
At 31 December	349,467	89	348,852	–	348,941	346,321	54	344,322	–	344,376

1 The carrying amount of these financial instruments is considered to be a reasonable approximation of fair value as they are short-term in nature or reprice to current market rates frequently

2 Includes Government bonds and Treasury bills of $14,223 million at 31 December 2024 and $12,667 million at 31 December 2023

12. Financial instruments continued

Company

	2024					2023				
	Carrying value $million	Fair value Level 1 $million	Level 2 $million	Level 3 $million	Total $million	Carrying value $million	Fair value Level 1 $million	Level 2 $million	Level 3 $million	Total $million
Assets										
Cash and balances at central banks[1]	45,233	–	45,233	–	45,233	52,758	–	52,758	–	52,758
Loans and advances to banks	11,755	–	11,669	87	11,756	10,135	–	10,104	–	10,104
of which – reverse repurchase agreements and other similar secured lending	1,423	–	1,426	–	1,426	554	–	554	–	554
Loans and advances to customers	77,597	–	14,168	63,640	77,808	75,883	–	21,435	52,113	73,548
of which – reverse repurchase agreements and other similar secured lending	9,041	–	9,041	–	9,041	12,212	–	12,212	–	12,212
Investment securities[2]	35,205	–	33,387	–	33,387	38,062	–	35,872	33	35,905
Other assets[1]	17,587	–	17,587	–	17,587	16,990	–	16,990	–	16,990
Assets held for sale	474	–	–	474	474	52	–	–	52	52
At 31 December[3]	187,851	–	122,044	64,201	186,245	193,880	–	137,159	52,198	189,357
Liabilities										
Deposits by banks	17,824	–	17,662	–	17,662	18,280	–	18,335	–	18,335
Customer accounts	119,502	–	119,255	–	119,255	121,648	–	121,525	–	121,525
Repurchase agreements and other similar secured borrowing	9,845	–	9,845	–	9,845	11,977	–	11,977	–	11,977
Debt securities in issue	36,081	–	35,938	–	35,938	34,740	–	34,976	–	34,976
Subordinated liabilities and other borrowed funds	9,801	–	9,801	–	9,801	10,896	–	11,457	–	11,457
Other liabilities[1]	21,124	–	21,124	–	21,124	18,879	–	18,879	–	18,879
Liabilities held for sale	–	–	–	–	–	–	–	–	–	–
At 31 December	214,177	–	213,625	–	213,625	216,420	–	217,149	–	217,149

1 The carrying amount of these financial instruments is considered to be a reasonable approximation of fair value as they are short-term in nature or reprice to current market rates frequently
2 Includes Government bonds and Treasury bills of $13,135 million as at 31 December 2024 and $11,991 million as at 31 December 2023
3 Excludes 'Amounts due from subsidiaries and other related parties' of $10,066 million (31 December 2023: $10,053 million). The carrying amounts of due from subsidiary undertakings and other related parties approximate fair value

12. Financial instruments continued

Loans and advances to customers by client segment[1]

Group

	2024						2023					
	Carrying value			Fair value			Carrying value			Fair value		
	Stage 3 $million	Stage 1 and stage 2 $million	Total $million	Stage 3 $million	Stage 1 and stage 2 $million	Total $million	Stage 3 $million	Stage 1 and stage 2 $million	Total $million	Stage 3 $million	Stage 1 and stage 2 $million	Total $million
Corporate & Investment Banking	1,047	89,345	90,392	921	89,602	90,523	1,525	83,008	84,533	1,513	80,659	82,172
Wealth & Retail Banking	501	46,515	47,016	502	48,529	49,031	425	47,190	47,615	426	47,197	47,623
Ventures	–	574	574	–	573	573	–	230	230	–	230	230
Central & other items	98	20,162	20,260	98	20,158	20,256	209	23,556	23,765	209	23,556	23,765
At 31 December	**1,646**	**156,596**	**158,242**	**1,521**	**158,862**	**160,383**	2,159	153,984	156,143	2,148	151,642	153,790

1 Loans and advances includes reverse repurchase agreements and other similar secured lending: carrying value $9,121 million and fair value $9,121 million (31 December 2023: $13,827 million and $13,827 million respectively)

Company

	2024						2023					
	Carrying value			Fair value			Carrying value			Fair value		
	Stage 3 $million	Stage 1 and stage 2 $million	Total $million	Stage 3 $million	Stage 1 and stage 2 $million	Total $million	Stage 3 $million	Stage 1 and stage 2 $million	Total $million	Stage 3 $million	Stage 1 and stage 2 $million	Total $million
Corporate & Investment Banking	830	64,174	65,004	706	64,559	65,265	1,192	60,809	62,001	1,192	58,543	59,735
Wealth & Retail Banking	275	11,504	11,779	275	11,454	11,729	231	12,272	12,503	231	12,203	12,434
Central & other items	–	814	814	–	814	814	209	1,170	1,379	209	1,170	1,379
At 31 December	**1,105**	**76,492**	**77,597**	**981**	**76,827**	**77,808**	1,632	74,251	75,883	1,632	71,916	73,548

1 Loans and advances includes reverse repurchase agreements and other similar secured lending: carrying value $9,041 million and fair value $9,041 million (31 December 2023: $12,212 million and fair value $12,212 million)

12. Financial instruments continued

Fair value of financial instruments

Level 3 Summary and significant unobservable inputs

The following table presents the Group's primary Level 3 financial instruments which are held at fair value. The table also presents the valuation techniques used to measure the fair value of those financial instruments, the significant unobservable inputs, the range of values for those inputs and the weighted average of those inputs:

Group

	Value as at 31 December 2024					
Instrument	Assets $million	Liabilities $million	Principal valuation technique	Significant unobservable inputs	Range[1]	Weighted average[2]
Loans and advances to customers	1,356	–	Discounted cash flows	Price/yield	1.0% - 100%	25.2%
Reverse repurchase agreements and other similar secured lending	2,556	–	Discounted cash flows	Repo curve	2.0% - 7.6%	6.2%
				Price/yield	5.0% - 10.5%	6.1%
Debt securities, alternative tier one and other eligible securities	854	–	Discounted cash flows	Price/yield	5.3% - 15.3%	8.7%
				Recovery rate	0.01% - 16.3%	9.2%
Government bonds and treasury bills	9	–	Discounted cash flows	Price/yield	23.5% - 23.5%	23.5%
Equity shares (includes private equity investments)	366	–	Comparable pricing/yield	EV/EBITDA multiples	5.3x - 5.3x	5.3x
				EV/Revenue multiples	8.5x - 12.9x	9.0x
				P/E multiples	17.9x - 48.3x	46.9x
				P/B multiples	0.6x - 0.7x	0.6x
				P/S multiples	1.2x - 1.3x	1.3x
				Liquidity discount	20.0% - 25.0%	20.0%
			Discounted cash flows	Discount rates	9.2% - 20.4%	12.1%
			Option pricing model	Equity value based on EV/Revenue multiples	5.7x - 23.6x	16.2x
				Equity value based on EV/EBITDA multiples	10.1x - 10.1x	10.1x
				Equity value based on volatility	50.0% - 50.0%	50.0%
Derivative financial instruments of which:						
Foreign exchange	58	11	Option pricing model	Foreign exchange option implied volatility	10.2% - 46.2%	42.0%
				Interest rate curves	3.5% - 9.0%	4.2%
				Foreign exchange curves	(0.03)% - 34.3%	6.1%
Commodities	–	1	Discounted cash flows	Commodity prices	$384 - $391	$387
				CM-CM correlation	73.7% - 97.9%	86.0%
Interest rate	78	23	Discounted cash flows	Interest rate curves	3.5% - 43.9%	5.1%
			Option pricing model	Bond option implied volatility	2.3% - 2.9%	2.7%
Credit	9	166	Discounted cash flows	Credit spreads	0.1% - 1.7%	0.8%
				Price/yield	4.8% - 5.9%	5.1%
Equity and stock index	2	37	Internal pricing model	Equity-Equity correlation	44.9% - 100%	80.0%
				Equity-FX correlation	(36.4)% - 48.9%	5.0%
Deposits by banks	–	50	Discounted cash flows	Credit spreads	0.2% - 3.2%	1.7%
Customer accounts	–	355	Discounted cash flows	Price/yield	4.8% - 12.7%	7.1%
				Interest rate curves	3.5% - 4.4%	4.1%
Debt securities in issue	–	1,193	Discounted cash flows	Price/yield	6.2% - 14.8%	12.7%
				Interest rate curves	3.5% - 4.4%	4.1%
			Internal pricing model	Equity-FX correlation	(36.4)% - 48.9%	5.0%
			Option pricing model	Bond option implied volatility	4.0% - 15.0%	12.5%
Short positions	–	180	Discounted cash flows	Price/yield	5.9% - 12.7%	6.3%
Total	5,288	2,016				

1 The ranges of values shown in the above table represent the highest and lowest levels used in the valuation of the Group's Level 3 financial instruments as at 31 December 2024. The ranges of values used are reflective of the underlying characteristics of these Level 3 financial instruments based on the market conditions at the balance sheet date. However, these ranges of values may not represent the uncertainty in fair value measurements of the Group's Level 3 financial instruments

2 Weighted average for non-derivative financial instruments has been calculated by weighting inputs by the relative fair value. Weighted average for derivatives has been provided by weighting inputs by the risk relevant to that variable. N/A has been entered for the cases where weighted average is not a meaningful indicator

12. Financial instruments continued

Instrument	Value as at 31 December 2023 Assets $million	Liabilities $million	Principal valuation technique	Significant unobservable inputs	Range[1]	Weighted average[2]
Loans and advances to customers	1,172	–	Discounted cash flows	Price/yield	1.7% - 100%	14.0%
				Credit spreads	0.1% - 0.8%	0.6%
Reverse repurchase agreements and other similar secured lending	1,365	–	Discounted cash flows	Repo curve	5.1% - 7.6%	6.3%
				Price/yield	(2.7)% - 10.3%	(1.2)%
Debt securities, alternative tier one and other eligible securities	1,240	–	Discounted cash flows	Price/yield	(14.1)% - 25.8%	10.1%
				Recovery rates	0.1% - 1.0%	0.2%
			Internal pricing model	Equity-Equity correlation	44.1% - 100%	80.7%
				Equity-FX correlation	(35.9)% - 45.5%	14.2%
Government bonds and treasury bills	51	–	Discounted cash flows	Price/yield	17.7% - 21.8%	20.6%
Equity shares (includes private equity investments)	330	–	Comparable pricing/yield	EV/Revenue multiples	9.3x - 30.9x	15.8x
				P/E multiples	13.2x - 51.8x	44.8x
				P/B multiples	0.5x - 2.7x	2.6x
				P/S multiples	1.5x - 1.6x	1.5x
				Liquidity discount	20% - 20%	20.0%
			Discounted cash flows	Discount rates	9.2% - 35.6%	22.2%
			Option pricing model	Equity value based on EV/Revenue multiples	8.4x - 42.5x	27.5x
				Equity value based on EV/EBITDA multiples	3.1x - 3.1x	3.1x
				Equity value based on volatility	50.0% - 65.0%	61.9%
Derivative financial instruments of which:						
Foreign exchange	24	12	Option pricing model	Foreign exchange option implied volatility	0.5% - 51%	24.5%
			Discounted cash flows	Interest rate curves	3.6% - 5.8%	3.8%
				Foreign exchange curves	0.6% - 64.2%	12.7%
Interest rate	3	5	Discounted cash flows	Interest rate curves	3.6% - 8.5%	5.2%
Credit	47	126	Discounted cash flows	Price/yield	1.8% - 16.3%	8.7%
Equity and stock index	2	19	Internal pricing model	Equity-Equity correlation	44.1% - 100%	55.0%
				Equity-FX correlation	(35.9)% - 45.4%	13.3%
Deposits by banks	–	68	Discounted cash flows	Credit spreads	0.6% - 3.4%	2.0%
Customer accounts	–	232	Discounted cash flows	Interest rate curves	2.9% - 8.6%	6.1%
				Price/yield	6.3% - 15.1%	10.5%
			Internal pricing model	Equity-Equity correlation	44.1% - 100%	80.7%
				Equity-FX correlation	(35.9)% - 45.5%	14.2%
Debt securities in issue	–	1,026	Discounted cash flows	Price/yield	6.6% - 20.9%	17.9%
				Interest rate curves	2.9% - 5.3%	4.4%
				Equity-Equity Correlation	44.1% - 100%	80.7%
			Internal pricing model	Bond option implied volatility	2.9% - 5.3%	4.4%
				Equity-FX correlation	(35.9)% - 45.5%	14.2%
Short positions	–	103	Discounted cash flows	Price/yield	7.1% - 7.1%	7.1%
Total	4,234	1,591				

1 The ranges of values shown in the above table represent the highest and lowest levels used in the valuation of the Group's Level 3 financial instruments as at 31 December 2023. The ranges of values used are reflective of the underlying characteristics of these Level 3 financial instruments based on the market conditions at the balance sheet date. However, these ranges of values may not represent the uncertainty in fair value measurements of the Group's Level 3 financial instruments

2 Weighted average for non-derivative financial instruments has been calculated by weighting inputs by the relative fair value. Weighted average for derivatives has been provided by weighting inputs by the risk relevant to that variable. N/A has been entered for the cases where weighted average is not a meaningful indicator

12. Financial instruments continued

Company

Instrument	Value as at 31 December 2024 Assets $million	Liabilities $million	Principal valuation technique	Significant unobservable inputs	Range[1]	Weighted average[2]
Loans and advances to customers	862	–	Discounted cash flows	Price/yield	1.8% - 100%	36.1%
Reverse repurchase agreements and other similar secured lending	2,199	–	Discounted cash flows	Repo Curve	2.0% - 7.6%	6.7%
				Price/yield	5.0% - 10.5%	6.1%
Debt securities, alternative tier one and other eligible securities	242	–	Discounted cash flows	Price/yield	5.3% - 15.3%	11.7%
				Recovery rate	0.01% - 15.0%	7.6%
Equity shares (includes private equity investments)	233	–	Comparable pricing/yield	P/E multiples	48.3x - 48.3x	45.7x
				P/B multiples	0.7x - 3.2x	1.3x
				Liquidity discount	20.0% - 20.0%	20.0%
			Discounted cash flows	Discount rates	12.5% - 20.4%	19.1%
			Option pricing model	Equity value based on EV/Revenue multiples	6.4x - 6.4x	6.4x
Derivative financial instruments of which:						
Foreign exchange	47	27	Option pricing model	Foreign exchange option implied volatility	10.2% - 46.2%	42.0%
				Interest rate curves	3.5% - 7.2%	4.2%
				Foreign exchange curves	(0.03)% - 34.3%	6.9%
Commodities	–	1	Discounted cash flows	Commodity prices	$384 - $391	$387
				CM-CM correlation	73.7% - 97.9%	86.0%
Interest rate	72	23	Discounted cash flows	Interest rate curves	3.5% - 7.2%	5.1%
Credit	9	16	Discounted cash flows	Credit spreads	0.1% - 1.7%	0.8%
				Price/yield	4.8% - 5.9%	5.3%
Equity and stock index	2	23	Internal pricing model	Equity-Equity correlation	44.9% - 100%	80.0%
				Equity-FX correlation	(36.4)% - 48.9%	5.0%
Deposits by banks	–	50	Discounted cash flows	Credit spreads	0.2% - 3.2%	1.7%
Customer accounts	–	252	Discounted cash flows	Price/yield	5.7% - 12.7%	7.5%
				Interest rate curves	3.5% - 4.4%	4.1%
Debt securities in issue	–	1,130	Discounted cash flows	Price/yield	6.2% - 14.8%	13.3%
				Interest rate curves	3.5% - 4.4%	4.1%
			Internal pricing model	Equity-Equity correlation	44.9% - 100%	80.0%
				Equity-FX correlation	(36.4)% - 48.9%	5.0%
			Option pricing model	Bond option implied volatility	4.0% - 15.0%	12.5%
Short positions	–	180	Discounted cash flows	Price/yield	5.9% - 12.7%	6.3%
Total	3,666	1,702				

1 The ranges of values shown in the above table represent the highest and lowest levels used in the valuation of the Group's Level 3 financial instruments as at 31 December 2024. The ranges of values used are reflective of the underlying characteristics of these Level 3 financial instruments based on the market conditions at the balance sheet date. However, these ranges of values may not represent the uncertainty in fair value measurements of the Group's Level 3 financial instruments

2 Weighted average for non-derivative financial instruments has been calculated by weighting inputs by the relative fair value. Weighted average for derivatives has been provided by weighting inputs by the risk relevant to that variable. N/A has been entered for the cases where weighted average is not a meaningful indicator

12. Financial instruments continued

Instrument	Value as at 31 December 2023 Assets $million	Value as at 31 December 2023 Liabilities $million	Principal valuation technique	Significant unobservable inputs	Range[1]	Weighted average[2]
Loans and advances to customers	1,024	–	Discounted cash flows	Price/yield	1.7% - 100%	14.3%
				Credit spreads	0.1% - 0.8%	0.6%
Reverse repurchase agreements and other similar secured lending	1,092	–	Discounted cash flows	Repo curve	5.1% - 7.6%	6.5%
				Price/yield	(2.7)% - 10.3%	(1.2)%
Debt securities, alternative tier one and other eligible securities	114	–	Discounted cash flows	Price/yield	(2.8)% - 25.8%	10.0%
				Recovery rates	0.1% - 0.1%	0.1%
Equity shares (includes private equity investments)	226	–	Comparable pricing/yield	P/E multiples	51.8x	43.1x
				P/B multiples	0.6x - 2.7x	2.6x
				P/S multiples	N/A	N/A
				Liquidity discount	20.0% - 20.0%	20.0%
			Discounted cash flows	Discount rates	12.6% - 18.5%	16.9%
			Option pricing model	Equity value based on EV/Revenue multiples	10.7x	10.7x
				Equity value based on EV/EBITDA multiples	N/A	N/A
				Equity value based on volatility	N/A	N/A
Derivative financial instruments of which:						
Foreign exchange	21	16	Option pricing model	Foreign exchange option implied volatility	0.5% - 51%	35.2%
			Discounted cash flows	Interest rate curves	3.6% - 5.8%	3.8%
				Foreign exchange curves	0.6% - 64.2%	20.7%
Interest rate	2	5	Discounted cash flows	Interest rate curves	3.6% - 7.5%	5.0%
Credit	47	32	Discounted cash flows	Price/yield	1.8% - 16.3%	8.9%
Equity and stock index	2	9	Internal pricing model	Equity-Equity Correlation	44.1% - 100%	80.7%
				Equity-FX Correlation	(35.9)% - 45.5%	14.2%
Deposits by banks	–	68	Discounted cash flows	Credit spreads	0.6% - 3.4%	2.0%
Customer accounts	–	130	Discounted cash flows	Interest rate curves	6.4% - 8.6%	7.1%
				Price/yield	6.3% - 15.1%	9.7%
Debt securities in issue	–	861	Discounted cash flows	Price/yield	6.6% - 18.2%	18.0%
				Interest rate curves	2.9% - 5.3%	4.4%
			Internal pricing model	Equity-Equity correlation	44.1% - 100%	80.7%
				Equity-FX correlation	(35.9)% - 45.5%	14.2%
				Bond option implied volatility	2.9% - 5.3%	4.4%
Short position	–	103	Discounted cash flows	Price/yield	7.1% - 7.1%	7.1%
Total	2,528	1,224				

1 The ranges of values shown in the above table represent the highest and lowest levels used in the valuation of the Group's Level 3 financial instruments as at 31 December 2023. The ranges of values used are reflective of the underlying characteristics of these Level 3 financial instruments based on the market conditions at the balance sheet date. However, these ranges of values may not represent the uncertainty in fair value measurements of the Group's Level 3 financial instruments
2 Weighted average for non-derivative financial instruments has been calculated by weighting inputs by the relative fair value. Weighted average for derivatives has been provided by weighting inputs by the risk relevant to that variable. N/A has been entered for the cases where weighted average is not a meaningful indicator

12. Financial instruments continued

The following section describes the significant unobservable inputs identified in the valuation technique table:

- Comparable price/yield is a valuation methodology in which the price of a comparable instrument is used to estimate the fair value where there are no direct observable prices. Yield is the interest rate that is used to discount the future cash flows in a discounted cash flow model. Valuation using comparable instruments can be done by calculating an implied yield (or spread over a liquid benchmark) from the price of a comparable instrument, then adjusting that yield (or spread) to derive a value for the instrument. The adjustment should account for relevant differences in the financial instruments such as maturity and/or credit quality. Alternatively, a price-to-price basis can be assumed between the comparable instrument and the instrument being valued in order to establish the value of the instrument (for example, deriving a fair value for a junior unsecured bond from the price of a senior secured bond). An increase in price, in isolation, would result in a favourable movement in the fair value of the asset. An increase in yield, in isolation, would result in an unfavourable movement in the fair value of the asset
- Correlation is the measure of how movement in one variable influences the movement in another variable. An equity correlation is the correlation between two equity instruments, an interest rate correlation refers to the correlation between two swap rates, while commodity correlation is correlation between two commodity underlying prices
- Commodity price curves is the term structure for forward rates over a specified period
- Credit spread represents the additional yield that a market participant would demand for taking exposure to the Credit Risk of an instrument
- Discount rate refers to the rate of return used to convert expected cash flows into present value
- Equity-FX correlation is the correlation between equity instrument and foreign exchange instrument
- EV/EBITDA multiple is the ratio of Enterprise Value (EV) to Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA). EV is the aggregate market capitalisation and debt minus the cash and cash equivalents. An increase in EV/EBITDA multiples, will result in a favourable movement in the fair value of the unlisted firm
- EV/Revenue multiple is the ratio of Enterprise Value (EV) to Revenue. An increase in EV/Revenue multiple will result in a favourable movement in the fair value of the unlisted firm
- Foreign exchange curves is the term structure for forward rates and swap rates between currency pairs over a specified period
- Net asset value (NAV) is the value of an entity's assets after deducting any liabilities.
- Interest rate curves is the term structure of interest rates and measure of future interest rates at a particular point in time
- Liquidity discounts in the valuation of unlisted investments primarily applied to the valuation of unlisted firms' investments to reflect the fact that these stocks are not actively traded. An increase in liquidity discount will result an unfavourable movement in the fair value of the unlisted firm
- Price-Earnings (P/E) multiples is the ratio of the market value of equity to the net income after tax. An increase in P/E multiple will result in a favourable movement in the fair value of the unlisted firm
- Price-Book (P/B) multiple is the ratio of the market value of equity to the book value of equity. An increase in P/B multiple will result in a favourable movement in the fair value of the unlisted firm
- Price-Sales (P/S) multiple is the ratio of the market value of equity to sales. An increase in P/S multiple will result in a favourable movement in the fair value of the unlisted firm
- Recovery rates are the expectation of the rate of return resulting from the liquidation of a particular loan. As the probability of default increases for a given instrument, the valuation of that instrument will increasingly reflect its expected recovery level assuming default. An increase in the recovery rate, in isolation, would result in a favourable movement in the fair value of the loan
- Repo curve is the term structure of repo rates on repos and reverse repos at a particular point in time.
- Volatility represents an estimate of how much a particular instrument, parameter or index will change in value over time. Generally, the higher the volatility, the more expensive the option will be

12. Financial instruments continued

Level 3 movement tables – financial assets

The table below analyses movements in Level 3 financial assets carried at fair value.

Group

	Held at fair value through profit or loss						Investment securities		
Assets	Loans and advances to banks $million	Loans and advances to customers $million	Reverse repurchase agreements and other similar secured lending $million	Debt securities, alternative tier one and other eligible bills $million	Equity shares $million	Derivative financial instruments $million	Debt securities, alternative tier one and other eligible bills $million	Equity shares $million	Total $million
At 01 January 2024	–	1,172	1,365	1,220	85	76	71	245	4,234
Total (losses)/gains recognised in income statement	(1)	(16)	18	(122)	7	(51)	–	–	(165)
Net trading income	(1)	(16)	18	(64)	7	(51)	–	–	(107)
Other operating income	–	–	–	(58)	–	–	–	–	(58)
Total losses recognised in other comprehensive income (OCI)	–	–	–	–	–	–	(11)	(8)	(19)
Fair value through OCI reserve	–	–	–	–	–	–	–	(4)	(4)
Exchange difference	–	–	–	–	–	–	(11)	(4)	(15)
Purchases	–	1,262	6,071	647	24	290	–	9	8,303
Sales	–	(1,261)	(4,251)	(899)	–	(174)	–	–	(6,585)
Settlements	(7)	(41)	(782)	–	–	(22)	–	–	(852)
Transfers out[1]	(13)	(243)	(5)	–	–	(7)	(260)	–	(528)
Transfers in[2]	21	483	140	17	–	35	200	4	900
At 31 December 2024	–	1,356	2,556	863	116	147	–	250	5,288
Recognised in the income statement[3]	–	7	1	(1)	7	(15)	–	–	(1)
At 01 January 2023	21	1,308	1,988	807	92	44	–	484	4,744
Total gains/(losses) recognised in income statement	–	(15)	(49)	(260)	(8)	13	–	–	(319)
Net trading income	–	(15)	(49)	(272)	(8)	13	–	–	(331)
Other operating income	–	–	–	12	–	–	–	–	12
Total gains recognised in other comprehensive income (OCI)	–	–	–	–	–	–	1	42	43
Fair value through OCI reserve	–	–	–	–	–	–	–	43	43
Exchange difference	–	–	–	–	–	–	1	(1)	–
Purchases	22	1,046	4,838	1,051	1	189	21	1	7,169
Sales	(22)	(1,133)	(3,943)	(516)	–	(118)	(23)	(5)	(5,760)
Settlements	–	(16)	(1,469)	–	–	(25)	–	–	(1,510)
Transfers out[1]	(21)	(224)	–	(6)	–	(27)	(5)	(284)	(567)
Transfers in[2]	–	206	–	144	–	–	77	7	434
At 31 December 2023	–	1,172	1,365	1,220	85	76	71	245	4,234
Recognised in the income statement[3]	–	(3)	3	(3)	(8)	(11)	–	–	(22)

1 Transfers out includes loans and advances, debt securities, alternative tier one and other eligible bills, reverse repurchase agreements and other similar secured lending and derivative financial instruments where the valuation parameters became observable during the period and were transferred to Level 1 and Level 2
2 Transfers in primarily relate to loans and advances, debt securities, alternative tier one and other eligible bills, reverse repurchase agreements and other similar secured lending, equity shares and derivative financial instruments where the valuation parameters become unobservable during the year
3 Represents total unrealised (losses)/gains recognised in the income statement, within net trading income, relating to change in fair value of assets

12. Financial instruments continued

Level 3 movement tables – financial assets

The table below analyses movements in Level 3 financial assets carried at fair value.

Company

	Held at fair value through profit or loss							Investment securities		
Assets	Loans and advances to banks $million	Loans and advances to customers $million	Reverse repurchase agreements and other similar secured lending $million	Debt securities, alternative tier one and other eligible bills $million	Equity shares $million	Other Assets $million	Derivative financial instruments $million	Debt securities, alternative tier one and other eligible bills $million	Equity shares $million	Total $million
At 01 January 2024	–	1,024	1,092	114	–	–	72	–	226	2,528
Total (losses)/gains recognised in income statement	–	(24)	17	(50)	–	–	(41)	–	–	(98)
Net trading income	–	(24)	17	(50)	–	–	(41)	–	–	(98)
Other operating income	–	–	–	–	–	–	–	–	–	–
Total losses recognised in other comprehensive income (OCI)	–	–	–	–	–	–	–	–	–	–
Fair value through OCI reserve	–	–	–	–	–	–	–	–	1	1
Exchange difference	–	–	–	–	–	–	–	–	(1)	(1)
Purchases	–	683	5,177	423	–	–	317	–	9	6,609
Sales	(20)	(939)	(3,392)	(253)	–	–	(213)	–	–	(4,817)
Settlements	–	(28)	(782)	–	–	–	(13)	–	–	(823)
Transfers out[1]	–	(226)	(5)	–	–	–	(24)	(200)	(2)	(457)
Transfers in[2]	20	372	92	8	–	–	32	200	–	724
At 31 December 2024	–	862	2,199	242	–	–	130	–	233	3,666
Recognised in the income statement[3]	–	–	–	–	–	–	(13)	–	–	(13)
At 01 January 2023	–	899	1,988	469	–	–	39	–	220	3,615
Total (losses) /gains recognised in income statement	–	(4)	(52)	(267)	–	–	13	–	–	(310)
Net trading income	–	(4)	(52)	(267)	–	–	13	–	–	(310)
Other operating income	–	–	–	–	–	–	–	–	–	–
Total gains recognised in other comprehensive income (OCI)	–	–	–	–	–	–	–	–	42	42
Fair value through OCI reserve	–	–	–	–	–	–	–	–	42	42
Exchange difference	–	–	–	–	–	–	–	–	–	–
Purchases	–	957	4,568	208	–	–	171	–	1	5,905
Sales	–	(798)	(3,943)	(289)	–	–	(111)	–	(5)	(5,146)
Settlements	–	(9)	(1,469)	–	–	–	(17)	–	–	(1,495)
Transfers out[1]	–	(216)	–	(8)	–	–	(23)	–	(32)	(279)
Transfers in[2]	–	195	–	1	–	–	–	–	–	196
At 31 December 2023	–	1,024	1,092	114	–	–	72	–	226	2,528
Recognised in the income statement[3]	–	–	–	–	–	–	(9)	–	–	(9)

1 Transfers out includes loans and advances, debt securities, alternative tier one and other eligible bills, reverse repurchase agreements and other similar secured lending and derivative financial instruments where the valuation parameters became observable during the period and were transferred to Level 1 and Level 2

2 Transfers in primarily relate to loans and advances, debt securities, alternative tier one and other eligible bills, reverse repurchase agreements and other similar secured lending and derivative financial instruments where the valuation parameters become unobservable during the year

3 Represents Total unrealised (losses)/gains recognised in the income statement, within net trading income, relating to change in fair value of assets

12. Financial instruments continued

Level 3 movement tables – financial liabilities

Group

	Deposits by banks $million	Customer accounts $million	Debt securities in issue $million	Derivative financial instruments $million	Short positions $million	Total $million
At 01 January 2024	**68**	**232**	**1,026**	**162**	**103**	**1,591**
Total losses recognised in income statement – net trading income	**29**	**9**	**16**	**4**	**3**	**61**
Issues	**33**	**776**	**3,785**	**483**	**177**	**5,254**
Settlements	**(80)**	**(644)**	**(2,641)**	**(407)**	**(103)**	**(3,875)**
Transfers out[1]	**–**	**(26)**	**(1,063)**	**(10)**	**–**	**(1,099)**
Transfers in[2]	**–**	**8**	**70**	**6**	**–**	**84**
At 31 December 2024	**50**	**355**	**1,193**	**238**	**180**	**2,016**
Recognised in the income statement[3]	**29**	**5**	**2**	**2**	**–**	**38**
At 01 January 2023	133	170	427	118	40	888
Total (gains)/losses recognised in income statement – net trading income	–	(20)	32	(53)	3	(38)
Issues	293	509	1,466	404	100	2,772
Settlements	(353)	(442)	(1,178)	(297)	(40)	(2,310)
Transfers out[1]	(5)	(9)	(85)	(13)	–	(112)
Transfers in[2]	–	24	364	3	–	391
At 31 December 2023	68	232	1,026	162	103	1,591
Recognised in the income statement[3]	–	(21)	6	(47)	–	(62)

1 Transfers out during the year primarily relates to debt securities in issue, customer accounts and derivative financial instruments where the valuation parameters became observable during the year and were transferred to Level 2 financial liabilities

2 Transfers in during the year primarily relates to customer accounts, debt securities in issue and derivative financial instruments where the valuation parameters became unobservable during the year

3 Represents Total unrealised losses/(gains) recognised in the income statement, within net trading income, relating to change in fair value of liabilities

12. Financial instruments continued
Company

	Deposits by banks $million	Customer accounts $million	Debt securities in issue $million	Derivative financial instruments $million	Short positions $million	Total $million
At 01 January 2024	68	130	861	62	103	1,224
Total losses recognised in income statement – net trading income	29	4	13	3	3	52
Issues	33	545	3,487	140	177	4,382
Settlements	(80)	(429)	(2,238)	(116)	(103)	(2,966)
Transfers out[1]	–	(26)	(1,063)	(5)	–	(1,094)
Transfers in[2]	–	28	70	6	–	104
At 31 December 2024	50	252	1,130	90	180	1,702
Recognised in the income statement[3]	29	–	–	(1)	–	28
At 01 January 2023	119	67	262	110	40	598
Total losses/(gains) recognised in income statement – net trading income	–	2	26	(16)	3	15
Issues	281	260	993	154	100	1,788
Settlements	(327)	(203)	(699)	(177)	(40)	(1,446)
Transfers out[1]	(5)	–	(85)	(9)	–	(99)
Transfers in[2]	–	4	364	–	–	368
At 31 December 2023	68	130	861	62	103	1,224
Recognised in the income statement[3]	–	–	–	(10)	–	(10)

1 Transfers out during the year primarily relates to debt securities in issue, customer accounts and derivative financial instruments where the valuation parameters became observable during the year and were transferred to Level 2 financial liabilities
2 Transfers in during the year primarily relates to debt securities in issue, customer accounts and derivative financial instruments where the valuation parameters become unobservable during the year
3 Represents total unrealised losses/(gains) recognised in the income statement, within net trading income, relating to change in fair value of liabilities

Sensitivities in respect of the fair values of Level 3 assets and liabilities
Sensitivity analysis is performed on products with significant unobservable inputs. The Group applies a 10 per cent increase or decrease on the values of these unobservable inputs, to generate a range of reasonably possible alternative valuations. The percentage shift is determined by statistical analysis performed on a set of reference prices based on the composition of the Group's Level 3 inventory as the measurement date. Favourable and unfavourable changes (which show the balance adjusted for input change) are determined on the basis of changes in the value of the instrument as a result of varying the levels of the unobservable parameters. The Level 3 sensitivity analysis assumes a one-way market move and does not consider offsets for hedges.

12. Financial instruments continued
Group

	Held at fair value through profit or loss			Fair value through other comprehensive income		
	Net exposure $million	Favourable changes $million	Unfavourable changes $million	Net exposure $million	Favourable changes $million	Unfavourable changes $million
Financial instruments held at fair value						
Loans and advances	**1,356**	**1,388**	**1,296**	**–**	**–**	**–**
Reverse Repurchase agreements and other similar secured lending	**2,556**	**2,591**	**2,521**	**–**	**–**	**–**
Debt securities, alternative tier one and other eligible bills	**863**	**896**	**831**	**–**	**–**	**–**
Equity shares	**116**	**127**	**105**	**250**	**275**	**225**
Derivative financial instruments	**(91)**	**(79)**	**(105)**	**–**	**–**	**–**
Customers accounts	**(355)**	**(344)**	**(367)**	**–**	**–**	**–**
Deposits by banks	**(50)**	**(50)**	**(50)**	**–**	**–**	**–**
Short positions	**(180)**	**(178)**	**(182)**	**–**	**–**	**–**
Debt securities in issue	**(1,193)**	**(1,134)**	**(1,252)**	**–**	**–**	**–**
At 31 December 2024	**3,022**	**3,217**	**2,797**	**250**	**275**	**225**
Financial instruments held at fair value						
Loans and advances	1,172	1,186	1,140	–	–	–
Reverse Repurchase agreements and other similar secured lending	1,365	1,367	1,362	–	–	–
Debt securities, alternative tier one and other eligible bills	1,220	1,265	1,153	71	77	65
Equity shares	85	94	77	245	270	221
Derivative financial instruments	(86)	(44)	(127)	–	–	–
Customers accounts	(232)	(218)	(246)	–	–	–
Deposits by banks	(68)	(68)	(68)	–	–	–
Short positions	(103)	(101)	(105)	–	–	–
Debt securities in issue	(1,026)	(951)	(1,100)	–	–	–
At 31 December 2023	2,327	2,530	2,086	316	347	286

The reasonably possible alternatives could have increased or decreased the fair values of financial instruments held at fair value through profit or loss and those classified as fair value through other comprehensive income by the amounts disclosed below.

	Fair value changes			
	Possible increase		Possible decrease	
Financial instruments	**2024 $million**	2023 $million	**2024 $million**	2023 $million
Held at fair value through profit or loss	**195**	203	**(225)**	(241)
Fair value through other comprehensive income	**25**	31	**(25)**	(30)

12. Financial instruments continued
Company

	Held at fair value through profit or loss			Fair value through other comprehensive income		
	Net exposure $million	Favourable changes $million	Unfavourable changes $million	Net exposure $million	Favourable changes $million	Unfavourable changes $million
Financial instruments held at fair value						
Loans and advances	**862**	**888**	**819**	**–**	**–**	**–**
Reverse Repurchase agreements and other similar secured lending	**2,199**	**2,232**	**2,165**	**–**	**–**	**–**
Debt securities, alternative tier one and other eligible bills	**242**	**247**	**237**	**–**	**–**	**–**
Equity shares	**–**	**–**	**–**	**233**	**256**	**210**
Derivative financial instruments	**40**	**52**	**27**	**–**	**–**	**–**
Customers accounts	**(252)**	**(244)**	**(261)**	**–**	**–**	**–**
Deposits by banks	**(50)**	**(50)**	**(50)**	**–**	**–**	**–**
Short positions	**(180)**	**(178)**	**(182)**	**–**	**–**	**–**
Debt securities in issue	**(1,130)**	**(1,076)**	**(1,184)**	**–**	**–**	**–**
At 31 December 2024	**1,731**	**1,871**	**1,571**	**233**	**256**	**210**
Financial instruments held at fair value						
Loans and advances	1,024	1,037	999	–	–	–
Reverse Repurchase agreements and other similar secured lending	1,092	1,094	1,090	–	–	–
Debt securities, alternative tier one and other eligible bills	114	118	110	–	–	–
Equity shares	–	–	–	226	249	203
Derivative financial instruments	10	15	5	–	–	–
Customers accounts	(130)	(122)	(138)	–	–	–
Deposits by banks	(68)	(68)	(68)	–	–	–
Short positions	(103)	(101)	(105)	–	–	–
Debt securities in issue	(861)	(788)	(934)	–	–	–
At 31 December 2023	1,078	1,185	959	226	249	203

The reasonably possible alternatives could have increased or decreased the fair values of financial instruments held at fair value through profit or loss and those classified as fair value through other comprehensive income by the amounts disclosed below.

	Fair value changes			
	Possible increase		Possible decrease	
Financial instruments	**2024 $million**	2023 $million	**2024 $million**	2023 $million
Held at fair value through profit or loss	**140**	107	**(160)**	(119)
Fair value through other comprehensive income	**23**	23	**(23)**	(23)

13. Derivative financial instruments

Accounting policy

Fair values may be obtained from quoted market prices in active markets, recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. Where the initially recognised fair value of a derivative contract is based on a valuation model that uses inputs which are not observable in the market, it follows the same initial recognition accounting policy as for other financial assets and liabilities. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Hedge accounting

Under certain conditions, the Group may designate a recognised asset or liability, a firm commitment, highly probable forecast transaction or net investment of a foreign operation into a formal hedge accounting relationship with a derivative that has been entered to manage interest rate and/or foreign exchange risks present in the hedged item. The Group, as a policy choice to continue to apply hedge accounting in accordance with IAS 39. The Group applied IBOR reform Phase 2 reliefs in respect of hedging relationships directly affected by IBOR reform.

There are three categories of hedge relationships:

- Fair value hedge: to manage the fair value of interest rate and/or foreign currency risks of recognised assets or liabilities or firm commitments
- Cash flow hedge: to manage interest rate or foreign exchange risk of highly probable future cash flows attributable to a recognised asset or liability, or a forecasted transaction
- Net investment hedge: to manage the structural foreign exchange risk of an investment in a foreign operation

The Group assesses, both at hedge inception and on a quarterly basis, whether the derivatives designated in hedge relationships are highly effective in offsetting changes in fair values or cash flows of hedged items. Hedges are considered to be highly effective if all the following criteria are met:

- At inception of the hedge and throughout its life, the hedge is prospectively expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk
- Prospective and retrospective effectiveness of the hedge should be within a range of 80–125%. This is tested using regression analysis
- This is tested using regression analysis where the slope of the regression line must be between -0.80 and -1.25 and the data pairs between the hedged item and the hedging instrument are regressed to a 95% confidence interval. The regression co-efficient (R squared), which measures the correlation between the variables in the regression, is at least 80%

In the case of the hedge of a forecast transaction, the transaction must have a high probability of occurring and must present an exposure to variations in cash flows that are expected to affect reported profit or loss.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedging instruments are recorded in net trading income, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the income statement over the remaining term to maturity of the hedged item. If the hedged item is sold or repaid, the unamortised fair value adjustment is recognised immediately in the income statement. For financial assets classified as fair value through other comprehensive income, the hedge accounting adjustment attributable to the hedged risk is included in net trading income to match the hedging derivative.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedging instruments are initially recognised in other comprehensive income, accumulating in the cash flow hedge reserve within equity. These amounts are subsequently recycled to the income statement in the periods when the hedged item affects profit or loss. Both the derivative fair value movement and any recycled amount are recorded in the 'Cashflow hedges' line item in other comprehensive income.

The Group assesses hedge effectiveness using the hypothetical derivative method, which creates a derivative instrument to serve as a proxy for the hedged transaction. The terms of the hypothetical derivative match the critical terms of the hedged item and it has a fair value of zero at inception. The hypothetical derivative and the actual derivative are regressed to establish the statistical significance of the hedge relationship. Any ineffective portion of the gain or loss on the hedging instrument is recognised in the net trading income immediately.

If a cash flow hedge is discontinued, the amount accumulated in the cash flow hedge reserve is released to the income statement as and when the hedged item affects the income statement.

Should the Group consider the hedged future cash flows are no longer expected to occur due to reasons, the cumulative gain or loss will be immediately reclassified to profit or loss.

13. Derivative financial instruments continued

Net investment hedge

Hedges of net investments are accounted for in a similar manner to cash flow hedges, with gains and losses arising on the effective portion of the hedges recorded in the line 'Exchange differences on translation of foreign operations' in other comprehensive income, accumulating in the translation reserve within equity. These amounts remain in equity until the net investment is disposed of. The ineffective portion of the hedges is recognised in the net trading income immediately.

The tables below analyse the notional principal amounts and the positive and negative fair values of derivative financial instruments. Notional principal amounts are the amounts of principal underlying the contract at the reporting date.

Derivatives

Group

	2024			2023		
Derivatives	Notional principal amounts $million	Assets $million	Liabilities $million	Notional principal amounts $million	Assets $million	Liabilities $million
Foreign exchange derivative contracts:						
Forward foreign exchange contracts	5,007,030	55,423	53,632	3,315,302	36,523	36,348
Currency swaps and options	1,241,536	13,347	14,346	967,868	9,200	10,081
	6,248,566	68,770	67,978	4,283,170	45,723	46,429
Interest rate derivative contracts:						
Swaps	6,790,635	24,809	25,007	4,412,137	51,193	52,496
Forward rate agreements and options	292,625	2,283	2,678	309,630	2,001	2,382
	7,083,260	27,092	27,685	4,721,767	53,194	54,878
Exchange traded futures and options	375,487	30	27	321,138	39	47
Credit derivative contracts	220,389	801	1,162	272,695	452	574
Equity and stock index options	7,427	206	146	6,771	49	127
Commodity derivative contracts	142,065	1,277	1,038	112,846	864	885
Gross total derivatives	14,077,194	98,176	98,036	9,718,387	100,321	102,940
Offset[1]	–	(15,459)	(15,459)	–	(47,767)	(47,767)
Total derivatives	14,077,194	82,717	82,577	9,718,387	52,554	55,173

1 In 2024, the Group migrated contracts from Collateralized to Market (CTM) to Settled to Market (STM) for house cleared contracts with London Clearing House

Company

	2024			2023		
Derivatives	Notional principal amounts $million	Assets $million	Liabilities $million	Notional principal amounts $million	Assets $million	Liabilities $million
Foreign exchange derivative contracts:						
Forward foreign exchange contracts	5,040,980	55,576	54,196	3,857,570	31,658	31,966
Currency swaps and options	1,233,628	13,206	14,260	1,001,366	9,562	10,685
	6,274,608	68,782	68,456	4,858,936	41,220	42,651
Interest rate derivative contracts:						
Swaps	6,826,162	25,053	25,248	4,979,421	56,121	56,504
Forward rate agreements and options	293,160	2,263	2,674	312,356	2,124	2,428
	7,119,322	27,316	27,922	5,291,777	58,245	58,932
Exchange traded futures and options	375,487	30	27	321,138	39	47
Credit derivative contracts	213,526	623	719	278,156	479	557
Equity and stock index options	2,210	99	39	4,486	23	73
Commodity derivative contracts	143,982	1,453	1,041	117,875	982	1,038
Gross total derivatives	14,129,135	98,303	98,204	10,872,368	100,988	103,298
Offset[1]	–	(15,459)	(15,459)	–	(47,767)	(47,767)
Total derivatives	14,129,135	82,844	82,745	10,872,368	53,221	55,531

1 In 2024, the Group migrated contracts from Collateralized to Market (CTM) to Settled to Market (STM) for house cleared contracts with London Clearing House

13. Derivative financial instruments continued

The Group limits exposure to credit losses in the event of default by entering into master netting agreements with certain market counterparties. As required by IAS 32, exposures are only presented net in these accounts where they are subject to legal right of offset and intended to be settled net in the ordinary course of business.

The Group applies balance sheet offsetting only in the instance where we are able to demonstrate legal enforceability of the right to offset (e.g. via legal opinion) and the ability and intention to settle on a net basis (e.g. via operational practice).

The Group may enter into economic hedges that do not qualify for IAS 39 hedge accounting treatment, including derivative such as interest rate swaps, interest rate futures and cross currency swaps to manage interest rate and currency risks of the Group. These derivatives are measured at fair value, with fair value changes recognised in net trading income: refer to Market risk (page 96).

The Derivatives and Hedging sections of the Risk review and Capital review (page 99) explain the Group's risk management of derivative contracts and application of hedging.

Derivatives held for hedging

The Group enters into derivative contracts for the purpose of hedging interest rate, currency and structural foreign exchange risks inherent in assets, liabilities and forecast transactions. The table below summarises the notional principal amounts and carrying values of derivatives designated in hedge accounting relationships at the reporting date.

Group

	2024			2023		
	Notional principal amounts $million	Assets $million	Liabilities $million	Notional principal amounts $million	Assets $million	Liabilities $million
Derivatives designated as fair value hedges:						
Interest rate swaps	42,694	639	622	47,257	1,115	1,224
Currency swaps	1,035	–	56	115	10	6
	43,729	639	678	47,372	1,125	1,230
Derivatives designated as cash flow hedges:						
Interest rate swaps	32,651	68	134	35,467	99	535
Forward foreign exchange contracts	9,173	608	–	11,862	416	183
Currency swaps	2,163	114	1	1,007	21	4
	43,987	790	135	48,336	536	722
Derivatives designated as net investment hedges:						
Forward foreign exchange contracts	3,222	36	–	4,402	10	12
Total derivatives held for hedging	90,938	1,465	813	100,110	1,671	1,964

Company

	2024			2023		
	Notional principal amounts $million	Assets $million	Liabilities $million	Notional principal amounts $million	Assets $million	Liabilities $million
Derivatives designated as fair value hedges:						
Interest rate swaps	41,622	616	621	45,062	1,075	1,207
Currency swaps	–	–	–	115	10	6
	41,622	616	621	45,177	1,085	1,213
Derivatives designated as cash flow hedges:						
Interest rate swaps	23,611	49	60	33,330	81	535
Forward foreign exchange contracts	8,884	578	–	11,097	416	165
Currency swaps	1,231	31	–	199	4	1
	33,726	658	60	44,626	501	701
Derivatives designated as net investment hedges:						
Forward foreign exchange contracts	3,222	36	–	3,339	8	3
Total derivatives held for hedging	78,570	1,310	681	93,142	1,594	1,917

13. Derivative financial instruments continued

Fair value hedges

The Group issues various long-term fixed-rate debt issuances that are measured at amortised cost, including some denominated in foreign currency, such as unsecured senior and subordinated debt (see Notes 22 and 27). The Group also holds various fixed rate debt securities such as government and corporate bonds, including some denominated in foreign currency (see Note 12). These assets and liabilities held are exposed to changes in fair value due to movements in market interest and foreign currency rates.

The Group uses interest rate swaps to exchange fixed rates for floating rates on funding to match floating rates received on assets, or exchange fixed rates on assets to match floating rates paid on funding. The Group further uses cross- currency swaps to match the currency of the issued debt or held asset with that of the entity's functional currency.

Hedge ineffectiveness from fair value hedges is driven by cross-currency basis risk and interest cashflows mismatch between the hedging instruments and underlying hedged items. The amortisation of fair value hedge adjustments for hedged items no longer designated is recognised in net interest income.

At 31 December 2024 the Group held the following interest rate and cross currency swaps as hedging instruments in fair value hedges of interest and currency risk.

Hedging instruments and ineffectiveness
Group

		Carrying Amount			
Interest rate[1]	Notional $million	Asset $million	Liability $million	Change in fair value used to calculate hedge ineffectiveness $million	Ineffectiveness recognised in profit or loss $million
Interest rate swaps – debt securities/subordinated notes issued	**28,236**	**199**	**588**	**(57)**	**(4)**
Interest rate swaps – loans and advances to customers	**807**	**1**	**12**	**(3)**	**–**
Interest rate swaps – debt securities and other eligible bills	**13,651**	**439**	**22**	**141**	**2**
Interest and currency risk[1]					
Cross currency swaps – debt securities/subordinated notes issued	**1,035**	**–**	**56**	**(52)**	**(1)**
Cross currency swaps – debt securities and other eligible bills	**–**	**–**	**–**	**(10)**	**–**
Total at 31 December 2024	**43,729**	**639**	**678**	**19**	**(3)**
Interest rate swaps – debt securities/subordinated notes issued	26,617	311	1,107	574	3
Interest rate swaps – loans and advances to customers	537	5	1	1	–
Interest rate swaps – debt securities and other eligible bills	20,103	799	116	(382)	(14)
Interest and currency risk[1]					
Cross currency swaps – debt securities/subordinated notes issued	70	–	6	(2)	–
Cross currency swaps – debt securities and other eligible bills	45	10	–	10	–
Total at 31 December 2023	47,372	1,125	1,230	201	(11)

1 Interest rate swaps are designated in hedges of the fair value of interest rate risk attributable to the hedged item. Cross currency swaps are used to hedge both interest rate and currency risks. All the hedging instruments are derivatives, with changes in fair value including hedge ineffectiveness recorded within net trading income

13. Derivative financial instruments continued

Hedged items in fair value hedges

	Carrying Amount		Accumulated amount of fair value hedge adjustments included in the carrying amount			
	Asset $million	Liability $million	Asset $million	Liability $million	Change in the value used for calculating hedge ineffectiveness[1] $million	Cumulative balance of fair value adjustments from de-designated hedge relationships[2] $million
Debt securities/subordinated notes issued	–	29,845	–	503	104	(242)
Debt securities and other eligible bills	13,195	–	(327)	–	(130)	204
Loans and advances to customers	811	–	4	–	4	4
Total at 31 December 2024	**14,006**	**29,845**	**(323)**	**503**	**(22)**	**(34)**
Debt securities/subordinated notes issued	–	27,465	–	674	(569)	(50)
Debt securities and other eligible bills	18,977	–	(520)	–	358	591
Loans and advances to customers	534	–	(4)	–	(1)	11
Total at 31 December 2023	19,511	27,465	(524)	674	(212)	552

1 This represents a gain/(loss) change in fair value used for calculating hedge ineffectiveness
2 This represents a credit/(debit) to the balance sheet value

Income statement impact of fair value hedges

	2024 $million	2023 $million
Change in fair value of hedging instruments	19	201
Change in fair value of hedged risks attributable to hedged items	(22)	(212)
Net ineffectiveness loss to net trading income	(3)	(11)
Amortisation gain to net interest income	129	193

Hedging instruments and ineffectiveness
Company

		Carrying Amount			
Interest rate[1]	Notional $million	Asset $million	Liability $million	Change in fair value used to calculate hedge ineffectiveness $million	Ineffectiveness recognised in profit or loss $million
Interest rate swaps – debt securities/subordinated notes issued	28,236	200	588	(57)	(4)
Interest rate swaps – loans and advances to customers	760	–	12	(4)	–
Interest rate swaps – debt securities and other eligible bills	12,626	416	21	137	2
Interest and currency risk[1]					
Cross currency swaps – debt securities/subordinated notes issued	–	–	–	8	–
Cross currency swaps – debt securities and other eligible bills	–	–	–	(10)	–
Total at 31 December 2024	**41,622**	**616**	**621**	**74**	**(2)**
Interest rate swaps – debt securities/subordinated notes issued	26,617	311	1,107	575	3
Interest rate swaps – loans and advances to customers	509	4	1	–	–
Interest rate swaps – debt securities and other eligible bills	17,936	760	99	(367)	(13)
Interest and currency risk[1]					
Cross currency swaps – debt securities/subordinated notes issued	70	–	6	(2)	–
Cross currency swaps – debt securities and other eligible bills	45	10	–	10	–
Total at 31 December 2023	45,177	1,085	1,213	216	(10)

1 Interest rate swaps are designated in hedges of the fair value of interest rate risk attributable to the hedged item. Cross currency swaps are used to hedge both interest rate and currency risks. All the hedging instruments are derivatives, with changes in fair value including hedge ineffectiveness recorded within net trading income

13. Derivative financial instruments continued

Hedged Items in fair value hedges

	Carrying Amount		Accumulated amount of fair value hedge adjustments included in the carrying amount			
	Asset $million	Liability $million	Asset $million	Liability $million	Change in the value used for calculating hedge ineffectiveness[1] $million	Cumulative balance of fair value adjustments from de-designated hedge relationships[2] $million
Debt securities/subordinated notes issued	–	28,751	–	444	45	(242)
Debt securities and other eligible bills	12,192	–	(314)	–	(125)	204
Loans and advances to customers	765	–	5	–	4	4
Total at 31 December 2024	**12,957**	**28,751**	**(309)**	**444**	**(76)**	**(34)**
Debt securities/subordinated notes issued	–	27,465	–	674	(570)	(50)
Debt securities and other eligible bills	16,867	–	(510)	–	344	564
Loans and advances to customers	507	–	(2)	–	–	11
Total at 31 December 2023	17,374	27,465	(512)	674	(226)	525

1 This represents a gain/(loss) change in fair value used for calculating hedge ineffectiveness
2 This represents a credit/(debit) to the balance sheet value

Income statement impact of fair value hedges

	2024 $million	2023 $million
Change in fair value of hedging instruments	74	216
Change in fair value of hedged risks attributable to hedged items	(76)	(226)
Net ineffectiveness loss to net trading income	(2)	(10)
Amortisation gain to net interest income	131	192

Cash flow hedges

The Group has exposure to market movements in future interest cash flows on portfolios of customer accounts, debt securities and loans and advances to customers. The amounts and timing of future cash flows, representing both principal and interest flows, are projected on the basis of contractual terms and other relevant factors, including estimates of prepayments and defaults.

The hedging strategy of the Group involves using interest rate swaps to manage the variability in future cash flows on assets and liabilities that have floating rates of interest by exchanging the floating rates for fixed rates. It also uses foreign exchange contracts and currency swaps to manage the variability in future exchange rates on its assets and liabilities and costs in foreign currencies. This is done on both a micro basis whereby a single interest rate or cross-currency swap is designated in a separate relationship with a single hedged item (such as a floating-rate loan to a customer), and on a portfolio basis whereby each hedging instrument is designated against a group of hedged items that share the same risk (such as a group of customer accounts). Hedge ineffectiveness for cash flow hedges is mainly driven by payment frequency mismatch between the hedging instrument and the underlying hedged item.

The hedged risk is determined as the variability of future cash flows arising from changes in the designated benchmark interest and/or foreign exchange rates.

13. Derivative financial instruments continued

Hedging instruments and ineffectiveness

Group

	Notional $million	Carrying Amount Asset $million	Carrying Amount Liability $million	Change in fair value used to calculate hedge ineffectiveness $million	Gain recognised in OCI $million	Ineffectiveness (loss)/gain recognised in net trading income $million	Amount reclassified from reserves to income $million
Interest rate risk							
Interest rate swaps	**32,651**	**68**	**134**	**(1)**	**2**	**(3)**	**–**
Currency risk							
Forward foreign exchange contract	**9,173**	**608**	**–**	**42**	**42**	**–**	**–**
Cross currency swaps	**2,163**	**114**	**1**	**76**	**77**	**(1)**	**–**
Total as at 31 December 2024	**43,987**	**790**	**135**	**117**	**121**	**(4)**	**–**
Interest rate risk							
Interest rate swaps	35,467	99	535	501	499	2	–
Currency risk							
Forward foreign exchange contract	11,862	416	183	107	106	1	–
Cross currency swaps	1,007	21	4	–	–	–	–
Total as at 31 December 2023	48,336	536	722	608	605	3	–

Hedged items in cash flow hedges

	2024			2023		
	Change in fair value used for calculating hedge ineffectiveness[1] $million	Cash flow hedge reserve $million	Cumulative balance in the cash flow hedge reserve from de-designated hedge relationships $million	Change in fair value used for calculating hedge ineffectiveness[1] $million	Cash flow hedge reserve $million	Cumulative balance in the cash flow hedge reserve from de-designated hedge relationships $million
Customer accounts	**(82)**	**(3)**	**16**	(389)	(74)	25
Debt securities and other eligible bills	**(7)**	**(16)**	**(4)**	(19)	(28)	(12)
Loans and advances to customers	**22**	**32**	**(6)**	(197)	77	–
Intragroup borrowing currency hedge	**(54)**	**–**	**–**	–	–	–
Total at 31 December	**(121)**	**13**	**6**	(605)	(25)	13

1 This represents a gain/(loss) change in fair value used for calculating hedge ineffectiveness

Impact of cash flow hedges on profit and loss and other comprehensive income

	2024 Income/(expense) $million	2023 Income/(expense) $million
Cash flow hedge reserve balance as at 1 January	**(13)**	(513)
Gains recognised in other comprehensive income on effective portion of changes in fair value of hedging instruments	**121**	605
Gains reclassified to income statement when hedged item affected net profit	**(89)**	(22)
Taxation credit relating to cash flow hedges	**(11)**	(83)
Cash flow hedge reserve balance as at 31 December	**8**	(13)

13. Derivative financial instruments continued

Hedging instruments and ineffectiveness

Company

	Notional $million	Carrying Amount Asset $million	Carrying Amount Liability $million	Change in fair value used to calculate hedge ineffectiveness $million	Gains recognised in OCI $million	Ineffectiveness (loss)/gain recognised in net trading income $million
Interest rate risk						
Interest rate swaps	**23,611**	**49**	**60**	**45**	**47**	**(2)**
Currency risk						
Forward foreign exchange contract	**8,884**	**578**	**–**	**34**	**34**	**–**
Cross currency swaps	**1,231**	**31**	**–**	**53**	**53**	**–**
Total as at 31 December 2024	**33,726**	**658**	**60**	**132**	**134**	**(2)**
Interest rate risk						
Interest rate swaps	33,330	81	535	478	476	2
Currency risk						
Forward foreign exchange contract	11,097	416	165	107	106	1
Cross currency swaps	199	4	1	–	–	–
Total as at 31 December 2023	44,626	501	701	585	582	3

Hedged items in cash flow hedges

	2024			2023		
	Change in fair value used for calculating hedge ineffectiveness[1] $million	Cash flow hedge reserve $million	Cumulative balance in the cash flow hedge reserve from de-designated hedge relationships $million	Change in fair value used for calculating hedge ineffectiveness[1] $million	Cash flow hedge reserve $million	Cumulative balance in the cash flow hedge reserve from de-designated hedge relationships $million
Customer accounts	**(81)**	**(3)**	**16**	(389)	(74)	25
Debt securities and other eligible bills	**(5)**	**(18)**	**(4)**	(19)	(28)	(12)
Loans and advances to customers	**6**	**31**	**(6)**	(174)	60	–
Intragroup borrowing currency hedge	**(54)**	**–**	**–**	–	–	–
Total at 31 December	**(134)**	**10**	**6**	(582)	(42)	13

1 This represents a gain/(loss) change in fair value used for calculating hedge ineffectiveness

Impact of cash flow hedges on profit and loss and other comprehensive income

	2024 $million	2023 $million
Cash flow hedge reserve balance as at 1 January	**(51)**	(522)
Gains recognised in other comprehensive income on effective portion of changes in fair value of hedging instruments	**134**	582
Gains reclassified to income statement when hedged item affected net profit	**(88)**	(32)
Taxation credit relating to cash flow hedges	**(12)**	(79)
Cash flow hedge reserve balance as at 31 December	**(17)**	(51)

13. Derivative financial instruments continued

Net investment hedges

Foreign currency exposures arise from investments in subsidiaries that have a different functional currency from that of the presentation currency of the Group. This risk arises from the fluctuation in spot exchange rates between the functional currency of the subsidiaries and the Group's presentation currency, which causes the value of the investment to vary.

The Group's policy is to hedge these exposures only when not doing so would be expected to have a significant impact on the regulatory ratios of the Group and its banking subsidiaries. The Group uses foreign exchange forwards to manage the effect of exchange rates on its net investments in foreign subsidiaries.

Hedging instruments and ineffectiveness
Group

Derivative forward currency contracts[1]	Notional $million	Carrying amount Asset $million	Carrying amount Liability $million	Change in fair value used to calculate hedge ineffectiveness[2] $million	Changes in the value of the hedging instrument recognised in OCI $million	Ineffectiveness recognised in profit or loss $million	Amount reclassified from reserves to income $million
As at 31 December 2024	**3,222**	**36**	**–**	**44**	**44**	**–**	**–**
As at 31 December 2023	4,402	10	12	(18)	(18)	–	–

1 These derivative forward currency contracts have a maturity of less than one year. The hedges are rolled on a periodic basis
2 This represents a gain/(loss) change in fair value used for calculating hedge ineffectiveness

Hedged items in net investment hedges

	2024			2023		
	Change in the value used for calculating hedge ineffectiveness[1] $million	Translation reserve[2] $million	Balances remaining in the translation reserve from hedging relationships for which hedge accounting is no longer applied $million	Change in the value used for calculating hedge ineffectiveness[1] $million	Translation reserve[2] $million	Balances remaining in the translation reserve from hedging relationships for which hedge accounting is no longer applied $million
Net investments	**(44)**	**36**	**–**	18	(2)	–

Impact of net investment hedges on other comprehensive income

	2024 $million	2023 $million
Gains/(losses) recognised in other comprehensive income	**44**	(18)

1 This represents a gain/(loss) change in fair value used for calculating hedge ineffectiveness
2 This represents the mark-to-market including accrued interest on live hedges at 31 December

Hedging instruments and ineffectiveness
Company

Derivative forward currency contracts[1]	Notional $million	Carrying amount Asset $million	Carrying amount Liability $million	Change in fair value used to calculate hedge ineffectiveness[2] $million	Changes in the value of the hedging instrument recognised in OCI $million	Ineffectiveness recognised in profit or loss $million	Amount reclassified from reserves to income $million
As at 31 December 2024	**3,222**	**36**	**–**	**15**	**15**	**–**	**–**
As at 31 December 2023	3,339	8	3	(16)	(16)	–	–

1 These derivative forward currency contracts have a maturity of less than one year. The hedges are rolled on a periodic basis
2 This represents a gain/(loss) change in fair value used for calculating hedge ineffectiveness

13. Derivative financial instruments continued

Hedged items in net investment hedges

	2024			2023		
	Change in the value used for calculating hedge ineffectiveness[1] $million	Translation reserve[2] $million	Balances remaining in the translation reserve from hedging relationships for which hedge accounting is no longer applied $million	Change in the value used for calculating hedge ineffectiveness[1] $million	Translation reserve[2] $million	Balances remaining in the translation reserve from hedging relationships for which hedge accounting is no longer applied $million
Net investments	(15)	36	–	16	5	–

1 This represents a gain/(loss) change in fair value used for calculating hedge ineffectiveness
2 This represents the mark-to-market including accrued interest on live hedges at 31 December

Impact of net investment hedges on other comprehensive income

	2024 $million	2023 $million
Gains/(losses) recognised in other comprehensive income	15	(16)

13. Derivative financial instruments continued
Maturity of hedging instruments
Group

Fair value hedges		2024 Less than one month	2024 More than one month and less than one year	2024 One to five years	2024 More than five years	2023 Less than one month	2023 More than one month and less than one year	2023 One to five years	2023 More than five years
Interest rate swap									
Notional	$million	1,300	8,850	22,506	10,038	2,914	6,142	28,697	9,504
Cross currency swap									
Notional	$million	–	–	1,035	–	–	115	–	–
Average fixed interest rate (to USD)	GBP	–	–	–	–	–	1.33%	–	–
	CNH	–	–	–	–	–	3.17%	–	–
	EUR	–	–	2.40%	–	–	–	–	–
Average exchange rate	GBP/USD	–	–	–	–	–	0.66	–	–
	HKD/USD	–	–	–	–	–	6.37	–	–
	EUR/USD	–	–	0.91	–	–	–	–	–
Cash flow hedges									
Interest rate swap									
Notional	$million	2,250	13,331	15,286	1,784	1,990	25,831	7,239	407
Average fixed interest rate	USD	5.02%	4.59%	4.06%	3.74%	5.09%	3.39%	4.68%	3.16%
Cross currency swap									
Notional	$million	28	1,525	610	–	74	735	198	–
	KRO	–	–	–	–	–	4.11%	3.11%	–
	THO	–	–	–	–	–	2.17%	2.36%	–
	IDR	–	–	–	–	–	6.43%	–	–
	INR	–	9.19%	11.41%	–	–	7.85%	10.02%	–
	JPY	–	0.08%	–	–	–	–	–	–
	BRL	–	–	10.89%	–	–	–	–	–
Average exchange rate	INR/USD	–	83.63	83.20	–	–	82.90	82.69	–
	KRO/USD	–	–	–	–	–	1,275.24	1,220.50	–
	THO/USD	–	–	–	–	–	33.72	33.72	–
	IDR/USD	–	–	–	–	–	15,715.00	–	–
	JPY/USD	–	153.62	–	–	–	–	–	–
	BRL/USD	–	–	5.53	–	–	–	–	–
Forward foreign exchange contracts									
Notional	$million	2,024	6,860	289	–	2,194	9,668	–	–
Average exchange rate	JPY/USD	147.38	145.65	–	–	130.49	136.05	–	–
	BRL/USD	–	–	6.54	–	–	5.17	–	–
Net investment hedges									
Foreign exchange derivatives									
Notional	$million	3,222	–	–	–	4,402	–	–	–
Average exchange rate	INR/USD	84.07	–	–	–	82.91	–	–	–
	SGD/USD	–	–	–	–	1.33	–	–	–
	AED/USD	3.67	–	–	–	3.67	–	–	–

13. Derivative financial instruments continued

Maturity of hedging instruments

Company

Fair value hedges		2024 Less than one month	2024 More than one month and less than one year	2024 One to five years	2024 More than five years	2023 Less than one month	2023 More than one month and less than one year	2023 One to five years	2023 More than five years
Interest rate swap									
Notional	$million	**1,300**	**8,715**	**21,569**	**10,038**	2,914	6,142	26,502	9,504
Cross currency swap									
Notional	$million	**–**	**–**	**–**	**–**	–	115	–	–
Average fixed interest rate (to USD)	GBP	**–**	**–**	**–**	**–**	–	1.33%	–	–
	CNH	**–**	**–**	**–**	**–**	–	3.17%	–	–
Average exchange rate	GBP/USD	**–**	**–**	**–**	**–**	–	0.66	–	–
	HKD/USD	**–**	**–**	**–**	**–**	–	6.37	–	–
Cash flow hedges									
Interest rate swap									
Notional	$million	**2,005**	**11,373**	**9,449**	**784**	1,965	25,058	5,900	407
Average fixed interest rate	USD	**5.36%**	**4.30%**	**4.29%**	**3.95%**	5.09%	2.59%	4.56%	2.65%
Cross currency swap									
Notional	$million	**–**	**1,231**	**–**	**–**	–	199	–	–
Average fixed interest rate	KRO	**–**	**–**	**–**	**–**	–	3.13%	–	–
	PHP	**–**	**–**	**–**	**–**	–	6.30%	–	–
	IDR	**–**	**–**	**–**	**–**	–	6.43%	–	–
	JPY	**–**	**0.19%**	**–**	**–**	–	–	–	–
Average exchange rate	KRO/USD	**–**	**–**	**–**	**–**	–	1,318.70	–	–
	PHP/USD	**–**	**–**	**–**	**–**	–	55.54	–	–
	IDR/USD	**–**	**–**	**–**	**–**	–	15,715.00	–	–
	JPY/USD	**–**	**153.62**	**–**	**–**	–	–	–	–
Forward foreign exchange contracts									
Notional	$million	**2,024**	**6,860**	**–**	**–**	2,194	8,903		
Average exchange rate	JPY/USD	**147.38**	**145.65**	**–**	**–**	130.49	136.05	–	–
Net investment hedges									
Foreign exchange derivatives									
Notional	$million	**3,222**	**–**	**–**	**–**	3,339	–	–	–
Average exchange rate	INR/USD	**84.07**	**–**	**–**	**–**	82.91	–	–	–
	AED/USD	**3.67**	**–**	**–**	**–**	3.67	–	–	–

14. Loans and advances to banks and customers

Accounting policy

Refer to Note 12 Financial instruments for the relevant accounting policy

	Group		Company	
	2024 $million	2023 $million	**2024 $million**	2023 $million
Loans and advances to banks	**22,949**	22,821	**11,757**	10,141
Expected credit loss	**(8)**	(18)	**(2)**	(6)
	22,941	22,803	**11,755**	10,135
Loans and advances to customers	**161,141**	159,552	**79,392**	78,181
Expected credit loss	**(2,899)**	(3,409)	**(1,795)**	(2,298)
	158,242	156,143	**77,597**	75,883
Total loans and advances to banks and customers[1]	**181,183**	178,946	**89,352**	86,018

1 Includes $1.8 billion (Bank Group) and $0.6 billion (Bank Company) (31 December 2023: $2.2 billion for Bank Group and Company) of assets pledged as collateral.

Analysis of loans and advances to customers by client segments and related impairment provisions as set out within the Risk review and Capital review (page 44 to 110).

15. Reverse repurchase and repurchase agreements including other similar lending and borrowing

Accounting policy

The Group purchases securities (a reverse repurchase agreement – 'reverse repo') typically with financial institutions subject to a commitment to resell or return the securities at a predetermined price. These securities are not included in the balance sheet as the Group does not acquire the risks and rewards of ownership, however they are recorded off-balance sheet as collateral received. Consideration paid (or cash collateral provided) is accounted for as a loan asset at amortised cost unless it is managed on a fair value basis or designated at fair value through profit or loss. In majority of cases through the contractual terms of a reverse repo arrangement, the Group as the transferee of the security collateral has the right to sell or repledge the asset concerned.

The Group also sells securities (a repurchase agreement – 'repo') subject to a commitment to repurchase or redeem the securities at a predetermined price. The securities are retained on the balance sheet as the Group retains substantially all the risks and rewards of ownership and these securities are disclosed as pledged collateral. Consideration received (or cash collateral received) is accounted for as a financial liability at amortised cost unless it is either mandatorily classified as fair value through profit or loss or irrevocably designated at fair value through profit or loss at initial recognition.

Repo and reverse repo transactions typically entitle the Group and its counterparties to have recourse to assets similar to those provided as collateral in the event of a default. Securities sold subject to repos, either by way of a Global Master Repurchase Agreement (GMRA), or through a securities sale and Total Return Swap (TRS) continue to be recognised on the balance sheet as the Group retains substantially the associated risks and rewards of the securities (the TRS is not recognised). Assets sold under repurchase agreements are considered encumbered as the Group cannot pledge these to obtain funding.

15. Reverse repurchase and repurchase agreements including other similar lending and borrowing continued

Reverse repurchase agreements and other similar secured lending

	Group		Company	
	2024 $million	2023 $million	**2024 $million**	2023 $million
Banks	**30,581**	27,706	**26,389**	23,965
Customers	**47,032**	55,923	**46,216**	53,605
	77,613	83,629	**72,605**	77,570
Of which:				
Fair value through profit or loss	**65,603**	68,149	**62,141**	64,804
Banks	**27,692**	26,053	**24,966**	23,411
Customers	**37,911**	42,096	**37,175**	41,393
Held at amortised cost	**12,010**	15,480	**10,464**	12,766
Banks	**2,889**	1,653	**1,423**	554
Customers	**9,121**	13,827	**9,041**	12,212

Under reverse repurchase and securities borrowing arrangements, the Group obtains securities on terms which permit it to repledge or resell the securities to others. Amounts on such terms are:

	Group		Company	
	2024 $million	2023 $million	**2024 $million**	2023 $million
Securities and collateral received (at fair value)	**81,108**	87,153	**75,641**	80,899
Securities and collateral which can be repledged or sold (at fair value)	**80,860**	87,084	**75,394**	80,852
Amounts repledged/transferred to others for financing activities, to satisfy liabilities under sale and repurchase agreements (at fair value)	**27,683**	33,652	**27,354**	32,774

Repurchase agreements and other similar secured borrowing

	Group		Company	
	2024 $million	2023 $million	**2024 $million**	2023 $million
Banks	**8,416**	4,968	**8,139**	4,824
Customers	**34,716**	46,497	**34,586**	46,327
	43,132	51,465	**42,725**	51,151
Of which:				
Fair value through profit or loss	**33,211**	39,432	**32,880**	39,174
Banks	**7,570**	4,137	**7,369**	4,030
Customers	**25,641**	35,295	**25,511**	35,144
Held at amortised cost	**9,921**	12,033	**9,845**	11,977
Banks	**846**	831	**770**	794
Customers	**9,075**	11,202	**9,075**	11,183

15. Reverse repurchase and repurchase agreements including other similar lending and borrowing continued
The tables below set out the financial assets provided as collateral for repurchase and other secured borrowing transactions:

Group

Collateral pledged against repurchase agreements	Fair value through profit or loss $million	Fair value through other comprehensive income $million	Amortised cost $million	Off-balance sheet $million	Total $million
On-balance sheet					
Debt securities and other eligible bills	**4,297**	**4,185**	**7,592**	–	**16,074**
Off-balance sheet					
Repledged collateral received	–	–	–	**27,683**	**27,683**
At 31 December 2024	**4,297**	**4,185**	**7,592**	**27,683**	**43,757**
On-balance sheet					
Debt securities and other eligible bills	4,069	7,312	10,181	–	21,562
Off-balance sheet					
Repledged collateral received	–	–	–	33,652	33,652
At 31 December 2023	4,069	7,312	10,181	33,652	55,214

Company

Collateral pledged against repurchase agreements	Fair value through profit or loss $million	Fair value through other comprehensive income $million	Amortised cost $million	Off-balance sheet $million	Total $million
On-balance sheet					
Debt securities and other eligible bills	**4,296**	**4,159**	**7,542**	–	**15,997**
Off-balance sheet					
Repledged collateral received	–	–	–	**27,354**	**27,354**
At 31 December 2024	**4,296**	**4,159**	**7,542**	**27,354**	**43,351**
On-balance sheet					
Debt securities and other eligible bills	3,985	7,293	10,181	–	21,459
Off-balance sheet					
Repledged collateral received	–	–	–	32,774	32,774
At 31 December 2023	3,985	7,293	10,181	32,774	54,233

16. Goodwill and intangible assets

Accounting policy

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in Investments in associates and joint ventures. Goodwill included in intangible assets is assessed at each balance sheet date for impairment and carried at cost less any accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Detailed calculations are performed based on forecasting expected cash flows of the relevant cash generating units (CGUs) and discounting these at an appropriate discount rate, the determination of which requires the exercise of judgement. Goodwill is allocated to CGUs for the purpose of impairment testing. CGUs represent the lowest level within the Group which generate separate cash inflows and at which the goodwill is monitored for internal management purposes. These are equal to or smaller than the Group's reportable segments (as set out in Note 2) as the Group views its reportable segments on a global basis. The major CGUs to which goodwill has been allocated are set out in the CGU table (page 199).

Other accounting estimates and judgements

The carrying amount of goodwill is based on the application of judgements including the basis of goodwill impairment calculation assumptions. Judgement is also applied in determination of CGUs.

Estimates include forecasts used for determining cash flows for CGUs, the appropriate long-term growth rates to use and discount rates which factor in country risk-free rates and applicable risk premiums. The Group undertakes an annual assessment to evaluate whether the carrying value of goodwill is impaired. The estimation of future cash flows and the level to which they are discounted is inherently uncertain and requires significant judgement and is subject to potential change over time.

Acquired intangibles

At the date of acquisition of a subsidiary or associate, intangible assets which are deemed separable and that arise from contractual or other legal rights are capitalised and included within the net identifiable assets acquired. These intangible assets are initially measured at fair value, which reflects market expectations of the probability that the future economic benefits embodied in the asset will flow to the entity and are amortised on the basis of their expected useful lives (4 to 16 years). At each balance sheet date, these assets are assessed for indicators of impairment. In the event that an asset's carrying amount is determined to be greater than its recoverable amount, the asset is written down immediately to the recoverable amount.

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Internally generated software represents substantially all of the total software capitalised. Direct costs of the development of separately identifiable internally generated software are capitalised where it is probable that future economic benefits attributable to the software will flow from its use. These costs include staff remuneration costs such as salaries, statutory payments and share-based payments, materials, service providers and contractors provided their time is directly attributable to the software build. Costs incurred in the ongoing maintenance of software are expensed immediately when incurred. Internally generated software is amortised over each asset's useful life to a maximum of 10-years. On an annual basis software assets' residual values and useful lives are reviewed, including assessing for indicators of impairment. Indicators of impairment include loss of business relevance, obsolescence, exit of the business to which the software relates, technological changes, change in use of the asset, reduction in useful life, plans to reduce usage or scope.

For capitalised software that is internally generated, judgement is required to determine which costs relate to research (expensed) and which costs relate to development (capitalised). Further judgement is required to determine the technical feasibility of completing the software such that it will be available for use. Estimates are used to determine how the software will generate probable future economic benefits: these estimates include cost savings, income increases, balance sheet improvements, improved functionality or improved asset safeguarding.

Software as a Service (SaaS) and similar cloud service models is a contractual arrangement that conveys the right to receive access to the supplier's software application over the contract term. As such, the Group does not have control and as a result recognises an operating expense for these costs over the contract term. Certain costs, including customisation costs related to implementation of the SaaS may meet the definition of an intangible asset in their own right if it is separately identifiable and control is established. These costs are capitalised if it is expected to provide the Group with future economic benefits flowing from the underlying resource and the Group can restrict others from accessing those benefits.

16. Goodwill and intangible assets continued

Goodwill and intangible assets

Group

	2024				2023			
	Goodwill $million	Acquired intangibles $million	Computer software $million	Total $million	Goodwill $million	Acquired intangibles $million	Computer software $million	Total $million
Cost								
At 1 January	1,299	135	4,579	6,013	1,323	143	3,962	5,428
Exchange translation differences	(7)	2	(86)	(91)	(24)	(8)	23	(9)
Additions	–	–	479	479	–	–	649	649
Impairment[1]	–	–	(467)	(467)	–	–	(50)	(50)
Amounts written off	–	(9)	(25)	(34)	–	–	(5)	(5)
At 31 December	1,292	128	4,480	5,900	1,299	135	4,579	6,013
Provision for amortisation								
At 1 January	–	115	1,688	1,803	–	119	1,257	1,376
Exchange translation differences	–	4	(32)	(28)	–	(8)	6	(2)
Amortisation	–	3	455	458	–	4	440	444
Impairment charge[1]	–	–	(84)	(84)	–	–	(15)	(15)
Amounts written off	–	–	(23)	(23)	–	–	–	–
At 31 December	–	122	2,004	2,126	–	115	1,688	1,803
Net book value	1,292	6	2,476	3,774	1,299	20	2,891	4,210

1 During 2024, the Group performed a review of its computer software intangibles which were capitalised as at 31 December 2023, and impaired $338 million of the 2024 net book value due to limitations in the available evidence to support the continued capitalisation of the assets. The Group has made improvements in its processes and controls to capture the required evidence going forward. The Group has also performed its annual review of computer software intangibles to determine instances when the Group is no longer using certain applications in its ongoing business and impaired $45 million. A total of $383 million is recorded within impairment to reflect the above.

At 31 December 2024, accumulated goodwill impairment losses incurred from 1 January 2005 amounted to $3,237 million (31 December 2023: $3,237million), of which $nil was recognised in 2024 (31 December 2023: $nil).

Company

	2024				2023			
	Goodwill $million	Acquired intangibles $million	Computer software $million	Total $million	Goodwill $million	Acquired intangibles $million	Computer software $million	Total $million
Cost								
At 1 January	72	28	3,568	3,668	72	29	3,183	3,284
Exchange translation differences	–	(1)	(75)	(76)	–	(1)	35	34
Additions	–	–	246	246	–	–	378	378
Impairment[1]	–	–	(327)	(327)	–	–	(23)	(23)
Amounts written off	–	(10)	(13)	(23)	–	–	(5)	(5)
At 31 December	72	17	3,399	3,488	72	28	3,568	3,668
Provision for amortisation								
At 1 January	–	17	1,292	1,309	–	18	987	1,005
Exchange translation differences	–	(1)	(33)	(34)	–	(1)	11	10
Amortisation	–	–	305	305	–	–	302	302
Impairment charge[1]	–	–	(67)	(67)	–	–	(8)	(8)
Amounts written off	–	–	(13)	(13)	–	–	–	–
At 31 December	–	16	1,484	1,500	–	17	1,292	1,309
Net book value	72	1	1,915	1,988	72	11	2,276	2,359

1 During 2024, the Group performed a review of its computer software intangibles which were capitalised as at 31 December 2023, and impaired $238 million of the 2024 net book value due to limitations in the available evidence to support the continued capitalisation of the assets. The Group has made improvements in its processes and controls to capture the required evidence going forward. The Group has also performed its annual review of computer software intangibles to determine instances when the Group is no longer using certain applications in its ongoing business and impaired $22 million. A total of $260 million is recorded within impairment to reflect the above.

16. Goodwill and intangible assets continued

Outcome of impairment assessment

An annual assessment is made as to whether the current carrying value of goodwill is impaired. For the purposes of impairment testing, goodwill is allocated at the date of acquisition to a CGU. Goodwill is considered to be impaired if the carrying amount of the relevant CGU exceeds its recoverable amount. Indicators of impairment include changes in the economic performance and outlook of the region including geopolitical changes, changes in market value of regional investments, large credit defaults and strategic decisions to exit certain regions. The recoverable amounts for all the CGUs were measured based on value in use (VIU). The calculation of VIU for each CGU is calculated using five-year cashflow projections and an estimated terminal value based on a perpetuity value after year five. The cashflow projections are based on forecasts approved by management up to 2029. The perpetuity terminal value amount is calculated using year five cashflows using long-term GDP growth rates. All cashflows are discounted using discount rates which reflect market rates appropriate to the CGU.

The cash flows used as an input to the VIU calculations used in determining whether goodwill allocated to CGUs should be impaired were amended during 2024 to reflect changes to the basis on which business performance is monitored. There has been no impact from the change estimated in the current period. It is impracticable for the Group to estimate the amount of the effect of this change in future periods.

The goodwill allocated to each CGU and key assumptions used in determining the recoverable amounts are set out below and are solely estimates for the purposes of assessing impairment of acquired goodwill.

Group

	2024			2023		
Cash generating unit	**Goodwill $million**	**Pre Tax Discount rates per cent**	**Long-term forecast GDP growth rates per cent**	Goodwill $million	Pre Tax Discount rates per cent	Long-term forecast GDP growth rates per cent
Country CGUs						
Africa & Middle East	**65**			65		
Pakistan	**31**	**35.9**	**3.3**	31	35.5	3.2
Bahrain	**34**	**12.4**	**0.8**	34	12.4	0.5
Asia	**278**			284		
Singapore	**278**	**13.0**	**2.3**	284	13.9	2.1
Global CGUs	**949**			950		
Wealth Management	**83**	**15.0**	**1.8**	83	15.4	1.9
Corporate & Investment Banking	**866**	**15.5**	**2.3**	867	16.1	2.3
	1,292			1,299		

In the current year, there are no CGUs for which any individual movement on key estimates (cashflow, discount rate and GDP growth) would cause an impairment.

Company

Acquired intangibles primarily comprise those recognised as part of the acquisitions of American Express Bank, Tradewinds, Australia and New Zealand Project Finance and Grindlays.

Significant items of goodwill arising on acquisitions have been allocated to the following cash generating units for the purposes of impairment testing:

Cash generating unit	**2024 $million**	2023 $million
Country CGUs		
Bahrain	**17**	17
Global CGUs		
Corporate & Investment Banking	**55**	55
	72	72

In the current year, there are no CGUs for which any individual movement on key estimates (cashflow, discount rate and GDP growth) would cause an impairment.

16. Goodwill and intangible assets continued

Acquired intangibles

This primarily comprises of the intellectual property acquired from Standard chartered Bank Hongkong Limited.

The acquired intangibles are amortised over periods from four years to a maximum of 16 years. The constituents are as follows:

	Group		Company	
	2024 $million	2023 $million	**2024 $million**	2023 $million
Acquired intangibles comprise:				
Brand names	**1**	–	**1**	–
Customer relationships	**–**	1	**–**	2
Licences	**5**	19	**–**	10
Net book value	**6**	20	**1**	12

17. Property, plant and equipment

Accounting policy

All property, plant and equipment is stated at cost less accumulated depreciation and impairment losses.

Land and buildings comprise mainly branches and offices. Freehold land is not depreciated although it is subject to impairment testing.

Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Owned premises — up to 50 years
- Leasehold premises — up to 50 years
- Leasehold improvements — shorter of remaining lease term and 10 years
- Equipment and motor vehicles — three to 15 years

Where the Group is a lessee of a right-of-use asset, the leased assets are capitalised and included in Property, plant and equipment with a corresponding liability to the lessor recognised in Other liabilities. The accounting policy for lease assets is set out in Note 18.

Group

	2024				
	Premises $million	Equipment $million	Leased premises assets $million	Leased equipment assets $million	Total $million
Cost or valuation					
At 1 January	532	477	900	6	1,915
Exchange translation differences	5	(7)	(20)	(2)	(24)
Additions	91[1]	106[1]	112	27[1]	336
Disposals and fully depreciated assets written off[2]	(17)	(28)	(1)	(1)	(47)
Other movements	(9)	–	–	–	(9)
As at 31 December	602	548	991	30	2,171
Depreciation					
Accumulated at 1 January	198	305	378	4	885
Exchange translation differences	(2)	4	(20)	(2)	(20)
Charge for the year	29	59	101	9	198
Impairment charge	–	–	2	–	2
Attributable to assets sold, transferred or written off[2]	(7)	(29)	(1)	(1)	(38)
Accumulated at 31 December	218	339	460	10	1,027
Net book amount at 31 December	384	209	531	20	1,144

1 Refer to the cash flow statement under cash flows from investing activities section for the purchase of property, plant and equipment during the year of $224 million
2 Disposals for property, plant and equipment during the year of $13 million in the cash flow statement would include the gains and losses incurred as part of other operating income (Note 6) on disposal of assets during the year and the net book value disposed

17. Property, plant and equipment continued

	2023				
	Premises $million	Equipment $million	Leased premises assets $million	Leased equipment assets $million	Total $million
Cost or valuation					
At 1 January	549	519	780	7	1,855
Exchange translation differences	(24)	(18)	(3)	(1)	(46)
Additions	25[1]	75[1]	124	–	224
Disposals and fully depreciated assets written off[2]	(33)	(99)	(1)	–	(133)
Transfers to assets held for sale	15	–	–	–	15
As at 31 December	532	477	900	6	1,915
Depreciation					
Accumulated at 1 January	207	348	302	4	861
Exchange translation differences	(9)	(15)	(23)	(1)	(48)
Charge for the year	30	71	101	1	203
Impairment (release)/charge	–	–	(1)	–	(1)
Attributable to assets sold, transferred or written off[2]	(31)	(98)	(1)	–	(130)
Transfers to assets held for sale	1	(1)	–	–	–
Accumulated at 31 December	198	305	378	4	885
Net book amount at 31 December	334	172	522	2	1,030

1 Refer to the cash flow statement under cash flows from investing activities section for the purchase of property, plant and equipment during the year of $100 million
2 Disposals for property, plant and equipment during the year of $15 million in the cash flow statement would include the gains and losses incurred as part of other operating income (Note 6) on disposal of assets during the year and the net book value disposed

Company

	2024				
	Premises $million	Equipment $million	Leased premises assets $million	Leased equipment assets $million	Total $million
Cost or valuation					
At 1 January	200	303	486	1	990
Exchange translation differences	11	(10)	(8)	–	(7)
Additions	58[1]	91[1]	72	27[1]	248
Disposals and fully depreciated assets written off[2]	(11)	(7)	–	–	(18)
Other movements	(9)	–	–	–	(9)
As at 31 December	249	377	550	28	1,204
Depreciation					
Accumulated at 1 January	60	184	224	1	469
Exchange translation differences	(1)	(5)	(11)	–	(17)
Charge for the year	6	41	41	9	97
Impairment charge	–	–	2	–	2
Attributable to assets sold, transferred or written off[2]	–	(6)	–	–	(6)
Accumulated at 31 December	65	214	256	10	545
Net book amount at 31 December	184	163	294	18	659

1 Refer to the cash flow statement under cash flows from investing activities section for the purchase of property, plant and equipment during the year of $176 million
2 Disposals for property, plant and equipment during the year of $15 million in the cash flow statement would include the gains and losses incurred as part of other operating income (Note 6) on disposal of assets during the year and the net book value disposed

17. Property, plant and equipment continued

	2023				
	Premises $million	Equipment $million	Leased premises assets $million	Leased equipment assets $million	Total $million
Cost or valuation					
At 1 January	205	311	377	1	894
Exchange translation differences	(2)	(2)	(3)	–	(7)
Additions	7[1]	46[1]	112	–	165
Disposals and fully depreciated assets written off[2]	(27)	(52)	–	–	(79)
Transfers to assets held for sale	17	–	–	–	17
As at 31 December	200	303	486	1	990
Accumulated at 1 January	75	191	197	1	464
Exchange translation differences	–	–	(15)	–	(15)
Charge for the year	9	45	43	–	97
Impairment (release)/charge	–	–	(1)	–	(1)
Attributable to assets sold, transferred or written off[2]	(26)	(52)	–	–	(78)
Transfers to assets held for sale	2	–	–	–	2
Accumulated at 31 December	60	184	224	1	469
Net book amount at 31 December	140	119	262	–	521

1 Refer to the cash flow statement under cash flows from investing activities section for the purchase of property, plant and equipment during the year of $53 million
2 Disposals for property, plant and equipment during the year of $1 million in the cash flow statement would include the gains and losses incurred as part of other operating income (Note 6) on disposal of assets during the year and the net book value disposed

18. Leased assets

Accounting policy

Where the Group is a lessee and the lease is deemed in scope of IFRS 16, it recognises a liability equal to the present value of lease payments over the lease term, discounted using the incremental borrowing rate applicable in the economic environment of the lease. The liability is recognised in 'Other liabilities'. A corresponding right-of-use asset equal to the liability, adjusted for any lease payments made at or before the commencement date, is recognised in 'Property, plant and equipment'. The lease term includes any extension options contained in the contract that the Group is reasonably certain it will exercise.

The Group subsequently depreciates the right-of-use asset using the straight-line method over the lease term and measures the lease liability using the effective interest method. Depreciation on the asset is recognised in 'Depreciation and amortisation', and interest on the lease liability is recognised in 'Interest expense'.

If a leased premise, or a physically distinct portion of a premise such as an individual floor, is deemed by management to be surplus to the Group's needs and action has been taken to abandon the space before the lease expires, this is considered an indicator of impairment. An impairment loss is recognised if the right-of-use asset, or portion thereof, has a carrying value in excess of its value-in-use when taking into account factors such as the ability and likelihood of obtaining a subtenant.

The key judgement in determining lease balances is the determination of the lease term, in particular whether the Group is reasonably certain that it will exercise extension options present in lease contracts. On initial recognition, the Group considers a range of characteristics such as premises function, regional trends and the term remaining on the lease to determine whether it is reasonably certain that a contractual right to extend a lease will be exercised. When there are changes to assumptions the lease balances are remeasured.

The estimates involved are the determination of incremental borrowing rates in the respective economic environments. The Group uses third-party broker quotes to estimate its USD cost of senior unsecured borrowing, then uses cross currency swap pricing information to determine the equivalent cost of borrowing in other currencies. If it is not possible to estimate an incremental borrowing rate through this process, other proxies such as local government bond yields are used.

The Group primarily enters lease contracts that grant it the right to use premises such as office buildings and retail branches.

Existing lease liabilities may change in future periods due to changes in assumptions or decisions to exercise lease renewal or termination options, changes in payments due to renegotiations of market rental rates as permitted by those contracts and changes to payments due to rent being contractually linked to an inflation index. In general the re-measurement of a lease liability under these circumstances leads to an equal change to the right-of-use asset balance, with no immediate effect on the income statement.

The total cash outflow during the year for premises and equipment leases was $133 million for Group and $62 million for Company.

18. Leased assets continued

The total expense during the year in respect of leases with a term less than or equal to 12 months nil for Group.

The right-of-use asset balances and depreciation charges are disclosed in Note 17. The lease liability balances are disclosed in Note 22 and the interest expense on lease liabilities is disclosed in Note 3.

Maturity analysis

The maturity profile for lease liabilities associated with leased premises and equipment assets is as follows:

Group

	2024					2023				
	One year or less $million	**Between one year and two years $million**	**Between two years and five years $million**	**More than five years $million**	**Total $million**	One year or less $million	Between one year and two years $million	Between two years and five years $million	More than five years $million	Total $million
Other liabilities – lease liabilities	**135**	**109**	**215**	**327**	**786**	123	103	208	308	742

Company

	2024					2023				
	One year or less $million	**Between one year and two years $million**	**Between two years and five years $million**	**More than five years $million**	**Total $million**	One year or less $million	Between one year and two years $million	Between two years and five years $million	More than five years $million	Total $million
Other liabilities – lease liabilities	**71**	**50**	**101**	**235**	**457**	60	48	89	201	398

19. Other assets

Group

Other assets include:	**2024 $million**	2023 $million
Financial assets held at amortized cost (Note 12):		
Cash collateral[1]	**9,181**	8,378
Acceptances and endorsements	**4,149**	3,967
Unsettled trades and other financial assets	**8,205**	8,369
	21,535	20,714
Non-financial assets:		
Commodities and emissions certificate[2]	**6,570**	7,405
Other assets	**373**	388
	28,478	28,507

1 Cash collateral are margins placed to collateralize net derivative mark-to-market (MTM) positions

2 Physically held commodities and emission certificates are inventory that is carried at fair value less costs to sell, $3.8 billion (31 December 2023: $3.6 billion) are classified as Level 1 and $2.7 billion are classified as Level 2 (31 December 2023: $3.8 billion). For commodities, the fair value is derived from observable spot or short-term futures prices from relevant exchanges.

Company

Other assets include:

	2024 $million	2023 $million
Financial assets held at amortised cost (Note 12):		
Cash collateral[1]	**8,196**	7,505
Acceptances and endorsements	**2,320**	2,315
Unsettled trades and other financial assets	**7,071**	7,170
	17,587	16,990
Non-financial assets:		
Commodities[2]	**3,743**	4,485
Other assets	**222**	267
	21,552	21,742

1 Cash collateral are margins placed to collateralize net derivative mark-to-market (MTM) positions

2 Commodities and emissions certificates are carried at fair value less costs to sell, $3 billion (31 December 2023: $3.2 billion) are classified as Level 1 and $0.7 billion are classified as Level 2 (31 December 2023: $1.2 billion).

20. Assets held for sale and associated liabilities

Accounting policy

Upon reclassification property, plant and equipment are measured at the lower of their carrying amount and fair value less costs to sell. Financial instruments continue to be measured per the accounting policies in Note 13 Financial instruments.

The assets below have been presented as held for sale following the approval of Group management and the transactions are expected to complete in 2025.

Group

Assets held for sale

The financial assets reported below are classified under Level 1 $58 million (31 December 2023: $101 million), Level 2 $335 million (31 December 2023: $541 million) and Level 3 $473 million (31 December 2023: $51 million).

Assets held for sale	2024 $million	2023 $million
Financial assets held at amortised cost	**866**	693
Cash and balances at central banks	**109**	246
Loans and advances to banks	**–**	24
Loans and advances to customers	**656**[1]	243
Debt securities held at amortised cost	**101**	180
Property, plant and equipment	**8**	12
Others	**8**	12
Others	**27**	50
	901	755

1 Includes $414 million unsecured personal loan business from SC Bank India which was disposed on 23 January 2025 for a consideration of INR 32 billion ($375 million)

Liabilities held for sale

The financial liabilities reported below are classified under Level 1 $89 million (31 December 2023: $54 million) and Level 2 $271 million (31 December 2023: $672 million).

Liabilities held for sale	2024 $million	2023 $million
Financial liabilities held at amortised cost	**360**	726
Deposits by banks	**–**	3
Customer accounts	**360**	723
Other liabilities	**16**	50
Provisions for liabilities and charges	**5**	11
	381	787

Company

Assets held for sale

The financial assets reported below are classified under Level 1 nil (31 December 2023: nil), Level 2 nil (31 December 2023: nil) and Level 3 $474 million (31 December 2023: $52 million).

Assets held for sale	2024 $million	2023 $million
Financial assets held at amortised cost	**474**	52
Loans and advances to customers	**474**	52
Others	**–**	16
	474	68

20. Assets held for sale and associated liabilities continued

Liabilities held for sale

The financial liabilities reported below are classified under Level 1 nil (31 December 2023: nil), Level 2 nil (31 December 2023: nil), Level 3 nil (31 December 2023: $5 million)

Liabilities held for sale	**2024 $million**	2023 $million
Other liabilities	–	5
	–	5

21. Debt securities in issue

Accounting policy

Refer to Note 12 Financial instruments for the relevant accounting policy.

Group

	2024			2023		
	Certificates of deposit of $100,000 or more $million	**Other debt securities in issue $million**	**Total $million**	Certificates of deposit of $100,000 or more $million	Other debt securities in issue $million	Total $million
Debt securities in issue	**17,606**	**22,258**	**39,864**	13,833	22,648	36,481
Debt securities in issue included within:						
Financial liabilities held at fair value through profit or loss (Note 12)	**–**	**12,176**	**12,176**	–	9,850	9,850
Total debt securities in issue	**17,606**	**34,434**	**52,040**	13,833	32,498	46,331

Company

	2024			2023		
	Certificates of deposit of $100,000 or more $million	**Other debt securities in issue $million**	**Total $million**	Certificates of deposit of $100,000 or more $million	Other debt securities in issue $million	Total $million
Debt securities in issue	**17,457**	**18,624**	**36,081**	13,733	21,007	34,740
Debt securities in issue included within:						
Financial liabilities held at fair value through profit or loss (Note 12)	**–**	**12,062**	**12,062**	–	9,554	9,554
Total debt securities in issue	**17,457**	**30,686**	**48,143**	13,733	30,561	44,294

In 2024, the Company issued a total of $2.5 billion senior notes for general business purposes of the Group as shown below:

Securities	**$million**
USD 1,000 million callable fixed rate senior notes due 2028 (callable 2027)	**1,000**
USD 1500 million callable fixed rate senior notes due 2035 (callable 2034)	**1,500**
Total Senior Notes issued	**2,500**

In 2023, the Company issued a total of $2.9 billion senior notes for general business purposes of the Group as shown below :

Securities	$million
USD 1,500 million callable fixed rate senior notes due 2029 (callable 2028)	1,500
USD 750 million callable fixed rate senior notes due 2028 (callable 2027)	750
USD 653 million callable fixed rate senior notes due 2030 (callable 2029)	653
Total Senior Notes issued	2,903

22. Other liabilities

Accounting policy

Refer to Note 12 Financial instruments for the relevant accounting policy for financial liabilities, Note 18 Leased assets for the accounting policy for leases

Group

	2024 $million	2023 $million
Financial liabilities held at amortized cost (Note 12)		
Acceptances and endorsements	**4,149**	4,026
Cash collateral	**12,984**	7,960
Property leases	**603**	593
Equipment leases	**14**	1
Unsettled trades and other financial liabilities	**9,600**	11,529
	27,350	24,109
Non-financial liabilities		
Other liabilities	**417**	368
	27,767	24,477

Company

	2024 $million	2023 $million
Financial liabilities held at amortised cost (Note 12)		
Acceptances and endorsements	**2,321**	2,315
Cash collateral[1]	**11,788**	7,289
Property leases	**327**	295
Equipment leases	**13**	–
Unsettled trades and other financial liabilities	**6,675**	8,980
	21,124	18,879
Non-financial liabilities		
Other liabilities	**362**	334
	21,486	19,213

1 Cash collateral are margins received against collateralize net derivative mark-to-market (MTM) positions

23. Provisions for liabilities and charges

Accounting policy

The recognition and measurement of provisions for liabilities and charges requires significant judgement and the use of estimates about uncertain future conditions or events.

Estimates include the best estimate of the probability of outflow of economic resources, cost of settling a provision and timing of settlement. Judgements are required for inherently uncertain areas such as legal decisions (including external advice obtained), and outcome of regulator reviews.

Group

	2024			2023		
	Provision for credit commitments[1] $million	Other provisions[2] $million	Total $million	Provision for credit commitments[1] $million	Other provisions[2] $million	Total $million
At 1 January	180	55	235	251	84	335
Exchange translation differences	10	(3)	7	(8)	4	(4)
Charge/(release) against profit	18	14	32	(63)	15	(48)
Provisions utilised	–	(25)	(25)	–	(45)	(45)
Transfer[3]	–	12	12	–	(3)	(3)
At 31 December	208	53	261	180	55	235

Company

	2024			2023		
	Provision for credit commitments[1] $million	Other provisions[2] $million	Total $million	Provision for credit commitments[1] $million	Other provisions[2] $million	Total $million
At 1 January	132	39	171	183	66	249
Exchange translation differences	(2)	(1)	(3)	(2)	–	(2)
Charge/(release) against profit	18	(5)	13	(49)	(4)	(53)
Provisions utilised	–	(2)	(2)	–	(20)	(20)
Transfer[3]	–	7	7	–	(3)	(3)
At 31 December	148	38	186	132	39	171

1 Expected credit loss for credit commitment comprises those undrawn contractually committed facilities where there is doubt as to the borrowers' ability to meet their repayment obligations
2 Other provisions consist mainly of provisions for legal claims and regulatory and enforcement investigations and proceedings
3 Includes the provisions transferred to held for sale

24. Contingent liabilities and commitments

Accounting policy

Financial guarantee contracts and loan commitments

Financial guarantee contracts and any loan commitments issued at below-market interest rates are initially recognised at their fair value as a financial liability, and subsequently measured at the higher of the initial value less the cumulative amount of income recognised and their expected credit loss provision. Loan commitments may be designated at fair value through profit or loss where that is the business model under which such contracts are held. Notional values of financial guarantee contracts and loan commitments are disclosed in the table below.

Financial guarantees, trade credits and irrevocable letters of credit are the notional values of contracts issued by the Group's Transaction Banking business for which an obligation to make a payment has not arisen at the reporting date. Transaction Banking will issue contracts to clients and counterparties of clients, whereby in the event the holder of the contract is not paid, the Group will reimburse the holder of the contract for the actual financial loss suffered. These contracts have various legal forms such as letters of credit, guarantee contracts and performance bonds. The contracts are issued to facilitate trade through export and import business, provide guarantees to financial institutions where the Group has a local presence, as well as guaranteeing project financing involving large construction projects undertaken by sovereigns and corporates. The contracts may contain performance clauses which require the counterparty performing services or providing goods to meet certain conditions before a right to payment is achieved, however the Group does not guarantee this performance. The Group will only guarantee the credit of the counterparty paying for the services or goods.

Commitments are where the Group has confirmed its intention to provide funds to a customer or on behalf of a customer under prespecified terms and conditions in the form of loans, overdrafts, future guarantees whether cancellable or not and the Group has not made payments at the balance sheet date; those instruments are included in these financial statements as commitments. Commitments and contingent liabilities are generally considered on demand as the Group may have to honour them, or the client may draw down at any time.

Capital commitments are contractual commitments the Group has entered into to purchase non-financial assets.

The table below shows the contract or underlying principal amounts of unmatured off-balance sheet transactions at the balance sheet date. The contract or underlying principal amounts indicate the volume of business outstanding and do not represent amounts at risk.

	Group		Company	
	2024 $million	2023 $million	**2024 $million**	2023 $million
Financial guarantees and trade credits				
Financial guarantees, trade and irrevocable letters of credit	**81,343**	60,707	**69,038**	49,586
	81,343	60,707	**69,038**	49,586
Commitments				
Undrawn formal standby facilities, credit lines and other commitments to lend				
One year and over	**60,968**	62,083	**45,406**	48,719
Less than one year	**20,396**	17,895	**17,079**	14,113
Unconditionally cancellable	**42,567**	37,921	**6,808**	6,175
	123,931	117,899	**69,293**	69,007

	Group		Company	
Capital commitments	**2024 $million**	2023 $million	**2024 $million**	2023 $million
Contracted capital expenditure approved by the directors but not provided for in these accounts	**121**	215	**–**	–

24. Contingent liabilities and commitments continued
The table below shows the contract or underlying principal amounts and risk-weighted amounts of unmatured Group off-balance sheet transactions at the balance sheet date. The contract or underlying principal amounts indicate the volume of business outstanding and do not represent amounts at risk.

	Group		Company	
	2024 $million	2023 $million	**2024 $million**	2023 $million
Financial guarantees and other contingent liabilities(Group)				
Financial guarantees, trade and irrevocable letters of credit	**3,771**	3,031	**11,790**	12,017
Other contingent liabilities	**–**	–	**–**	–
	3,771	3,031	**11,790**	12,017
Commitments(Group)				
Undrawn commitments	**1,243**	1,504	**1,613**	1,916
	1,243	1,504	**1,613**	1,916

Please refer to Note 19 for further details. As set out in Note 25, the Group has contingent liabilities in respect of certain legal and regulatory matters for which it is not practicable to estimate the financial impact as there are many factors that may affect the range of possible outcomes.

25. Legal and regulatory matters

Accounting policy

Where appropriate, the Group recognises a provision for liabilities when it is probable that an outflow of economic resources embodying economic benefits will be required, and for which a reliable estimate can be made of the obligation. The uncertainties inherent in legal and regulatory matters affect the amount and timing of any potential outflows with respect to which provisions have been established. These uncertainties also mean that it is not possible to give an aggregate estimate of contingent liabilities arising from such legal and regulatory matters.

The Group receives legal claims against it in a number of jurisdictions and is subject to regulatory and enforcement investigations and proceedings from time to time. Apart from the matters described below, the Group currently considers none of the ongoing claims, investigations or proceedings to be individually material. However, in light of the uncertainties involved in such matters there can be no assurance that the outcome of a particular matter or matters currently not considered to be material may not ultimately be material to the Group's results in a particular reporting period depending on, among other things, the amount of the loss resulting from the matter(s) and the results otherwise reported for such period.

Since 2014, the PLC Group has been named as a defendant in a series of lawsuits that have been filed in the United States District Courts for the Southern and Eastern Districts of New York against a number of banks (including Standard Chartered or its affiliates) on behalf of plaintiffs who are, or are relatives of, victims of attacks in Iraq, Afghanistan and Israel. The plaintiffs in each of these lawsuits have alleged that the defendant banks aided and abetted the unlawful conduct of parties with connections to terrorist organisations in breach of the United States Anti-Terrorism Act. None of these lawsuits specify the amount of damages claimed. The PLC Group continues to defend these lawsuits.

In January 2020, a shareholder derivative complaint was filed by the City of Philadelphia in New York State Court against 45 current and former directors and senior officers of the PLC Group. It is alleged that the individuals breached their duties to the PLC Group and caused a waste of corporate assets by permitting the conduct that gave rise to the costs and losses to the PLC Group related to legacy conduct and control issues. In February 2022, the New York State Court ruled in favour of Standard Chartered PLC's motion to dismiss the complaint. The plaintiffs are pursuing an appeal against the February 2022 ruling. A hearing date for the plaintiffs' appeal is awaited.

Bernard Madoff's 2008 confession to running a Ponzi scheme through Bernard L. Madoff Investment Securities LLC (BMIS) gave rise to a number of lawsuits against the PLC Group. BMIS and the Fairfield funds (which invested in BMIS) are in bankruptcy and liquidation, respectively. Between 2010 and 2012, five lawsuits were brought against the PLC Group by the BMIS bankruptcy trustee and the Fairfield funds' liquidators, in each case seeking to recover funds paid to the PLC Group's clients pursuant to redemption requests made prior to BMIS' bankruptcy filing. The total amount sought in these cases exceeds USD 300 million, excluding any pre-judgment interest that may be awarded. Three of the four lawsuits commenced by the Fairfield funds' liquidators have been dismissed and the appeals of those dismissals by the funds' liquidators are ongoing. The fourth lawsuit has been dismissed and is not the subject of any further appeal. The PLC Group continues to defend the lawsuit brought by the BMIS bankruptcy trustee.

The Group has concluded that the threshold for recording provisions pursuant to IAS 37 Provisions, Contingent Liabilities and Contingent Assets is not met with respect to the above matters; however, the outcomes of these lawsuits are inherently uncertain and difficult to predict.

26. Subordinated liabilities and other borrowed funds

	2024 $million	2023 $million
Subordinated loan capital – issued by subsidiary undertakings		
NPR 2.4 billion fixed sub debt rate 10.3 percent[2]	**18**	18
$540 million floating rate subordinated notes due 2030 (callable 2025)[1]	**540**	540
	558	558
Subordinated loan capital – issued by the Company		
$700 million 8.0 per cent subordinated notes due 2031	**326**	342
$500 million 4.96 per cent fixed rate subordinated notes due 2043	**410**	414
$2 billion 4.57 per cent fixed rate subordinated notes due 2044 (callable 2039)	**1,849**	1,856
$250 million 4.82 per cent fixed rate subordinated notes due 2048 (callable 2043)	**250**	250
$1 billion 2.94 per cent fixed rate subordinated notes due 2029 (callable 2024)	**–**	999
$1.25 billion floating rate subordinated notes due 2032 (callable 2027)	**1,250**	1,250
$1 billion 3.516 per cent fixed rate reset subordinated debt due 2030 (callable 2025)	**996**	965
£504 million 6.1368 per cent fixed rate subordinated notes due 2043 (callable 2038)	**624**	689
$2 billion 5.3 per cent fixed rate reset subordinated notes due 2035 (callable 2030)	**1,782**	1,764
£527 million floating rate subordinated notes due 2039 (callable 2034)	**660**	671
€1 billion 2.5 per cent fixed rate reset subordinated notes due 2030 (callable 2025)	**1,020**	1,048
$750 million 3.603 per cent fixed rate reset subordinated notes due 2033 (callable 2032)	**634**	648
	9,801	10,896
Total for Group	**10,359**	11,454

1 Issued by Standard Chartered Bank Singapore Limited
2 Issued by Standard Chartered Bank Nepal Limited. NPR refers to Nepalese Rupee

	2024 $million	2023 $million
USD	**8,037**	9,028
GBP	**1,284**	1,360
EUR	**1,020**	1,048
NPR	**18**	18
Total	**10,359**	11,454

Redemptions and repurchases during the year
Standard Chartered Bank exercised its right to redeem USD 1 billion 2.94 per cent fixed rate subordinated notes 2029.

Issuances during the year
There was no issuance during the period.

27. Share capital, other equity instruments and reserves

Accounting policy

Securities which carry a discretionary coupon and have no fixed maturity or redemption date are classified as other equity instruments. Interest payments on these securities are recognised, net of tax, as distributions from equity in the period in which they are paid.

Where the Company or other members of the consolidated Group purchase the Company's equity share capital, the consideration paid is deducted from the total shareholders' equity of the Group and/or of the Company as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity of the Group and/or the Company.

Group and Company

	Number of ordinary shares million	Ordinary share capital[1] $million	Ordinary share premium $million	Preference share premium $million	Total share capital and share premium $million	Other equity instruments $million
At 1 January 2023	20,597	20,597	296	1,500	22,393	4,750
Cancellation of shares including share buy-back	–	–	–	(750)	(750)	–
Additional Tier 1 equity issuance	–	–	–	–	–	992
Additional Tier 1 redemption	–	–	–	–	–	(1,000)
At 31 December 2023	**20,597**	**20,597**	**296**	**750[2]**	**21,643**	**4,742**
Additional Tier 1 equity issuance	–	–	–	–	–	980
At 31 December 2024	**20,597**	**20,597**	**296**	**750[2]**	**21,643**	**5,722**

1 Issued and fully paid ordinary shares of $1 each
2 Includes preference share capital of $37,500

Ordinary share capital

The authorised share capital of the Company at 31 December 2024 was $ 26,789 million and TWD 1,225 million (31 December 2023: $ 26,789 million and TWD 1,225 million) made up of 26,782 million ordinary shares of $1 each, 2.4 million non-cumulative irredeemable preference shares of $0.01 each, 1 million non-cumulative preference shares of $5 each, 15,000 non-cumulative redeemable preference shares of $5 each, 462,500 non-cumulative redeemable 8.125% preference shares of $5 each and 50 million non-cumulative redeemable preference shares of TWD24.50 each.

The issued share capital of the Company at 31 December 2024 was $20,597 million (31 December 2023: $20,597 million) made up of: 20,597 million ordinary shares of $1 each.

There was no new issue of shares during the year. The Company has one class of ordinary shares, which carries no rights to fixed income. Subject to any special rights or restrictions as to voting attached to any shares in accordance with the Company's Royal Charter Bye-Laws and Rules, on a show of hands every member present at a general meeting by a representative or proxy shall have one vote. On a poll, every member holding shares or stock of less than the nominal amount of US$25 shall not have any vote, but every other member who is present in person or by proxy shall have votes in accordance with the following scale:

Nominal amount of Shares or Stock held	Number of Votes
US$25 or more but less than US$50	1 vote
US$50 or more but less than US$100	2 votes
US$100 or more but less than US$250	3 votes
US$250 or more but less than US$375	4 votes
US$375 or more but less than US$500	5 votes
US$500 or more but less than US$750	6 votes
US$750 or more but less than US$1,000	7 votes
US$1,000 or more but less than US$1,250	8 votes
US$1,250 or more but less than US$1,500	9 votes
US$1,500 or more	10 votes

27. Share capital, other equity instruments and reserves continued

Preference share capital

7,500 non-cumulative redeemable preference shares issued on 8 December 2006 with a nominal value of $5 each and a premium of $99,995, making a paid-up amount per preference share of $100,000. The preference shares are redeemable at the option of the company in whole or in part on 31 Jan 2027 and on any quarterly dividend payment date falling on or around ten-year intervals thereafter. The amount payable on redemption will be the paid-up amount of $100,000 per preference share to be redeemed, plus an amount equal to the accrued but unpaid dividend thereon up to but excluding the redemption date.

Other equity instruments

The table provides details of outstanding Fixed Rate Resetting Perpetual Subordinated Contingent Convertible AT1 securities issued by Standard Chartered Bank. All issuances are made for general business purposes and to increase the regulatory capital base of the Group.

Issuance date	Nominal value	Proceeds net of issue costs	Interest rate[1]	Coupon payment dates[2]	First reset dates[3]
14 January 2021	USD 1,250 million	USD 1,250 million	4.75%	14 January, 14 July each year	14 July 2031
19 August 2021	USD 1,500 million	USD 1,500 million	4.30%	19 February, 19 August each year	19 August 2028
15 August 2022	USD 1,000 million	USD 1,000 million	7.75%	15 February, 15 August each year	15 February 2028
31 March 2023	USD 750 million	USD 750 million	7.75%	30 January, 30 July each year	30 July 3037
31 March 2023	GBP 96 million	USD 120 million	7.90%	4 April, 4 October each year	4 April 2028
31 March 2023	GBP 99 million	USD 122 million	7.90%	4 April, 4 October each year	4 April 2028
27 March 2024	USD400 million	USD 400 million	7.875%	8 March, 8 September each year	8 September 2030
19 Sep 2024	SGD750 million	USD 580 million	5.30%	19 March, 19 September each year	19 March 2030
	Total	USD 5,722 million			

1 Interest rates for the period from (and including) the issue date to (but excluding) the first reset date
2 Interest payable semi-annually in arrears
3 Securities are resettable each date falling five years, or an integral multiple of five years, after the first reset date

The principal terms of the AT1 securities are described below:

- The securities are perpetual and redeemable, at the option of the Company in whole but not in part, on the first call date or on any fifth anniversary after the first call date
- The securities are also redeemable for certain regulatory or tax reasons on any date at 100 per cent of their principal amount together with any accrued but unpaid interest up to (but excluding) the date fixed for redemption. Any redemption is subject to the Company giving notice to the relevant regulator and the regulator granting permission to redeem interest payments on these securities will be accounted for as a dividend
- Interest on the securities is due and payable only at the sole and absolute discretion of the Company, subject to certain additional restrictions set out in the terms and conditions. Accordingly, the Company may at any time elect to cancel any interest payment (or part thereof) which would otherwise be payable on any interest payment date
- The securities will be written down in full should the fully loaded Common Equity Tier 1 ratio of the issuer fall below 7.0 per cent (a Loss Absorption Event).

The securities rank behind the claims against the Company of: (a) unsubordinated creditors; (b) claims which are expressed to be subordinated to the claims of unsubordinated creditors of the Company but not further or otherwise; or (c) claims which are, or are expressed to be, junior to the claims of other creditors of the Company, whether subordinated or unsubordinated, other than claims which rank, or are expressed to rank, pari passu with, or junior to, the claims of holders of the AT1 securities in a winding-up occurring prior to the Loss Absorption Event.

27. Share capital, other equity instruments and reserves continued
Reserves
The constituents of the reserves are summarised as follows:

The capital reserve represents the exchange difference on redenomination of share capital and share premium from sterling to US dollars in 2001. The capital redemption reserve represents the nominal value of preference shares redeemed.

- Own credit adjustment reserve represents the cumulative gains and losses on financial liabilities designated at fair value through profit or loss relating to own credit. Gains and losses on financial liabilities designated at fair value through profit or loss relating to own credit in the year have been taken through other comprehensive income into this reserve. On derecognition of applicable instruments, the balance of any OCA will not be recycled to the income statement, but will be transferred within equity to retained earnings
- Fair value through other comprehensive income (FVOCI) debt reserve represents the unrealised fair value gains and losses in respect of financial assets classified as FVOCI, net of expected credit losses. Gains and losses are deferred in this reserve and are reclassified to the income statement when the underlying asset is sold, matures or becomes impaired.
- FVOCI equity reserve represents unrealised fair value gains and losses in respect of financial assets classified as FVOCI. Gains and losses are recorded in this reserve and never recycled to the income statement
- Cash flow hedge reserve represents the effective portion of the gains and losses on derivatives that meet the criteria for these types of hedges. Gains and losses are deferred in this reserve and are reclassified to the income statement when the underlying hedged item affects profit and loss or when a forecast transaction is no longer expected to occur.
- Translation reserve represents the cumulative foreign exchange gains and losses on translation of the net investment of the Group in foreign operations. Since 1 January 2004, gains and losses are deferred to this reserve and are reclassified to the income statement when the underlying foreign operation is disposed. Gains and losses arising from derivatives used as hedges of net investments are netted against the foreign exchange gains and losses on translation of the net investment of the foreign operations.
- Retained earnings represents profits and other comprehensive income earned by the Group and Company in the current and prior periods, together with the after tax increase relating to equity-settled share options, less dividend distributions and own shares held (treasury shares).

A substantial part of the Group's reserves is held in overseas subsidiary undertakings and branches, principally to support local operations or to comply with local regulations. The maintenance of local regulatory capital ratios could potentially restrict the amount of reserves which can be remitted. In addition, if these overseas reserves were to be remitted, further unprovided taxation liabilities might arise.

As at 31 December 2024, the distributable reserves of Standard Chartered Bank (the Company) were $2.2 billion (31 December 2023: $2.7 billion). These comprised of retained earnings. Distribution of reserves is subject to maintaining minimum capital requirements.

28. Non-controlling interests

Non-controlling interests are measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

	2024 $million	2023 $million
At 1 January	1,080	1,164
Comprehensive income/(loss) for the year	22	(2)
Loss in equity attributable to non-controlling interests	(17)	(31)
Other profits attributable to non-controlling interests	39	29
Distributions	(125)	(103)
Other (decrease) / increases[1]	(513)	21
At 31 December	**464**	1,080

1 Movement in 2024 is primarily from Standard Chartered Bank Singapore Limited $562 million pertaining to redemption of preference shares and disposal of Standard Chartered Bank Angola S.A. ($6 million) partly offset by non-controlling interest in Trust Bank Singapore Limited ($55 million). Net Cash Flow from Non Controlling interest is $506 million (2023: Cash received $21 million). Movements in 2023 driven by additional investment by minority shareholders ($28 million) majorly in Trust Bank Singapore Limited offset by release of interest on account of change in ownership ($7 million).

29. Retirement benefit obligations

Accounting policy

The Group operates pension and other post-retirement benefit plans around the world, which can be categorised into **defined contribution** plans and **defined benefit** plans.

- For **defined contribution** plans, the Group pays contributions to publicly or privately administered pension plans on a statutory or contractual basis, and such amounts are charged to operating expenses. The Group has no further payment obligations once the contributions have been paid.
- For **defined benefit** plans, which promise levels of payments where the future cost is not known with certainty:
  - the accounting obligation is calculated annually by independent actuaries using the projected unit method.
  - Actuarial gains and losses that arise are recognised in shareholders' equity and presented in the statement of other comprehensive income in the period they arise.
  - The Group determines the net interest expense on the net defined benefit liability for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability, taking into account any changes in the net defined benefit liability during the year as a result of contributions and benefit payments. Net interest expense, the cost of the accrual of new benefits, benefit enhancements (or reductions) and administration expenses met directly from plan assets are recognised in the income statement in the period in which they were incurred.

Other accounting estimates and judgements

There are many factors that affect the measurement of the retirement benefit obligations. This measurement requires the use of estimates, such as discount rates, inflation, pension increases, salary increases, and life expectancies which are inherently uncertain. The table below summarises how these assumptions are set:

Assumption	Detail
Discount rate	Determined by reference to market yields at the end of the reporting period on high-quality corporate bonds (or, in countries where there is no deep market in such bonds, government bonds) of a currency and term consistent with the currency and term of the post-employment benefit obligations. This is the approach adopted across all our geographies.
Inflation	Where there are inflation-linked bonds available (e.g. United Kingdom and the eurozone), the Group derives inflation based on the market on those bonds, with the market yield adjusted in respect of the United Kingdom to take account of the fact that liabilities are linked to Consumer Price Index inflation, whereas the reference bonds are linked to Retail Price Index inflation. Where no inflation-linked bonds exist, we determine inflation assumptions based on a combination of long-term forecasts and short-term inflation data.
Salary growth	Salary growth assumptions reflect the Group's long-term expectations, taking into account future business plans and macroeconomic data (primarily expected future long-term inflation).
Demographic assumptions	Demographic assumptions, including mortality and turnover rates, are typically set based on the assumptions used in the most recent actuarial funding valuation, and will generally use industry standard tables, adjusted where appropriate to reflect recent historic experience and/or future expectations.

The sensitivity of the liabilities to changes in these assumptions is shown in the Note below.

Bank Group

Net Retirement benefit obligation and charge comprise:

	Net Obligation		Charge[1]	
	2024 $million	2023 $million	**2024 $million**	2023 $million
Defined benefit plans obligation	**118**	161	**37**	41
Defined contribution plans obligation	**13**	16	**295**	271
Total	**131**	177	**332**	312

1 Refer note 7: Operating expenses

The Group operates over 50 defined benefit plans across its geographies, many of which are closed to new entrants who now join defined contribution arrangements. The aim of all these plans is, as part of the Group's commitment to financial wellbeing for employees, to give employees the opportunity to save appropriately for retirement in a way that is consistent with local regulations, taxation requirements and market conditions. The defined benefit plans expose the Group to currency risk, interest rate risk, investment risk and actuarial risks such as longevity risk.

29. Retirement benefit obligations continued

The material holdings of government and corporate bonds shown on page 270 partially hedge movements in the liabilities resulting from interest rate and inflation changes. Setting aside movements from other drivers such as currency fluctuation, increases in discount rates in most countries with material pension liabilities over 2024 has led to lower liabilities. This has been partly offset by decreases in the value of bonds held, however growth assets such as equities performed well over 2024, leading to an increase in the pension deficit reported. These movements are shown as actuarial gains and losses in the table below. Contributions into a number of plans in excess of the amounts required to fund benefits accruing have also partially offset the increase in the net deficit over the year.

The disclosures required under IAS 19 have been calculated by independent qualified actuaries based on the most recent full actuarial valuations updated, where necessary, to 31 December 2024.

UK Fund

The Standard Chartered Pension Fund (the 'UK Fund') is the Bank Group's largest pension plan, representing 56 per cent (31 December 2023: 67 per cent) of total pension liabilities. The UK Fund is set up under a trust that is legally separate from the Bank (its formal sponsor) and, as required by UK legislation, at least one-third of the trustee directors are nominated by members; the remainder are appointed by the Bank. The trustee directors have a fiduciary duty to members and are responsible for governing the UK Fund in accordance with its Trust Deed and Rules.

The UK Fund was closed to new entrants from 1 July 1998 and closed to the accrual of new benefits from 1 April 2018. All employees are now offered membership of a defined contribution plan.

The financial position of the UK Fund is regularly assessed by an independent qualified actuary. The funding valuation as at 31 December 2023 was completed in December 2024 by the Scheme Actuary, T Kripps of WTW, using assumptions different from those on page 286, and agreed with the UK Fund trustee. It showed that the UK Fund was 96% funded at that date, revealing a past service deficit of $48million (£38 million).

To repair the deficit, three annual cash payments of $13 million (£10 million) were agreed, with the first of these paid in December 2024, and two further instalments to be paid in December 2025 and December 2026. However, the agreement allows that the payments due in 2025 and 2026 may be varied depending on the funding position at the preceding 30 June. As part of the 2023 valuation agreement, it was agreed that gilts with a nominal value of $200 million (£160 million) would remain in escrow to provide additional security to the Trustee.

The Bank Group has not recognised any additional liability under IFRIC 14 as the Bank has control of any pension surplus under the Trust Deed and Rules.

Overseas plans

The principal overseas defined benefit arrangements operated by the Bank Group are in Germany, India, Jersey, United Arab Emirates (UAE) and the United States of America (US). Plans in Germany, India and UAE remain open for accrual of future benefits.

Key assumptions

The principal financial assumptions used at 31 December 2024 were:

	2024			2023		
	UK Fund %	Overseas Plans[1] %	Unfunded Plans[2] %	UK Funded %	Overseas Plans[1] %	Unfunded Plans[2] %
Discount rate	**5.5**	**3.4 - 6.9**	**2.5 – 6.9**	4.6	3.3-7.4	3.1-7.4
Price inflation	**2.5**	**2.0 – 5.0**	**2.0 – 5.0**	2.5	2.2-5.0	2.0-5.0
Salary increases	**n/a**	**3.5 – 8.5**	**4.0 – 8.5**	n/a	3.7-8.5	4.0-8.5
Pension increases	**2.3**	**0.0 – 2.9**	**0.0 – 2.3**	2.3	0.0-2.9	0.0-2.3
Post-retirement medical rate	**n/a**	**n/a**	**8% in 2024 reducing by 0.5% per annum to 5% in 2030**			8% in 2023 reducing by 0.5% per annum to 5% in 2029

1 The range of assumptions shown is for the main funded defined benefit overseas plans in Germany, India, Jersey, and the US. These comprise around 85 per cent of the total liabilities of funded overseas defined benefit plans

2 The range of assumptions shown is for the main unfunded plans in, India, Thailand, UAE, UK and the US. They comprise around 90 per cent of the total liabilities of unfunded plans

The principal non-financial assumptions are those made for UK life expectancy. The UK mortality tables are S4PMA for males and S4PFA for females, projected by year of birth with the CMI 2023 improvement model with a 1.25% annual trend and initial addition parameter of 0.25%. Scaling factors of 81% for male pensioners, 93% for female pensioners, 81% for male dependants and 81% for female dependants have been applied.

The assumptions for life expectancy for the UK Fund are that a male member currently aged 60 will live for 28 years (31 December 2023: 27 years) and a female member for 29 years (31 December 2023: 30 years) and a male member currently aged 40 will live for 29 years (31 December 2023: 29 years) and a female member for 31 years (31 December 2023: 32 years) after their 60th birthdays.

29. Retirement benefit obligations continued

Both financial and non-financial assumptions can be expected to change in the future, which would affect the value placed on the liabilities. For example, changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

- If the discount rate increased by 25 basis points, the liability would reduce by approximately $25 million for the UK Fund (31 December 2023: $35 million) and $15 million for the other plans (31 December 2023: $20 million)
- If the rate of inflation increased by 25 basis points, the liability allowing for the consequent impact on pension and salary increases, would increase by approximately $15 million for the UK Fund (31 December 2023: $20 million) and $10 million for the other plans (31 December 2023: $10 million)
- If the rate of salary growth relative to inflation increased by 25 basis points, the liability would increase by nil for the UK Fund (31 December 2023: nil) and approximately $5 million for the other plans (31 December 2023: $5 million)
- If longevity expectations increased by one year, the liability would increase by approximately $35 million for the UK Fund (31 December 2023: $35 million) and $10 million for the other plans (31 December 2023: $10 million)

Although this analysis does not take account of the full distribution of cash flows expected under the UK Fund, it does provide an approximation of the sensitivity to the main assumptions. While changes in other assumptions would also have an impact, the effect would not be as significant.

Profile of plan obligations

	Funded plans		Unfunded plans
	UK Fund	Overseas	
Duration of the defined benefit obligation (in years)	10	9	8
Duration of the defined benefit obligation – 2023	11	11	9
Benefits expected to be paid from plans			
Benefits expected to be paid during 2025	83	47	19
Benefits expected to be paid during 2026	85	47	17
Benefits expected to be paid during 2027	88	48	16
Benefits expected to be paid during 2028	90	51	17
Benefits expected to be paid during 2029	92	57	16
Benefits expected to be paid during 2030 to 2034	495	320	78

Fund values:

The fair value of assets and present value of liabilities of the defined benefit plans were:

	2024						2023					
	UK Fund			Overseas plans			UK Fund			Overseas plans		
	Quoted assets $million	Unquoted assets $million	Total assets $million	Quoted assets $million	Unquoted assets $million	Total assets $million	Quoted assets $million	Unquoted assets $million	Total assets $million	Quoted assets $million	Unquoted assets $million	Total assets $million
At 31 December												
Equities	2	–	2	43	–	43	2	–	2	44	–	44
Government bonds	342	–	342	204	–	204	443	–	443	119	–	119
Corporate bonds	357	126	483	253	–	253	360	113	473	148	–	148
Hedge funds	–	5	5	–	–	–	–	9	9	–	–	–
Infrastructure	–	170	170	–	–	–	–	166	166	–	–	–
Property	–	81	81	–	16	16	–	84	84	–	–	–
Derivatives	22	(1)	21	–	–	–	2	5	7	–	–	–
Cash and equivalents	35	–	35	29	–	29	66	–	66	20	–	20
Others	7	2	9	–	88	88	7	2	9	–	78	78
Total fair value of assets[1]	765	383	1,148	529	104	633	880	379	1259	331	78	409

1 Self-investment is monitored closely and is less than $1 million of Standard Chartered equities and bonds for 2024 (2023: <$1 million). Self-investment is only allowed where it is not practical to exclude it – for example through investment in index-tracking funds where the Standard Chartered Group is a constituent of the relevant index

29. Retirement benefit obligations continued

	2024			2023		
	Funded plans			Funded plans		
	UK Fund $million	Overseas Plans $million	Unfunded Plans $million	UK Fund $million	Overseas Plans $million	Unfunded Plans $million
Total fair value of assets	1,148	633	n/a	1259	409	n/a
Present value of liabilities	(1,070)	(655)	(174)	(1219)	(429)	(181)
Net pension plan asset / (obligation)	78	(22)	(174)	40	(20)	(181)
Of which: Total pension assets in respect of plans in surplus	78	41	–	40	35	
Of which: Total pension obligations in respect of plans in deficit	–	(63)	(174)		(55)	(181)

The pension cost for defined benefit plans was:

	2024				2023			
	Funded plans				Funded plans			
	UK Fund $million	Overseas Plans $million	Unfunded Plans $million	Total $million	UK Fund $million	Overseas plans $million	Unfunded plans $million	Total $million
Current service cost[1]	–	19	7	26	–	15	9	24
Past service cost and curtailments[2]	–	2	(1)	1	8	–	–	8
Settlement cost[3]	–	3	–	3	–	2	–	2
Interest income on pension plan assets	(56)	(26)	–	(82)	(57)	(25)	–	(82)
Interest on pension plan liabilities	54	27	8	89	56	25	8	89
Total charge to profit before deduction of tax	(2)	25	14	37	7	17	17	41
Net (gain) / losses on plan assets[4]	78	(3)		75	(18)	(50)		(68)
(Gains) / losses on liabilities	(103)	3	(1)	(101)	30	57	8	95
Total (gains)/losses recognised directly in statement of comprehensive income before tax	(25)	–	(1)	(26)	12	7	8	27
Deferred taxation	5	3	–	8	(1)	(6)	–	(7)
Total (gains) /losses after tax	(20)	3	(1)	(18)	11	1	8	20

1 Includes administrative expenses paid out of plan assets of $1 million (2023: $1 million)
2 Includes plan amendments in India
3 Termination benefits paid in Indonesia
4 The actual return on the UK Fund assets was a loss of $22 million (2023: $75 million gain) and on overseas plan assets was a gain of $29 million (2023: $75 million gain)

29. Retirement benefit obligations continued

Movement in the defined benefit pension deficit during the year comprise:

	2024				2023			
	Funded plans				Funded plans			
	UK Fund $million	Overseas plans $million	Unfunded plans $million	Total $million	UK Fund $million	Overseas plans $million	Unfunded plans $million	Total $million
Surplus/(deficit) at 1 January	40	(20)	(181)	(161)	48	(28)	(167)	(147)
Contributions	13	18	17	48	8	38	14	60
Current service cost[1]	–	(19)	(7)	(26)	–	(15)	(9)	(24)
Past service cost and curtailments	–	(2)	1	(1)	(8)	–	–	(8)
Settlement costs and transfers impact	–	(3)	–	(3)	–	(2)	–	(2)
Net interest on the net defined benefit asset/liability	2	(1)	(8)	(7)	1	–	(8)	(7)
Actuarial gains/(losses)	25	–	1	26	(12)	(7)	(8)	(27)
Assets held for sale[2]	–	–	–	–	–	(7)	6	(1)
Other Movement[3]	–	(1)	–	(1)				
Exchange rate adjustment	(2)	6	3	7	3	1	(9)	(5)
Surplus/(deficit) at 31 December[1]	**78**	**(22)**	**(174)**	**(118)**	40	(20)	(181)	(161)

1 Includes administrative expenses paid out of plan assets of $1 million (2023: $1 million)
2 For 2023 this included the impact of plans in Cameroon, Cote D'Ivoire, Jordan and Zimbabwe being excluded from the closing balances and classified separately under Assets held for Sale.
3 This relates to the Standard Chartered India Provident Fund, which has previously been treated as a defined contribution plan. However, with effect from November 2024, a minimum rate of return is applicable to the plan, and so going forward it will be treated as a defined benefit plan as required by IAS 19.

The Bank Group's expected contribution to its defined benefit pension plans in 2025 is $48 million.

	2024			2023		
	Assets $million	Obligations $million	Total $million	Assets $million	Obligations $million	Total $million
At 1 January	1,668	(1,829)	(161)	1,552	(1,699)	(147)
Contributions[1]	49	(1)	48	61	(1)	60
Current service cost[2]	–	(26)	(26)	–	(24)	(24)
Past service cost and curtailments	–	(1)	(1)	–	(8)	(8)
Settlement costs[3]	–	(3)	(3)	–	(2)	(2)
Interest cost on pension plan liabilities	–	(89)	(89)	–	(89)	(89)
Interest income on pension plan assets	82	–	82	82	–	82
Benefits paid out	(131)	131	–	(120)	120	–
Actuarial gains/(losses)[4]	(75)	101	26	68	(95)	(27)
Asset held for Sale	–	–	–	(7)	6	(1)
Other Movement[5]	212	(213)	(1)	–	–	–
Exchange rate adjustment	(24)	31	7	32	(37)	(5)
At 31 December	**1,781**	**(1,899)**	**(118)**	1,668	(1,829)	(161)

1 Includes employee contributions of $1 million (2023: $1 million)
2 Includes administrative expenses paid out of plan assets of $1 million (2023: $1 million)
3 Impact of settlements relates to termination benefits paid in Indonesia.
4 Actuarial gain on obligation comprises of $133 million gain (2023: $28 million loss) from financial assumption changes, $1 million gain (2023: $1 million loss) from demographic assumption changes and $33 million loss (2023: $34 million loss) from experience.
5 These are assets and liabilities of the Standard Chartered India Provident Fund, which has previously been treated as a defined contribution plan. However, with effect from November 2024, a minimum rate of return is applicable to the plan, and so going forward it will be treated as a defined benefit plan as required by IAS 19

29. Retirement benefit obligations continued

Company

Retirement benefit obligations comprise:

	Obligation		Charge	
	2024 $million	2023 $million	2024 $million	2023 $million
Defined benefit plans obligation	81	128	22	29
Defined contribution plans obligation	1	5	147	135
Net	82	133	169	164

Retirement benefit charge comprises:

UK Fund

See the Bank Group section on the UK Fund in this note (page 215). There are no differences between Bank Group and Company in respect of the Fund

Overseas Plans

The principal overseas defined benefit arrangements operated by the Company are in Germany, Jersey, India, United Arab Emirates (UAE) and the United States of Americas (US).

All Plans

The disclosures required under IAS 19 have been calculated by qualified independent actuaries based on the most recent full actuarial valuations updated, where necessary, to 31 December 2024.

The financial assumptions used at 31 December 2024 as shown below. Sensitivities are recorded on page 216 of the Bank Group accounts and those for non-UK Fund plans are applicable in proportion to the lower liabilities of the Company.

	2024			2023		
	UK Fund %	Overseas Plans[1] %	Unfunded Plans[2] %	UK Funded %	Overseas Plans[1] %	Unfunded Plans[2] %
Discount rate	5.5	3.4 – 12.5	4.5 – 6.9	4.6	3.3-7.4	4.6-7.4
Price inflation	2.5	2.0 – 6.0	2.5 – 6.9	2.5	2.2-5.0	2.5-5.0
Salary increases	n/a	3.5 – 8.5	4.5 – 8.5	n/a	3.7-8.5	4.5 -8.5
Pension increases	2.3	0.0 – 2.9	0.0 – 2.3	2.3	0.0-2.9	0.0-2.3
Post-retirement medical rate	n/a	n/a	8% in 2024 reducing by 0.5% per annum to 5% in 2030	n/a	n/a	8% in 2023 reducing by 0.5% per annum to 5% in 2029

1 The range of assumptions shown is for the main funded defined benefit overseas plans in Germany, Bangladesh, India, Jersey and the US. These comprise around 90 per cent of the total liabilities of funded overseas plans

2 The range of assumptions shown is for the main unfunded defined benefit plans in India, UAE, UK and the US. These comprise around 90 per cent of the total liabilities of unfunded plans

29. Retirement benefit obligations continued

Fund values:

The fair value of assets and present value of liabilities of the defined benefit plans were:

	2024						2023					
	UK Fund			Overseas plans			UK Fund			Overseas plans		
	Quoted assets $million	Unquoted assets $million	Total assets $million	Quoted assets $million	Unquoted assets $million	Total assets $million	Quoted assets $million	Unquoted assets $million	Total assets $million	Quoted assets $million	Unquoted assets $million	Total assets $million
At 31 December												
Equities	2	–	2	35	–	35	2	–	2	39	–	39
Government bonds	342	–	342	195	–	195	443	–	443	111	–	111
Corporate bonds	357	126	483	250	–	250	360	113	473	146	–	146
Hedge funds	–	5	5	–	–	–	–	9	9	–	–	–
Infrastructure	–	170	170	–	–	–	–	166	166	–	–	–
Property	–	81	81	–	15	15	–	84	84	–	–	–
Derivatives	22	(1)	21	–	–	–	2	5	7	–	–	–
Cash and equivalents	35	–	35	22	–	22	66	-	66	12	–	12
Others	7	2	9	–	37	37	7	2	9	–	32	32
Total fair value of assets[1]	765	383	1,148	502	52	554	880	379	1259	308	32	340

1 Self investment is monitored closely and is less than $1 million of Standard Chartered equities and bonds for 2024 (2023: <$1 million). Self-investment is only allowed where it is not practical to exclude it – for example through investment in index-tracking funds where the Bank is a constituent of the relevant index

	At 31 December 2024			At 31 December 2023		
	Funded plans		Unfunded Plans $million	Funded plans		Unfunded Plans $million
	UK Fund $million	Overseas Plans $million		UK Fund $million	Overseas Plans $million	
Total fair value of assets	1,148	554	n/a	1259	340	n/a
Present value of liabilities	(1,070)	(553)	(160)	(1219)	(338)	(170)
Net pension plan asset / (obligation)	78	1	(160)	40	2	(170)
Of which: Total pension assets in respect of plans in surplus	78	40	–	40	34	–
Of which: Total pension obligations in respect of plans in deficit	–	(39)	(160)	–	(32)	(170)

29. Retirement benefit obligations continued

The pension cost for defined benefit plans was:

	2024				2023			
	Funded plans				Funded plans			
	UK Fund $million	Overseas plans $million	Unfunded plans $million	Total $million	UK Fund $million	Overseas plans $million	Unfunded plans $million	Total $million
Current service cost[1]	–	9	4	13	–	7	6	13
Past service cost and curtailments[2]	–	2	(1)	1	8	–	–	8
Settlement cost[3]	–	3	–	3	–	2	–	2
Interest income on pension plan assets	(56)	(19)	–	(75)	(57)	(18)	–	(75)
Interest on pension plan liabilities	54	18	8	80	56	18	7	81
Total charge to profit before deduction of tax	(2)	13	11	22	7	9	13	29
Net gain / losses on plan assets[4]	78	(2)		76	(18)	(13)	–	(31)
Gains / losses on liabilities	(103)	(1)	(1)	(105)	30	18	8	56
Total (gains)/losses recognised directly in statement of comprehensive income before tax	(25)	(3)	(1)	(29)	12	5	8	25
Deferred taxation	5	1	–	6	(1)	(3)	–	(4)
Total (gains) /losses after tax	(20)	(2)	(1)	(23)	11	2	8	21

1 Includes administrative expenses paid out of plan assets of $1 million (31 December 2023: $1 million)
2 Relates to plan amendments in India
3 Termination benefits paid from the pension fund in Indonesia
4 The actual return on the UK Fund assets was a loss of $22 million (31 December 2023: $75 million gain) and on overseas plan assets was a gain of $21 million (31 December 2023: $31 million gain)

Movement in the defined benefit pension plans and post-retirement medical deficit during the year comprise:

	2024				2023			
	Funded plans				Funded plans			
	UK Fund $million	Overseas plans $million	Unfunded plans $million	Total $million	UK Fund $million	Overseas plans $million	Unfunded plans $million	Total $million
Surplus/(Deficit) at 1 January	40	2	(170)	(128)	48	(10)	(158)	(120)
Contributions	13	10	16	39	8	26	12	46
Current service cost	–	(9)	(4)	(13)	–	(7)	(6)	(13)
Past service cost and curtailments	–	(2)	1	(1)	(8)	–	–	(8)
Settlement costs and transfers impact	–	(3)	–	(3)	–	(2)	–	(2)
Net interest on the net defined benefit asset/liability	2	1	(8)	(5)	1	–	(7)	(6)
Actuarial (losses)/gains	25	3	1	29	(12)	(5)	(8)	(25)
Asset held for Sale[1]	–	–	–	–	–	–	(1)	(1)
Other Movement[2]	–	(1)	–	(1)	–	–	–	–
Exchange rate adjustment	(2)	–	4	2	3	–	(2)	1
Surplus/(Deficit) at 31 December	78	1	(160)	(81)	40	2	(170)	(128)

1 This reflects the sale of the business in Jordan.
2 This relates to the Standard Chartered India Provident Fund, which has previously been treated as a defined contribution plan. However, with effect from November 2024, a minimum rate of return is applicable to the plan, and so going forward it will be treated as a defined benefit plan as required by IAS 19.

29. Retirement benefit obligations continued

The Company's expected contribution to its defined benefit pension plans in 2025 is $44 million

	2024			2023		
	Assets $million	Obligations $million	Total $million	Assets $million	Obligations $million	Total $million
At 1 January	1,599	(1,727)	(128)	1,491	(1,611)	(120)
Contributions	39	–	39	46	–	46
Current service cost[1]	–	(13)	(13)	–	(13)	(13)
Past service cost and curtailments	–	(1)	(1)	–	(8)	(8)
Settlement costs	–	(3)	(3)	–	(2)	(2)
Interest cost on pension plan liabilities	–	(80)	(80)	–	(81)	(81)
Interest income on pension plan assets	75	–	75	75	–	75
Benefits paid out	(123)	123	–	(114)	114	–
Actuarial (losses)/gains[2]	(76)	105	29	31	(56)	(25)
Asset held for Sale	–	–	–	–	(1)	(1)
Other Movement[3]	212	(213)	(1)	–	–	–
Exchange rate adjustment	(24)	26	2	70	(69)	1
At 31 December	**1,702**	**(1,783)**	**(81)**	1,599	(1,727)	(128)

1 Includes administrative expenses paid out of plan assets of $1 million (31 December 2023: $1 million)

2 Actuarial gain on obligation comprises of $135 million gain (31 December 2023: $25 million loss) from financial assumption changes, $1 million gain (31 December 2023: $1 million loss) from demographic assumption changes and $31 million loss (31 December 2023: $30 million loss) from experience

3 These are assets and liabilities of the Standard Chartered India Provident Fund, which has previously been treated as a defined contribution plan. However, with effect from November 2024, a minimum rate of return is applicable to the plan, and so going forward it will be treated as a defined benefit plan as required by IAS 19.

30. Share-based payments

Accounting policy

The Group operates equity-settled and cash-settled share-based compensation plans. The fair value of the employee services (measured by the fair value of the awards granted) received in exchange for the grant of the shares and awards is recognised as an expense. For deferred share awards granted as part of an annual performance award, the expense is recognised over the period from the start of the performance period to the vesting date. For example, the expense for three-year awards granted in 2024 in respect of 2023 performance, which vest in 2025-2027, is recognised as an expense over the period from 1 January 2023 to the vesting dates in 2025-2027. For all other awards, the expense is recognised over the period from the date of grant to the vesting date.

For equity-settled awards, the total amount to be expensed over the vesting period is determined by reference to the fair value of the shares and awards at the date of grant, which excludes the impact of any non-market vesting conditions (for example, profitability and growth targets). The fair value of equity instruments granted is based on market prices, if available, at the date of grant. In the absence of market prices, the fair value of the instruments is estimated using an appropriate valuation technique, such as a binomial option pricing model. Non-market vesting conditions are included in assumptions for the number of shares and awards that are expected to vest.

At each balance sheet date, the Group revises its estimates of the number of shares and awards that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statement and a corresponding adjustment to equity over the remaining vesting period. Forfeitures prior to vesting attributable to factors other than the failure to satisfy service conditions and non-market vesting conditions are treated as a cancellation and the remaining unamortised charge is debited to the income statement at the time of cancellation. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when awards in the form of options are exercised.

Cash-settled awards are revalued at each balance sheet date and a liability recognised on the balance sheet for all unpaid amounts, with any changes in fair value charged or credited to staff costs in the income statement until the awards are exercised. Where forfeitures occur prior to vesting that are attributable to factors other than a failure to satisfy service conditions or market-based performance conditions, the cumulative charge incurred up to the date of forfeiture is credited to the income statement.

30. Share-based payments continued

Other accounting estimates and judgements

Share-based payments involve judgement and estimation uncertainty exists when determining the expenses and carrying values of share awards at the balance sheet date.

- LTIP awards are determined using an estimation of the probability of meeting certain metrics over a three-year performance period using the Monte Carlo simulation model.
- Deferred shares are determined using an estimation of expected dividends.
- Sharesave Plan valuations are determined using a binomial option-pricing model.

The Group operates a number of share-based arrangements for its executive directors and employees. Details of the share-based payment charge are set out below.

	2024[1] Total $million	2023[1] Total $million
Deferred share awards	125	99
Other share awards	96	75
Total share-based payments[1,2]	**221**	174

1 No forfeiture assumed
2 Includes $2 million (2023: $1 million) of share-based payments reported in 'other staff costs'. This reflects Bank Group's requirement under IFRS 2 to account for cash-settled awards made to employees of Bank Group settled by Standard Chartered PLC with payments linked to PLC's share price as equity-settled awards

Discretionary share plans

The 2021 Standard Chartered Share Plan (the '2021 Plan') was approved by shareholders in May 2021 and is the Group's main share plan, replacing the 2011 Standard Chartered Share Plan (the '2011 Plan') for new awards from June 2021. It is used to deliver various types of share awards to employees and former employees of the Group, including directors and former executive directors:

Award type	Description and performance measures	Valuation
Long Term Incentive Plan (LTIP) awards	The vesting of awards granted in 2024, 2023 and 2022 are subject to the following performance measures: • relative total shareholder return (TSR); • return on tangible equity (RoTE) (with a Common Equity Tier 1 (CET1) underpin); and • strategic measures (including targets set for sustainability linked to business strategy) Each measure is assessed independently over a three-year period. LTIP awards have an individual conduct gateway requirement that results in the award lapsing if not met.	The fair value of the relative TSR component is calculated using the probability of meeting the measures over a three-year performance period, using a Monte Carlo simulation model. The value of the remaining components is based on the expected performance against the RoTE and strategic measures in the scorecard and the resulting estimated number of shares expected to vest at each reporting date. These combined values are used to determine the accounting charge. No dividend equivalents accrue for the LTIP awards made in 2024, 2023 or 2022 and the fair value takes this into account, calculated by reference to market consensus dividend yield.
Deferred shares	Used to deliver: • the deferred portion of year-end variable remuneration, in line with both market practice and regulatory requirements. These awards vest in instalments on anniversaries of the award date specified at the time of grant. This enables the Group to meet regulatory requirements relating to deferral levels, and is in line with market practice. • replacement buy-out awards to new joiners who forfeit awards on leaving their previous employers. These vest in the quarter most closely following the date when the award would have vested at the previous employer. This enables the Group to meet regulatory requirements relating to buy-outs, and is in line with market practice. Deferred share awards are not subject to any performance measures.	The fair value for deferred shares, which are granted to employees who are not categorised as material risk takers, is based on 100 per cent of the face value of the shares at the date of grant as the share price will reflect expectations of all future dividends. For awards granted to material risk takers in 2024, the fair value of awards takes into account the lack of dividend equivalents, calculated by reference to market consensus dividend yield.

The remaining life of the 2021 Standard Chartered Share Plan during which new awards can be made is seven years.

30. Share-based payments continued
LTIP awards

	2024	2023
Grant date	12-March	13-March
Share price at grant date (£)	6.60	7.40
Vesting period (years)	3-7	3-7
Expected divided yield (%)	4.2	3.1
Fair value (RoTE) (£)	1.55,1.61,1.68	1.91, 1.85
Fair value (TSR) (£)	0.95,1.01,1.06	1.08, 1.04
Fair value (Strategic) (£)	2.06,2.15,2.24	2.54, 2.46

Deferred shares – year-end

	2024			
Grant date	17 June		11 March	
Share price at grant date (£)	7.24		6.56	
Vesting period (years)	Expected dividend yield (%)	Fair value (£)	Expected dividend yield (%)	Fair value (£)
1-3 years	N/A	9.17	4.2, 4.2	7.65, 8.30
1-5 years	3.8, 3.8, 3.8	8.05, 8.20, 8.35	4.2, 4.2, NA	7.19, 7.49, 8.30
3-7 years			4.2, 4.2	6.49, 6.76

	2023					
Grant date	18 September		19 June		13 March	
Share price at grant date (£)	7.43		6.75		7.40	
Vesting period (years)	Expected dividend yield (%)	Fair value (£)	Expected dividend yield (%)	Fair value (£)	Expected dividend yield (%)	Fair value (£)
1-3 years	N/A	7.43	3.3	6.75	3.1	7.40
1-5 years	3.0	6.51	3.3, 3.3	5.83, 6.23	3.1, 3.1	6.85, 6.65
3-7 years					3.1,3.1,3.1,3.1	6.65, 6.75, 6.35, 6.16

Deferred shares – buy-outs

	2024							
Grant date	18-Nov		23-Sep		17-Jun		11-Mar	
Share price at grant date (£)	9.43		7.59		7.24		6.56	
Vesting period (years)	**Expected dividend yield (%)**	**Fair value (£)**	**Expected dividend yield (%)**	**Fair value (£)**	**Expected dividend yield (%)**	**Fair value (£)**	**Expected dividend yield (%)**	**Fair value (£)**
3 months			4.2	9.59	3.8	9.07	4.2	8.22
4 months	4.2	11.83						
6 months			4.2	9.49	3.8	8.99	4.2	8.14
7 months	4.2	11.69						
9 months			4.2	9.4	3.8	8.90	4.2	8.06
10 months								
1 year	4.2	11.22, 11.36	4.2	9.02, 9.11, 9.21, 9.30	3.8	8.58, 8.66, 8.74	4.2	7.73, 7.81, 7.89, 7.97
1.4 years								
2 years	4.2	10.77, 10.90	4.2	8.65, 8.74, 8.83, 8.93	3.8	8.26, 8.34	4.2	7.42, 7.50, 7.57, 7.65
2.4 years								
3 years	4.2	10.46	4.2	8.39			4.2	7.20, 7.34
4 years	4.2	10.04					4.2	7.05
5 years								

30. Share-based payments continued

	2023							
Grant date	20-Nov		18-Sep		19-Jun		13-Mar	
Share price at grant date (£)	6.60		7.43		6.75		7.40	
Vesting period (years)	Expected dividend yield (%)	Fair value (£)	Expected dividend yield (%)	Fair value (£)	Expected dividend yield (%)	Fair value (£)	Expected dividend yield (%)	Fair value (£)
3 months			3.0	7.38	3.3	6.7	3.1	7.34
4 months	3.0	6.54						
6 months			3.0	7.32	3.3	6.64		
7 months	3.0	6.49						
9 months			3.0	7.27	3.3	6.48, 6.59		
10 months	3.0	6.44						
1 year	3.0	6.25, 6.30, 6.35, 6.39	3.0	7.06, 7.11, 7.16, 7.22	3.3	6.18, 6.38, 6.43, 6.54	3.1	7.12, 7.18
2 years	3.0	6.12, 6.16, 6.21	3.0	6.85, 6.9, 6.95, 7.01	3.3	5.98, 6.18, 6.33	3.1	6.91, 6.96
3 years	3.0	5.94, 5.98, 6.03	3.0	6.65, 6.7, 6.8	3.3	5.79, 5.98, 6.13	3.1	6.70, 6.75
4 years	3.0	5.76					3.1	6.50, 6.55
5 years							3.1	6.35

All Employee Sharesave Plans
Under the 2023 Sharesave Plan, employees may open a savings contract and save up to £500 (increased from £250 since 2024) per month over three years to purchase ordinary shares in the Company at a discount of up to 20 per cent (the 'option exercise price'). The discount applies to the higher of the 5-day average share price prior to the invitation or the closing share price on the last trading day prior to the invitation. At the end of the savings contract they have a period of six months to exercise the option. There are no performance measures attached to Sharesave options and no exercise price is payable to receive an option. In some countries in which the Group operates, it is not possible to operate equity-settled Sharesave, typically due to securities law and regulatory restrictions. In these countries, where possible, the Group offers an equivalent cash-based alternative to its employees.

The remaining life of the 2023 Sharesave Plan during which new awards can be made is nine years.

Valuation – Sharesave:
Options under the Sharesave plans are valued using a binomial option-pricing model. The same fair value is applied to all employees including executive directors. The fair value per option granted and the assumptions used in the calculation are as follows:

All Employee Sharesave Plan (Sharesave)

	2024	2023
Grant date	**23 September**	18 September
Share price at grant date (£)	**7.59**	7.35
Exercise price (£)	**6.10**	5.88
Vesting period (years)	**3**	3
Expected volatility (%)	**32.9**	36.7
Expected option life (years)	**3.5**	3.5
Risk-free rate (%)	**3.88**	4.48
Expected dividend yield (%)	**4.2**	3.0
Fair value (£)	**2.73**	3.05

The expected volatility is based on historical volatility over the last three years, or the three years prior to grant. The expected life is the average expected period to exercise. The risk-free rate of return is the yield on zero-coupon UK Government bonds of a term consistent with the assumed option life. The expected dividend yield is calculated by reference to market consensus dividend yield.

30. Share-based payments continued

Limits

An award shall not be granted under the 2021 Plan in any calendar year if, at the time of its proposed grant, it would cause the number of Standard Chartered PLC ordinary shares allocated in the period of 10 calendar years, ending with that calendar year, under the 2021 Plan and under any other discretionary share plan operated by Standard Chartered PLC to exceed 5 per cent of the ordinary share capital of Standard Chartered PLC in issue at that time.

An award shall not be granted under the 2021 Plan or 2023 Sharesave Plan in any calendar year if, at the time of its proposed grant, it would cause the number of Standard Chartered PLC ordinary shares allocated in the period of 10 calendar years ending with that calendar year, under the 2021 Plan or 2023 Sharesave Plan and under any other employee share plan operated by Standard Chartered PLC to exceed 10 per cent of the ordinary share capital of Standard Chartered PLC in issue at that time.

An award shall not be granted under the 2021 Plan or 2023 Sharesave Plan in any calendar year if, at the time of its proposed grant, it would cause the number of Standard Chartered PLC ordinary shares which may be issued or transferred pursuant to awards then outstanding under the 2021 Plan or 2023 Sharesave Plan as relevant to exceed such number as represents 10 per cent of the ordinary share capital of Standard Chartered PLC in issue at that time.

The number of Standard Chartered PLC ordinary shares which may be issued pursuant to awards granted to an individual under the 2021 or 2023 Plan in any 12-month period must not exceed 1 per cent of the ordinary share capital of Standard Chartered PLC in issue at that time.

Standard Chartered PLC has been granted a waiver from strict compliance with Rules 17.03A, 17.03B(1), 17.03E and 17.03(18) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong. Details are set out in the market announcement made on 4 May 2023.

Reconciliation of share award movements for the year to 31 December 2024

	Discretionary[1]			
	LTIP	Deferred shares	Sharesave[4,5]	Weighted average Sharesave exercise price (£)
Outstanding at 1 January 2024	10,338,310	39,709,125	10,876,723	4.57
Granted[2,3]	2,058,432	21,439,877	6,550,317	–
Lapsed[6]	(2,590,658)	(1,362,325)	(1,011,865)	4.91
Exercised	(877,142)	(16,687,307)	(2,618,370)	3.44
Outstanding at 31 December 2024	8,928,942	43,099,370	13,796,805	5.49
Total number of securities available for issue under the plan	8,928,942	43,099,370	13,796,805	
Percentage of the issued shares this represents as at 31 December 2024	0.37	1.78	0.57	5.49
Exercisable as at 31 December 2024	–	245,006	738,353	3.82
Range of exercise prices (£)[3]	–	–	3.67 – 6.10	
Intrinsic value of vested but not exercised options ($ million)	0.00	3.03	5.60	
Weighted average contractual remaining life (years)	7.28	8.19	2.59	
Weighted average share price for awards exercised during the period (£)	6.60	6.68	8.25	

1 Granted under the 2021 Plan and 2011 Plan. Employees do not contribute to the cost of these awards.
2 2,053,159 (LTIP) granted on 12 March 2024; 5,059 (LTIP) granted as a notional dividend on 1 March 2024; 214 (LTIP) granted as a notional dividend on 8 August 2024. 20,352,568 (Deferred shares) granted on 11 March 2024; 181,907 (Deferred shares) granted as a notional dividend on 1 March 2024; 452,138 (Deferred shares) granted on 17 June 2024; 69,815 (Deferred shares) granted as a notional dividend on 8 August 2024; 184,526 (Deferred shares) granted on 23 September 2024; 198,923 (Deferred shares) granted on 18 November 2024. 6,550,317 (Sharesave) granted on 23 September 2024.
3 No discretionary awards (LTIP or deferred/buy-out awards) have been granted in the form of options since June 2015. For historic awards granted as options and exercised in the period to 31 Dec 2024, the exercise price of deferred/ buy-out shares options was nil.
4 For Sharesave granted in 2024 the exercise price is £6.10 per share, a 20% discount from the closing share price on 16 August 2024 (£7.624). The average of the closing prices over the five days to the invitation date of 19 August 2024 was £7.421.
5 All Sharesave awards are in the form of options. The exercise price of Sharesave options exercised is £ 6.10 for options granted in 2024, £ 5.88 for options granted in 2023, £4.23 for options granted in 2022, £3.67 for options granted in 2021, and £3.14 for options granted in 2020.
6 No options or share awards were cancelled in the period.

See page 234 and 237 to 238 for information specific to Directors

30. Share-based payments continued

Reconciliation of share award movements for the year to 31 December 2023

	Discretionary[1] LTIP	Discretionary[1] Deferred shares	Sharesave	Weighted average Sharesave exercise price (£)
Outstanding at 1 January 2023	10,739,911	39,721,124	9,959,559	3.85
Granted[2,3]	2,019,504	18,097,855	3,994,289	-
Lapsed	(1,815,215)	(1,067,731)	(1,021,483)	4.17
Exercised	(605,890)	(17,042,123)	(2,055,642)	3.81
Outstanding at 31 December 2023	10,338,310	39,709,125	10,876,723	4.57
Total number of securities available for issue under the plan	10,338,310	39,709,125	10,876,723	4.57
Percentage of the issued shares this represents as at 31 December 2023	0.39	1.49	0.41	
Exercisable as at 31 December 2023	-	670,108	1,319,426	3.17
Range of exercise prices (£)[3]	-	-	3.14 - 5.88	
Intrinsic value of vested but not exercised options ($ million)	0.00	5.69	5.88	
Weighted average contractual remaining life (years)	5.79	8.16	2.39	
Weighted average share price for awards exercised during the period (£)	6.95	7.04	6.68	

1 Granted under the 2021 Plan and 2011 Plan. Employees do not contribute to the cost of these awards

2 2,011,685 (LTIP) granted on 13 March 2023, 6,501 (LTIP) granted as a notional dividend on 1 March 2023, 1318 (LTIP) granted as a notional dividend on 1 September 2023, 17,360,108 (Deferred shares) granted on 13 March 2023, 96,805 (Deferred shares) granted as a notional dividend on 1 March 2023, 288,238 (Deferred shares) granted on 19 June 2023, 218,497 (Deferred shares) granted on 18 September 2023, 41,298 (Deferred shares) granted as a notional dividend on 1 September 2023, 92,909 (Deferred shares) granted on 20 November 2023; 3,994,289 (Sharesave) granted on 18 September 2023 under the 2023 Sharesave Plan

3 For Sharesave granted in 2023 the exercise price is £5.88 per share, a 20% discount from the average of the closing prices over the five days to the invitation date of 21 August 2023. The closing share price on 18 August 2013 was £7.214.

For information specific to Directors, please look at 293 and 294 of the 2023 Standard Chartered Bank Directors' Report and Financial Statements.

31. Investments in subsidiary undertakings, joint ventures and associates

Accounting policy

Associates and joint arrangements

The Group did not have any contractual interest in joint operations.

Investments in associates and joint ventures are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates and joint ventures includes goodwill identified on acquisition (net of any accumulated impairment loss).

The Group's share of its associates' and joint ventures' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate or a joint venture equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. At each balance sheet date, the Group assesses whether there is any objective evidence of impairment in the investment in associates and joint ventures. Such evidence includes a significant or prolonged decline in the fair value of the Group's investment in an associate or joint venture below its cost, among other factors.

Significant accounting estimates and judgements

The Group applies judgement in determining if it has control, joint control or significant influence over subsidiaries, joint ventures and associates respectively. These judgements are based upon identifying the relevant activities of counterparties, being those activities that significantly affect the entities returns, and further making a decision of if the Group has control over those entities, joint control, or has significant influence (being the power to participate in the financial and operating policy decisions but not control them).

These judgements are at times determined by equity holdings, and the voting rights associated with those holdings. However, further considerations including but not limited to board seats, advisory committee members and specialist knowledge of some decision-makers are also taken into account. Further judgement is required when determining if the Group has de-facto control over an entity even though it may hold less than 50% of the voting shares of that entity. Judgement is required to determine the relative size of the Group's shareholding when compared to the size and dispersion of other shareholders.

31. Investments in subsidiary undertakings, joint ventures and associates continued

Impairment testing of investments in associates and joint ventures, and on a Company level investments in subsidiaries is performed if there is a possible indicator of impairment. Judgement is used to determine if there is objective evidence of impairment. Objective evidence may be observable data such as losses incurred on the investment when applying the equity method, the granting of concessions as a result of financial difficulty, or breaches of contracts/regulatory fines of the associate or joint venture. Further judgement is required when considering broader indicators of impairment such as losses of active markets or ratings downgrades across key markets in which the associate or joint venture operate in.

Impairment testing is based on estimates including forecasting the expected cash flows from the investments, growth rates, terminal values and the discount rate used in calculation of the present values of those cash flows. The estimation of future cash flows and the level to which they are discounted is inherently uncertain and requires significant judgement.

Business combinations

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

In the Company's financial statements, investment in subsidiaries, associates and joint ventures are held at cost less impairment and dividends from pre-acquisition profits received prior to 1 January 2009, if any. Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated in the Group accounts.

Investments in subsidiary undertakings	2024 $million	2023 $million
As at 1 January	**10,066**	10,300
Additions[1]	**601**	529
Disposal	**(7)**	(465)[2]
Impairment release/(charge)	**11**	(298)[3]
As at 31 December	**10,671**	10,066

1 Includes issuances of $580.4 million to Standard Chartered Bank (Singapore) Limited (31 December 2023 Includes issuances of $124 million to Standard Chartered Bank AG, $299 million to Standard Chartered Bank (Singapore) Limited), $47 million to SC Ventures Holdings Limited, $40 million to Standard Chartered Capital Ltd and $18 million to Standard Chartered Africa Ltd)
2 Includes disposal of SC Ventures Holdings Limited ($464 million)
3 Primarily relates to the net of impairment charge of $388 million on account of decrease in the valuation of SC Ventures Holdings Limited and impairment release of $78 million in the valuation of Standard Chartered Bank AG

At 31 December 2024 the principal subsidiary undertakings, all indirectly held except for Standard Chartered Bank AG, Standard Chartered Bank (Pakistan) Limited, Standard Chartered Bank (Mauritius) Limited and 13.6 per cent of Standard Chartered Bank (Singapore) Limited, and principally engaged in the business of banking and provision of other financial services, were as follows:

Place of incorporation or registration	Main areas of operation	Group interest in ordinary share capital %
Standard Chartered Bank (Singapore) Limited, Singapore	Singapore	100
Standard Chartered Bank AG, Germany	Germany	100
Standard Chartered Bank Malaysia Berhad, Malaysia	Malaysia	100
Standard Chartered Bank Nigeria Limited, Nigeria	Nigeria	100
Standard Chartered Bank (Vietnam) Limited, Vietnam	Vietnam	100
Standard Chartered Bank (Mauritius) Limited, Mauritius	Mauritius	100
Standard Chartered Bank (Thai) Public Company Limited, Thailand	Thailand	99.87
Standard Chartered Bank (Pakistan) Limited, Pakistan	Pakistan	98.99
Standard Chartered Bank Zambia PLC, Zambia	Zambia	90.00
Standard Chartered Bank Botswana Limited, Botswana	Botswana	75.83
Standard Chartered Bank Kenya Limited, Kenya	Kenya	74.32
Standard Chartered Bank Nepal Limited, Nepal	Nepal	70.21
Standard Chartered Bank Ghana PLC, Ghana	Ghana	69.42

A complete list of subsidiary undertaking is included in Note 39.

The Group does not have any material non-controlling interest except as listed above, which contribute $69 million (31 December 2023: $58 million) of the profit attributable to non-controlling interest and $231 million (31 December 2023: $172 million) of the equity attributable to non-controlling interests.

During 2024 the Group disposed of its investments in subsidiaries and the gain/loss on disposal was SCB Zimbabwe Limited & Africa Enterprise Network Trust (loss:$171.44 million including translation adjustment loss: $190.42 million), SCB Angola S.A. (loss:$26.37 million including translation adjustment loss:$30.61 million) and SCB Sierra Leone Limited (loss: $18.90 million including translation adjustment loss:$25.08 million).

31. Investments in subsidiary undertakings, joint ventures and associates continued

While the Group's subsidiaries are subject to local statutory capital and liquidity requirements in relation to foreign exchange remittance, these restrictions arise in the normal course of business and do not significantly restrict the Group's ability to access or use assets and settle liabilities of the Group.

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the regulatory framework within which the banking subsidiaries operate. These frameworks require banking operations to keep certain levels of regulatory capital, liquid assets, exposure limits and comply with other required ratios. These restrictions are summarised below:

Regulatory and liquidity requirements

The Group's subsidiaries are required to maintain minimum capital, leverage ratios, liquidity and exposure ratios which therefore restrict the ability of these subsidiaries to distribute cash or other assets to the parent company.

The subsidiaries are also required to maintain balances with central banks and other regulatory authorities in the countries in which they operate. At 31 December 2024, the total cash and balances with central banks was $56.7 billion (31 December 2023: $64.2 billion) of which $2.9 billion (31 December 2023: $3 billion) is restricted.

Statutory requirements

The Group's subsidiaries are subject to statutory requirements not to make distributions of capital and unrealised profits to the parent company, generally to maintain solvency. These requirements restrict the ability of subsidiaries to remit dividends to the Group. Certain subsidiaries are also subject to local exchange control regulations which provide for restrictions on exporting capital from the country other than through normal dividends.

Contractual requirements

The encumbered assets in the balance sheet of the Group's subsidiaries are not available for transfer around the Group.

Share of profit from investment in associates and joint ventures comprises:

	2024 $million	2023 $million
Loss from investment in joint ventures	–	(7)
Profit from investment in associates	8	3
Total	8	(4)

Group
Interests in associates and joint ventures

	2024 $million	2023 $million
As at 1 January	81	143
Exchange translation difference	1	–
Additions[1]	5	1
Share of profits	8	(4)
Disposals	–	(55)[2]
Dividend received	(6)	(4)
Share of FVOCI and Other reserves	(5)	–
Other Movements	(9)	–
As at 31 December	75	81

1 Includes non-cash consideration of $3.6 million (convertible notes) from Verified Impacts Holdings Pte Ltd

2 Disposal of interest in associates due to change in ownership. Associates - CurrencyFair Limited ($40 million), Fintech for International Development Ltd ($1 million), Olea Global Pte. Ltd. ($14 million)

32. Structured entities

Accounting policy

Structured entities are consolidated when the substance of the relationship between the Group and the structured entity indicates the Group has power over the contractual relevant activities of the structured entity, is exposed to variable returns, and can use that power to affect the variable return exposure.

In determining whether to consolidate a structured entity to which assets have been transferred, the Group takes into account its ability to direct the relevant activities of the structured entity. These relevant activities are generally evidenced through a unilateral right to liquidate the structured entity, investment in a substantial proportion of the securities issued by the structured entity or where the Group holds specific subordinate securities that embody certain controlling rights. The Group may further consider relevant activities embedded within contractual arrangements such as call options which give the practical ability to direct the entity, special relationships between the structured entity and investors, and if a single investor has a large exposure to variable returns of the structured entity.

Judgement is required in determining control over structured entities. The purpose and design of the entity is considered, along with a determination of what the relevant activities are of the entity and who directs these. Further judgements are made around which investor is exposed to and absorbs the variable returns of the structured entity. The Group will have to weigh up all of these facts to consider whether the Group, or another involved party is acting as a principal in its own right or as an agent on behalf of others. Judgement is further required in the ongoing assessment of control over structured entities, specifically if market conditions have an effect on the variable return exposure of different investors.

Interests in consolidated structured entities: A structured entity is consolidated into the Group's financial statements where the Group controls the structured entity, as per the determination in the accounting policy above. The following table presents the Group's interests in consolidated structured entities.

The following table presents the Group's interests in consolidated structured entities.

	2024 $million	2023 $million
Principal and other structured finance	239	116
Total	**239**	116

Interests in unconsolidated structured entities:

Unconsolidated structured entities are all structured entities that are not controlled by the Group. The Group enters into transactions with unconsolidated structured entities in the normal course of business to facilitate customer transactions and for specific investment opportunities. An interest in a structured entity is contractual or non-contractual involvement which creates variability of the returns of the Group arising from the performance of the structured entity.

The table below presents the carrying amount of the assets recognised in the financial statements relating to variable interests held in unconsolidated structured entities, the maximum exposure to loss relating to those interests and the total assets of the structured entities. Maximum exposure to loss is primarily limited to the carrying amount of the Group's on-balance sheet exposure to the structured entity. For derivatives, the maximum exposure to loss represents the on-balance sheet valuation and not the notional amount. For commitments and guarantees, the maximum exposure to loss is the notional amount of potential future losses.

32. Structured entities continued

	2024						2023					
	Asset-backed securities $million	Lending $million	Structured Finance $million	Principal Finance funds $million	Other activities $million	Total $million	Asset-backed securities $million	Lending $million	Structured Finance $million	Principal Finance funds $million	Other activities $million	Total $million
Group's interest – assets												
Financial assets held at fair value through profit or loss	**358**	**71**	**178**	**86**	**–**	**693**	368	172	139	75	–	754
Loans and advances/ Investment securities at amortised cost	**11,372**	**9,105**	**8,648**	**–**	**97**	**29,222**	13,184	9,298	7,210	–	190	29,882
Investment securities (fair value through other comprehensive income)	**1,421**	**–**	**–**	**–**	**–**	**1,421**	1,977	–	–	–	–	1,977
Other assets	**–**	**–**	**–**	**–**	**–**	**–**	–	–	34	–	–	34
Total assets	**13,151**	**9,176**	**8,826**	**86**	**97**	**31,336**	15,529	9,470	7,383	75	190	32,647
Off-balance sheet	**–**	**6,369**	**5,554**	**61**	**73**	**12,057**	–	3,971	4,752	–	20	8,743
Group's maximum exposure to loss	**13,151**	**15,545**	**14,380**	**147**	**170**	**43,393**	15,529	13,441	12,135	75	210	41,390
Total assets of structured entities	**86,906**	**9,492**	**10,748**	**115**	**-**	**107,261**	113,622	9,470	7,383	89	1,688	132,252

The main types of activities for which the Group utilises unconsolidated structured entities cover synthetic credit default swaps for managed investment funds (including specialised Principal Finance funds), portfolio management purposes, structured finance and asset-backed securities. These are detailed as follows:

- **Asset-backed securities (ABS):** The Group also has investments in asset-backed securities issued by third-party sponsored and managed structured entities. For the purpose of market making and at the discretion of ABS trading desk, the Group may hold an immaterial amount of debt securities from structured entities originated by credit portfolio management. This is disclosed in the ABS column above.
  Portfolio management (Group sponsored entities): For the purposes of portfolio management, the Group purchased credit protection via synthetic credit default swaps from note-issuing structured entities. This credit protection creates credit risk which the structured entity and subsequently the end investor absorbs. The referenced assets remain on the Group's balance sheet as they are not assigned to these structured entities. The Group continues to own or hold all of the risks and returns relating to these assets. The credit protection obtained from the regulatory-compliant securitisation only serves to protect the Group against losses upon the occurrence of eligible credit events and the underlying assets are not derecognised from the Group's balance sheet. The Group does not hold any equity interests in the structured entities but may hold an insignificant amount of the issued notes for market making purposes. This is disclosed in the ABS section above. The proceeds of the notes' issuance are typically held as cash collateral in the issuer's account operated by a trustee or invested in AAA-rated government-backed securities to collateralise the structured entities swap obligations to the Group, and to repay the principal to investors at maturity. The structured entities reimburse the Group on actual losses incurred, through the use of the cash collateral or realisation of the collateral security. Correspondingly, the structured entities write down the notes issued by an equal amount of the losses incurred, in reverse order of seniority. All funding is committed for the life of these vehicles and the Group has no indirect exposure in respect of the vehicles' liquidity position. The Group has reputational risk in respect of certain portfolio management vehicles and investment funds either because the Group is the arranger and lead manager or because the structured entities have Standard Chartered branding.
- **Lending:** Lending comprises secured lending in the normal course of business to third parties through structured entities
- **Structured Finance:** Structured finance comprises interests in transaction that the Group or, more usually, a customer has structured, using one or more structured entities, which provide beneficial arrangements for customers. The Group's exposure primarily represents the provision of funding to these structures as a financial intermediary, for which it receives a lender's return. The transactions largely relate to real estate financing and the provision of aircraft leasing and ship finance
- **Principal Finance Fund:** The Group's exposure to Principal Finance Funds represents committed or invested capital in unleveraged investment funds, primarily investing in pan-Asian infrastructure, real estate and private equity.
- **Other activities:** Other activities include structured entities created to support margin financing transactions, the refinancing of existing credit and debt facilities, as well as setting up of bankruptcy remote structured entities.

32. Structured entities continued

In the above table, the Group determined the total assets of the structured entities using following bases:

- Asset Backed Securities, Principal Finance, and Other activities are based on the published total assets of the structured entities
- Lending and Structured Finance are estimated based on the Group's loan values to the structured entities.

33. Cash flow statement

Adjustment for non-cash items and other adjustments included within income statement

	Group		Company	
	2024 $million	2023 $million	**2024 $million**	2023 $million
Amortisation of discounts and premiums of investment securities	**(420)**	(509)	**(259)**	(286)
Interest expense on subordinated liabilities	**597**	602	**682**	876
Interest expense on senior debt securities in issue	**651**	516	**1,077**	820
Other non-cash items	**(87)**	142	**(29)**	(126)
Net loss/(gain) on sale of businesses[1]	**214**	(448)	**(26)**	(6)
Pension costs for defined benefit schemes	**37**	41	**22**	25
Share-based payment costs	**219**	175	**136**	116
Impairment losses/(releases) on loans and advances and other credit risk provisions	**15**	(58)	**(114)**	(81)
Dividend income from subsidiaries	**–**	–	**(1,052)**	(2,060)
Other impairment	**410**	42	**273**	314
Gain on disposal of property, plant and equipment	**(3)**	(12)	**(3)**	–
Loss on disposal of FVOCI & AMCST financial assets	**190**	178	**154**	114
Depreciation and amortisation	**656**	647	**403**	399
Fair value changes taken to Income statement	**(1,418)**	(1,531)	**(1,226)**	(940)
Foreign Currency revaluation	**54**	104	**(39)**	45
(Profit)/Loss from associates and joint ventures	**(8)**	4	**–**	–
Total	**1,107**	(107)	**(1)**	(790)

1 refer note 6 on page 138.

Change in operating assets

	Group		Company	
	2024 $million	2023 $million	**2024 $million**	2023 $million
(Increase)/decrease in derivative financial instruments	**(25,886)**	9,954	**(24,384)**	8,873
Increase in debt securities, treasury bills and equity shares held at fair value through profit or loss	**(6,173)**	(10,371)	**(4,319)**	(3,059)
(Increase)/decrease in loans and advances to banks and customers	**(7,165)**	(2,412)	**(970)**	5,247
Net (increase)/decrease in prepayments and accrued income	**(153)**	75	**(167)**	209
Net decrease in other assets	**4,587**	7,160	**3,679**	11,834
Total	**(34,790)**	4,406	**(26,161)**	23,104

Change in operating liabilities

	Group		Company	
	2024 $million	2023 $million	**2024 $million**	2023 $million
Increase/(decrease) in derivative financial instruments	**23,137**	(11,197)	**22,001**	(10,275)
Net increase/(decrease) in deposits from banks, customer accounts, debt securities in issue and short positions	**2,008**	2,419	**(4,981)**	(9,347)
Increase in accruals and deferred income	**58**	431	**25**	315
(Decrease)/ increase in amount due to parents/subsidiaries/other related parties	**(2,059)**	3,580	**(4,197)**	7,627
Net increase /(decrease) in other liabilities	**2,587**	264	**1,016**	(2,211)
Total	**25,731**	(4,503)	**13,864**	(13,891)

33. Cash flow statement continued

Disclosures

	Group		Company	
	2024 $million	2023 $million	**2024 $million**	2023 $million
Subordinated debt (including accrued interest):				
Opening balance	**11,457**	13,272	**10,899**	12,731
Proceeds from the issue	**–**	18	**–**	–
Interest paid	**(569)**	(714)	**(528)**	(583)
Repayment	**(1,000)**	(2,160)	**(1,000)**	(2,160)
Foreign exchange movements	**(102)**	113	**(92)**	113
Fair value changes from hedge accounting	**(4)**	215	**(4)**	215
Accrued Interest and Others	**575**	713	**528**	583
Closing balance	**10,357**	11,457	**9,803**	10,899

	Group		Company	
	2024 $million	2023 $million	**2024 $million**	2023 $million
Senior debt (including accrued interest):				
Opening balance	**7,860**	5,154	**7,827**	4,777
Proceeds from the issue	**3,134**	5,597	**3,114**	4,820
Interest paid	**(282)**	(235)	**(282)**	(235)
Repayment	**(2,480)**	(2,546)	**(2,471)**	(1,806)
Foreign exchange movements	**(45)**	2	**(44)**	3
Fair value changes from hedge accounting	**–**	(1)	**–**	–
Accrued Interest and Others	**282**	(111)	**269**	268
Closing balance	**8,469**	7,860	**8,413**	7,827

34. Cash and cash equivalents

Accounting policy

Cash and cash equivalents includes:

- Cash on hand and balances at central banks' that are on demand or placements which are contractually due to mature overnight only, except for restricted balances; and
- Other balances listed in the table below, when they have less than three months' maturity from the date of acquisition, are not subject to contractual restrictions, are subject to insignificant changes in value, are highly liquid and are held for the purpose of meeting short-term cash commitments. This includes products such as treasury bills and other eligible bills, short-term government securities, loans and advances to banks (including reverse repos), and loans and advances to customers (only non demand or non overnight placements at central banks), which are held for appropriate business purposes. On demand accounts with non central banks are reported as part of 'Loans & Advances to banks'.

The following balances have been identified by the Group and Company as being cash and cash equivalents based on the criteria described above.

	Group		Company	
	2024 $million	2023 $million	**2024 $million**	2023 $million
Cash and balances at central banks	**56,665**	64,198	**45,233**	52,758
Less: restricted balances	**(2,859)**	(3,050)	**(1,160)**	(1,311)
Treasury bills and other eligible bills	**4,938**	3,298	**529**	896
Loans and advances to banks	**2,481**	3,195	**1,724**	1,333
Loans and advances to customers	**16,364**	20,475	**500**	68
Investments	**830**	244	**640**	244
Amounts due from fellow group undertakings	**530**	–	**635**	–
Total	**78,949**	88,360	**48,101**	53,988

35. Related party transactions

Directors and officers

Details of directors' remuneration and interests in shares are disclosed in the Note 37 Remuneration of Directors.

IAS 24 Related party disclosures requires the following additional information for key management compensation. Key management comprises non-executive directors, executive directors of Standard Chartered PLC, the Court directors of Standard Chartered Bank and the persons discharging managerial responsibilities (PDMR) of Standard Chartered PLC Group.

	2024 $million	2023 $million
Salaries, allowances and benefits in kind	40	41
Share-based payments	38	26
Bonuses paid or receivable	7	5
Termination benefits	2	–
Total	**87**	72

Transactions with directors and others

As at 31 December 2024, the total amounts to be disclosed under the Companies Act 2006 (the Act) and the Listing Rules of the Hong Kong Stock Exchange Limited (HK Listing Rules) about loans to directors were as follows:

	2024		2023	
	Number	$million	Number	$million
Directors[1]	3	–	4	–

1 Outstanding loan balances were below $50,000

The loan transactions provided to the directors of Standard Chartered PLC were a connected transaction under Chapter 14A of the HK Listing Rules. It was fully exempt as financial assistance under Rule 14A.87(1), as it was provided in our ordinary and usual course of business and on normal commercial terms.

Other than as disclosed in these financial statements, there were no other transactions, arrangements or agreements outstanding for any director of the Company which have to be disclosed under the Act.

Group

	2024				2023			
	Due from/to subsidiary undertakings and other related parties $million	Derivative financial instruments $million	Subordinated liabilities and other borrowed funds $million	Debt Securities $million	Due from/to subsidiary undertakings and other related parties $million	Derivative financial instruments $million	Subordinated liabilities and other borrowed funds $million	Debt Securities $million
Assets								
Ultimate parent company	51	1,111	–	14	26	1,127	–	20
Fellow subsidiaries of SC PLC Group	5,133	12,811	–	416	5,640	7,057	–	655
	5,184	13,922	–	430	5,666	8,184	–	675
Liabilities								
Ultimate parent company	11,331	167	10,015	8,096	10,193	85	11,094	9,543
Fellow subsidiaries of SC PLC Group	16,915	11,153	–	966	20,974	6,748	–	18
	28,246	11,320	10,015	9,062	31,167	6,833	11,094	9,561

35. Related party transactions continued

	2024			
	Fees and commission income $million	Fees and commission expense $million	Interest income $million	Interest expense $million
Ultimate parent company	–	–	–	1,604
Fellow subsidiaries of SC PLC Group	288	270	160	736
	288	270	160	2,340

	2023			
	Fees and commission income $million	Fees and commission expense $million	Interest income $million	Interest expense $million
Ultimate parent company	–	–	–	1,296
Fellow subsidiaries of SC PLC Group	225	151	129	819
	225	151	130	2,116

The Group contributes to employee pension funds and provides banking services free of charge to the UK fund. For details of the funds (see Note 29).

The Group's employees participate in the Standard Chartered PLC group's share-based compensation plans (see Note 30). The cost of the compensation is recharged from Standard Chartered PLC to the Group's branches and subsidiaries.

Associates and joint ventures
The following transactions with related parties are on an arm's length basis:

	2024 $million	2023 $million
Assets		
Financial Assets held at FVTPL	–	14
Derivative assets	5	12
Total assets	5	26
Liabilities		
Deposits	30	38
Derivative liabilities	4	–
Other liabilities	–	1
Total liabilities	34	39
Loan commitments and other guarantees[1]	12	113

1 The maximum loan commitments and other guarantees during the year was $12 million (31 December 2023: $113 million)

35. Related party transactions continued

Company

	2024				2023			
	Due from/to subsidiary undertakings and other related parties $million	Derivative financial instruments $million	Subordinated liabilities and other borrowed funds $million	Debt Securities $million	Due from/to subsidiary undertakings and other related parties $million	Derivative financial instruments $million	Subordinated liabilities and other borrowed funds $million	Debt Securities $million
Assets								
Ultimate parent company	51	1,111	–	11	26	1,127	–	20
Subsidiaries and fellow subsidiaries of SC PLC Group	9,980	17,546	–	4,283	10,028	10,365	–	4,436
	10,031	18,657	–	4,294	10,053	11,492	–	4,456
Liabilities								
Ultimate parent company	11,323	167	9,475	8,096	10,184	85	10,554	9,543
Subsidiaries and fellow subsidiaries of SC PLC Group	30,990	15,518	–	16	37,133	10,281	–	18
	42,313	15,685	9,475	8,112	47,317	10,366	10,554	9,561

	2024				
	Fees and commission income $million	Fees and commission expense $million	Interest income $million	Interest expense $million	Dividend income $million
Ultimate parent company	–	–	–	1,563	–
Subsidiaries and fellow subsidiaries of SC PLC Group	504	325	589	1,212	1,052
	504	325	589	2,775	1,052

	2023				
	Fees and commission income $million	Fees and commission expense $million	Interest income $million	Interest expense $million	Dividend income $million
Ultimate parent company	–	–	–	1,257	–
Subsidiaries and fellow subsidiaries of SC PLC Group	349	59	459	1,378	2,060
	349	59	459	2,635	2,060

As at 31 December 2024, Standard Chartered Bank had in place a charge over $68 million (31 December 2023: $68 million) of cash assets in favour of the non-consolidated independent trustee of its employer financed retirement benefit scheme.

The Company contributes to employee pension funds and provides banking services free of charge to the UK fund. For details of the funds see note 29.

The Company's employees participate in the Standard Chartered PLC group's share-based compensation plans (see note 30).

The Company has an agreement with Standard Chartered PLC that in the event of the Company defaulting on its debt coupon interest payments, where the terms of such debt requires it, Standard Chartered PLC shall issue shares as settlement for non-payment of the coupon interest.

36. Auditor's remuneration

Auditor's remuneration is included within other general administration expenses. The amounts paid by the Group to their principal auditor, Ernst & Young LLP (EY LLP) and its associates (together EY LLP), are set out below. All services are approved by the Group Audit Committee and are subject to controls to ensure the external auditor's independence is unaffected by the provision of other services.

	2024 $million	2023 $million
Audit fees for the Standard Chartered PLC Group statutory audit	31.3	27.8
Of which fees for the statutory audit of Standard Chartered Bank Group	23.2	20.6
Fees payable to EY for other services provided to the Standard Chartered Bank Group:		
Audit of Standard Chartered Bank subsidiaries	8.1	8.8
Total Audit fees	**39.4**	36.6
Audit -related assurance services	4.1	3.4
Other assurance services	4.8	6.2
Other non-audit services	0.4	0.8
Transaction related services	0.6	–
Total fees payable	**49.3**	47.0

The following is a description of the type of services included within the categories listed above:

- Audit fees for the Group statutory audit are in respect of fees payable to EY LLP for the statutory audit of the consolidated financial statements of the Group and the separate financial statements of Standard Chartered PLC
- Audit-related fees consist of fees such as those for services required by law or regulation to be provided by the auditor, reviews of interim financial information, reporting on regulatory returns, reporting to a regulator on client assets and extended work performed over financial information and controls authorised by those charged with governance
- Other assurance services include agreed-upon-procedures in relation to statutory and regulatory filings
- Transaction related services are fees payable to EY LLP for issuing comfort letters

Expenses incurred in respect of their role as auditor, were reimbursed to EY LLP $1 million (2023:$0.9 million).

37. Remuneration of Directors

This table sets out salary (including salary shares), pension and benefits received in 2024 and variable remuneration awards received in respect of 2024.

	2024[1] £000	2023[2] £000
Salaries and fees	8,707	8,299
Pension	457	421
Benefits	539	638
Annual incentive	4,418	3,399
Vesting of LTIP awards	6,126	5,475
Buy-out award[3]	-	862
Total fees payable	**20,247**	19,094

1 Diane Jurgens and Lincoln Leong joined the Court on 1 March 2024 and 2 November 2024 respectively.
2 The values of vesting 2021-23 LTIP awards have been restated based on the final vesting outcome of 57 per cent and actual share price of £6.59 when the awards vested in March 2024.
3 S Ricke received a buy-out award in respect of shares forfeited upon leaving her former role to join the Group. The buy-out award takes the form of upfront shares, deferred shares, and deferred cash, and has been calculated in line with PRA and FCA remuneration regulations. The buy-out will be delivered over the period of March 2023 – 2027.

37. Remuneration of Directors continued

Additional information on the remuneration elements in the above single total figure table

Salaries and fees

The total salaries of the three directors as at 1 January 2024 (or the date of appointment, if later) was £5,117,000. For two of the directors, salary is paid part in cash and part in shares which are subject to a retention period and released pro rata over five years. The number of salary shares allocated is determined based on the monetary value and the prevailing market price of the Group's shares on the date of allocation. The emoluments, including share-based payments and other benefits, of the highest paid director during 2024 were £10,655,707 (2024: £7,836,987). There were employer pension contributions for the highest paid director during 2024 of £251,700 (2023: £250,625).

The total annualised fees of the Chairman and directors as at 1 January 2024 (or the date of appointment, if later) were £3,590,499

There is no apportionment of remuneration between Standard Chartered Bank and Standard Chartered PLC.

Share awards

No directors exercised share awards over Standard Chartered PLC during the year.

Pension and benefits

An explanation of pension and benefits for those directors who are also executive directors of the SC PLC Group can be found in the SC PLC Group's 2024 Directors' remuneration report on pages 143 to 174. The directors who are also employees of the SC PLC Group received a flexible benefits allowance in alignment with the UK workforce to include a mixture of core pension and benefits provision, including private medical cover, life assurance and permanent health insurance. Some directors occasionally use a Group car service for traveling and, in some circumstances, were accompanied by their spouses to attend events.

For those directors who are also employees of the SC PLC Group, annual incentives in respect of 2024 are delivered upfront with at least 50 per cent paid in shares subject to a minimum twelve-month retention period..

Vesting of LTIP awards

The long-term incentive plan (LTIP) awards granted in March 2021 vested in March 2024, based on performance over the years 2021 to 2023. 57 per cent of these awards vested.The LTIP awards granted in March 2022 are due to vest in March 2025, based on performance over the years 2022 to 2024. Following an assessment of the performance measures (RoTE with CET1 underpin, relative TSR, sustainability and strategic measures), the projected outcome of these awards is 88 per cent. The final assessment of the relative TSR performance will be conducted in March 2025, the end of the three-year performance period. Based on a share price of £9.197, the three-month average to 31 December 2024, the projected value to be delivered to the directors is £6,125,761.

The highest paid director has not exercised any share options during the year.

An LTIP award of 616,378 shares was made in March 2024 to the highest paid director, at a share price of £6.60 (adjusted for loss of dividend), which are subject to the satisfaction of stretching RoTE, relative TSR, sustainability and strategic performance measures over three years (2024 to 2026).

Other disclosures

The remuneration policy and practices applying to the Material Risk Taker employees of the Bank are the same as those applied by the SC PLC Group which are set out in the SC Pillar 3 report on pages 132 to 137.

Further information on the remuneration for those directors who are also executive directors of the SC PLC Group can be found in the SC PLC Group's 2024 Directors' remuneration report on pages 143 to 181.

38. Related undertakings of the Group

As at 31 December 2024, the Group's interests in related undertakings in accordance with Section 409 of the Companies Act 2006 are disclosed below. Unless otherwise stated, the share capital disclosed comprises ordinary or common shares which are held by subsidiaries of the Group. Unless otherwise indicated, all related undertakings are held indirectly.

Name	Proportion of shares held (%)	Footnotes
Subsidiary Undertakings		
SC (Secretaries) Limited[viii]	100	1
SC Transport Leasing 1 Ltd[iv]	100	1, 86, 87
SC Transport Leasing 2 Limited[iv]	100	1, 86, 87
SCMB Overseas Limited[iii]	100	1, 85, 87
Standard Chartered Africa Limited[iii]	100	1, 85, 87
Standard Chartered Bank[i]	100; 100[I,K]	1
Standard Chartered Foundation[vii]	100[V]	1, 82
Standard Chartered Health Trustee (UK) Limited[vii]	100	1
Standard Chartered Leasing (UK) Limited[iv]	100	1, 87
Standard Chartered Nominees (Private Clients UK) Limited[i]	100	1
Standard Chartered Securities (Africa) Holdings Limited[iii]	100	1, 85, 87
Standard Chartered Trustees (UK) Limited[vii]	100	1
The SC Transport Leasing Partnership 1[iv]	100[P]	1, 87
The SC Transport Leasing Partnership 2[iv]	100[P]	1, 87
The SC Transport Leasing Partnership 3[iv]	100[P]	1, 87
The SC Transport Leasing Partnership 4[iv]	100[P]	1, 87
Bricks (C&K) LP[vii]	100[P]	2, 82
Bricks (C) LP[vii]	100[P]	2, 82
Bricks (T) LP[vii]	100[P]	2, 82
Corrasi Covered Bonds LLP[vii]	75[R]	3
Standard Chartered Grindlays Pty Limited[iii]	100	4
Standard Chartered Bank Insurance Agency (Proprietary) Limited[i]	100	5
Standard Chartered Investment Services (Proprietary) Limited[i]	100	5
Standard Chartered Bank Botswana Limited[i]	75.827	5
Standard Chartered Botswana Nominees (Proprietary) Limitedi	100	5
Standard Chartered Botswana Education Trust[vii]	100[S]	5
Standard Chartered Representação e Participações Ltda[i]	100	6
Standard Chartered Securities (B) Sdn Bhd[i]	100	55
Standard Chartered Bank Cameroon S.A.[i]	100	7
SCB Investment Holding Company Limited[iii]	99.999[A]	60
Standard Chartered Global Business Services Co., Ltd[v]	100	9, 84
Standard Chartered Global Business Services (Guangzhou) Co., Ltd.[v]	100	65, 84
Standard Chartered Bank Cote d'Ivoire SA[i]	100	10
Standard Chartered Bank Gambia Limited[i]	74.852	11
Standard Chartered Bank AG[i]	100	12
Standard Chartered Bank Ghana PLC[i]	69.416; 87.043[K]	13
Standard Chartered Ghana Nominees Limited[i]	100	13
Standard Chartered Wealth Management Limited Company[i]	100	14
Standard Chartered PF Real Estate (Hong Kong) Limited[iii]	100	50
Standard Chartered Private Equity Limited[iii]	100	15
Standard Chartered Asia Limited[iii]	100; 100[U]	15
Standard Chartered Global Business Services Private Limited[vi]	100	16
Standard Chartered Finance Private Limited[vi]	98.675	17
St Helen's Nominees India Private Limited[i]	100	18
Standard Chartered Private Equity Advisory (India) Private Limited[vi]	100	18
Standard Chartered Capital Limited[i]	100	76
Standard Chartered Securities (India) Limited[i]	100	52
Standard Chartered (India) Modeling and Analytics Centre Private Limited[vi]	100	19
Standard Chartered Assurance Limited[i]	100; 100[E]	20
Standard Chartered Isle of Man Limited[i]	100	20
Standard Chartered Securities (Japan) Limited[i]	100	21
SCB Nominees (CI) Limited[vii]	100	22
Standard Chartered Bancassurance Intermediary Limited[i]	100	23
Standard Chartered Investment Services Limited[iii]	100	23
Standard Chartered Bank Kenya Limited[i]	74.318; 100[D]	23
Standard Chartered Securities (Kenya) Limited[i]	100	23
Standard Chartered Financial Services Limited[i]	100	23
Standard Chartered Kenya Nominees Limited[i]	100	23
Standard Chartered Metropolitan Holdings SAL[iii]	99.9[A]	24
Cartaban (Malaya) Nominees Sdn Berhad[i]	100	25
Cartaban Nominees (Asing) Sdn Bhd[i]	100	25
Cartaban Nominees (Tempatan) Sdn Bhd[i]	100	25

38. Related undertakings of the Group continued

Name	Proportion of shares held (%)	Footnotes
Golden Maestro Sdn Bhd[iii]	100	25
Price Solutions Sdn Bhd[i]	100	25
SCBMB Trustee Berhad[vii]	100	25
Standard Chartered Bank Malaysia Berhad[i]	100; 100[J]	25
Standard Chartered Saadiq Berhad[i]	100	25
Resolution Alliance Sdn Bhd[iii]	91	26
Standard Chartered Global Business Services Sdn Bhd[vi]	100	61
Standard Chartered Bank (Mauritius) Limited[i]	100	27
Standard Chartered Private Equity (Mauritius) Limited[i]	100	59
Standard Chartered Private Equity (Mauritius) II Limited[i]	100	59
Standard Chartered Private Equity (Mauritius) III Limited[i]	100	59
Subcontinental Equities Limited[iii]	100	28
Standard Chartered Bank Nepal Limited[i]	70.21	29
Standard Chartered Holdings (Africa) B.V.[iii]	100	1, 85
Standard Chartered Holdings (Asia Pacific) B.V.[iii]	100	1, 85
Standard Chartered Holdings (International) B.V.[iii]	100	1, 85
Standard Chartered MB Holdings B.V.[iii]	100	1, 85
Standard Chartered Bank Nigeria Limited[i]	100; 100[F,K]	30
Standard Chartered Capital & Advisory Nigeria Limited[i]	100	30
Standard Chartered Nominees (Nigeria) Limited[i]	100	30
Standard Chartered Bank (Pakistan) Limited[i]	98.986	31
Standard Chartered Group Services, Manila Incorporated[vi]	100	32
Standard Chartered Global Business Services spółka z ograniczoną odpowiedzialnością[vi]	100	33
Standard Chartered Capital (Saudi Arabia)[i]	100	62
Standard Chartered Real Estate Investment Holdings (Singapore) Private Limited[iii]	100	34
Raffles Nominees (Pte.) Limited[i]	100	35
SCTS Capital Pte. Ltd[i]	100	36
SCTS Management Pte. Ltd.[i]	100	36
Standard Chartered Bank (Singapore) Limited[i]	100 [A,B,C,N]	36
Standard Chartered Trust (Singapore) Limited[vii]	100	36
Standard Chartered Holdings (Singapore) Private Limited[iii]	100	36
Standard Chartered Nominees (Singapore) Pte Ltd[i]	100	36
Trust Bank Singapore Limited[i]	60	68
Standard Chartered Nominees South Africa Proprietary Limited (RF)[i]	100	38
Standard Chartered Bank Tanzania Limited[i]	100; 100[D]	39
Standard Chartered Tanzania Nominees Limited[i]	100	39
Standard Chartered Bank (Thai) Public Company Limited[i]	99.871	40
Standard Chartered Yatirim Bankasi Turk Anonim Sirket[i]	100	41
Standard Chartered Bank Uganda Limited[i]	100	42
Standard Chartered Bank International (Americas) Limited[i]	100	58
Standard Chartered Holdings Inc.[iii]	100	43
Standard Chartered Securities (North America) LLC[i]	100[R]	43
Standard Chartered Trade Services Corporation[i]	100	51
Standard Chartered Bank (Vietnam) Limited[i]	100O	45
Sky Harmony Holdings Limited[iii]	100	63
Standard Chartered Bank Zambia Plc[i]	90	64
Standard Chartered Zambia Securities Services Nominees Limited[i]	100	69
CMB Nominees (RF) Proprietary Limited[vii]	100	38
Standard Chartered Funds VCC[vii]	100	36
Standard Chartered Luxembourg S.A.[i]	100	53
Associates		
Clifford Capital Holdings Pte. Ltd.[iii]	9.9	56
Verified Impact Exchange Holdings Pte. Ltd[i]	13.421	57
Seychelles International Mercantile Banking Corporation Limited.[i]	22	46
Significant investment holdings and other related undertakings		
Corrasi Covered Bonds (LM) Limited[i]	20	3
ATSC Cayman Holdco Limited[iii]	5.272[A]; 100[B]	77
Actis Temple Stay Holdings (HK) Limited[iii]	39.689[A]; 39.689[B]	70
Mikado Realtors Private Limited[vii]	26	78
Industrial Minerals and Chemical Co. Pvt. Ltd[vii]	26	79
Paxata, Inc.[vii]	40.74[G]; 8.908[H]	64

38. Related undertakings of the Group continued

Name	Proportion of shares held (%)	Footnotes
Subsidiary Undertakings – In liquidation		
Standard Chartered Masterbrand Licensing Limited[vii]	100	66
Standard Chartered Leasing (UK) 3 Limited[iv]	100	66
Birdsong Limited[vii]	100	47
Nominees One Limited[vii]	100	47
Nominees Two Limited[vii]	100	47
Songbird Limited[vii]	100	47
Standard Chartered Secretaries (Guernsey) Limited[vii]	100	47
Standard Chartered Trust (Guernsey) Limited[vii]	100	47
Standard Chartered Financial Services (Luxembourg) S.A.[vii]	100	48
Banco Standard Chartered en Liquidacion[vii]	100	67
Standard Chartered Uruguay Representacion S.A.[vii]	100	49
Standard Chartered IL&FS Management (Singapore) Pte. Limited[vii]	50	37
Cerulean Investments LP[vii]	100[P]	8
Subsidiary/Associate undertakings – Liquidated/dissolved/sold		
Assembly Payments, Inc[i]	100	71
Assembly Escrow Inc[i]	100	72, 82
Shoal Limited[ii]	100	1
Standard Chartered Bank Zimbabwe Limited[i]	100	73
Africa Enterprise Network Trust[vii]	100[S]	73, 83
Standard Chartered Nominees Zimbabwe (Private) Limited[vii]	100	73
Standard Chartered Bank Angola S.A.[i]	60	74
Standard Chartered Bank Sierra Leone Limited[i]	80.656	75
The BW Leasing Partnership 1 LP[iv]	100[P]	54, 82
The BW Leasing Partnership 2 LP[iv]	100[P]	54, 82
The BW Leasing Partnership 3 LP[iv]	100[P]	54, 82
The BW Leasing Partnership 4 LP[iv]	100[P]	54, 82
The BW Leasing Partnership 5 LP[iv]	100[P]	54, 82
Standard Chartered Overseas Investment, Inc.[iii]	100	44
Actis Rivendell Holdings (HK) Limited[iii]	39.671 [A]; 39.671 [B]	70

	Description of shares
A	Class A Ordinary shares
B	Class B Ordinary shares
C	Class C Ordinary shares
D	Preference shares
E	Redeemable preference shares
F	Series B Redeemable preference shares
G	Series C2 preference shares
H	Series C3 preference shares
I	Redeemable non-cumulative preference shares
J	Irredeemable convertible preference shares
K	Irredeemable non-cumulative preference shares
L	Class B Non-cumulative preference shares
M	Class C Non-cumulative preference shares
N	Class D Non-cumulative preference shares
O	Charter capital
P	Limited Partnership
Q	Partnership Interest
R	Membership interest
S	Trust
T	Uncertificated
U	Deferred shares
V	Guarantee

	Activity
i	Banking & Financial Services
ii	Digital Venture
iii	Investment holding company
iv	Leasing and Finance
v	Research & development
vi	Support Services
vii	Others

38. Related undertakings of the Group continued

	Address in country of incorporation
1	1 Basinghall Avenue, London, EC2V 5DD, United Kingdom
2	2 More London Riverside, London, SE1 2JT, United Kingdom
3	1 Bartholomew Lane, London, EC2N 2AX, United Kingdom
4	Level 5, 345 George St, Sydney NSW 2000, Australia
5	5th Floor Standard House Bldg, The Mall, Queens Road, O Box 496, Gaborone, Botswana
6	Avenida Brigadeiro Faria Lima, no 3.477, 6 •andar, conjunto 62 - Torre Norte, Condominio Patio Victor Malzoni, CEP 04538-133, Sao Paulo, Brazil
7	1155, Boulevard de la Liberté, Douala, B.P. 1784, Cameroon
8	Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104 , Cayman Islands
9	No. 35, Xinhuanbei Road, TEDA, Tianjin, 300457, China
10	23 Boulevard de la République, Abidjan 17, 17 B.P. 1141, Cote d'Ivoire
11	8 Ecowas Avenue, Banjul, Gambia
12	Taunusanlage 16, 60325, Frankfurt am Main, Germany
13	Standard Chartered Bank Building, No. 87, Independence Avenue, P.O. Box 768, Accra, Ghana
14	87, Independence Avenue, Post Office Box 678, Accra, Ghana
15	13/F Standard Chartered Bank Building, 4-4A Des Voeux Road Central, Hong Kong
16	1st Floor, Europe Building, No.1, Haddows Road, Nungambakkam, Chennai, 600 006, India
17	90 M.G.Road, II Floor, Fort, Mumbai, Maharashtra, 400001, India
18	Ground Floor, Crescenzo Building, G Block, C 38/39, Bandra Kurla Complex, Bandra (East) , Mumbai, Maharashtra , 400051, India
19	Vaishnavi Serenity, First Floor, No. 112, Koramangala Industrial Area, 5th Block, Koramangala, Bangalore, Karnataka, 560095, India
20	1st Floor, Goldie House, 1-4 Goldie Terrace, Upper Church Street, Douglas, IM1 1EB, Isle of Man
21	21/F, Sanno Park Tower, 2-11-1 Nagatacho, Chiyoda-ku, Tokyo, 100-6155, Japan
22	15 Castle Street, St Helier, JE4 8PT, Jersey
23	Standard Chartered@Chiromo, 48 Westlands Road, P. O. Box 30003 - 00100, Nairobi , Kenya
24	Atrium Building, Maarad Street, 3rd Floor, P.O. Box 11-4081 Raid El Solh, Beirut Central District, Lebanon
25	Level 25, Equatorial Plaza, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
26	Suite 18-1, Level 18, Vertical Corporate Tower B, Avenue 10, The Vertical, Bangsar South City , No. 8, Jalan Kerinchi , 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia
27	6th Floor, Standard Chartered Tower , 19, Bank Street, Cybercity, Ebene, 72201, Mauritius
28	Mondial Management Services Ltd, Unit 2L, 2nd Floor Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius
29	Madan Bhandari Marg. Ward No.31, Kathmandu Metropolitan City, Kathmandu District, Bagmati Province, Kathmandu, 44600, Nepal
30	142, Ahmadu Bello Way, Victoria Island, Lagos, 101241, Nigeria
31	P.O. Box No. 5556, I.I. Chundrigar Road , Karachi , 74000, Pakistan
32	8th Floor, Makati Sky Plaza Building 6788, Ayala Avenue San Lorenzo, City of Makati, Fourth District, National Capi, 1223, Philippines
33	Rondo Ignacego Daszyńskiego 2B, 00-843, Warsaw, Poland
34	9 Raffles Place, #26-01 Republic Plaza, 048619, Singapore
35	7 Changi Business Park Crescent, #03-00 Standard Chartered @ Changi, 486028, Singapore
36	8 Marina Boulevard, #27-01 Marina Bay Financial Centre Tower 1, 018981, Singapore
37	Abogado Pte Ltd, No. 8 Marina Boulevard, #05-02 MBFC Tower 1, 018981, Singapore
38	2nd Floor, 115 West Street, Sandton, Johannesburg, 2196, South Africa
39	1 Floor, International House, Shaaban Robert Street/ Garden Avenue, PO Box 9011, Dar Es Salaam, Tanzania, United Republic of
40	No. 140, 11th, 12th and 14th Floor, Wireless Road, Lumpini, Patumwan, Bangkok, 10330, Thailand
41	Buyukdere Cad. Yapi Kredi Plaza C Blok, Kat 15, Levent, Istanbul, 34330, Turkey
42	Standard Chartered Bank Bldg, 5 Speke Road, PO Box 7111, Kampala, Uganda
43	Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801, United States
44	50 Fremont Street, San Francisco CA 94105, United States
45	Level 3, #CP1.L01 and #CP2.L01, Capital Place, 29 Lieu Giai Street, Ngoc Khanh Ward, Ba Dinh District, Ha Noi, 10000, Vietnam
46	Victoria House, State House Avenue, Victoria, MAHE, Seychelles
47	Bucktrout House, Glategny Esplanade, St Peter Port, GY1 3HQ, Guernsey
48	30 Rue Schrobilgen, 2526, Luxembourg
49	Luis Alberto de Herrera 1248, Torre II, Piso 11, Esc. 1111, Uruguay
50	14th Floor, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
51	C/O Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808, United States
52	2nd Floor, 23-25 M.G. Road, Fort, Mumbai 400 001, India
53	53 Boulevard Royal, Grand Duchy of Luxembourg, 2449, Luxembourg
54	5th Floor, Holland House, 1-4 Bury Street, London, EC3A 5AW, United Kingdom
55	G01-02, Wisma Haji Mohd Taha Building, Jalan Gadong, BE4119, Brunei Darussalam
56	1 Raffles Quay , #23-01 , One Raffles Quay, 048583 , Singapore
57	10 Marina Boulevard #08-08, Marina Bay Financial Centre, 018983, Singapore
58	1095 Avenue of Americas, New York City NY 10036, United States

38. Related undertakings of the Group continued

	Address in country of incorporation
59	c/o Ocorian Corporate Services (Mauritius) Ltd, 6th Floor, Tower A,1, Exchange Square, Wall Street, Ebene, Mauritius – 72201, Mauritius
60	c/o Maples Finance Limited, PO Box 1093 GT, Queensgate House, Georgetown, Grand Cayman, Cayman Islands
61	Level 1, Wisma Standard Chartered, Jalan Teknologi 8, Taman Teknologi Malaysia, Bukit Jalil, , 57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia
62	Al Faisaliah Office Tower Floor No 7 (T07D) , King Fahad Highway, Olaya District, P.O box 295522 , Riyadh, 11351 , Saudi Arabia
63	The Company's Registered Office, Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, Virgin Islands, British
64	Standard Chartered House, Stand No. 4642, Corner of Mwaimwene Road and Addis Ababa Drive, Lusaka, Lusaka, 10101, Zambia
65	Unit 802B, 803, 1001A,1002B,1003-1005,1101-1105, 201-1205,1302C,1303, No. 235 Tianhe North Road, Tianhe District, Guangzhou City, Guangdong Province, China
66	C/O Teneo Financial Advisory Limited, The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT, United Kingdom
67	Jiron Huascar 2055, Jesus Maria, Lima, 15072, Peru
68	77 Robinson Road, #25-00 Robinson 77, 068896, Singapore
69	Stand No. 4642 , Corner of Mwaimwena Road and Addis Ababa Drive, Lusaka, 10101, Zambia
70	Unit 605-07, 6/F Wing OnCentre, 111 Connaught Road, Central,Sheung Wan, Hong Kong
71	555 Washington Av, St Louis, MO, United States of America, 63101
72	25 Taylor St, San Francisco CA 94102-3916, United States
73	Africa Unity Square Building, 68 Nelson Mandela Avenue, Harare, Zimbabwe
74	Edifício Kilamba, 8 Andar Avenida 4 de Fevereiro, Marginal, Luanda, Angola
75	9 & 11, Lightfoot Boston Street, Freetown, Sierra Leone
76	12th Floor, Parinee Crescenzo Building, Plot C-38 & 39, G Block Bandra (E) Opp. MCA Ground, Mumbai, 400051, India
77	Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue,George Town, Grand Cayman , KY1-9005, Cayman Islands
78	1221 A, Devika Tower, 12th Floor, 6 Nehru Place, New Delhi 110019
79	4thFloor, 274, Chitalia House, Dr. Cawasji Hormusji Road, Dhobi Talao, Mumbai City, Maharashtra, India 400 002, Mumbai, 400 002, India
80	IQEQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis, 11324, Mauritius
81	6 Battery Road #13-01, 049909, Singapore

	Other notes
82	The Group has determined that these undertakings are excluded from being consolidated into the Groups accounts, and do not meet the definition of a Subsidiary under IFRS. See note 32 for the consolidation policy and disclosure of the undertaking.
83	No share capital by virtue of being a trust
84	Limited liability company
85	The Group has determined the principal place of operation to be United Kingdom
86	The Group has determined the principal place of operation to be Hong Kong
87	Company is exempt from the requirement for an audit of its individual accounts by virtue of Section 479A of the Companies Act 2006. Company names and associated numbers of the qualifying subsidiaries taking an audit exemption for the year ended 31 December 2024 are SCMB Overseas Limited 01764223, Standard Chartered Africa Limited 00002877, Standard Chartered Securities (Africa) Holdings Limited 05843604, Standard Chartered Leasing (UK) Limited 05513184, SC Transport Leasing 2 Limited 06787090, SC Transport Leasing 1 Ltd. 06787116, The SC Transport Leasing Partnership 1 LP13441, The SC Transport Leasing Partnership 2 LP13440, The SC Transport Leasing Partnership 3 LP13442, The SC Transport Leasing Partnership 4 LP13443. In line with section 479C of the Companies Act 2006, the Parent undertaking (Standard Chartered Bank Company) guarantees all outstanding liabilities to which the subsidiary company is subject at the end of the financial year including external liabilities of SCMB Overseas Limited ($5.9million)

39. Group Reorganisation

Nil

40. Post balance sheet events

On 23 January 2025, the Indian branch of Standard Charted Bank sold its Unsecured Personal Loan business to Kotak Mahindra Bank Limited for a purchase consideration of INR32 billion ($375 million) against a book value of $389 million on that date, giving rise to a loss on disposal of $14 million.

Contractual maturity of Loans, Investment securities and Deposits

	2024						
	Loans and advances to banks $million	Loans and advances to customers $million	Investment securities – Treasury and other eligible Bills $million	Investment securities – Debt securities $million	Investment securities – Equityshares $million	Bank deposits $million	Customer accounts $million
One year or less	41,096	128,508	29,750	15,066	–	26,070	273,937
Between one and five years	10,398	34,276	41	44,835	–	6,223	8,778
Between five and ten years	863	12,832	–	14,157	–	3	301
Between ten years and fifteen years	71	6,712	–	5,760	–	–	114
More than fifteen years and undated	238	17,814	–	17,204	1,629	2	11
Total	52,666	200,142	29,791	97,022	1,629	32,298	283,141
Total amortised cost and FVOCI exposures	22,941	158,242					
Fixed interest rate exposures	19,349	86,042					
Floating interest rate exposures	3,592	72,200					

	2023						
	Loans and advances to banks $million	Loans and advances to customers $million	Investment securities – Treasury and other eligible Bills $million	Investment securities – Debt securities $million	Investment securities – Equity shares $million	Bank deposits $million	Customer accounts $million
One year or less	46,411	137,816	21,695	22,486	–	25,813	285,976
Between one and five years	3,612	29,162	4	43,724	–	4,088	7,362
Between five and ten years	837	9,816	–	14,565	–	4	131
Between ten years and fifteen years	35	6,891	–	9,189	–	–	86
More than fifteen years and undated	226	17,742	–	12,434	1,875	–	10
Total	51,121	201,427	21,699	102,398	1,875	29,905	293,565
Total amortised cost and FVOCI exposures	22,803	156,143					
Fixed interest rate exposures	20,514	94,343					
Floating interest rate exposures	2,289	61,800					

Maturity and yield of Debt securities, alternative tier one and other eligible bills held at amortised cost

	One year or less		Between one and five years		Between five and ten years		More than ten years		Total	
	$million	Yield %	$million	Yield %	$million	Yield %	$million	Yield %	$million	Yield %
Central and other government agencies										
• US	1,172	1.64	7,070	1.92	3,375	1.54	4,353	2.76	15,970	2.05
• UK	17	0.50	588	1.97	44	0.88	–	–	649	1.85
• Other	1,510	3.66	5,882	3.85	1,569	4.46	14	9.62	8,975	3.93
Other debt securities	1,538	6.26	1,747	7.18	3,883	4.88	4,604	5.34	11,772	5.58
As at 31 December 2024	4,237	4.03	15,287	3.26	8,871	3.51	8,971	4.09	37,366	3.61

	One year or less		Between one and five years		Between five and ten years		More than ten years		Total	
	$million	Yield %	$million	Yield %	$million	Yield %	$million	Yield %	$million	Yield %
Central and other government agencies										
• US	1,373	1.44	6,807	1.62	4,356	1.66	4,524	3.89	17,060	2.22
• UK	39	2.75	39	1.25	101	0.67	–	–	179	1.25
• Other	1,915	2.88	4,556	2.93	1,460	3.16	37	9.13	7,968	2.99
Other debt securities	2,361	6.51	2,156	5.44	1,688	5.90	8,508	5.21	14,713	5.54
As at 31 December 2023	5,688	4.05	13,558	2.67	7,605	2.87	13,069	4.76	39,920	3.59

The maturity distributions are presented in the above table on the basis of contractual maturity dates. The weighted average yield for each range of maturities is calculated by dividing the annualised interest income for the year by the book amount of debt securities at that date.

Insured and uninsured deposits

SCB operates and provides services to customers across many countries and insured deposit is determined on the basis of limits enacted within local regulations.

	2024					2023				
	Insured deposits		**Uninsured deposits**			Insured deposits		Uninsured deposits		
	Bank deposits $million	**Customer accounts $million**	**Bank deposits $million**	**Customer accounts $million**	**Total $million**	Bank deposits $million	Customer accounts $million	Bank deposits $million	Customer accounts $million	Total $million
Current accounts	**8**	**6,104**	**17,356**	**118,803**	**142,271**	9	7,932	17,790	112,752	138,483
Savings deposits	**–**	**6,161**	**–**	**17,224**	**23,385**	–	5,359	–	15,063	20,422
Time deposits	**–**	**5,646**	**5,900**	**93,675**	**105,221**	1	5,072	6,643	99,876	111,592
Other deposits	**–**	**104**	**9,030**	**35,426**	**44,560**	–	93	5,462	47,418	52,973
Total	**8**	**18,015**	**32,286**	**265,128**	**315,437**	10	18,456	29,895	275,109	323,470

UK and non-UK deposits

The following table summarises the split of Bank and Customer deposits into UK and Non-UK deposits for respective account lines based on the domicile or residence of the clients.

	2024					2023				
	UK deposits		**Non-UK deposits**			UK deposits		Non-UK deposits		
	Bank deposits $million	**Customer accounts $million**	**Bank deposits $million**	**Customer accounts $million**	**Total $million**	Bank deposits $million	Customer accounts $million	Bank deposits $million	Customer accounts $million	Total $million
Current accounts	**478**	**5,751**	**16,886**	**119,156**	**142,271**	888	5,695	16,911	114,989	138,483
Savings deposits	**–**	**40**	**–**	**23,345**	**23,385**	–	31	–	20,391	20,422
Time deposits	**315**	**7,473**	**5,585**	**91,848**	**105,221**	310	5,237	6,334	99,711	111,592
Other deposits	**2,317**	**12,795**	**6,713**	**22,735**	**44,560**	1,683	16,513	3,779	30,998	52,973
Total	**3,110**	**26,059**	**29,184**	**257,084**	**315,437**	2,881	27,476	27,024	266,089	323,470

Average balance sheets and yields and volume and price variances

Average balance sheets and yields

The following tables set out the average balances for the SC Bank Group's assets and liabilities for the periods ended 31 December 2024 and 31 December 2023. For the purpose of these tables, average balances have been determined on the basis of daily balances, except for certain categories, for which balances have been determined less frequently. The Group does not believe that the information presented in these tables would be significantly different had such balances been determined on a daily basis.

	2024				
Average assets	**Average non-interest earning balance $million**	**Average interest earning balance $million**	**Interest income $million**	**Gross yield %**	**Gross yield total balance %**
Cash and balances at central banks	6,262	55,364	2,500	4.52	4.06
Gross loans and advances to banks	33,338	22,539	1,296	5.75	2.32
Gross loans and advances to customers	44,176	166,285	10,415	6.26	4.95
Impairment provisions against loans and advances to banks and customers	–	(3,589)	–	–	–
Investment securities – Treasury and Other Eligible Bills	11,204	18,502	1,244	6.72	4.19
Investment securities – Debt Securities	17,532	83,820	3,728	4.45	3.68
Investment securities – Equity Shares	2,201	–	–	–	–
Due from subsidiary undertakings and other related parties	–	8,085	127	1.57	1.57
Property, plant and equipment and intangible assets	4,271	–	–	–	–
Prepayments, accrued income and other assets	80,414	–	–	–	–
Investment associates and joint ventures	145	–	–	–	–
Total average assets	199,543	351,006	19,310	5.50	3.51

	2023				
Average assets	Average non-interest earning balance $million	Average interest earning balance $million	Interest income $million	Gross yield %	Gross yield total balance %
Cash and balances at central banks	6,849	65,375	2,813	4.30	3.89
Gross loans and advances to banks	30,042	24,619	1,175	4.77	2.15
Gross loans and advances to customers	48,839	160,448	9,408	5.86	4.50
Impairment provisions against loans and advances to banks and customers	–	(4,330)	–	–	–
Investment securities – Treasury and Other Eligible Bills	4,284	18,151	1,204	6.63	5.37
Investment securities – Debt Securities	13,372	87,099	3,650	4.19	3.63
Investment securities – Equity Shares	1,313	–	–	–	–
Due from subsidiary undertakings and other related parties	–	5,088	130	2.56	2.56
Property, plant and equipment and intangible assets	4,202	–	–	–	–
Prepayments, accrued income and other assets	95,872	–	–	–	–
Investment associates and joint ventures	143	–	–	–	–
Total average assets	204,916	356,450	18,380	5.16	3.27

Average liabilities	2024 Average non-interest bearing balance $million	Average interest bearing balance $million	Interest expense $million	Rate paid %	Rate paid total balance %
Deposits by banks	12,443	20,302	728	3.59	2.22
Customer accounts:					
Current accounts	29,308	106,029	1,290	1.22	0.95
Savings deposits	–	19,917	570	2.86	2.86
Time deposits	9,454	98,355	4,987	5.07	4.63
Other deposits	34,254	9,428	476	5.05	1.09
Debt securities in issue	11,633	27,857	1,653	5.93	4.19
Due to parent companies, subsidiary undertakings & other related parties	–	29,325	4,573	15.59	15.59
Accruals, deferred income and other liabilities	94,604	572	36	6.29	0.04
Subordinated liabilities and other borrowed funds	–	12,975	597	4.60	4.60
Non-controlling interests	1,041	–	–	-	-
Shareholders' funds	33,052	–	–	-	-
	225,789	324,760	14,910	4.59	2.71
Adjustment for trading book funding cost and others			(1,898)		
Total average liabilities and shareholders' funds	225,789	324,760	13,012	4.01	2.36

Average liabilities	2023 Average non-interest bearing balance $million	Average interest bearing balance $million	Interest expense $million	Rate paid %	Rate paid total balance %
Deposits by banks	10,587	20,824	626	3.01	1.99
Customer accounts:					
Current accounts	28,008	100,986	2,839	2.81	2.20
Savings deposits	–	18,922	512	2.71	2.71
Time deposits	8,310	105,927	5,099	4.81	4.46
Other deposits	44,163	5,008	173	3.45	0.35
Debt securities in issue	10,246	31,086	1,771	5.70	4.28
Due to parent companies, subsidiary undertakings & other related parties	–	26,744	2,116	7.91	7.91
Accruals, deferred income and other liabilities	103,131	584	35	5.99	0.03
Subordinated liabilities and other borrowed funds	–	12,341	602	4.88	4.88
Non-controlling interests	1,184	–	–	-	-
Shareholders' funds	33,315	–	–	-	-
	238,944	322,422	13,773	4.27	2.45
Adjustment for trading book funding cost and others			(1,087)		
Total average liabilities and shareholders' funds	238,944	322,422	12,686	3.93	2.26

Net interest margin

For the purposes of calculating net interest margin the following adjustments are made:

Net interest income is adjusted for trading book funding cost, cash collateral and prime services on interest earning assets, divided by average interest-earning assets excluding financial assets measured at fair value through profit or loss.

	2024 $million	2023 $million
Interest income	19,310	18,380
Average interest earning assets	351,006	356,450
Gross yield (%)	5.50	5.16
Interest expense	14,910	13,773
Adjustment for trading book funding cost and others	(1,898)	(1,087)
Interest expense adjusted for trading book funding cost and others	13,012	12,686
Average interest-bearing liabilities	324,760	322,422
Rate paid (%)	4.01	3.93
Net yield (%)	1.49	1.23
Net interest income adjusted for trading book funding cost and others	6,298	5,694
Net interest margin (%)	1.79	1.60

Volume and price variances

The following table analyses the estimated change in the Group's net interest income attributable to changes in the average volume of interest-earning assets and interest-bearing liabilities, and changes in their respective interest rates for the years presented. Volume and rate variances have been determined based on movements in average balances and average exchange rates over the year and changes in interest rates on average interest-earning assets and average interest- bearing liabilities.

	2024 versus 2023			2023 versus 2022		
	(Decrease)/increase in interest due to:		Net increase/ (decrease) in interest	(Decrease)/increase in interest due to:		Net increase/ (decrease) in interest
	Volume $million	Rate $million	$million	Volume $million	Rate $million	$million
Interest earning assets						
Cash and unrestricted balances at central banks	(452)	139	(313)	575	1,493	2,068
Loans and advances to banks	(121)	242	121	(189)	729	540
Loans and advances to customers	421	586	1,007	325	3,359	3,684
Investment securities	(142)	260	118	(47)	2,346	2,299
Due from subsidiary undertakings and other related parties	47	(50)	(3)	(6)	30	24
Total interest earning assets	(247)	1,177	930	658	7,957	8,615
Interest bearing liabilities						
Subordinated liabilities and other borrowed funds	29	(34)	(5)	(33)	73	40
Deposits by banks	(19)	121	102	(59)	327	268
Customer accounts:						
Current accounts and savings deposits	90	(1,886)	(1,796)	(243)	3,025	2,782
Time and other deposits	(156)	654	498	612	2,975	3,587
Debt securities in issue	(192)	74	(118)	124	1,280	1,404
Due to parent companies, subsidiary undertakings & other related parties	403	2,053	2,456	(58)	436	378
Total interest bearing liabilities	155	982	1,137	343	8,116	8,459

Return on assets

	2024 $million	2023 $million
Profit attributable to shareholders	2,943	3,208
Total assets	563,534	538,579
Return on assets[1]	0.5%	0.6%

1 Represents profit attributable to shareholders divided by the total assets of the Group

The following table summarises the number of employees within the Group and Company:

Group

	2024			2023		
	Business	Support services	Total	Business	Support services	Total
At 31 December	19,252	46,450	65,702	19,611	49,619	69,230
Average for the year	19,582	48,114	67,696	19,958	49,417	69,375

Company

	2024			2023		
	Business	Support services	Total	Business	Support services	Total
At 31 December	7,880	12,307	20,187	8,245	13,493	21,738
Average for the year	8,162	12,927	21,089	8,479	13,483	21,962

Important notices

Forward-looking statements

The information included in this document may contain 'forward-looking statements' based upon current expectations or beliefs as well as statements formulated with assumptions about future events. Forward-looking statements include, without limitation, projections, estimates, commitments, plans, approaches, ambitions and targets (including, without limitation, ESG commitments, ambitions and targets). Forward-looking statements often use words such as 'may', 'could', 'will', 'expect', 'intend', 'estimate', 'anticipate', 'believe', 'plan', 'seek', 'aim', 'continue' or other words of similar meaning to any of the foregoing. Forward-looking statements may also (or additionally) be identified by the fact that they do not relate only to historical or current facts.

By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties and 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. Readers should not place reliance on, and are cautioned about relying on, any forward-looking statements.

There are several factors which could cause the Group's actual results and its plans and objectives to differ materially from those expressed or implied in forward-looking statements. The factors include (but are not limited to): changes in global, political, economic, business, competitive and market forces or conditions, or in future exchange and interest rates; changes in environmental, geopolitical, social or physical risks; legal, regulatory and policy developments, including regulatory measures addressing climate change and broader sustainability-related issues; the development of standards and interpretations, including evolving requirements and practices in ESG reporting; the ability of the Group, together with governments and other stakeholders to measure, manage, and mitigate the impacts of climate change and broader sustainability-related issues effectively; risks arising out of health crises and pandemics; risks of cyber-attacks, data, information or security breaches or technology failures involving the Group; changes in tax rates or policy; future business combinations or dispositions; and other factors specific to the Group, including those identified in this document and financial statements of the Group. To the extent that any forward-looking statements contained in this document are based on past or current trends and/or activities of the Group, they 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, nor should be interpreted as, 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 that it is made. 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 this document and the financial statements of the Group for a discussion of certain of the risks and factors that could adversely impact the Group's actual results, and cause its plans and objectives, to differ materially from those expressed or implied in any forward-looking statements.

Financial instruments

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.

Caution regarding climate and environment related information

Some of the climate and environment related information in this document is subject to certain limitations, and therefore the reader should treat the information provided, as well as conclusions, projections and assumptions drawn from such information, with caution. The information may be limited due to a number of factors, which include (but are not limited to): a lack of reliable data; a lack of standardisation of data; and future uncertainty. The information includes externally sourced data that may not have been verified. Furthermore, some of the data, models and methodologies used to create the information is subject to adjustment which is beyond our control, and the information is subject to change without notice.

Glossary

AT1 or Additional Tier 1 capital
Additional Tier 1 capital consists of instruments other than Common Equity Tier 1 that meet the conditions set out in Article 52(1) of the Capital Requirements Regulation (as it forms part of UK domestic law), as well as the share premium accounts related to those instruments..

Additional value adjustment
See Prudent valuation adjustment.

Advanced Internal Rating Based (AIRB) approach
The AIRB approach under the Basel framework is used to calculate credit risk capital based on the Group's own estimates of prudential parameters.

Advances-to-deposits/customer advances-to-deposits (ADR) ratio
The ratio of total loans and advances tocustomers relative to total customer accounts, excluding approved balances held with central banks, confirmed as repayable at the point of stress. A low advances-to-deposits ratio demonstrates that customer accounts exceed customer loans resulting from emphasis placed on generating a high level of stable funding from customers.

ASEAN
Association of South East Asian Nations (ASEAN) which includes the Group's operations in Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.

AUM or Assets under management
Total market value of assets such as deposits, securities and funds held by the Group on behalf of the clients.

Basel II
The capital adequacy framework issued by the Basel Committee on Banking Supervision (BCBS) in June 2006 in the form of the International Convergence of Capital Measurement and Capital Standards.

Basel III
The global regulatory standards on bank capital adequacy and liquidity, originally issued in December 2010 and updated in June 2011. In December 2017, the BCBS published a document setting out the finalisation of the Basel III framework. The requirements are expected to begin to be implemented in the UK from 2026.

BCBS or Basel Committee on Banking Supervision
A forum on banking supervisory matters which develops global supervisory standards for the banking industry. Its members are officials from 45 central banks or prudential supervisors from 28 countries and territories.

Basis point (bps)
One hundredth of a per cent (0.01 per cent); 100 basis points is 1 per cent.

CRD or Capital Requirements Directive
An EU capital adequacy legislative package largely implemented or onshored into UK law. The package comprises the Capital Requirements Directive and the Capital Requirements Regulation (CRR) and implements the Basel III framework together with transitional arrangements for some of its requirements. CRD IV came into force on 1 January 2014. The EU CRR II and CRD V amending the existing package came into force in June 2019 with most changes starting to apply from 28 June 2021. Only those parts of the EU CRR II that applied on or before 31 December 2020, when the UK was a member of the EU, have been implemented. The PRA has recently implemented the UK's version of CRR II.

Capital-lite income
Income derived from products with low RWA consumption or products which are non-funding in nature.

Capital resources
Sum of Tier 1 and Tier 2 capital after regulatory adjustments.

CGU or Cash-generating unit
The smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Cash shortfall
The difference between the cash flows that are due in accordance with the contractual terms of the instrument and the cash flows that the Group expects to receive over the contractual life of the instrument.

Clawback
An amount an individual is required to pay back to the Group, which has to be returned to the Group under certain circumstances

Climate Risk Assessment (CRA)
The CRA is an internal assessment conducted on in-scope corporate clients to identify climate risks, across Physical and Transition risks, that may lead to additional credit risks for the Group. The assessment is conducted across four sections, using Group's in house methodology as well as client public disclosures. The CRA produces a BRAG score indicating the level of climate risk of an entity and is supported by long-form analysis of the drivers of this score.

Commercial real estate
Includes office buildings, industrial property, medical centres, hotels, malls, retail stores, shopping centres, farm land, multi-family housing buildings, warehouses, garages, and industrial properties. Commercial real estate loans are those backed by a package of commercial real estate assets.

CET1 or Common Equity Tier 1 capital
Common Equity Tier 1 capital consists of the items, including the common shares issued by the Group and related share premium, retained earnings, accumulated other comprehensive income and other disclosed reserves, eligible noncontrolling interests and regulatory adjustments required in the calculation of Common Equity Tier 1, set out in Article 26(1) of the of the Capital Requirements Regulation (as it forms part of UK domestic law), capable of being available to the institution for unrestricted and immediate use to absorb losses as soon as these occur.

CET1 ratio
A measure of the Group's CET1 capital as a percentage of risk-weighted assets.

Contractual maturity
Contractual maturity refers to the final payment date of a loan or other financial instrument, at which point all the remaining outstanding principal and interest is due to be paid.

Countercyclical capital buffer
The countercyclical capital buffer (CCyB) is part of a set of macroprudential instruments, designed to help counter procyclicality in the financial system. CCyB as defined in the Basel III standard provides for an additional capital requirement of up to 2.5 per cent of risk-weighted assets in a given jurisdiction. The Bank of England's Financial Policy Committee has the power to set the CCyB rate for the United Kingdom. Each bank must calculate its 'institution-specific' CCyB rate, defined as the weighted average of the CCyB rates in effect across the jurisdictions in which it has credit exposures. The institution-specific CCyB rate is then applied to a bank's total risk-weighted assets.

Court
The Court is the decision making body of Standard Chartered Bank Group. It is collectively responsible for: leading the Group within a framework of prudent and effective controls, the long-term success of the Group and the delivery of sustainable value to all stakeholders. The membership of the Court is comprised of all but two independent non-executive directors from the PLC Board, executive directors from the PLC Board and directors who are appointed solely to the Court.

Cover ratio
The ratio of impairment provisions for each stage to the gross loan exposure for each stage.

Cover ratio after collateral/cover ratio including collateral
The ratio of impairment provisions for stage 3 loans and realisable value of collateral held against these nonperforming loan exposures to the gross loan exposure of stage 3 loans.

Counterparty credit risk
The ratio of impairment provisions for stage 3 loans and realisable value of collateral held against these nonperforming loan exposures to the gross loan exposure of stage 3 loans.

CCF or Credit conversion factor
An estimate of the amount the Group expects a customer to have drawn further on a facility limit at the point of default. This is either prescribed by CRR or modelled by the bank.

CDS or Credit default swaps
A credit derivative is an arrangement whereby the credit risk of an asset (the reference asset) is transferred from the buyer to the seller of protection. A credit default swap is a contract where the protection seller receives premium or interest-related payments in return for contracting to make payments to the protection buyer upon a defined credit event. Credit events normally include bankruptcy, payment default on a reference asset or assets, or downgrades by a rating agency.

Credit grade
A standard alphanumeric Credit Risk grade system is used for CIB Client Coverage. The numeric grades run from 1 to 14 and some of the grades are further sub-classified. Lower numeric credit grades are indicative of a lower likelihood of default. Credit grades 1 to 12 are assigned to performing customers, while credit grades 13 and 14 are assigned to nonperforming or defaulted customers.

Credit institutions
An institution whose business is to receive deposits or other repayable funds from the public and to grant credits for its own account.

Credit risk mitigation
Credit risk mitigation is a process to mitigate potential credit losses from any given account, customer or portfolio by using a range of tools such as collateral, netting agreements, credit insurance, credit derivatives and guarantees.

CVA or Credit valuation adjustments
An adjustment to the fair value of derivative contracts that reflects the possibility that the counterparty may default such that the Group would not receive the full market value of the contracts.

Customer accounts
Money deposited by all individuals and companies which are not credit institutions including securities sold under repurchase agreement (see repo/reverse repo). Such funds are recorded as liabilities in the Group's balance sheet under customer accounts.

Days past due
One or more days that interest and/or principal payments are overdue based on the contractual terms.

DVA or Debit valuation adjustment
An adjustment to the fair value of derivative contracts that reflects the possibility that the Group may default and not pay the full market value of contracts.

Debt securities
Debt securities are assets on the Group's balance sheet and represent certificates of indebtedness of credit institutions, public bodies or other undertakings excluding those issued by central banks.

Debt securities in issue
Debt securities in issue are transferable certificates of indebtedness of the Group to the bearer of the certificate. These are liabilities of the Group and include certificates of deposits.

Deferred tax asset
Income taxes recoverable in future periods in respect of deductible temporary differences between the accounting and tax base of an asset or liability that will result in tax deductible amounts in future periods, the carry-forward of tax losses or the carry-forward of unused tax credits.

Deferred tax liability
Income taxes payable in future periods in respect of taxable temporary differences between the accounting and tax base of an asset or liability that will result in taxable amounts in future periods.

Default
Financial assets in default represent those that are at least 90 days past due in respect of principal or interest and/or where the assets are otherwise considered to be unlikely to pay, including those that are credit-impaired.

Defined benefit obligation
The present value of expected future payments required to settle the obligations of a defined benefit scheme resulting from employee service.

Defined benefit scheme
Pension or other post-retirement benefit scheme other than a defined contribution scheme.

Defined contribution scheme
A pension or other post-retirement benefit scheme where the employer's obligation is limited to its contributions to the fund.

Delinquency
A debt or other financial obligation is considered to be in a state of delinquency when payments are overdue. Loans and advances are considered to be delinquent when consecutive payments are missed. Also known as arrears.

Deposits by banks
Deposits by banks comprise amounts owed to other domestic or foreign credit institutions by the Group including securities sold under repo.

Dividend per share
Represents the entitlement of each shareholder in the share of the profits of the Company. Calculated in the lowest unit of currency in which the shares are quoted.

Early alert, purely and non-purely precautionary
A borrower's account which exhibits risks or potential weaknesses of a material nature requiring closer monitoring, supervision, or attention by management. Weaknesses in such a borrower's account, if left uncorrected, could result in deterioration of repayment prospects and the likelihood of being downgraded to credit grade 12 or worse. When an account is on early alert, it is classified as either purely precautionary or non-purely precautionary. A purely precautionary account is one that exhibits early alert characteristics, but these do not present any imminent credit concern. If the symptoms present an imminent credit concern, an account will be considered for classification as non-purely precautionary.

Effective tax rate
The tax on profit/ (losses) on ordinary activities as a percentage of profit/ (loss) on ordinary activities before taxation.

Encumbered assets
On-balance sheet assets pledged or used as collateral in respect of certain of the Group's liabilities.

ESG
Environmental, Social and Governance

EU or European Union
The European Union (EU) is a political and economic union of 27 member states that are located primarily in Europe.

Eurozone
Represents the 20 EU countries that have adopted the euro as their common currency.

ECL or Expected credit loss
Represents the present value of expected cash shortfalls over the residual term of a financial asset, undrawn commitment or financial guarantee.

Expected loss
The Group measure of anticipated loss for exposures captured under an internal ratings-based credit risk approach for capital adequacy calculations. It is measured as the Group-modelled view of anticipated loss based on probability of default, loss given default and exposure at default, with a one-year time horizon.

Exposures
Credit exposures represent the amount lent to a customer, together with any undrawn commitments.

EAD or Exposure at default
The estimation of the extent to which the Group may be exposed to a customer or counterparty in the event of, and at the time of, that counterparty's default. At default, the customer may not have drawn the loan fully or may already have repaid some of the principal, so that exposure is typically less than the approved loan limit.

ECAI or External Credit Assessment Institution
External credit ratings are used to assign risk-weights under the standardised approach for sovereigns, corporates and institutions. The external ratings are from credit rating agencies that are registered or certified in accordance with the credit rating agencies regulation or from a central bank issuing credit ratings which is exempt from the application of this regulation.

Facilitated Emissions
Facilitated emissions refer to the greenhouse gas emissions that result from the facilitation of financial transactions by financial institutions.

FCA or Financial Conduct Authority
The Financial Conduct Authority regulates the conduct of financial firms and, for certain firms, sets prudential standards in the UK. It has a strategic objective to ensure that the relevant markets function well.

Financed Emissions
Financed emissions are the emissions attributed to a financial institution when financing a client.

Forbearance
Forbearance takes place when a concession is made to the contractual terms of a loan in response to an obligor's financial difficulties. The Group classifies such modified loans as either 'Forborne – not impaired loans' or 'Loans subject to forbearance – impaired'. Once a loan is categorised as either of these, it will remain in one of these two categories until the loan matures or satisfies the 'curing' conditions described in Note 8 to the financial statements.

Forborne – not impaired loans
Loans where the contractual terms have been modified due to financial difficulties of the borrower, but the loan is not considered to be impaired. See 'Forbearance'.

Funded/unfunded exposures
Exposures where the notional amount of the transaction is funded or unfunded. Represents exposures where a commitment to provide future funding is made but funds have been released/ not released.

FVA or Funding valuation adjustments
FVA reflects an adjustment to fair value in respect of derivative contracts that reflects the funding costs that the market participant would incorporate when determining an exit price.

G-SIBs or Global Systemically Important Banks
Global banking financial institutions whose size, complexity and systemic interconnectedness mean that their distress or failure would cause significant disruption to the wider financial system and economic activity. The list of G-SIBs is assessed under a framework established by the FSB and the BCBS. In the UK, the G-SIB framework is implemented via the CRD and G-SIBs are referred to as Global Systemically Important Institutions (G-SIIs).

G-SII buffer
A CET1 capital buffer which results from designation as a G-SII. The G-SII buffer is between 1 per cent and 3.5 per cent, depending on the allocation to one of five buckets based on the annual scoring. In the EU, the G-SII buffer is implemented via CRD IV as Global Systemically Important Institutions (G-SII) buffer requirement.

Hong Kong regional hub
Standard Chartered Bank (Hong Kong) Limited and its subsidiaries including the primary operating entities in China, Korea and Taiwan. Standard Chartered PLC is the ultimate parent company of Standard Chartered Bank (Hong Kong) Limited.

Interest rate risk
The risk of an adverse impact on the Group's income statement due to changes in interest rates.

IRB or internal ratings-based approach
Risk-weighting methodology in accordance with the Basel Capital Accord where capital requirements are based on a firm's own estimates of prudential parameters.

Internal model approach
The approach used to calculate market risk capital and RWA with an internal market risk model approved by the PRA under the terms of CRD/CRR.

IAS or International Accounting Standard
A standard that forms part of the International Financial Reporting Standards framework.

IASB or International Accounting Standards Board
An independent standard-setting body responsible for the development and publication of IFRS, and approving interpretations of IFRS standards that are recommended by the IFRS Interpretations Committee (IFRIC).

IFRS or International Financial Reporting Standards
A set of international accounting standards developed and issued by the International Accounting Standards Board, consisting of principles-based guidance contained within IFRSs and IASs. All companies that have issued publicly traded securities in the EU are required to prepare annual and interim reports under IFRS and IAS standards that have been endorsed by the EU.

IFRIC
The IFRS Interpretations Committee supports the IASB in providing authoritative guidance on the accounting treatment of issues not specifically dealt with by existing IFRSs and IASs.

Income Return on risk weighted assets (IRORWA)
Annualised income excluding Debit Valuation Adjustment as a percentage of Average RWA..

Investment grade
A debt security, treasury bill or similar instrument with a credit rating measured by external agencies of AAA to BBB.

Leverage ratio
A ratio introduced under CRD IV that compares Tier 1 capital to total exposures, including certain exposures held off-balance sheet as adjusted by stipulated credit conversion factors. Intended to be a simple, non-risk-based backstop measure.

Liquidation portfolio
A portfolio of assets which is beyond our current risk appetite metrics and is held for liquidation.

LCR or Liquidity coverage ratio
The ratio of the stock of high-quality liquid assets to expected net cash outflows under stressed conditions over the following 30 days. High-quality liquid assets should be unencumbered, liquid in markets during a time of stress, and ideally, be central bank eligible.

Loan exposure
Loans and advances to customers reported on the balance sheet held at amortised cost or FVOCI, non-cancellable credit commitments and cancellable credit commitments for credit cards and overdraft facilities.

Loans and advances to customers
This represents lending made under bilateral agreements with customers entered into in the normal course of business and is based on the legal form of the instrument.

Loans and advances to banks
Amounts loaned to credit institutions including securities bought under Reverse repo.

LTV or loan-to-value ratio
A calculation which expresses the amount of a first mortgage lien as a percentage of the total appraised value of real property. The loan-to-value ratio is used in determining the appropriate level of risk for the loan and therefore the correct price of the loan to the borrower.

Loans past due
Loans on which payments have been due for up to a maximum of 90 days including those on which partial payments are being made.

Loans subject to forbearance – impaired
Loans where the terms have been renegotiated on terms not consistent with current market levels due to financial difficulties of the borrower. Loans in this category are necessarily impaired. See 'Forbearance'.

Loss rate
Uses an adjusted gross charge-off rate, developed using monthly write-off and recoveries over the preceding 12 months and total outstanding balances.

LGD or Loss given default
The percentage of an exposure that a lender expects to lose in the event of obligor default.

Low returning clients
See 'Perennial sub-optimal clients'.

Malus
An arrangement that permits the Group to prevent vesting of all or part of the amount of an unvested variable remuneration award, due to a specific crystallised risk, behaviour, conduct or adverse performance outcome.

Master netting agreement
An agreement between two counterparties that have multiple derivative contracts with each other that provides for the net settlement of all contracts through a single payment, in a single currency, in the event of default on, or termination of, any one contract.

Mezzanine capital
Financing that combines debt and equity characteristics. For example, a loan that also confers some profit participation to the lender.

MREL or minimum requirement for own funds and eligible liabilities
A requirement under the Bank Recovery and Resolution Directive for EU resolution authorities and the Bank of England (as the UK resolution authority) to set a minimum requirement for own funds and eligible liabilities for banking groups, implementing the FSB's Total Loss Absorbing Capacity (TLAC) standard. MREL is intended to ensure that there is sufficient equity and specific types of liabilities to facilitate an orderly resolution that minimises any impact on financial stability and ensures the continuity of critical functions and avoids exposing taxpayers to loss.

Net asset value (NAV) per share
Ratio of net assets (total assets less total liabilities) to the number of ordinary shares outstanding at the end of a reporting period.

Net exposure
The aggregate of loans and advances to customers/loans and advances to banks after impairment provisions, restricted balances with central banks, derivatives (net of master netting agreements), investment debt and equity securities, and letters of credit and guarantees.

NII or Net interest income
The difference between interest received on assets and interest paid on liabilities.

NSFR or Net stable funding ratio
The ratio of available stable funding to required stable funding over a one-year time horizon, assuming a stressed scenario. It is a longer-term liquidity measure designed to restrain the amount of wholesale borrowing and encourage stable funding over a one-year time horizon.

Net Zero Roadmap
Net Zero refers to a condition in which human-caused residual greenhouse gas emissions (GHG) are balanced by human-led removals over a specified period and within specified boundaries. Our Net Zero Roadmap refers to the short and medium-term objectives and quantifiable targets the Group has set to achieve net zero carbon emissions in our operations by 2025 and in our financed emissions by 2050.

NPLs or non-performing loans
An NPL is any loan that is more than 90 days past due or is otherwise individually impaired. This excludes Retail loans renegotiated at or after 90 days past due, but on which there has been no default in interest or principal payments for more than 180 days since renegotiation, and against which no loss of principal is expected.

Non-linearity
Non-linearity of expected credit loss occurs when the average of expected credit loss for a portfolio is higher than the base case (median) due to the fact that bad economic environment could have a larger impact on ECL calculation than good economic environment.

Non NII
The sum of net fees andcommission, net trading income and other operating income.

Operating expenses
Staff and premises costs, general and administrative expenses, depreciation and amortisation.

Operating income or operating profit
Net interest, net fee and net trading income, as well as other operating income.

OTC or Over-the-counter derivatives
A bilateral transaction (e.g. derivatives) that is not exchange traded and that is valued using valuation models.

OCA or Own credit adjustment
An adjustment to the Group's issued debt designated at fair value through profit or loss that reflects the possibility that the Group may default and not pay the full market value of the contracts.

Perennial sub-optimal clients
Clients that have returned below 3% return on risk-weighted assets for the last three years

Physical risks
The risk of increased extreme weather events including flood, drought and sea level rise.

Pillar 1
The first pillar of the three pillars of the Basel framework which provides the approach to calculation of the minimum capital requirements for credit, market and operational risk. Minimum capital requirements are 8 per cent of the Group's risk-weighted assets.

Pillar 2
The second pillar of the three pillars of the Basel framework which requires banks to undertake a comprehensive assessment of their risks and to determine the appropriate amounts of capital to be held against these risks where other suitable mitigants are not available.

Pillar 3
The third pillar of the three pillars of the Basel framework which aims to provide a consistent and comprehensive disclosure framework that enhances comparability between banks and further promotes improvements in risk practices.

Priority Banking
Priority Banking customers are individuals who have met certain criteria for deposits, AUM, mortgage loans or monthly payroll. Criteria varies by country.

Private equity investments
Equity securities in operating companies generally not quoted on a public exchange. Investment in private equity often involves the investment of capital in private companies. Capital for private equity investment is raised by retail or institutional investors and used to fund investment strategies such as leveraged buyouts, venture capital, growth capital, distressed investments and mezzanine capital.

PD or Probability of default
PD is an internal estimate for each borrower grade of the likelihood that an obligor will default on an obligation over a given time horizon.

Probability weighted
Obtained by considering the values the metric can assume, weighted by the probability of each value occurring.

Profit (loss) attributable to ordinary shareholders
Profit (loss) for the year after non-controlling interests and dividends declared in respect of preference shares classified as equity.

PVA or Prudent valuation adjustment
An adjustment to CET1 capital to reflect the difference between fair value and prudent value positions, where the application of prudence results in a lower absolute carrying value than recognised in the financial statements.

PRA or Prudential Regulation Authority
The Prudential Regulation Authority is the statutory body responsible for the prudential supervision of banks, building societies, credit unions, insurers and a small number of significant investment firms in the UK. The PRA is a part of the Bank of England.

Rate paid
Interest expense adjusted for interest expense incurred on amortised cost liabilities used to fund financial instruments held at fair value through profit or loss, divided by average interest bearing liabilities

Regulatory consolidation
The regulatory consolidation of Standard Chartered PLC differs from the statutory consolidation in that it includes Ascenta IV, Global Digital Asset Holdings Limited, Olea Global group, Partior Holdings Pte. Ltd., SBI Zodia Custody Co. Ltd, Seychelles International Mercantile Banking Corporation Limited., Vault22 Solutions Holdings Ltd, and all of the legal entities in the Currency Fair group on a proportionate consolidation basis. These entities are considered associates for statutory accounting purposes.

The regulatory consolidation further excludes the following entities, which are consolidated for statutory accounting purposes; Audax Financial Technology Pte. Ltd, Furaha Finserve Uganda Limited, Letsbloom India Private Limited, Letsbloom Pte. Ltd., Pegasus Dealmaking Pte. Ltd., PointSource Technologies Pte. Ltd., PT Labamu Sejahtera Indonesia, Qatalyst Pte. Ltd., SCV Research and Development Pte. Ltd., SCV Research and Development Pvt. Ltd., Solv Vietnam Company Limited, Solvezy Technology Ghana Ltd, Solvezy Technology Kenya Limited, Standard Chartered Assurance Limited, Standard Chartered Bancassurance Intermediary Limited, Standard Chartered Bank Insurance Agency (Proprietary) Limited, Standard Chartered Botswana Education Trust, Standard Chartered Isle of Man Limited, TASConnect (Hong Kong) Private Limited, TASConnect (Malaysia) Sdn. Bhd., TASConnect (Shanghai) Financial Technology Pte. Ltd and Tawi Fresh Kenya Limited.

Repo/reverse repo
A repurchase agreement or repo is a short-term funding agreement, which allows a borrower to sell a financial asset, such as asset-backed securities or government bonds as collateral for cash. As part of the agreement the borrower agrees to repurchase the security at some later date, usually less than 30 days, repaying the proceeds of the loan. For the party on the other end of the transaction (buying the security and agreeing to sell in the future), it is a reverse repurchase agreement or reverse repo.

Residential mortgage
A loan to purchase a residential property which is then used as collateral to guarantee repayment of the loan. The borrower gives the lender a lien against the property, and the lender can foreclose on the property if the borrower does not repay the loan per the agreed terms. Also known as a home loan.

RoRWA or Return on risk-weighted assets
Profit before tax for year as a percentage of RWA.

RoTE or Return on ordinary shareholders' tangible equity
The ratio of the current year's profit available for distribution to ordinary shareholders to the average tangible equity, being ordinary shareholders' equity less the average intangible assets for the reporting period. Where a target RoTE is stated, this is based on profit and equity expectations for future periods.

RWA or Risk-weighted assets
A measure of a bank's assets adjusted for their associated risks, expressed as a percentage of an exposure value in accordance with the applicable standardised or IRB approach provisions.

Risks-not-in-VaR (RNIV)
A framework for identifying and quantifying marginal types of market risk that are not captured in the Value at Risk (VaR) measure for any reason, such as being a far-tail risk or the necessary historical market data not being available.

Roll rate
Uses a matrix that gives average loan migration rate from delinquency states from period to period. A matrix multiplication is then performed to generate the final PDs by delinquency bucket over different time horizons.

Scope 1 emissions
Direct GHG emissions that occur from sources owned or controlled by the Group - i.e., emissions from combustion in owned or controlled boilers, furnaces, vehicles, as well as fugitive emissions from pressure containing equipment at Group locations.

Scope 2 emissions
Indirect GHG emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the Group.

Scope 3 emissions
All indirect GHG emissions (not included in Scope 2) that occur in the value chain of the Group, arising from sources not controlled by the Group. This comprises of both upstream and downstream value chain emissions and includes absolute financed emissions.

Secured (fully and partially)
A secured loan is a loan in which the borrower pledges an asset as collateral for a loan which, in the event that the borrower defaults, the Group is able to take possession of. All secured loans are considered fully secured if the fair value of the collateral is equal to or greater than the loan at the time of origination. All other secured loans are considered to be partly secured.

Securitisation
Securitisation is a process by which credit exposures are aggregated into a pool, which is used to back new securities. Under traditional securitisation transactions, assets are sold to a structured entity which then issues new securities to investors at different levels of seniority (credit tranching). This allows the credit quality of the assets to be separated from the credit rating of the originating institution and transfers risk to external investors in a way that meets their risk appetite. Under synthetic securitisation transactions, the transfer of risk is achieved by the use of credit derivatives or guarantees, and the exposures being securitised remain exposures of the originating institution.

Senior debt
Debt that takes priority over other unsecured or otherwise more 'junior' debt owed by the issuer. Senior debt has greater seniority in the issuer's capital structure than subordinated debt. In the event the issuer goes bankrupt, senior debt theoretically must be repaid before other creditors receive any payment.

SICR or Significant increase in credit risk
Assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination (after considering the passage of time).

Solo
The solo regulatory group as listed in the Prudential Regulation Authority written notice dated 16 September 2024 differs from Standard Chartered Company in that it includes the full consolidation of four subsidiaries, namely Standard Chartered Holdings (International) B.V., Standard Chartered Grindlays PTY Limited, SCMB Overseas Limited, and Corrasi Covered Bonds LLP.

Sovereign exposures
Exposures to central governments and central government departments, central banks and entities owned or guaranteed by the aforementioned. Sovereign exposures, as defined by the European Banking Authority, include only exposures to central governments.

Stage 1
Assets have not experienced a significant increase in credit risk since origination and impairment recognised on the basis of 12 months expected credit losses.

Stage 2
Assets have experienced a significant increase in credit risk since origination and impairment is recognised on the basis of lifetime expected credit losses.

Stage 3
Assets that are in default and considered credit-impaired (non-performing loans).

Standardised approach
In relation to credit risk, a method for calculating credit risk capital requirements using External Credit Assessment Institutions (ECAI) ratings and supervisory risk weights. In relation to operational risk, a method of calculating the operational capital requirement by the application of a supervisory defined percentage charge to the gross income of eight specified business lines.

Structured note
An investment tool which pays a return linked to the value or level of a specified asset or index and sometimes offers capital protection if the value declines. Structured notes can be linked to equities, interest rates, funds, commodities and foreign currency.

Subordinated liabilities
Liabilities which, in the event of insolvency or liquidation of the issuer, are subordinated to the claims of depositors and other creditors of the issuer.

Sustainability Aspirations
Our Sustainability Aspirations are consolidated into four overarching long-term goals, each supported by key performance indicators that we use to measure our progress and outcomes in areas in which we can make a contribution to the delivery of the UN Sustainable Development Goals (SDGs).

Sustainable Finance income
Income generated from Sustainable Finance products and clients as listed in the Green and Sustainable Product Framework. Additional products may be approved throughout the year by the Sustainable Finance Governance Committee.

Tier 1 capital
The sum of Common Equity Tier 1 capital and Additional Tier 1 capital.

Tier 1 capital ratio
Tier 1 capital as a percentage of risk-weighted assets.

Tier 2 capital
Tier 2 capital comprises qualifying subordinated liabilities and related share premium accounts.

TLAC or Total loss absorbing capacity
An international standard for TLAC issued by the FSB, which requires G-SIBs to have sufficient loss-absorbing and recapitalisation capacity available in resolution, to minimise impacts on financial stability, maintain the continuity of critical functions and avoid exposing public funds to loss.

Transition risks
The risk of of financial impact due to changes in market dynamics or sectoral economics due to governments' response to climate change, as well as competitors and advancements in technology.

UK bank levy
A levy that applies to certain UK banks and the UK operations of foreign banks. The levy is payable each year based on a percentage of the chargeable equities and liabilities on the Group's UK tax resident entities' balance sheets.

Key exclusions from chargeable equities and liabilities include Tier 1 capital, insured or guaranteed retail deposits, repos secured on certain sovereign debt and liabilities subject to netting.

Unbiased
Not overly optimistic or pessimistic, represents information that is not slanted, weighted, emphasised, de-emphasised or otherwise manipulated to increase the probability that the financial information will be received favourably or unfavourably by users.

Unlikely to pay
Indications of unlikeliness to pay shall include placing the credit obligation on non-accrued status; the recognition of a specific credit adjustment resulting from a significant perceived decline in credit quality subsequent to the Group taking on the exposure; selling the credit obligation at a material credit-related economic loss; the Group consenting to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, interest or, where relevant fees; filing for the obligor's bankruptcy or a similar order in respect of an obligor's credit obligation to the Group; the obligor has sought or has been placed in bankruptcy or similar protection where this would avoid or delay repayment of a credit obligation to the Group.

VaR or Value at Risk
A quantitative measure of market risk estimating the potential loss that will not be exceeded in a set time period at a set statistical confidence level.

ViU or Value-in-Use
The present value of the future expected cash flows expected to be derived from an asset or CGU.

Write-downs
After an advance has been identified as impaired and is subject to an impairment provision, the stage may be reached whereby it is concluded that there is no realistic prospect of further recovery. Write-downs will occur when, and to the extent that, the whole or part of a debt is considered irrecoverable.

XVA
The term used to incorporate credit, debit and funding valuation adjustments to the fair value of derivative financial instruments. See 'CVA', 'DVA' and 'FVA'.