

Standard Chartered Bank  
(Hong Kong) Limited

Condensed Consolidated  
Interim Financial Statements (unaudited)

For the period ended  
30 June 2025

# Standard Chartered Bank (Hong Kong) Limited

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The directors are pleased to announce the unaudited consolidated interim results of Standard Chartered Bank (Hong Kong) Limited (the “Bank”) and its subsidiaries (together referred to as the “Group”) for the six months ended 30 June 2025.

**2025 First Half Results**

Profit before taxation increased by HK\$4,098 million from HK\$11,479 million to HK\$15,577 million. Net interest income increased by 9 per cent to HK\$10,603 million. Net fee and commission income increased by 9 per cent over the corresponding period in 2024. Total operating income increased by HK\$4,080 million to HK\$34,170 million.

Operating expenses decreased by HK\$179 million over the corresponding period to HK\$17,245 million. Total impairments increased by HK\$405 million over the corresponding period.

Profit after taxation was HK\$13,273 million, an increase of HK\$3,863 million over HK\$9,410 million recorded in the first half of 2024.

## Condensed consolidated income statement (unaudited) For the period ended 30 June 2025

(Expressed in millions of Hong Kong dollars)

	Note	6 months ended 30 June 2025 HK\$'M	6 months ended 30 June 2024 HK\$'M
Interest income	3	33,958	38,024
Interest expense	4	(23,355)	(28,338)
<b>Net interest income</b>		<b>10,603</b>	<b>9,686</b>
Fee and commission income		7,281	6,822
Fee and commission expense		(2,021)	(1,987)
Net fee and commission income	5	5,260	4,835
Net trading income	6	17,985	15,174
Other operating income	7	322	395
		<b>23,567</b>	<b>20,404</b>
<b>Total operating income</b>		<b>34,170</b>	<b>30,090</b>
Staff costs		(7,702)	(7,592)
Premises and equipment		(1,378)	(1,249)
Others		(8,165)	(8,583)
Operating expenses	8	(17,245)	(17,424)
<b>Operating profit before impairment</b>		<b>16,925</b>	<b>12,666</b>
Credit impairment	9	(2,083)	(1,687)
Other impairment	10	(70)	(61)
<b>Operating profit after impairment</b>		<b>14,772</b>	<b>10,918</b>
Share of profit of an associate		805	561
<b>Profit before taxation</b>		<b>15,577</b>	<b>11,479</b>
Taxation	11	(2,304)	(2,069)
<b>Profit after taxation</b>		<b>13,273</b>	<b>9,410</b>
Profit/(loss) attributable to:			
– Non-controlling interests		(52)	(160)
– Equity shareholders of the Bank		13,325	9,570
<b>Profit after taxation</b>		<b>13,273</b>	<b>9,410</b>

The notes on pages 7 to 31 form part of these condensed consolidated interim financial statements.

## Condensed consolidated statement of comprehensive income (unaudited)

### For the period ended 30 June 2025

(Expressed in millions of Hong Kong dollars)

	6 months ended 30 June 2025 HK\$'M	6 months ended 30 June 2024 HK\$'M
<b>Profit after taxation</b>	<b>13,273</b>	<b>9,410</b>
<b>Other comprehensive income:</b>		
<u>Items that will not be reclassified to the income statement:</u>	<b>(196)</b>	<b>(341)</b>
Own credit adjustment:		
– Changes in own credit adjustment on financial liabilities designated at fair value through profit or loss	<b>(360)</b>	<b>(817)</b>
– Related tax effect	<b>83</b>	<b>185</b>
Defined benefit plans:		
– Remeasurement of retirement benefit obligations	<b>34</b>	<b>189</b>
– Related tax effect	<b>(5)</b>	<b>(33)</b>
Equity securities at fair value through other comprehensive income:		
– Changes in fair value recognised during the period	<b>64</b>	<b>14</b>
– Related tax effect	<b>(12)</b>	<b>–</b>
Property revaluation credited to reserve	<b>–</b>	<b>121</b>
<u>Items that may be reclassified subsequently to the income statement:</u>	<b>2,070</b>	<b>(680)</b>
Debt securities at fair value through other comprehensive income:		
– Changes in fair value recognised during the period	<b>813</b>	<b>363</b>
– Changes in fair value transferred to the income statement on disposal	<b>(77)</b>	<b>(20)</b>
– Transfer to the income statement on fair value hedged items attributable to hedged risk	<b>(169)</b>	<b>(219)</b>
– Expected credit loss	<b>6</b>	<b>2</b>
– Share of impact from an associate	<b>(237)</b>	<b>66</b>
– Related tax effect	<b>24</b>	<b>(41)</b>
Cash flow hedges:		
– Changes in fair value recognised during the period	<b>2,137</b>	<b>(914)</b>
– Transfer to the income statement on termination of hedging derivatives	<b>(82)</b>	<b>(89)</b>
– Related tax effect	<b>(345)</b>	<b>172</b>
Exchange differences	<b>3,698</b>	<b>(1,292)</b>
Other comprehensive income/(loss) for the period, net of tax	<b>5,572</b>	<b>(2,313)</b>
<b>Total comprehensive income</b>	<b>18,845</b>	<b>7,097</b>
Total comprehensive income/(loss) attributable to:		
– Non-controlling interests	<b>(39)</b>	<b>(160)</b>
– Equity shareholders of the Bank	<b>18,884</b>	<b>7,257</b>
<b>Total comprehensive income</b>	<b>18,845</b>	<b>7,097</b>

The notes on pages 7 to 31 form part of these condensed consolidated interim financial statements.

## Condensed consolidated statement of financial position as at 30 June 2025 (unaudited)

(Expressed in millions of Hong Kong dollars)

	Note	At 30 June 2025 HK\$'M	At 31 December 2024 HK\$'M
<b>Assets</b>			
Cash and balances at central banks		94,436	51,951
Loans and advances to banks	13	138,432	160,360
Hong Kong SAR Government certificates of indebtedness		49,941	49,451
Financial assets at fair value through profit or loss	14	711,803	673,614
Investment securities	15	426,564	361,588
Loans and advances to customers	16	1,025,316	953,252
Amounts due from immediate holding company		24	208
Amounts due from fellow subsidiaries		283,803	214,122
Interest in an associate		6,548	5,736
Property, plant and equipment	18	10,344	10,446
Goodwill and intangible assets		13,171	12,277
Current tax assets		195	80
Deferred tax assets		791	510
Other assets	19	138,100	75,437
Total assets		2,899,468	2,569,032
<b>Liabilities</b>			
Hong Kong SAR currency notes in circulation		49,941	49,451
Deposits by banks		31,829	23,733
Customer accounts	21	2,018,856	1,763,250
Financial liabilities at fair value through profit or loss	22	274,773	248,196
Debt securities in issue	23	20,359	16,683
Amounts due to immediate holding company		50,410	43,728
Amounts due to fellow subsidiaries		125,204	134,953
Current tax liabilities		2,723	1,173
Deferred tax liabilities		1,441	862
Other liabilities	24	107,800	94,148
Total liabilities		2,683,336	2,376,177
<b>Equity</b>			
Share capital		65,025	65,025
Reserves		113,122	103,966
Shareholders' equity	25	178,147	168,991
Other equity instruments		37,437	23,384
Non-controlling interests		548	480
Total equity		216,132	192,855
Total equity and liabilities		2,899,468	2,569,032

The notes on pages 7 to 31 form part of these condensed consolidated interim financial statements.

## Condensed consolidated statement of changes in equity (unaudited)

For the period ended 30 June 2025

(Expressed in millions of Hong Kong dollars)

	Share capital HK\$M	Own credit adjustment reserve HK\$M	Cash flow Hedge reserve HK\$M	FVOCI reserve – Debt <sup>2</sup> HK\$M	FVOCI reserve – Equity HK\$M	Exchange reserve HK\$M	Other reserves HK\$M	Retained profits HK\$M	Sub-total HK\$M	Other equity instruments HK\$M	Non- controlling interests HK\$M	Total HK\$M
<b>At 1 January 2024</b>	65,025	479	1,087	(794)	(50)	(11,377)	12,955	98,050	165,375	20,651	612	186,638
Profit for the period	-	-	-	-	-	-	-	9,570	9,570	-	(160)	9,410
Other comprehensive income/(loss), net of tax	-	(632)	(831)	151	14	(1,292)	121	156	(2,313)	-	-	(2,313)
Dividend paid <sup>1</sup>	-	-	-	-	-	-	-	(5,957)	(5,957)	-	-	(5,957)
Movement in respect of share-based compensation plans	-	-	-	-	-	-	-	68	68	-	-	68
Transfer from retained profits	-	-	-	-	-	-	419	(453)	(34)	-	34	-
<b>At 30 June 2024</b>	65,025	(153)	256	(643)	(36)	(12,669)	13,495	101,434	166,709	20,651	486	187,846
Issuance of Additional Tier 1 capital	-	-	-	-	-	-	-	-	-	4,687	-	4,687
Redemption of Additional Tier 1 capital	-	-	-	-	-	-	-	-	-	(1,954)	-	(1,954)
Profit for the period	-	-	-	-	-	-	-	7,234	7,234	-	(83)	7,151
Other comprehensive income/(loss), net of tax	-	55	(165)	803	(13)	(1,595)	6	12	(897)	-	-	(897)
Dividend paid <sup>1</sup>	-	-	-	-	-	-	-	(3,991)	(3,991)	-	-	(3,991)
Movement in respect of share-based compensation plans	-	-	-	-	-	-	-	13	13	-	-	13
Transfer from retained profits	-	-	-	-	-	-	52	(129)	(77)	-	77	-
<b>At 31 December 2024 and 1 January 2025</b>	65,025	(98)	91	160	(49)	(14,264)	13,553	104,573	168,991	23,384	480	192,855
Issuance of Additional Tier 1 capital	-	-	-	-	-	-	-	-	-	14,053	-	14,053
Profit for the period	-	-	-	-	-	-	-	13,325	13,325	-	(52)	13,273
Other comprehensive income/(loss), net of tax	-	(277)	1,710	347	52	3,698	-	29	5,559	-	13	5,572
Dividend paid <sup>1</sup>	-	-	-	-	-	-	-	(9,484)	(9,484)	-	-	(9,484)
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	140	140
Movement in respect of share-based compensation plans	-	-	-	-	-	-	-	(277)	(277)	-	-	(277)
Transfer from retained profits	-	-	-	-	-	-	613	(580)	33	-	(33)	-
<b>At 30 June 2025</b>	65,025	(375)	1,801	507	3	(10,566)	14,166	107,586	178,147	37,437	548	216,132

<sup>1</sup> During the six months ended 30 June 2025, the directors had declared and paid an ordinary dividend of HK\$162 per each Class A, B, C and D ordinary shares totalling HK\$8,584 million (year ended 31 December 2024: HK\$156 per each Class A, B, C and D ordinary shares totalling HK\$8,252 million). Dividends of HK\$323 million (year ended 31 December 2024: HK\$725 million), HK\$234 million (year ended 31 December 2024: HK\$468 million), HK\$84 million (year ended 31 December 2024: HK\$185 million), nil (year ended 31 December 2024: HK\$99 million), HK\$75 million (year ended 31 December 2024: HK\$152 million) and HK\$184 million (year ended 31 December 2024: HK\$67 million) were paid in respect of the US\$900 million floating rate undated Additional Tier 1 Capital Securities, the US\$1,000 million fixed rate undated Additional Tier 1 Capital Securities, the US\$250 million floating rate undated Additional Tier 1 Capital Securities, the US\$250 million 5% perpetual non-cumulative subordinated capital securities, the US\$250 million fixed rate undated Additional Tier 1 Capital Securities and the US\$400 million fixed rate reset undated Additional Tier 1 Capital Securities classified as equity, respectively.

<sup>2</sup> Includes share of other comprehensive loss from an associate as at 30 June 2025 of HK\$752 million (31 December 2024: HK\$515 million).

The notes on pages 7 to 31 form part of these condensed consolidated interim financial statements.

## Condensed consolidated cash flow statement (unaudited) For the period ended 30 June 2025

(Expressed in millions of Hong Kong dollars)

	6 months ended 30 June 2025 HK\$'M	6 months ended 30 June 2024 HK\$'M
<b>Operating activities:</b>		
Profit before taxation	15,577	11,479
Adjustments for non-cash items and other adjustments included within income statement	7,182	1,690
Change in operating assets	(322,536)	(122,841)
Change in operating liabilities	306,993	94,005
Income tax paid	(829)	(1,312)
<b>Net cash generated from/(used in) operating activities</b>	<b>6,387</b>	<b>(16,979)</b>
<b>Investing activities:</b>		
Payment for purchase of property, plant and equipment	(233)	(118)
Payment for purchase of intangible assets	(1,073)	(1,797)
Proceeds from disposal of property, plant and equipment	178	220
<b>Net cash used in investing activities</b>	<b>(1,128)</b>	<b>(1,695)</b>
<b>Financing activities:</b>		
Issuance of Additional Tier 1 Capital	14,053	–
Issuance of subordinated liabilities	5,497	–
Redemption of subordinated liabilities	(1,941)	–
Contribution from non-controlling interest	140	–
Dividend paid to shareholders of the Bank	(9,484)	(5,957)
Payment of lease liabilities	(292)	(679)
Interest paid on subordinated liabilities	(106)	(81)
<b>Net cash generated from/(used in) financing activities</b>	<b>7,867</b>	<b>(6,717)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>13,126</b>	<b>(25,391)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>83,569</b>	<b>147,089</b>
Effect of foreign exchange	4,028	(12,036)
<b>Cash and cash equivalents at 30 June</b>	<b>100,723</b>	<b>109,662</b>

The notes on pages 7 to 31 form part of these condensed consolidated interim financial statements.



## Notes to condensed consolidated interim financial statements (unaudited)

(Expressed in millions of Hong Kong dollars)

### 1. Principal activities

Standard Chartered Bank (Hong Kong) Limited (the “Bank”) is a licensed bank registered under the Hong Kong Banking Ordinance. The principal activities of the Bank and its subsidiaries (together referred to as the “Group”) are the provision of banking and related financial services.

### 2. Material accounting policies

#### (a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in compliance with Hong Kong Accounting Standard (“HKAS”) 34, Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and International Accounting Standard (“IAS”) 34 Interim Financial Reporting, issued by the International Accounting Standards Board (“IASB”).

The preparation of the condensed consolidated interim financial statements in conformity with HKAS 34/IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates. In preparing the condensed consolidated interim financial statements, the significant judgement made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements for the year ended 31 December 2024.

The condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) and International Financial Reporting Standards (“IFRSs”).

The condensed consolidated interim financial statements are unaudited.

#### (b) Basis of preparation

The accounting policies applied in preparing these condensed consolidated interim financial statements are materially consistent with those applied in preparing the consolidated financial statements for the year ended 31 December 2024. No revised accounting standards, which became effective from 1 January 2025, have a material impact on the condensed consolidated interim financial statements.

#### (c) Basis of consolidation

The Group had subordinated and senior debt in issue which are traded in various stock exchanges. Consequently, the Group is required to prepare consolidated financial statements in accordance with HKFRS 10/IFRS 10 “Consolidated Financial Statements”.

These condensed consolidated interim financial statements cover the consolidated positions of the Group unless otherwise stated and include the attributable share of the results and reserves of its associates.

### 3. Interest income

	6 months ended 30 June 2025 HK\$'M	6 months ended 30 June 2024 HK\$'M
Interest income arising from financial assets:		
– amortised cost	30,926	34,649
– measured at fair value through other comprehensive income	3,032	3,375
	<b>33,958</b>	<b>38,024</b>

**Notes to condensed consolidated interim financial statements (unaudited) (continued)***(Expressed in millions of Hong Kong dollars)***4. Interest expense**

	6 months ended 30 June 2025 HK\$'M	6 months ended 30 June 2024 HK\$'M
Interest expense arising from financial liabilities measured at amortised cost	23,276	28,250
Interest expenses on lease liabilities	79	88
	23,355	28,338

**5. Net fee and commission income**

	6 months ended 30 June 2025 HK\$'M	6 months ended 30 June 2024 HK\$'M
Fee and commission income	7,281	6,822
Of which		
– Financial instruments that are not fair valued through profit or loss	1,384	1,363
– Trust and other fiduciary activities	1,004	810
Fee and commission expense	(2,021)	(1,987)
Of which		
– Financial instruments that are not fair valued through profit or loss	(621)	(872)
– Trust and other fiduciary activities	(249)	(194)
Net fee and commission income	5,260	4,835

	6 months ended 30 June 2025 HK\$'M	6 months ended 30 June 2024 HK\$'M
Transaction Services	1,041	1,028
Banking	587	387
Markets	182	444
Wealth Solutions	3,413	2,643
Retail Products	328	389
Others	(291)	(56)
Net fee and commission income	5,260	4,835

**6. Net trading income**

	6 months ended 30 June 2025 HK\$'M	6 months ended 30 June 2024 HK\$'M
Net gains on instruments held for trading	14,845	12,132
Net gains on non-trading financial assets mandatorily at fair value through profit or loss	3,305	3,167
Net losses on financial instruments designated at fair value through profit or loss	(165)	(125)
	17,985	15,174

**Notes to condensed consolidated interim financial statements (unaudited) (continued)***(Expressed in millions of Hong Kong dollars)***7. Other operating income**

	6 months ended 30 June 2025 HK\$'M	6 months ended 30 June 2024 HK\$'M
Rental income from operating lease assets	123	157
Dividend income from financial assets at fair value through other comprehensive income	18	7
Net gains on disposal of debt securities at fair value through other comprehensive income	76	20
Net gains on disposal of fixed assets	36	108
Net (losses)/gains on disposal of financial instruments measured at amortised cost	(54)	1
Net gains on revaluation of investment properties (note 18)	1	7
Others	122	95
	<b>322</b>	<b>395</b>

**8. Operating expenses**

	6 months ended 30 June 2025 HK\$'M	6 months ended 30 June 2024 HK\$'M
Staff costs		
– wages and salaries	5,931	5,781
– contributions to defined contribution plans	363	358
– expense in respect of the defined benefits plan	92	99
– net share-based payment expenses	158	230
– other staff costs	1,158	1,124
Depreciation (note 18)	847	769
Premises and equipment expense, excluding depreciation	531	480
Amortisation of other intangible assets	723	765
Auditor's remuneration	25	29
Others	7,417	7,789
	<b>17,245</b>	<b>17,424</b>

**9. Credit impairment**

	6 months ended 30 June 2025 HK\$'M	6 months ended 30 June 2024 HK\$'M
Net expected credit loss charges/(releases) on:		
– loans and advances to banks	(11)	(25)
– loans and advances to customers	2,117	1,754
– debt securities at amortised cost	8	1
– debt securities at fair value through other comprehensive income	5	2
– loan commitments and financial guarantees	(36)	(45)
	<b>2,083</b>	<b>1,687</b>

**Notes to condensed consolidated interim financial statements (unaudited) (continued)***(Expressed in millions of Hong Kong dollars)***10. Other impairment**

	6 months ended 30 June 2025 HK\$'M	6 months ended 30 June 2024 HK\$'M
Charges for property, plant and equipment (note 18)	(1)	16
Charges for capitalised software and other intangible assets	69	47
Others	2	(2)
	70	61

**11. Taxation**

	6 months ended 30 June 2025 HK\$'M	6 months ended 30 June 2024 HK\$'M
Hong Kong profits tax	1,360	1,006
Overseas taxation	928	754
Deferred taxation	16	309
	2,304	2,069

**12. Segmental reporting**

The Group's segmental reporting is in accordance with HKFRS 8/IFRS 8 Operating Segments and is reported consistently with the internal performance framework and as presented to the Group's Management Team.

Prior period amounts have been re-presented in line with the current period basis of preparation to align with the information reviewed by the Chief Operating Decision Maker as set out in the announcement entitled 'Re-presentation of Financial Information' issued by Standard Chartered PLC on 2 April 2025.

**Client segments**

The Group has three reportable business segments: Corporate and Investment Banking ("CIB"), Wealth and Retail Banking ("WRB") and Ventures:

- (i) CIB supports clients with their transaction banking, financial markets, corporate finance and borrowing needs. The Group provides solutions in some of the world's fastest-growing economies and most active trade corridors. Our clients include governments, banks, investors and local and large corporations.
- (ii) WRB serves individuals and small businesses, with a focus on affluent segment. The Group provides digital banking services with a human touch to our clients, with services spanning across deposits, payments, financing products and Wealth Management. Private Banking offers a full range of investment, credit and wealth planning products to grow, and protect, the wealth of high net-worth individuals. The Group also supports clients with their business banking needs.
- (iii) Ventures mainly includes Mox Bank Limited, a cloud-native, mobile only digital bank, which was launched in September 2020.

Activities not directly related to a client are included in Central & Other items. These mainly include Corporate Centre costs, treasury activities, and certain strategic investments.

**Geographical segments**

The Group comprises four geographical segments, Hong Kong, Mainland China, Taiwan and Korea. Geographical segment is classified by the location of the principal operations of the subsidiary.

## Notes to condensed consolidated interim financial statements (unaudited) (continued)

(Expressed in millions of Hong Kong dollars)

## 12. Segmental reporting (continued)

## (a) Segment results, assets and liabilities

Segmental information is prepared on an underlying basis and excludes items such as infrequent and/or exceptional transactions in the context of the Group's normal business earnings and items which management and investors would ordinarily identify separately when assessing consistent performance period by period.

Revenue and expenses are allocated to the reportable segments with reference to income generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

## Client segments

	6 months ended 30 June 2025				
	Corporate & Investment Banking HK\$'M	Wealth & Retail Banking HK\$'M	Ventures HK\$'M	Central & Other Items HK\$'M	Consolidated Total HK\$'M
<b>Operating income</b>					
– External	20,264	6,505	303	6,338	33,410
– Inter-segment	(4,810)	11,234	–	(6,424)	–
	15,454	17,739	303	(86)	33,410
Operating expenses	(6,240)	(9,493)	(412)	(110)	(16,255)
<b>Operating profit/(loss) before impairment</b>	9,214	8,246	(109)	(196)	17,155
Impairment (charges)/releases	(656)	(1,467)	(64)	49	(2,138)
Share of profit of an associate	–	–	–	805	805
<b>Profit/(loss) before taxation</b>	8,558	6,779	(173)	658	15,822
<b>At 30 June 2025</b>					
Segment assets	1,337,850	610,052	20,492	645,477	2,613,871
Of which: loans and advances to customers	511,920	599,610	6,600	18,241	1,136,371
Segment liabilities	1,150,944	1,230,851	19,983	103,552	2,505,330
Of which: customer accounts	892,246	1,209,326	19,138	13,651	2,134,361
	6 months ended 30 June 2024 (restated)				
	Corporate & Investment Banking HK\$'M	Wealth & Retail Banking HK\$'M	Ventures HK\$'M	Central & Other Items HK\$'M	Consolidated Total HK\$'M
<b>Operating income</b>					
– External	15,390	5,736	249	8,606	29,981
– Inter-segment	(1,617)	10,435	–	(8,818)	–
	13,773	16,171	249	(212)	29,981
Operating expenses	(6,260)	(8,835)	(436)	20	(15,511)
<b>Operating profit/(loss) before impairment</b>	7,513	7,336	(187)	(192)	14,470
Impairment charges	(245)	(1,322)	(258)	(12)	(1,837)
Share of profit of an associate	–	–	–	561	561
<b>Profit/(loss) before taxation</b>	7,268	6,014	(445)	357	13,194
<b>At 31 December 2024 (restated)</b>					
Segment assets	1,226,117	570,556	18,793	542,507	2,357,973
Of which: loans and advances to customers	500,915	560,955	6,328	14,221	1,082,419
Segment liabilities	983,744	1,099,141	18,289	104,145	2,205,319
Of which: customer accounts	750,605	1,079,281	17,356	17,276	1,864,518

## Notes to condensed consolidated interim financial statements (unaudited) (continued)

(Expressed in millions of Hong Kong dollars)

## 12. Segmental reporting (continued)

## (a) Segment results, assets and liabilities (continued)

## Geographical segments

	6 months ended 30 June 2025				Consolidated Total HK\$'M
	Hong Kong HK\$'M	Mainland China HK\$'M	Korea HK\$'M	Taiwan HK\$'M	
Operating income	21,623	5,179	4,345	2,263	33,410
Operating expenses	(9,029)	(3,085)	(2,857)	(1,284)	(16,255)
<b>Operating profit before impairment</b>	<b>12,594</b>	<b>2,094</b>	<b>1,488</b>	<b>979</b>	<b>17,155</b>
Impairment charges	(1,319)	(468)	(209)	(142)	(2,138)
Share of profit of an associate	–	805	–	–	805
<b>Profit before taxation</b>	<b>11,275</b>	<b>2,431</b>	<b>1,279</b>	<b>837</b>	<b>15,822</b>
<b>At 30 June 2025</b>					
Segment assets	1,647,420	357,775	416,083	192,593	2,613,871
Of which: loans and advances to customers	676,224	119,701	241,284	99,162	1,136,371
Segment liabilities	1,681,145	301,685	354,448	168,052	2,505,330
Of which: customer accounts	1,468,170	243,114	275,122	147,955	2,134,361
<b>6 months ended 30 June 2024 (restated)</b>					
					Consolidated Total HK\$'M
	Hong Kong HK\$'M	Mainland China HK\$'M	Korea HK\$'M	Taiwan HK\$'M	
Operating income	17,286	5,831	4,516	2,348	29,981
Operating expenses	(8,287)	(3,390)	(2,551)	(1,283)	(15,511)
<b>Operating profit before impairment</b>	<b>8,999</b>	<b>2,441</b>	<b>1,965</b>	<b>1,065</b>	<b>14,470</b>
Impairment charges	(840)	(714)	(140)	(143)	(1,837)
Share of profit of an associate	–	561	–	–	561
<b>Profit before taxation</b>	<b>8,159</b>	<b>2,288</b>	<b>1,825</b>	<b>922</b>	<b>13,194</b>
<b>At 31 December 2024 (restated)</b>					
Segment assets	1,498,883	326,520	361,420	171,150	2,357,973
Of which: loans and advances to customers	667,460	122,397	200,468	92,094	1,082,419
Segment liabilities	1,501,737	254,401	304,536	144,645	2,205,319
Of which: customer accounts	1,291,536	216,279	222,744	133,959	1,864,518

## Notes to condensed consolidated interim financial statements (unaudited) (continued)

(Expressed in millions of Hong Kong dollars)

## 12. Segmental reporting (continued)

## (b) Reconciliation of reportable segment operating income, profit before taxation, assets and liabilities

	6 months ended 30 June 2025 HK\$'M	6 months ended 30 June 2024 (restated) HK\$'M
<b>Operating Income</b>		
Reportable segment revenue	33,410	29,981
Restructuring	234	(15)
Others	526	124
<b>Total operating income</b>	<b>34,170</b>	<b>30,090</b>
	6 months ended 30 June 2025 HK\$'M	6 months ended 30 June 2024 (restated) HK\$'M
<b>Profit before taxation</b>		
Reportable segment profit before taxation	15,822	13,194
Restructuring	(402)	(1,297)
Others	157	(418)
<b>Profit before taxation</b>	<b>15,577</b>	<b>11,479</b>
	At 30 June 2025 HK\$'M	At 31 December 2024 (restated) HK\$'M
<b>Assets</b>		
Reportable segment assets	2,613,871	2,357,973
Amounts due from immediate holding company and fellow subsidiaries	511,224	435,013
Others	(225,627)	(223,954)
<b>Total Assets</b>	<b>2,899,468</b>	<b>2,569,032</b>
	At 30 June 2025 HK\$'M	At 31 December 2024 (restated) HK\$'M
<b>Liabilities</b>		
Reportable segment liabilities	2,505,330	2,205,319
Amounts due to immediate holding company and fellow subsidiaries	319,569	313,626
Others	(141,563)	(142,768)
<b>Total Liabilities</b>	<b>2,683,336</b>	<b>2,376,177</b>

**Notes to condensed consolidated interim financial statements (unaudited) (continued)***(Expressed in millions of Hong Kong dollars)***12. Segmental reporting (continued)****(b) Reconciliation of reportable segment operating income, profit before taxation, assets and liabilities (continued)**

Income and profit before taxation recognised in the condensed consolidated interim financial statements represent an arm's length compensation for the services provided and risks borne. For internal management reporting purposes, income and profit before taxation are allocated on a global perspective.

Reportable segment assets and liabilities include assets and liabilities which are not booked on the condensed consolidated statement of financial position but which contribute to the reportable segment's income and profit before taxation.

**13. Loans and advances to banks****(a) Loans and advances to banks**

	At 30 June 2025 HK\$'M	At 31 December 2024 HK\$'M
Loans and advances to banks		
– maturing one month	28,442	45,886
– maturing one month to one year	96,575	104,059
– maturing one year to five years	13,093	10,299
– maturing five years to ten years	368	173
	138,478	160,417
Less: Expected credit loss provision (note 17)	(46)	(57)
	138,432	160,360

**(b) Impaired loans and advances to banks**

	At 30 June 2025 HK\$'M	At 31 December 2024 HK\$'M
Gross impaired loans and advances to banks	17	24
Less:		
Stage 3 expected credit loss provision (note 17)	(17)	(24)
	–	–
<i>Gross impaired loans and advances to banks as a % of gross loans and advances to banks</i>	0.01%	0.01%

There is no collateral held against impaired loans and advances to banks.



## Notes to condensed consolidated interim financial statements (unaudited) (continued)

(Expressed in millions of Hong Kong dollars)

## 14. Financial assets at fair value through profit or loss

At 30 June 2025				
	Trading assets HK\$'M	Non-trading financial assets mandatorily at fair value through profit or loss HK\$'M	Financial assets designated at fair value through profit or loss HK\$'M	Total HK\$'M
Debt securities:				
– Treasury bills	39,321	–	–	39,321
– Certificates of deposit held	101,625	–	–	101,625
– Other debt securities	302,648	245	362	303,255
	443,594	245	362	444,201
Equity securities	47,501	151	–	47,652
Loans and advances to customers and banks	19,449	130,110	–	149,559
Positive fair values of derivatives	70,391	–	–	70,391
	580,935	130,506	362	711,803

  

At 31 December 2024				
	Trading assets HK\$'M	Non-trading financial assets mandatorily at fair value through profit or loss HK\$'M	Financial assets designated at fair value through profit or loss HK\$'M	Total HK\$'M
Debt securities:				
– Treasury bills	42,723	–	–	42,723
– Certificates of deposit held	101,937	–	–	101,937
– Other debt securities	212,795	230	544	213,569
	357,455	230	544	358,229
Equity securities	31,412	208	–	31,620
Loans and advances to customers and banks	25,897	159,430	–	185,327
Positive fair values of derivatives	98,438	–	–	98,438
	513,202	159,868	544	673,614

**Notes to condensed consolidated interim financial statements (unaudited) (continued)***(Expressed in millions of Hong Kong dollars)***15. Investment securities**

	At 30 June 2025 HK\$'M	At 31 December 2024 HK\$'M
At fair value through other comprehensive income		
Debt securities		
– Treasury bills	91,309	43,803
– Certificates of deposit held	16,748	15,243
– Other debt securities	172,062	162,938
	280,119	221,984
Equity shares	1,813	1,614
	281,932	223,598
At amortised cost		
– Treasury bill	–	560
– Certificates of deposit held	3,361	3,529
– Other debt securities	141,289	133,911
Less: Expected credit loss provision (note 17)	(18)	(10)
	144,632	137,990
	426,564	361,588

**16. Loans and advances to customers****(a) Loans and advances to customers**

	At 30 June 2025 HK\$'M	At 31 December 2024 HK\$'M
Gross loans and advances to customers	1,041,024	966,327
Trade bills	1,512	2,391
	1,042,536	968,718
Less: Expected credit loss provision (note 17)	(17,220)	(15,466)
	1,025,316	953,252

**(b) Impaired loans and advances to customers**

	At 30 June 2025 HK\$'M	At 31 December 2024 HK\$'M
Gross impaired loans and advances to customers	17,858	16,346
Less:		
Stage 3 expected credit loss provision (note 17)	(12,823)	(11,620)
	5,035	4,726
<i>Gross impaired loans and advances to customers as a % of gross loans and advances to customers</i>	1.71%	1.69%
Fair value of collateral held against the covered portion of impaired loans and advances to customers	5,429	5,528
Covered portion of impaired loans and advances to customers	3,114	2,530
Uncovered portion of impaired loans and advances to customers	14,744	13,816

The covered portion of impaired loans and advances to customers represents the amount of collateral held against outstanding balances. It does not include any collateral held over and above outstanding exposures.

**Notes to condensed consolidated interim financial statements (unaudited) (continued)***(Expressed in millions of Hong Kong dollars)***17. Analysis of expected credit loss provisions on financial instruments by stage**

	At 30 June 2025			
	Stage 1 HK\$'M	Stage 2 HK\$'M	Stage 3 HK\$'M	Total HK\$'M
Expected credit loss provision on:				
Loans and advances to banks (note 13)	28	1	17	46
Loans and advances to customers (note 16)	2,029	2,368	12,823	17,220
Debt securities at amortised cost (note 15)	18	–	–	18
Debt securities at fair value through other comprehensive income <sup>1</sup>	25	–	–	25
Loan commitments and financial guarantees (note 24)	220	112	3	335
	2,320	2,481	12,843	17,644

  

	At 31 December 2024			
	Stage 1 HK\$'M	Stage 2 HK\$'M	Stage 3 HK\$'M	Total HK\$'M
Expected credit loss provision on:				
Loans and advances to banks (note 13)	33	–	24	57
Loans and advances to customers (note 16)	1,848	1,998	11,620	15,466
Debt securities at amortised cost (note 15)	10	–	–	10
Debt securities at fair value through other comprehensive income <sup>1</sup>	20	–	–	20
Loan commitments and financial guarantees (note 24)	221	147	3	371
	2,132	2,145	11,647	15,924

<sup>1</sup> These instruments are held at fair value on the statement of financial position. The corresponding expected credit loss provision is held within FVOCI reserve – Debt.

## Notes to condensed consolidated interim financial statements (unaudited) (continued)

(Expressed in millions of Hong Kong dollars)

## 18. Property, plant and equipment

	Buildings and leasehold land held for own use HK\$'M	Equipment, furniture & fixtures HK\$'M	Leased premises and equipment assets HK\$'M	Investment properties HK\$'M	Total HK\$'M
<b>Cost or valuation:</b>					
At 1 January 2025	6,887	4,070	9,066	1,083	21,106
Additions	84	149	224	–	457
Disposals and write-offs	(32)	(17)	(193)	–	(242)
Reclassifications	(22)	22	–	–	–
Fair value adjustments <sup>1</sup>	–	–	–	1	1
Exchange adjustment	391	125	217	–	733
At 30 June 2025	7,308	4,349	9,314	1,084	22,055
<b>Representing:</b>					
Cost	7,308	4,349	9,314	–	20,971
Valuation	–	–	–	1,084	1,084
	7,308	4,349	9,314	1,084	22,055
<b>Accumulated depreciation and impairment:</b>					
At 1 January 2025	2,840	2,644	5,176	–	10,660
Charge for the year	116	174	557	–	847
Impairments	(5)	–	4	–	(1)
Attributable to assets sold or written off	(14)	(17)	(131)	–	(162)
Exchange adjustment	124	130	113	–	367
At 30 June 2025	3,061	2,931	5,719	–	11,711
<b>Net book value:</b>					
At 30 June 2025	4,247	1,418	3,595	1,084	10,344

## Notes to condensed consolidated interim financial statements (unaudited) (continued)

(Expressed in millions of Hong Kong dollars)

## 18. Property, plant and equipment (continued)

	Buildings and leasehold land held for own use HK\$'M	Equipment furniture & fixtures HK\$'M	Leased premises and equipment assets HK\$'M	Investment properties HK\$'M	Total HK\$'M
<b>Cost or valuation:</b>					
At 1 January 2024	7,671	3,707	7,639	810	19,827
Additions	137	685	1,761	–	2,583
Disposals and write-offs	(274)	(155)	(135)	–	(564)
Reclassifications	(82)	58	–	24	–
Transfers to assets held for sale	(6)	–	–	–	(6)
Elimination of accumulated depreciation on revalued property	(21)	–	–	–	(21)
Fair value adjustments	–	–	–	249	249
Exchange adjustment	(538)	(225)	(199)	–	(962)
At 31 December 2024	6,887	4,070	9,066	1,083	21,106
<b>Representing:</b>					
Cost	6,887	4,070	9,066	–	20,023
Valuation	–	–	–	1,083	1,083
	6,887	4,070	9,066	1,083	21,106
<b>Accumulated depreciation and impairment:</b>					
At 1 January 2024	2,878	2,599	4,295	–	9,772
Charge for the year	271	387	1,128	–	1,786
Impairments	12	2	57	–	71
Attributable to assets sold or written off	(131)	(151)	(131)	–	(413)
Elimination of accumulated depreciation on revalued property	(21)	–	–	–	(21)
Exchange adjustment	(169)	(193)	(173)	–	(535)
At 31 December 2024	2,840	2,644	5,176	–	10,660
<b>Net Book Value</b>					
<b>At 31 December 2024</b>	<b>4,047</b>	<b>1,426</b>	<b>3,890</b>	<b>1,083</b>	<b>10,446</b>

<sup>1</sup> Changes in fair value of the investment properties were recognised as follows:

	6 months ended 30 June 2025 HK\$'M	6 months ended 30 June 2024 HK\$'M
Increase in valuation credited to consolidated income statement (note 7)	1	7
Increase in valuation credited to other comprehensive income upon reclassification to investment property	–	121
	1	128

**Notes to condensed consolidated interim financial statements (unaudited) (continued)***(Expressed in millions of Hong Kong dollars)***19. Other assets**

	At 30 June 2025 HK\$'M	At 31 December 2024 HK\$'M
Prepayments and accrued income	7,224	7,792
Sundry debtors	10,577	5,653
Cash collateral	18,882	14,478
Acceptances and endorsements	8,860	10,500
Unsettled trades and others	92,256	36,775
Assets held for sale	301	239
	<b>138,100</b>	<b>75,437</b>

**20. Investments in subsidiaries**

The principal subsidiaries of the Bank are Standard Chartered Bank (China) Limited, Standard Chartered NEA Limited, Standard Chartered Bank Korea Limited, Standard Chartered Bank (Taiwan) Limited and Mox Bank Limited.

**21. Customer accounts**

	At 30 June 2025 HK\$'M	At 31 December 2024 HK\$'M
Current accounts	371,985	329,538
Savings accounts	853,575	738,995
Time and other deposits	793,296	694,717
	<b>2,018,856</b>	<b>1,763,250</b>

**22. Financial liabilities at fair value through profit or loss**

	At 30 June 2025 HK\$'M	At 31 December 2024 HK\$'M
Trading liabilities		
– Short position in securities	57,290	50,961
– Negative fair values of derivatives	80,720	83,912
	<b>138,010</b>	<b>134,873</b>
Financial liabilities designated at fair value through profit or loss:		
– Deposits by banks	11,579	4,754
– Customer accounts	115,507	98,532
– Debt securities in issue	9,677	10,037
	<b>136,763</b>	<b>113,323</b>
	<b>274,773</b>	<b>248,196</b>

**Notes to condensed consolidated interim financial statements (unaudited) (continued)***(Expressed in millions of Hong Kong dollars)***23. Debt securities in issue**

	At 30 June 2025 HK\$'M	At 31 December 2024 HK\$'M
Certificates of deposit	5,140	3,946
Other debt securities in issue	15,219	12,737
	<b>20,359</b>	<b>16,683</b>

**24. Other liabilities**

	At 30 June 2025 HK\$'M	At 31 December 2024 HK\$'M
Accruals and deferred income	13,206	15,027
Provision for liabilities and charges	310	375
Acceptances and endorsements	8,806	10,500
Cash collateral	9,305	15,694
Expected credit loss provision on loan commitments and financial guarantees (note 17)	335	371
Lease liabilities	3,903	4,181
Unsettled trades and others	71,935	48,000
	<b>107,800</b>	<b>94,148</b>

**25. Shareholders' equity**

The Hong Kong Monetary Authority ("HKMA") requires the Group to maintain a minimum level of impairment allowance for loans and advances to customers which is in excess of the expected credit loss provision required under Hong Kong Financial Reporting Standards. Of the retained earnings as at 30 June 2025 an amount of HK\$479 million (31 December 2024: HK\$686 million) has been reserved for this purpose.

**26. Capital commitments and contingencies****(a) Capital commitments**

Capital commitments outstanding at 30 June 2025 in respect of property, plant and equipment purchases not provided for in the consolidated financial statements were HK\$28 million (31 December 2024: HK\$13 million).

**(b) Contingencies**

The Group receives legal claims against it arising in the normal course of business. The Group considers none of these matters as material. 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.

**27. Material related-party transactions**

There were no significant changes to the nature of the related party transactions described in the 2024 consolidated financial statements that have a material effect on the financial position or performance of the Group during the six months ended 30 June 2025. All related party transactions that took place in the six months ended 30 June 2025 were similar in nature to those disclosed in the 2024 consolidated financial statements.

**28. Ultimate and immediate holding company**

The Bank's ultimate and immediate holding company is SC PLC, a company registered in England and Wales. SC PLC has listings on the London Stock Exchange and the Stock Exchange of Hong Kong.

## Notes to condensed consolidated interim financial statements (unaudited) (continued)

(Expressed in millions of Hong Kong dollars)

## 29. Financial instruments

## (a) Valuation of financial instruments carried at fair value

Valuation of financial assets and liabilities held at fair value are subject to a review independent of the business by Valuation Control. For those financial assets and liabilities whose fair value is determined by reference to externally quoted prices or market observable pricing inputs to valuation models, an assessment is made against external market data and consensus services. Financial instruments held at fair value in the consolidated statement of financial position have been classified into a valuation hierarchy that reflects the significance of the inputs used in the fair value measurements.

## Valuation methodologies

The valuation hierarchy is set out below:

	Level 1	Level 2	Level 3
Fair value determined using:	Unadjusted quoted price in an active market for identical assets and liabilities	Directly or indirectly observable inputs other than unadjusted quoted prices included within Level 1 that are observable <sup>1</sup>	Significant inputs for the asset or liability that are not based on observable market data (unobservable inputs) (see note 29 (a)(i))

<sup>1</sup> These included valuation models such as discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. These models incorporate assumptions and inputs that other market participants would use in their valuations, such as discount rates, default rates, credit spreads and option volatilities. These inputs need to be directly or indirectly observable in order to be classified as level 2.

The tables below show the classification of financial instruments held at fair value into the valuation hierarchy set out above:

	At 30 June 2025			
	Level 1 HK\$'M	Level 2 HK\$'M	Level 3 HK\$'M	Total HK\$'M
Financial assets at fair value through profit or loss:				
– Trading assets	251,682	312,042	17,211	580,935
– Non-trading financial assets mandatorily at fair value through profit or loss	–	126,327	4,179	130,506
– Financial assets designed at fair value through profit or loss	–	362	–	362
Investment securities at fair value through other comprehensive income	218,524	61,718	1,690	281,932
Amounts due from immediate holding company				
– Debt securities	–	24	–	24
Amounts due from fellow subsidiaries				
– Positive fair values of derivatives	45	74,716	–	74,761
– Debt securities	–	8,043	–	8,043
<b>Total assets measured at fair value</b>	<b>470,251</b>	<b>583,232</b>	<b>23,080</b>	<b>1,076,563</b>
Financial liabilities at fair value through profit or loss:				
– Trading liabilities	54,777	83,078	155	138,010
– Financial liabilities designated at fair value through profit or loss	–	104,490	32,273	136,763
Amounts due to fellow subsidiaries				
– Negative fair values of derivatives	50	88,505	191	88,746
<b>Total liabilities measured at fair value</b>	<b>54,827</b>	<b>276,073</b>	<b>32,619</b>	<b>363,519</b>



**Notes to condensed consolidated interim financial statements (unaudited) (continued)***(Expressed in millions of Hong Kong dollars)***29. Financial instruments (continued)****(a) Valuation of financial instruments carried at fair value (continued)**

	At 31 December 2024			
	Level 1 HK\$'M	Level 2 HK\$'M	Level 3 HK\$'M	Total HK\$'M
Financial assets at fair value through profit or loss:				
– Trading assets	175,623	328,288	9,291	513,202
– Non-trading financial assets mandatorily at fair value through profit or loss	–	154,306	5,562	159,868
– Financial assets designated at fair value through profit or loss	–	544	–	544
Investment securities at fair value through other comprehensive income	167,274	54,822	1,502	223,598
Amounts due from immediate holding company				
– Positive fair values of derivatives	–	179	–	179
– Debt securities	–	29	–	29
Amounts due from fellow subsidiaries				
– Positive fair values of derivatives	75	84,938	9	85,022
– Debt securities	–	7,592	–	7,592
<b>Total assets measured at fair value</b>	<b>342,972</b>	<b>630,698</b>	<b>16,364</b>	<b>990,034</b>
Financial liabilities at fair value through profit or loss:				
– Trading liabilities	47,493	87,205	175	134,873
– Financial liabilities designated at fair value through profit or loss	–	90,796	22,527	113,323
Amounts due to fellow subsidiaries				
– Negative fair values of derivatives	65	98,348	120	98,533
<b>Total liabilities measured at fair value</b>	<b>47,558</b>	<b>276,349</b>	<b>22,822</b>	<b>346,729</b>

There were no significant transfers between level 1 and level 2 instruments during 2025 and 2024.

## Notes to condensed consolidated interim financial statements (unaudited) (continued)

(Expressed in millions of Hong Kong dollars)

## 29. Financial instruments (continued)

## (a) Valuation of financial instruments carried at fair value (continued)

## (i) Valuation of financial instruments with significant unobservable inputs

The movements during the period for level 3 financial assets and liabilities are as follows:

*Financial assets*

	Financial assets at fair value through profit or loss HK\$'M	Financial assets at fair value through other comprehensive income HK\$'M	Amount due from fellow subsidiaries HK\$'M	Total Level 3 assets HK\$'M
At 1 January 2025	14,853	1,502	9	16,364
Total losses recognised in the consolidated income statement				
– Net trading income	(138)	–	(3)	(141)
Total gains recognised in other comprehensive income				
– Net change in fair value	–	138	–	138
Purchases	24,225	50	2	24,277
Settlements	(17,550)	–	(8)	(17,558)
At 30 June 2025	21,390	1,690	–	23,080
Total losses recognised in the consolidated income statement relating to assets held at 30 June 2025				
– Net trading income	(146)	–	–	(146)

*Financial liabilities*

	Financial liabilities at fair value through profit or loss HK\$'M	Amounts due to fellow subsidiaries HK\$'M	Total Level 3 Liabilities HK\$'M
At 1 January 2025	22,702	120	22,822
Total (gains)/losses recognised in the consolidated income statement			
– Net trading income	1,079	(50)	1,029
Issuance	19,209	146	19,355
Settlements	(10,562)	(25)	(10,587)
At 30 June 2025	32,428	191	32,619
Total (gains)/losses recognised in the consolidated income statement relating to liabilities held at 30 June 2025			
Net trading income	1,015	(50)	965

## Notes to condensed consolidated interim financial statements (unaudited) (continued)

(Expressed in millions of Hong Kong dollars)

## 29. Financial instruments (continued)

## (a) Valuation of financial instruments carried at fair value (continued)

## (i) Valuation of financial instruments with significant unobservable inputs (continued)

*Financial assets*

	Financial assets at fair value through profit or loss HK\$'M	Financial assets at fair value through other comprehensive income HK\$'M	Amount due from fellow subsidiaries HK\$'M	Total Level 3 assets HK\$'M
At 1 January 2024	14,306	1,668	–	15,974
Total gains recognised in the consolidated income statement				
– Net trading income	566	–	6	572
Total losses recognised in other comprehensive income				
– Net change in fair value	–	(165)	–	(165)
Purchases	10,132	–	15	10,147
Settlements	(9,989)	(1)	(12)	(10,002)
Transferred into level 3 <sup>1</sup>	(162)	–	–	(162)
At 31 December 2024	14,853	1,502	9	16,364
Total gains recognised in the consolidated income statement relating to assets held at 31 December 2024				
– Net trading income	591	–	6	597

*Financial liabilities*

	Financial liabilities at fair value through profit or loss HK\$'M	Amounts due to fellow subsidiaries HK\$'M	Total Level 3 Liabilities HK\$'M
At 1 January 2024	10,645	83	10,728
Total gains recognised in the consolidated income statement			
– Net trading income	(21)	(76)	(97)
Additions	24,547	236	24,783
Settlements	(11,441)	(88)	(11,529)
Transfer out of level 3 <sup>1</sup>	(1,028)	(35)	(1,063)
At 31 December 2024	22,702	120	22,822
Total gains recognised in the consolidated income statement relating to liabilities held at 31 December 2024			
– Net trading income	(175)	(8)	(183)

<sup>1</sup> Transfers into level 3 during the period relate to financial instruments where the valuation parameters became unobservable during the period.

## Notes to condensed consolidated interim financial statements (unaudited) (continued)

(Expressed in millions of Hong Kong dollars)

## 29. Financial instruments (continued)

## (a) Valuation of financial instruments carried at fair value (continued)

## (i) Valuation of financial instruments with significant unobservable inputs (continued)

The following table presents the key valuation techniques used to measure the fair value of level 3 financial instruments which are held at fair value, the significant unobservable inputs and the range of values for those inputs and the weighted average of those inputs.

Type of instruments	Principal valuation technique	Significant unobservable inputs	Range <sup>1</sup>	Weighted average <sup>2</sup>
Debt securities	Discounted cash flows	Price/Yield	0.74% to 8.97% (2024: 0.66% to 9.49%)	5.26% (2024: 4.70%)
Loans and advances to banks	Discounted cash flows	Price/Yield	4.47% to 5.85% (2024: 6.64%)	4.91% (2024: 6.64%)
Loans and advances to customers	Discounted cash flows	Price/Yield	8.40% to 98.50% (2024: 2.25% to 27.40%)	13.53% (2024: 9.63%)
		Recovery rates	94.65% to 96.31% (2024: 93.22% to 95.55%)	96.04% (2024: 95.06%)
Equity shares	Discounted cash flows	Discount rates	8.50% to 12.20% (2024: 8.30% to 12.40%)	9.60% (2024: 9.90%)
	Comparable pricing/Yield	Price-Book multiple	0.39x to 1.19x (2024: 0.34x to 1.24x)	1.14x (2024: 1.20x)
		Liquidity discount	18.90% to 30.20% (2024: 19.10% to 30%)	19.10% (2024: 19.20%)
	Option pricing model	Equity value based on volatility	NA (2024: 30.20%)	NA (2024: 30.20%)
Deposits by banks	Discounted cash flows	Credit spreads	NA (2024: 0.15% to 3.52%)	NA (2024: 1.01%)
		Price/Yield	4.47% to 4.81% (2024: NA)	4.64% (2024: NA)
Customer accounts	Discounted cash flows	Price/Yield	0.74% to 13.56% (2024: 0.66% to 12.98%)	9.65% (2024: 9.27%)
		Interest Rate Curves	NA (2024: 1.38% to 2.20%)	NA (2024: 1.65%)
	Internal pricing model	Equity-Equity correlation	28.10% to 100% (2024: 44.93% to 100%)	77.16% (2024: 80.02%)
		Equity-Foreign exchange correlation	-40% to 46.22% (2024: -36.43% to 48.86%)	4.46% (2024: 5.05%)
Debt securities in issue	Discounted cash flows	Credit spreads	NA (2024: 0.05% to 1.97%)	NA (2024: 0.80%)
		Interest Rate Curves	NA (2024: 3.54% to 4.36%)	NA (2024: 4.14%)
	Option pricing model	Bond Option Implied Volatility	0.10% to 1.10% (2024: 4.01% to 4.71%)	0.83% (2024: 4.38%)
Derivatives	Discounted cash flows	Credit spreads	NA (2024: 0.21% to 1.85%)	NA (2024: 1.03%)
		Price/Yield	2.78% to 4.80% (2024: 6.64%)	2.86% (2024: 6.64%)
	Internal pricing model	Equity-Equity correlation	28.10% to 100% (2024: 44.93% to 100%)	77.16% (2024: 80.02%)
		Equity – Foreign exchange correlation	-40% to 46.22% (2024: -36.73% to 48.86%)	4.46% (2024: 5.05%)
	Option pricing model	Bond option implied volatility	0.10% to 1.10% (2024: 4.01% to 4.71%)	0.83% (2024: 4.38%)

## Notes to condensed consolidated interim financial statements (unaudited) (continued)

(Expressed in millions of Hong Kong dollars)

### 29. Financial instruments (continued)

#### (a) Valuation of financial instruments carried at fair value (continued)

##### (i) Valuation of financial instruments with significant unobservable inputs (continued)

<sup>1</sup> The ranges of values shown represent the highest and lowest used in the valuation of the level 3 financial instruments as at 30 June 2025 and 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 reporting date. However, these ranges of values may not represent the uncertainty in fair value measurements of these level 3 financial instruments.

<sup>2</sup> Weighted average for non-derivative financial instruments have been calculated by weighting inputs by the relative fair value.

The following section describes the significant unobservable inputs identified in the above valuation technique table.

##### **Credit spreads**

Credit spreads represent the additional yield that a market participant would demand for taking exposures to the credit risk of an instrument. An increase in credit spread, in isolation, would result in a decrease in fair value measurement.

##### **Discount rates**

Discount rates is applied to discount future dividend in the discounted cash flow model. An increase in the discount rate, in isolation, would result in decrease in a fair value measurement.

##### **Equity-Equity correlation and Equity-Foreign Exchange correlation**

Correlation is the measure of how movement in one variable influences the movement in another variable. An equity-equity correlation is the correlation between two equity instruments while an equity-foreign exchange correlation refers to the correlation between equity instrument and foreign exchange instrument.

##### **Liquidity discount**

Liquidity discount in the valuation of unlisted investments reflect the fact that these investments are not actively traded. An increase in liquidity discount will result in an unfavourable movement in the fair value of the unlisted firm.

##### **Price-Book (P/B) Multiple**

Price-Book 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.

##### **Recovery rates**

Recovery rates are the expectation of the rate of recovery 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**

Repo Curve is the term structure of repo rates on repos and reverse repos at particular point in time.

##### **Volatility**

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.

##### **Yield**

Yield is the interest rate that is used to discount the future cash flows in a discounted cash flow model. An increase in the yield, in isolation, would result in a decrease in a fair value measurement.

**Notes to condensed consolidated interim financial statements (unaudited) (continued)***(Expressed in millions of Hong Kong dollars)***29. Financial instruments (continued)****(a) Valuation of financial instruments carried at fair value (continued)****(ii) Sensitivities in respect of the fair values of level 3 assets and liabilities**

Where the fair value of financial instruments are measured using valuation techniques that incorporate one or more significant inputs which are based on unobservable market data, we apply a 10 per cent increase or decrease on the values of these unobservable parameter inputs, to generate a range of reasonably possible alternative valuations in accordance with the requirements of HKFRS 7/IFRS 7, Financial Instruments: Disclosures. The percentage shift is determined by statistical analysis performed on a set of reference prices, which included certain equity indices, credit indices and volatility indices, based on the composition of our level 3 financial instruments. Favourable and unfavourable changes are determined on the basis of changes in the value of the instrument as a result of varying the levels of the unobservable parameters. This level 3 sensitivity analysis assumes a one-way market move and does not consider offsets for hedges.

	At 30 June 2025					
	Held at fair value through profit or loss			Held at fair value through other comprehensive income		
	Net exposure	Favourable changes	Unfavourable changes	Net exposure	Favourable changes	Unfavourable changes
	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M	HK\$'M
Debt securities	9,500	9,822	9,191	–	–	–
Loans and advances to customers	5,719	5,829	5,615	–	–	–
Loans and advances to banks	6,009	6,602	5,490	–	–	–
Equity shares	151	166	136	1,690	1,851	1,515
Positive fair value of derivatives	11	12	11	–	–	–
Deposits by banks	(2,099)	(2,068)	(2,131)	–	–	–
Customer accounts	(29,804)	(27,596)	(31,873)	–	–	–
Debt securities in issue	(370)	(369)	(371)	–	–	–
Negative fair value of derivatives	(346)	(322)	(370)	–	–	–
	(11,229)	(7,924)	(14,302)	1,690	1,851	1,515

## Notes to condensed consolidated interim financial statements (unaudited) (continued)

(Expressed in millions of Hong Kong dollars)

## 29. Financial instruments (continued)

## (a) Valuation of financial instruments carried at fair value (continued)

## (ii) Sensitivities in respect of the fair values of level 3 assets and liabilities (continued)

At 31 December 2024

	Held at fair value through profit or loss			Held at fair value through other comprehensive income		
	Net exposure HK\$'M	Favourable changes HK\$'M	Unfavourable changes HK\$'M	Net exposure HK\$'M	Favourable changes HK\$'M	Unfavourable changes HK\$'M
Debt securities	4,822	4,919	4,714	–	–	–
Loans and advances to banks	5,179	5,682	4,675	–	–	–
Loans and advances to customers	4,634	4,764	4,507	–	–	–
Equity shares	209	230	188	1,502	1,651	1,351
Positive fair values of derivatives	18	19	17	–	–	–
Deposits by banks	(2,495)	(2,495)	(2,495)	–	–	–
Customer accounts	(18,314)	(17,048)	(19,529)	–	–	–
Debt securities in issue	(1,717)	(1,692)	(1,741)	–	–	–
Negative fair values of derivatives	(296)	(282)	(309)	–	–	–
	(7,960)	(5,903)	(9,973)	1,502	1,651	1,351

These reasonably possible alternatives could have increased or decreased the 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.

Financial instruments	Fair value changes	At 30 June 2025 HK\$'M	At 31 December 2024 HK\$'M
Held at fair value through profit or loss	Possible increase	3,305	2,057
	Possible decrease	3,073	2,013
Held at fair value through other comprehensive income	Possible increase	161	149
	Possible decrease	175	151

## (b) Valuation of financial instruments carried at amortised cost

The following table shows the carrying amounts and incorporates the estimated of fair values of those financial assets and liabilities not presented on the 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 instruments. For certain instruments, the fair value may be determined using assumptions for which no observable prices are available.

	At 30 June 2025					At 31 December 2024				
	Carrying value HK\$'M	Fair Value				Carrying value HK\$'M	Fair Value			
		Level 1 HK\$'M	Level 2 HK\$'M	Level 3 HK\$'M	Total HK\$'M		Level 1 HK\$'M	Level 2 HK\$'M	Level 3 HK\$'M	Total HK\$'M
<b>Assets</b>										
Loans and advances to banks	138,432	–	139,259	–	139,259	160,360	–	160,344	24	160,368
Loans and advances to customers	1,025,316	–	46,279	973,820	1,020,099	953,252	–	41,006	884,490	925,496
<b>Total</b>	<b>1,163,748</b>	<b>–</b>	<b>185,538</b>	<b>973,820</b>	<b>1,159,358</b>	<b>1,113,612</b>	<b>–</b>	<b>201,350</b>	<b>884,514</b>	<b>1,085,864</b>
<b>Liabilities</b>										
Deposits by banks	31,829	–	31,275	–	31,275	23,733	–	23,233	–	23,233
Customer accounts	2,018,856	–	1,996,545	–	1,996,545	1,763,250	–	1,739,241	–	1,739,241
Debt securities in issue	20,359	–	16,934	–	16,934	16,683	–	14,510	–	14,510
Subordinated liabilities and other borrowed funds	53,087	–	53,029	–	53,029	46,024	–	46,030	–	46,030
<b>Total</b>	<b>2,124,131</b>	<b>–</b>	<b>2,097,783</b>	<b>–</b>	<b>2,097,783</b>	<b>1,849,690</b>	<b>–</b>	<b>1,823,014</b>	<b>–</b>	<b>1,823,014</b>

Other financial instruments not carried at fair value are typically short term in nature and reprice to current market rates frequently. Accordingly, their carrying amount is a reasonable approximation of fair value.

## Notes to condensed consolidated interim financial statements (unaudited) (continued)

(Expressed in millions of Hong Kong dollars)

### 30. Share based payments

SC PLC operates a number of share-based arrangements for its directors and employees.

#### 2021 Standard Chartered Share Plan (the '2021 Plan') and 2011 Standard Chartered Share Plan (the '2011 Plan')

The 2021 Plan was approved by shareholders in May 2021 and is the SC PLC's main share plan, replacing the 2011 Plan for new awards from Jun 2021. It may be used to deliver various types of share awards:

##### (i) Long Term Incentive Plan (LTIP) awards

These are awards granted with vesting subject to performance measures. Performance measures attached to awards granted previously include: total shareholder return (TSR); return on tangible equity (RoTE) (with a Common Equity Tier 1 (CET1) underpin); and strategic measures. 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.

##### (ii) Deferred share awards

Deferred awards are used to deliver the deferred portion of 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. Deferred awards are not subject to any plan limit. This enables the Group to meet regulatory requirements relating to deferral levels, and is in line with market practice.

##### (iii) Restricted shares awards

Restricted share awards, made outside of the annual performance process as replacement buy-out awards to new joiners who forfeit awards on leaving their previous employers, vest in instalments on the anniversaries of the award date specified at the time of grant. This enables the Group to meet regulatory requirements relating to buy-outs, and is in line with market practice. In line with similar plans operated by our competitors, restricted share awards are not subject to an annual limit and do not have any performance measures.

Under the 2021 Plan and 2011 Plan, no grant price is payable to receive an award. The remaining life of the 2021 Plan during which new awards can be made is nine years. The 2011 Plan has expired and no further awards will be granted under this plan.

#### Sharesave Plan

Under the 2023 Sharesave Plan, employees may open a savings contract. Employees can 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 on the share price at the date of invitation (the "option exercise price"), after which they have a period of six months to exercise the option. There are no performance measures attached to options granted under the Sharesave Plans and no grant price is payable to receive an option. In some countries in which the Group operates, it is not possible to operate Sharesave plans, typically due to securities law and regulatory restrictions. In these countries, where possible, the Group offers an equivalent cash-based alternative to its employees.

#### Valuation of share awards

Details of the valuation models used in determining the fair values of share awards granted under the SC PLC's share plans are detailed in the Group's consolidated financial statements for the year ended 31 December 2024.



## Notes to condensed consolidated interim financial statements (unaudited) (continued)

(Expressed in millions of Hong Kong dollars)

### 30. Share based payments (continued)

#### Reconciliation of share award movements for the period to 30 June 2025

	LTIP	Deferred/ Restricted shares	Sharesave	Weighted average Sharesave exercise price (£)
Outstanding at 1 January 2025	716,501	8,394,733	6,796,874	5.44
Granted	255,091	2,568,884	–	–
Lapsed	(19,490)	(44,249)	(145,953)	5.69
Exercised	(80,053)	(3,072,147)	(395,878)	3.74
Outstanding at 30 June 2025	872,049	7,847,221	6,255,043	5.54
Exercisable at 30 June 2025	–	32,465	13,235	
Range of exercise prices (£)	–	–	3.67 to 6.10	
Weighted average contractual remaining life (years)	8.15	8.57	2.18	

By order of the Board

Gaurav BAGGA

Executive Director

Hong Kong

4 August 2025