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## **STANDARD CHARTERED PLC**

**渣打集團有限公司**

*(Incorporated as a public limited company in England and Wales with limited liability)*

*(Registered Number: 966425)*

*(Stock Code: 02888)*

## **Full-Year and Fourth Quarter 2024 Results**

### **Additional Financial information – Part 2**

## Highlights

Standard Chartered PLC (the Group) today releases its results for the year ended 31 December 2024. The following pages provide additional information related to the announcement.

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# Independent Auditor’s Report to the members of Standard Chartered PLC

## Opinion

In our opinion:

- Standard Chartered plc’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 plc (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;	
Information marked as ‘audited’ within the Directors’ remuneration report; and	
Risk Review and Capital Review disclosures marked as ‘audited’.	

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.

In relation to the Group and the Parent Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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	<ul style="list-style-type: none"><li>• We performed an audit of the complete financial information of 10 components in 8 countries and audit procedures on specific balances for a further 8 components in 7 countries.</li><li>• We performed central procedures for certain audit areas and balances as outlined in Tailoring the scope section of our report.</li></ul>
Key audit matters	<ul style="list-style-type: none"><li>• Credit impairment</li><li>• Basis of accounting and impairment assessment of China Bohai Bank (interest in associate)</li><li>• Impairment of investments in subsidiary undertakings</li><li>• Valuation of financial instruments held at fair value with higher risk characteristics.</li></ul>
Materiality	<ul style="list-style-type: none"><li>• Overall group materiality of \$340m which represents 5% of adjusted profit before tax.</li></ul>

## 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; Impairment of goodwill; Going concern and long-term viability; Hedge accounting; Climate risk; Share based payments; Taxation; Legal and regulatory matters; Centralised reconciliations; Onerous contracts, including impairment of leased properties; 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 18 components in 14 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 18 components selected, we designed and performed audit procedures on the entire financial information of 10 components ("full scope components"). For 5 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	64%	62%	87%	87%	72%	72%
Specific Scope	10%	15%	5%	7%	9%	14%
Specified Procedures	2%	1%	0.30%	0.10%	2%	1%
Total	76%	78%	92%	94%	83%	87%

Of the remaining components that together represent 24 per cent of the Group's absolute PBT, none are individually greater than 1.9 per cent. For certain of these components, we performed other procedures at the Group level which included: performing analytical reviews at the Group financial statement 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. There was one non-EY component team auditing a single component in a single location, which was instructed by a direct component of the Group.

Audit procedures were performed on 3 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 15 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:

- Hong Kong
- India (including the shared services centre)
- Mainland China
- Malaysia (including the shared services centre)
- Pakistan
- Republic of Korea
- 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 that risk by the Group is explained in the 'Risk Review and Capital Review' section, and in the 'Sustainability review' section of the Annual Report, 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 'Sustainability review' section of the Annual 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 material and where it 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 a highly evolving 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 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.

## Credit Impairment

Refer to the Audit Committee Report; Note 8 of the financial statements; and relevant credit risk disclosures

At 31 December 2024, the Group reported total credit impairment balance sheet provision of \$5,267 million (2023: \$5,601 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 the Commercial Real Estate portfolio in Mainland China and Hong Kong, 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 Group'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 Group's portfolios, risk profile, the impact of sovereign risk, challenges facing the Commercial Real Estate sector in Mainland China and Hong Kong 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 Group 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, deferral 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 Group'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 Group's choice of discrete scenarios to benchmark the output from the Monte Carlo model and determine the sensitivity analysis as set out on pages 242 and 243 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.

**Management overlays** – We challenged the completeness and appropriateness of overlays used for risks not captured by the models. We focussed our challenge on Commercial Real Estate in Mainland China and Hong Kong, the increasing levels of uncertainty in the outlook for Bangladesh given the political situation and the introduction of a new overlay relating to Bank's exposure to clients trading on two failed e-commerce platforms in South Korea. 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.

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#### 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, with a focus on exposures on Commercial Real Estate in Mainland China and Hong Kong.
- Our assessment of the appropriateness of post model adjustments and overlays, including overlays relating to Commercial Real Estate in Mainland China and Hong Kong, and non-linearity.
- Our assessment of the appropriateness of the Group'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 Group'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.

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#### 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 Groups 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 9 full scope, 5 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.

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### Basis of accounting and impairment assessment of China Bohai Bank (Interest in Associate)

Refer to the Audit Committee Report; Accounting policies; and Note 32 of the financial statements

- Interest in Associate – China Bohai Bank \$738 million (2023: \$700 million).
- Other impairment – China Bohai Bank – NIL (2023: \$850 million).
- Cumulative impairment: \$1,459 million (2023: \$1,459 million).

At 31 December 2024, the Group's share of China Bohai Bank's market capitalisation was \$400m lower than the carrying value of \$738m.

We focused on judgements and estimates, including the appropriateness of the equity accounting treatment under IAS 28 and the assessment of whether the investment was impaired.

#### Basis of accounting

The Group holds a 16.26 per cent stake in China Bohai Bank and equity accounts for the investment as an associate, on the grounds that the Group is able to exercise significant influence over China Bohai Bank.

IAS 28 states that if the entity holds, directly or indirectly, less than 20 per cent of the voting power of the investee, it is presumed that the entity does not have significant influence, unless such influence can be clearly demonstrated.

There is a risk that the equity accounting treatment may not be appropriate, if the Group cannot demonstrate that it exerts significant influence over China Bohai Bank.

The risk in respect of significant influence has not changed compared to the prior year.

#### Impairment testing

At 31 December 2024, China Bohai Bank's market capitalisation was significantly lower than the carrying value of the investment. In addition, the financial performance of China Bohai Bank deteriorated during 2024 and China Bohai Bank did not pay a dividend for a second year.

These matters are indicators of impairment.

Impairment of the investment in China Bohai Bank is determined by comparing the carrying value to the higher of value in use (VIU) and fair value less costs to sell.

The VIU is modelled by reference to future cashflow forecasts (forecast profit, including a haircut for regulatory capital), exit multiples, discount rate and macroeconomic assumptions such as forward market interest rate curves. The assumptions underpinning management's assessment of the VIU are subject to estimation uncertainty and consequently, there is a risk that if the judgements and assumptions are inappropriate, the investment in China Bohai Bank may be misstated.

#### Key observations communicated to the Audit Committee

On the basis of the evidence, we concluded that the Group continues to maintain significant influence over China Bohai Bank as at 31 December 2024. We highlighted our assessment of the impairment methodology, its consistency year-on-year and our view on significant assumptions to the VIU.

We concluded that the Interest in Associate – China Bohai Bank balance and the associated financial statement disclosures were not materially misstated as at 31 December 2024.

#### How we scoped our audit to respond to the risk and involvement with component teams

We performed centralised audit procedures over the risk, with the support of the EY Hong Kong and non-EY Component team in performing certain procedures to address the risk.

The Group audit team's involvement with the component teams and procedures performed are detailed in the Involvement with component audit teams' section of our report.

We obtained an understanding of management's process and evaluated the design of controls. Our audit strategy was fully substantive.

#### Basis of accounting

We evaluated the evidence that the Group presented to demonstrate that it exercises significant influence over China Bohai Bank, through Board representation, membership of Board Committees and sharing of technical advice.

We observed certain meetings alongside Group management and China Bohai Bank management to identify facts and circumstances impacting the assessment of significant influence exercised by the Group.

#### Impairment testing

We assessed the appropriateness of the Group's VIU methodology for compliance with the accounting standards. We tested the mathematical accuracy of the VIU model and engaged our valuation and modelling specialists to support the audit team in calculating an independent range for the VIU.

We performed audit procedures to assess the reasonableness of the Group's forecast of the future cashflows relating to Bohai, and other key assumptions with regard to the relevance and reliability of data inputs.

We performed a stand-back assessment to determine whether the carrying value of the Group's investment in China Bohai Bank was reasonable. We considered the macroeconomic environment in China, ratings agency reports and public disclosures by Bohai. We benchmarked the forecasts to reputable broker reports published for comparable companies.

We assessed the appropriateness of disclosures in the annual report in relation to China Bohai Bank, including the impact of reasonably possible changes in key assumptions on the carrying value of the investment.

## Impairment assessment of investments in subsidiary undertakings

Impairment of investments in subsidiary undertakings: Accounting policies; and Note 32 of the financial statements. Refer to the Audit Committee Report.

In the Parent Company financial statements as at 31 December 2024, the investment in subsidiary undertakings balance was \$61,593 million (2023: \$60,791 million).

On an annual basis, management is required to perform an impairment 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.

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.

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.

### Valuation of financial instruments held at fair value with higher risk characteristics

Refer to the Audit Committee Report; Accounting policies; and Note 13 of the financial statements.

At 31 December 2024, the Group reported financial assets measured at fair value of \$348,408 million (2023: \$301,976 million), and financial liabilities at fair value of \$167,526 million (2023: \$139,157 million), of which financial assets of \$8,053 million (2023: \$6,714 million) and financial liabilities of \$4,937 million (2023: \$2,960 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 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 (IPV), model validation, 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 99.1 per cent 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 \$340 million (2023: \$274 million), which is 5 per cent (2023: 5 per cent) 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 the 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 \$306 million (2023: \$247 million), which represents 90 per cent of Group materiality (2023:90 per cent) and equates to 0.6 per cent (2023: 0.5 per cent) of the equity of the Parent company. We believe that equity provides us with the most appropriate measure for the users of the Parent Company's financial statements, given that the Parent Company is primarily a holding company.

#### Starting basis

- Reported profit before tax – \$6,014m

#### Adjustments

- Non-recurring items: \$793m

#### Materiality

- Adjusted profit before tax – \$6,807m
- Materiality of \$340m (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 per cent (2023: 50 per cent) of our planning materiality, namely \$170m (2023: \$137m). We have set performance materiality at this percentage due to a variety of risk 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 \$46m (2023: \$11.4m to \$26.2m).

#### 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 \$17m (2023: \$14m), which is set at 5 per cent 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 406, including the Strategic report (pages 1 to 46), the Financial Review (pages 47 to 56), the Sustainability Review (pages 57 to 102), the Directors' report (pages 103 to 191), the Statement of directors' responsibilities (page 192) and the information not marked as 'audited' in the Risk review and Capital review section (pages 193 to 274), and the Supplementary information (pages 381 to 406), 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, the part of the directors' remuneration report to be audited has been properly prepared in accordance with 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 and the part of the Directors' Remuneration Report to be audited 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.

#### Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities;
- Directors' statement on fair, balanced and understandable;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks;

- The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and
- The section describing the work of the audit committee.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 entity 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 and the UK Corporate Governance Code, the Financial Conduct Authority (FCA) Listing Rules, the Main Board Listing Rules of the Hong Kong Stock Exchange), 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 Mainland China, Hong Kong, India, Republic of Korea, Singapore, the United Arab Emirates, the United States of America, 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.

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		27,862	27,227
Interest expense		(21,496)	(19,458)
Net interest income	3	6,366	7,769
Fees and commission income		4,623	4,067
Fees and commission expense		(889)	(815)
Net fee and commission income	4	3,734	3,252
Net trading income	5	9,615	6,292
Other operating income	6	(172)	706
Operating income		19,543	18,019
Staff costs		(8,510)	(8,256)
Premises costs		(401)	(422)
General administrative expenses		(2,465)	(1,802)
Depreciation and amortisation		(1,126)	(1,071)
Operating expenses	7	(12,502)	(11,551)
Operating profit before impairment losses and taxation		7,041	6,468
Credit impairment	8	(547)	(508)
Goodwill, property, plant and equipment and other impairment	9	(588)	(1,008)
Profit from associates and joint ventures	32	108	141
Profit before taxation		6,014	5,093
Taxation	10	(1,972)	(1,631)
Profit for the year		4,042	3,462
Profit attributable to:			
Non-controlling interests	29	(8)	(7)
Parent company shareholders		4,050	3,469
Profit for the year		4,042	3,462
		cents	cents
Earnings per share:			
Basic earnings per ordinary share	12	141.3	108.6
Diluted earnings per ordinary share	12	137.7	106.2

The notes 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		4,042	3,462
Other comprehensive income			
Items that will not be reclassified to income statement:		(181)	239
Own credit (losses)/gains on financial liabilities designated at fair value through profit or loss		(426)	212
Equity instruments at fair value through other comprehensive income		71	181
Actuarial gains/(losses) on retirement benefit obligations	30	52	(47)
Revaluation Surplus		25	–
Taxation relating to components of other comprehensive income/(loss)	10	97	(107)
Items that may be reclassified subsequently to income statement:		(389)	562
Exchange differences on translation of foreign operations:			
Net losses taken to equity		(1,423)	(734)
Net gains on net investment hedges	14	678	215
Share of other comprehensive income/(loss) from associates and joint ventures	32	9	(7)
Debt instruments at fair value through other comprehensive income			
Net valuation gains taken to equity		283	383
Reclassified to income statement	6	237	115
Net impact of expected credit losses		(35)	(48)
Cash flow hedges:			
Net movements in cash flow hedge reserve	14	(101)	767
Taxation relating to components of other comprehensive income	10	(37)	(129)
Other comprehensive (loss)/income for the year, net of taxation		(570)	801
Total comprehensive income for the year		3,472	4,263
Total comprehensive income attributable to:			
Non-controlling interests	29	(22)	(38)
Parent company shareholders		3,494	4,301
Total comprehensive income for the year		3,472	4,263

# Consolidated balance sheet

As at 31 December 2024

	Notes	2024 \$million	2023 \$million
<b>Assets</b>			
Cash and balances at central banks	13,35	63,447	69,905
Financial assets held at fair value through profit or loss	13	177,517	147,222
Derivative financial instruments	13,14	81,472	50,434
Loans and advances to banks	13,15	43,593	44,977
Loans and advances to customers	13,15	281,032	286,975
Investment securities	13	144,556	161,255
Other assets	20	43,468	47,594
Current tax assets	10	663	484
Prepayments and accrued income		3,207	3,033
Interests in associates and joint ventures	32	1,020	966
Goodwill and intangible assets	17	5,791	6,214
Property, plant and equipment	18	2,425	2,274
Deferred tax assets	10	414	702
Retirement benefit schemes in surplus	30	151	–
Assets classified as held for sale	21	932	809
<b>Total assets</b>		<b>849,688</b>	<b>822,844</b>
<b>Liabilities</b>			
Deposits by banks	13	25,400	28,030
Customer accounts	13	464,489	469,418
Repurchase agreements and other similar secured borrowing	13,16	12,132	12,258
Financial liabilities held at fair value through profit or loss	13	85,462	83,096
Derivative financial instruments	13,14	82,064	56,061
Debt securities in issue	13,22	64,609	62,546
Other liabilities	23	44,681	39,221
Current tax liabilities	10	726	811
Accruals and deferred income		6,896	6,975
Subordinated liabilities and other borrowed funds	13,27	10,382	12,036
Deferred tax liabilities	10	567	770
Provisions for liabilities and charges	24	349	299
Retirement benefit schemes in deficit	30	266	183
Liabilities included in disposal groups held for sale	21	381	787
<b>Total liabilities</b>		<b>798,404</b>	<b>772,491</b>
<b>Equity</b>			
Share capital and share premium account	28	6,695	6,815
Other reserves		8,724	9,171
Retained earnings		28,969	28,459
<b>Total parent company shareholders' equity</b>		<b>44,388</b>	<b>44,445</b>
Other equity instruments	28	6,502	5,512
<b>Total equity excluding non-controlling interests</b>		<b>50,890</b>	<b>49,957</b>
Non-controlling interests	29	394	396
<b>Total equity</b>		<b>51,284</b>	<b>50,353</b>
<b>Total equity and liabilities</b>		<b>849,688</b>	<b>822,844</b>

The notes form an integral part of these financial statements.

These financial statements were approved by the Board of directors and authorised for issue on 21 February 2025 and signed on its behalf by:

José Viñals  
Group Chairman

Bill Winters  
Group Chief Executive

Diego De Giorgi  
Group Chief Financial Officer

# Consolidated statement of changes in equity

For the year ended 31 December 2024

	Ordinary share capital and share premium account \$million	Preference share capital and share premium account \$million	Capital and merger reserves <sup>1</sup> \$million	Own credit adjust- ment reserve \$million	Fair value through other compre- hensive income reserve – debt \$million	Fair value through other compre- hensive income reserve – equity \$million	Cash-flow hedge reserve \$million	Trans- lation reserve \$million	Retained earnings \$million	Parent company share- holders' equity \$million	Other equity instru- ments \$million	Non- controlling interests \$million	Total \$million
As at 01 January 2023	5,436	1,494	17,338	(63)	(1,116)	206	(564)	(7,636)	28,067	43,162	6,504	350	50,016
Profit for the year	–	–	–	–	–	–	–	–	3,469	3,469	–	(7)	3,462
Other comprehensive income/(loss) <sup>12</sup>	–	–	–	163	426	124	655	(489)	(47) <sup>2</sup>	832	–	(31)	801
Distributions	–	–	–	–	–	–	–	–	–	–	–	(26)	(26)
Redemption of other equity instruments	–	–	–	–	–	–	–	–	–	–	(1,000)	–	(1,000)
Treasury shares net movement	–	–	–	–	–	–	–	–	(189)	(189)	–	–	(189)
Share option expense, net of taxation	–	–	–	–	–	–	–	–	173	173	–	–	173
Dividends on ordinary shares	–	–	–	–	–	–	–	–	(568)	(568)	–	–	(568)
Dividends on preference shares and AT1 securities	–	–	–	–	–	–	–	–	(452)	(452)	–	–	(452)
Share buyback <sup>3,4</sup>	(115)	–	115	–	–	–	–	–	(2,000)	(2,000)	–	–	(2,000)
Other movements	–	–	–	–	–	–	–	12 <sup>5</sup>	6	18	8 <sup>5</sup>	110 <sup>6</sup>	136
As at 31 December 2023	5,321	1,494	17,453	100	(690)	330	91	(8,113)	28,459	44,445	5,512	396	50,353
Profit for the year	–	–	–	–	–	–	–	–	4,050	4,050	–	(8)	4,042
Other comprehensive (loss)/income <sup>12</sup>	–	–	–	(377)	442	(26) <sup>10</sup>	(87)	(735)	227 <sup>2,11</sup>	(556)	–	(14)	(570)
Distributions	–	–	–	–	–	–	–	–	–	–	–	(43)	(43)
Other equity instruments issued, net of expenses	–	–	–	–	–	–	–	–	–	–	1,568 <sup>13</sup>	–	1,568
Redemption of other equity instruments	–	–	–	–	–	–	–	–	–	–	(553) <sup>14</sup>	–	(553)
Treasury shares net movement	–	–	–	–	–	–	–	–	(168)	(168)	–	–	(168)
Share option expense, net of taxation	–	–	–	–	–	–	–	–	269	269	–	–	269
Dividends on ordinary shares	–	–	–	–	–	–	–	–	(780)	(780)	–	–	(780)
Dividends on preference shares and AT1 securities	–	–	–	–	–	–	–	–	(457)	(457)	–	–	(457)
Share buyback <sup>8,9</sup>	(120)	–	120	–	–	–	–	–	(2,500)	(2,500)	–	–	(2,500)
Other movements	–	–	–	(1)	7	–	–	210 <sup>5</sup>	(131) <sup>7</sup>	85	(25) <sup>14</sup>	63 <sup>6</sup>	123
As at 31 December 2024	5,201	1,494	17,573	(278)	(241)	304	4	(8,638)	28,969	44,388	6,502	394	51,284

1 Includes capital reserve of \$5 million, capital redemption reserve of \$457 million and merger reserve of \$17,111 million

2 Includes actuarial gain, net of taxation on Group defined benefit schemes

3 On 16 February 2023, the Group announced the buyback programme for a share buyback of its ordinary shares of \$0.50 each. Nominal value of share purchases was \$58 million, and the total consideration paid was \$1,000 million and the buyback completed on 29 September 2023. The total number of shares purchased was 116,710,492, representing 4.03 per cent of the ordinary shares in issue as at the commencement of the buyback. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account

4 On 28 July 2023, the Group announced the buyback programme for a share buyback of its ordinary shares of \$0.50 each. Nominal value of share purchases was \$57 million, and the total consideration paid was \$1,000 million and the buyback completed on 6 November 2023. The total number of shares purchased was 112,982,802, representing 3.90 per cent of the ordinary shares in issue as at the commencement of the buyback. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account

5 Movement related to Translation adjustment and AT1 Securities charges (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

6 Movements primarily from non-controlling interest pertaining to Mox Bank Limited (\$48 million), Trust Bank Singapore Limited (\$34 million) and Zodia Custody Limited (\$28 million) in 2023. Movements in 2024 are primarily from non-controlling interest pertaining to Mox Bank Limited (\$14 million) and Trust Bank Singapore Limited (\$55 million) offset by SCB Angola S.A. (\$6 million)

7 Mainly includes movements related to Ghana hyperinflation

8 On 23 February 2024, the Group announced the buyback programme for a share buyback of its ordinary shares of \$0.50 each. Nominal value of share purchases was \$57 million, the total consideration paid was \$1,000 million and the buyback completed on 25 June 2024. The total number of shares purchased was 113,266,516, representing 4.25 per cent of the ordinary shares in issue at the beginning of the programme. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account.

9 On 30 July 2024, the Group announced the buyback programme for a share buyback of its ordinary shares of \$0.50 each. Nominal value of share purchases was \$63 million, as at December 2024 the buyback is ongoing, with the total number of shares purchased of 126,262,414 representing 4.95 per cent of the ordinary shares in issue at the beginning of the programme, the total consideration was \$1,355 million, and a further \$145 million relating to irrevocable obligation to buyback shares under the buyback programme has been recognised. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account.

10 Includes \$174 million gain on sale of equity investment transferred to retained earnings partly offset by \$76 million reversal of deferred tax liability and \$72 million mark-to-market gain on equity instrument

11 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

12 All the amounts are net of tax

13 Includes \$993 million and \$575 million (SGD 750 million) fixed rate resetting perpetual subordinated contingent convertible AT1 securities issued by Standard Chartered PLC

14 Relates to redemption of AT1 securities of SGD 750 million (\$553 million) and realised translation loss (\$25 million) reported in other movements

Note 28 includes a description of each reserve.

The notes form an integral part of these financial statements.

# Cash flow statement

For the year ended 31 December 2024

	Notes	Group		Company	
		2024 \$million	2023 \$million	2024 \$million	2023 \$million
Cash flows from operating activities:					
Profit before taxation		6,014	5,093	3,424	4,269
Adjustments for non-cash items and other adjustments included within income statement					
Change in operating assets	34	(66,431)	(14,458)	682	(3,819)
Change in operating liabilities	34	39,373	1,977	(864)	3,239
Contributions to defined benefit schemes	30	(68)	(81)	–	–
UK and overseas taxes paid	10	(2,045)	(1,367)	–	–
<b>Net cash (used in)/from operating activities</b>		<b>(20,489)</b>	<b>(5,562)</b>	<b>1,572</b>	<b>842</b>
Cash flows from investing activities:					
Internally generated capitalised software	17	(953)	(1,124)	–	–
Disposal of Internally generated Capitalised Software	17	5	–	–	–
Purchase of property, plant and equipment	18	(456)	(159)	–	–
Disposal of property, plant and equipment	18	56	53	–	–
Disposal of held for sale property, plant and equipment	21	53	191	–	–
Acquisition of investment associates, and joint ventures	32	(12)	(47)	–	–
Dividends received from subsidiaries, associates and joint ventures	32,34	36	11	4,101	4,738
Disposal of investment in subsidiaries, associates, and joint ventures <sup>1</sup>		74	3,603	–	–
Purchase of investment securities		(217,448)	(229,302)	(1,287)	(423)
Disposal and maturity of investment securities		230,098	242,585	1,273	2,000
<b>Net cash from investing activities</b>		<b>11,453</b>	<b>15,811</b>	<b>4,087</b>	<b>6,315</b>
Cash flows from financing activities:					
Exercise of share options		33	26	33	26
Purchase of own shares		(201)	(215)	(201)	(215)
Cancellation of shares including share buyback		(2,500)	(2,000)	(2,500)	(2,000)
Premises and equipment lease liability principal payment		(205)	(234)	–	–
Issue of Additional Tier 1 Capital net of expenses	28	1,568	–	1,568	–
Redemption of Tier 1 Capital	28	(553)	(1,000)	(553)	(1,000)
Gross proceeds from issue of subordinated liabilities	34	–	18	–	–
Interest paid on subordinated liabilities	34	(519)	(563)	(505)	(545)
Repayment of subordinated liabilities	34	(1,517)	(2,160)	(1,517)	(2,160)
Proceeds from issue of senior debts	34	11,044	15,261	3,887	5,105
Repayment of senior debts	34	(11,185)	(6,471)	(2,619)	(2,037)
Interest paid on senior debts	34	(1,366)	(1,145)	(708)	(434)
Net cash inflow from Non-controlling interest	29	55	116	–	–
Distributions and dividends paid to non-controlling interests, preference shareholders and AT1 securities		(500)	(478)	(457)	(452)
Dividends paid to ordinary shareholders		(780)	(568)	(780)	(568)
<b>Net cash (used in)/from financing activities</b>		<b>(6,626)</b>	<b>587</b>	<b>(4,352)</b>	<b>(4,280)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(15,662)</b>	<b>10,836</b>	<b>1,307</b>	<b>2,877</b>
Cash and cash equivalents at beginning of the year		107,635	97,595	10,294	7,417
Effect of exchange rate movements on cash and cash equivalents		(2,045)	(796)	–	–
<b>Cash and cash equivalents at end of the year</b>	<b>35</b>	<b>89,928</b>	<b>107,635</b>	<b>11,601</b>	<b>10,294</b>

1 2024 balance includes disposal of SCB Zimbabwe Limited (\$24 million), SCB Angola S.A. (\$10 million), SCB Sierra Leone Limited (\$17 million), Shoal limited (\$17 million) and Autumn Life Pte. Ltd (\$6 million). 2023 balance includes disposal of aviation finance leasing business (\$3,570 million), sale of Metaco SA (\$14 million), Cardspal Pte. Ltd. (\$12 million) and Kozagi (\$7 million).

Interest received was \$28,224 million (31 December 2023: \$27,136 million), interest paid was \$21,776 million (31 December 2023: \$18,379 million).

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## Notes to the financial statements

### 1. Accounting policies

#### Statement of compliance

The Group financial statements consolidate Standard Chartered PLC (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 in accordance with UK-adopted international accounting standards and International Financial Reporting Standards (IFRS) (Accounting Standards) as adopted by the European Union (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 financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

There are no significant differences between UK-adopted international accounting standards and EU IFRS.

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 the Credit Risk section to the end of Other principal risks in the same section.
- b) Capital review: Tables marked as 'audited' from the start of 'CRD Capital base' to the end of 'Movement in total capital', excluding 'Total risk-weighted assets'.

#### 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

- Expected credit loss calculations (Note 8)
- Financial instruments measured at fair value (Note 13)
- Investments in subsidiary undertakings, joint ventures and associates – China Bohai associate accounting and impairment analysis (Note 32)

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:

#### 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 17)
- Provisions for liabilities and charges – Other provisions (Note 24)
- Legal and regulatory matters (Note 26)
- Retirement benefit obligations (Note 30)
- Share-based payments (Note 31)

#### 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.

The Group has assessed the impact of climate risk on the financial report. This is set out within the Sustainability Overview and Sustainability Review chapter which incorporate the 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 Group has described how it manages climate risk, which is integrated across relevant Principal Risk Types (PRTs) and is managed via the ESGR Risk Type framework.

The areas of impact 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). 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/or 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 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, while 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, which has been recorded as a management overlay for the 2024 year end.



The Group's corporate plan has a 5 year outlook and considers the highest emitting sectors the Group finances. The majority of the 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, while 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 assets supported by discounted cash flow models (such as Value in Use) which utilise the Corporate plan.

The 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.

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.

#### IFRS and Hong Kong accounting requirements

As required by the Hong Kong Listing Rules, an explanation of the differences in accounting practices between UK-adopted IFRS and Hong Kong Financial Reporting Standards is required to be disclosed. There would be no significant differences had these accounts been prepared in accordance with Hong Kong Financial Reporting Standards.

Standard Chartered PLC has fully complied with the new treasury share regime introduced under the revised Hong Kong Listing Rules from 11 June 2024 onwards and will continue to comply with the new regime.

#### 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 Board 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:

- 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, recent regulatory developments
- Consideration of stress testing performed, including the Group Recovery Plan (RP) which include the application of stressed scenarios. Under the tests and through the range of scenarios, the results of these exercises and 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 Group, including the capital and leverage ratios, and ICAAP which summarises the 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 Group, including the 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, funding and liquidity was considered in the context of the risk appetite metrics, including the LCR ratio
- The level of 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 Group's debt
- The Group's portfolio of debt securities held at amortised cost
- A detailed review of all principal risks as well as topical and emerging risks

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 how the client segments and geographic regions are managed internally. This is described as the Management View (on an underlying basis) and 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. In certain instances this approach is not appropriate and a Financial View is disclosed, that is, the location in which the transaction or balance was booked. Typically, the Financial View is used in areas such as the Market and Liquidity Risk reviews where actual booking location is more important for an assessment. Segmental information is therefore on a Management View unless otherwise stated.

### 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.



## Underlying performance by client segment

	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
Operating income	11,818	7,816	183	(121)	19,696	11,218	7,106	156	(1,102)	17,378
External	10,363	3,328	184	5,821	19,696	8,543	3,902	157	4,776	17,378
Inter-segment	1,455	4,488	(1)	(5,942)	–	2,675	3,204	(1)	(5,878)	–
Operating expenses	(6,033)	(4,589)	(464)	(704)	(11,790)	(5,627)	(4,261)	(429)	(819)	(11,136)
Operating profit/(loss) before impairment losses and taxation	5,785	3,227	(281)	(825)	7,906	5,591	2,845	(273)	(1,921)	6,242
Credit impairment	106	(644)	(74)	55	(557)	(123)	(354)	(85)	34	(528)
Other impairment	(310)	(120)	(18)	(140)	(588)	(32)	(4)	(26)	(68)	(130)
Profit from associates and joint ventures	–	–	(17)	67	50	–	–	(24)	118	94
Underlying profit/(loss) before taxation	5,581	2,463	(390)	(843)	6,811	5,436	2,487	(408)	(1,837)	5,678
Restructuring	(179)	(170)	(3)	(89)	(441)	32	(60)	(4)	18	(14)
Goodwill and other impairment <sup>4</sup>	–	–	–	–	–	–	–	–	(850)	(850)
DVA	(24)	–	–	–	(24)	17	–	–	–	17
Other items <sup>3</sup>	–	(100)	–	(232)	(332)	262	–	–	–	262
Reported profit/(loss) before taxation	5,378	2,193	(393)	(1,164)	6,014	5,747	2,427	(412)	(2,669)	5,093
Total assets	485,662	122,404	6,399	235,223	849,688	403,058	128,768	4,009	287,009	822,844
Of which: loans and advances to customers	197,608	119,242	1,388	21,319	339,557	189,395	126,117	1,035	28,939	345,486
loans and advances to customers	139,089	119,236	1,388	21,319	281,032	130,897	126,104	1,035	28,939	286,975
loans held at fair value through profit or loss (FVTPL) <sup>1</sup>	58,519	6	–	–	58,525	58,498	13	–	–	58,511
Total liabilities	476,502	220,501	5,277	96,124	798,404	464,968	200,263	3,096	104,164	772,491
Of which: customer accounts <sup>2</sup>	297,005	216,476	5,028	4,754	523,263	328,211	195,678	2,825	7,908	534,622

1 Loans held at FVTPL includes \$51,441 million (2023: \$51,299 million) of reverse repurchase agreements

2 Customer accounts includes \$21,772 million (2023: \$17,248 million) of FVTPL and \$37,002 million (2023: \$47,956 million) of repurchase agreements

3 Other items 2024 includes \$100 million charge relating to Korea equity linked securities (ELS) portfolio, \$172 million primarily relating to recycling of FX translation losses from reserves into P&L on the sale of Zimbabwe, \$26 million loss on sale of Angola, \$19 million loss on Sierra Leone Partial exit and \$15 million loss on the Aviation business disposal

4 Goodwill and other impairment include \$850 million impairment charge relating to the Group's investment in its associate China Bohai Bank (Bohai)

## Operating income by client segment

	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
Underlying versus reported:										
Underlying operating income	11,818	7,816	183	(121)	19,696	11,218	7,106	156	(1,102)	17,378
Restructuring	69	23	–	11	103	291	45	–	26	362
DVA	(24)	–	–	–	(24)	17	–	–	–	17
Other items <sup>1</sup>	–	–	–	(232)	(232)	262	–	–	–	262
Reported operating income	11,863	7,839	183	(342)	19,543	11,788	7,151	156	(1,076)	18,019
Additional segmental income:										
Net interest income	2,090	5,175	100	(999)	6,366	4,541	4,970	81	(1,823)	7,769
Net fees and commission income	1,938	1,855	52	(111)	3,734	1,753	1,538	43	(82)	3,252
Net trading and other income	7,835	809	31	768	9,443	5,494	643	32	829	6,998
Reported operating income	11,863	7,839	183	(342)	19,543	11,788	7,151	156	(1,076)	18,019

1 Other items 2024 includes \$172 million primarily relating to recycling of FX translation losses from reserves into P&L on the sale of Zimbabwe, \$26 million loss on sale of Angola, \$19 million loss on Sierra Leone Partial exit and \$15 million loss on the Aviation business disposal

## Additional segmental information (reported)

	2024										
	Hong Kong \$million	Korea \$million	China \$million	Taiwan \$million	Singapore \$million	India \$million	UAE \$million	UK \$million	US \$million	Other \$million	Group \$million
Net interest income	790	723	410	177	462	646	369	(1,002)	540	3,251	6,366
Net fees and commission income	726	185	181	212	716	236	99	112	480	787	3,734
Net trading and other income	3,281	177	736	188	1,395	441	369	1,168	268	1,420	9,443
Operating income	4,797	1,085	1,327	577	2,573	1,323	837	278	1,288	5,458	19,543

  

	2023										
	Hong Kong \$million	Korea \$million	China \$million	Taiwan \$million	Singapore \$million	India \$million	UAE \$million	UK \$million	US \$million	Other \$million	Group \$million
Net interest income	1,946	684	520	154	937	654	390	(930)	170	3,244	7,769
Net fees and commission income	615	171	149	182	576	221	81	18	441	798	3,252
Net trading and other income	2,052	216	487	214	929	330	330	1,277	263	900	6,998
Operating income	4,613	1,071	1,156	550	2,442	1,205	801	365	874	4,942	18,019

### 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.

	2024 \$million	2023 \$million
Balances at central banks	2,520	2,833
Loans and advances to banks	2,368	2,095
Loans and advances to customers	16,179	15,518
Debt securities	5,165	5,005
Other eligible bills	1,495	1,596
Accrued on impaired assets (discount unwind)	135	180
Interest income	27,862	27,227
Of which: financial instruments held at fair value through other comprehensive income	3,773	3,445
Deposits by banks	806	796
Customer accounts <sup>1</sup>	16,276	14,292
Debt securities in issue	3,610	3,367
Subordinated liabilities and other borrowed funds	744	951
Interest expense on IFRS 16 lease liabilities	60	52
Interest expense	21,496	19,458
Net interest income	6,366	7,769

<sup>1</sup> Deposit insurance premiums of \$147 million 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.

#### 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	4,623	4,067
Of which:		
Financial instruments that are not fair valued through profit or loss	1,436	1,374
Trust and other fiduciary activities	632	508
Fees and commissions expense	(889)	(815)
Of which:		
Financial instruments that are not fair valued through profit or loss	(245)	(169)
Trust and other fiduciary activities	(50)	(52)
<b>Net fees and commission</b>	<b>3,734</b>	<b>3,252</b>

	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	1,456	26	–	–	1,482	1,415	25	–	–	1,440
Payments and Liquidity	634	–	–	–	634	567	–	–	–	567
Securities Services	254	–	–	–	254	271	–	–	–	271
Trade & Working Capital	568	26	–	–	594	577	25	–	–	602
Global Banking	937	–	–	–	937	694	–	–	–	694
Lending & Financial Solutions	633	–	–	–	633	499	–	–	–	499
Capital Market & Advisory	304	–	–	–	304	195	–	–	–	195
Global Markets	36	–	–	–	36	55	–	–	–	55
Macro Trading	(3)	–	–	–	(3)	(20)	–	–	–	(20)
Credit Trading	40	–	–	–	40	69	–	–	–	69
Valuation & Other Adj	(1)	–	–	–	(1)	6	–	–	–	6
Wealth solutions	–	1,598	2	–	1,600	–	1,225	–	–	1,225
Investment Products	–	929	2	–	931	–	633	–	–	633
Bancassurance	–	669	–	–	669	–	592	–	–	592
CCPL & Other Unsecured Lending	–	321	42	–	363	–	372	32	–	404
Deposits	–	143	2	–	145	–	163	–	–	163
Mortgages & Other Secured Lending	–	79	–	–	79	–	70	–	–	70
Treasury	–	–	–	(22)	(22)	–	–	–	(15)	(15)
Other Products	–	1	32	(30)	3	–	2	35	(6)	31
Fees and commission income	2,429	2,168	78	(52)	4,623	2,164	1,857	67	(21)	4,067
Fees and commission expense	(491)	(313)	(26)	(59)	(889)	(411)	(319)	(24)	(61)	(815)
<b>Net fees and commission</b>	<b>1,938</b>	<b>1,855</b>	<b>52</b>	<b>(111)</b>	<b>3,734</b>	<b>1,753</b>	<b>1,538</b>	<b>43</b>	<b>(82)</b>	<b>3,252</b>

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, \$56 million of fee income was released from deferred income (31 December 2023: \$75 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	9,615	6,292
Significant items within net trading income include:		
Gains on instruments held for trading <sup>1</sup>	7,418	4,625
Gains on financial assets mandatorily at fair value through profit or loss	5,392	4,270
Gains on financial assets designated at fair value through profit or loss	8	10

Losses on financial liabilities designated at fair value through profit or loss	(3,252)	(2,649)
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1 Includes \$583 million gain (31 December 2023: \$299 million loss) from the translation of foreign currency monetary assets and liabilities, out of which \$157 million (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	40	375
Net loss on disposal of fair value through other comprehensive income debt instruments	(237)	(115)
Net loss on amortized cost financial assets	(27)	(94)
Net (loss)/gain on sale of businesses <sup>1</sup>	(210)	351
Dividend income	5	15
Other <sup>2</sup>	257	174
Other operating income	(172)	706

1 2024 includes loss on disposal of Africa 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, partly offset by gain of \$17 million from disposal of Venture entities (Shoal limited and Autumn life Pte. Ltd). Total cash consideration received was \$74 million (SCB Zimbabwe Limited: \$24 million, SCB Angola S.A.: \$10 million, SCB Sierra Leone Limited: \$17 million, Shoal Limited: \$17 million and Autumn life Pte. Ltd: \$6 million). 2023 includes \$309 million gain from the sale of the aviation finance leasing business, \$18 million from sale of associate (Metaco SA), \$16 million gain from sale of subsidiary (\$9 million from Cardspal and \$7 million from Kozagi) and \$8 million gain from the sale of Jordan one of Africa subsidiary

2 2024 includes IAS 29 adjustment Ghana hyperinflationary impact (\$139 million), research and development expenditure credit (\$32 million), rebates/incentives received from VISA card (\$25 million), Gain on disposal of property plant and equipment (\$23 million), mark-to-market gains from deferred compensation income (\$17 million), and immaterial balances across other geographies. 2023 mainly includes \$59 million tax credit against Research & Development Expenditure, \$38 million gain on disposal of premises, \$21 million income from VISA sponsorship in Hong Kong, \$10 million from gain on lease modification in Hong Kong and \$16 million interest income from tax refund in India

## 7. Operating expenses

	2024 \$million	2023 \$million
Staff costs:		
Wages and salaries	6,567	6,459
Social security costs	246	233
Other pension costs (Note 30)	451	431
Share-based payment costs (Note 31)	334	226
Other staff costs	912	907
	8,510	8,256
Premises and equipment expenses:	401	422
General administrative expenses:		
UK bank levy	90	111
Other general administrative expenses	2,375	1,691
	2,465	1,802
Depreciation and amortisation:		
Property, plant and equipment:		
Premises	299	315
Equipment	128	103
Operating lease assets	—	27
	427	445
Intangibles:		
Software	695	625
Acquired on business combinations	4	1
	1,126	1,071
Total operating expenses	12,502	11,551

Other staff costs include redundancy expenses of \$186 million (31 December 2023: \$106 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 the Directors' remuneration report.

Transactions with directors, officers and other related parties are disclosed in Note 36.

Operating expenses include research expenditures of \$1,187 million (31 December 2023: \$996 million), which was recognized 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.

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.

#### 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.

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 <sup>1</sup>
Financial assets held FVOCI – Debt instruments	Other comprehensive income (FVOCI expected credit loss reserve) <sup>2</sup>
Loan commitments	Provisions for liabilities and charges <sup>3</sup>
Financial guarantees	Provisions for liabilities and charges <sup>3</sup>

- 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.

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.

#### 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;
- 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 Banking 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 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 geopolitical 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.

#### 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 forbore.

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.

A forbore loan can only be removed from being disclosed as forbore if the loan is performing (stage 1 or 2) and a further two-year probation period is met.

In order for a forbore loan to become performing, the following criteria have to be satisfied:

- At least a year has passed with no default based upon the forbore 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	590	606
Net credit impairment on debt securities <sup>1</sup>	(58)	(50)
Net credit impairment relating to financial guarantees and loan commitments	18	(48)
Net credit impairment relating to other financial assets	(3)	–
Credit impairment <sup>1</sup>	547	508

1 Includes impairment release of \$14 million (2023: \$1 million charge) on originated credit-impaired debt securities

## 9. Goodwill, property, plant and equipment 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 18)	11	12
Impairment of other intangible assets (Note 17)	561	112
Other	16	884 <sup>1</sup>
Goodwill, fixed assets and other impairment	588	1,008

1 Includes \$850 million impairment charge relating to the Group's investment in its associate China Bohai Bank (Bohai), reflecting Bohai's lower reported net profit in 2023, as well as banking industry challenges and property market uncertainties in China, that may impact Bohai's future profitability

## 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.

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	16	(48)
Adjustments in respect of prior years (including double tax relief)	1	14
Foreign tax:		
Current tax charge on income for the year	1,752	1,695
Adjustments in respect of prior years	(8)	(11)
	1,761	1,650
Deferred tax:		
Origination/reversal of temporary differences	198	(22)
Adjustments in respect of prior years	13	3
	211	(19)
Tax on profits on ordinary activities	1,972	1,631
Effective tax rate	32.8%	32.0%

The tax charge for the year of \$1,972 million (31 December 2023: \$1,631 million) on a profit before tax of \$6,014 million (31 December 2023: \$5,093 million) reflects the impact of tax losses for which no deferred tax assets are recognised, non-creditable withholding taxes and other taxes and non-deductible expenses. These are partly offset by countries with tax rates lower than the UK, the most significant of which are Hong Kong and Singapore, and tax exempt income.

Foreign tax includes current tax of \$272 million (31 December 2023: \$201 million) on the profits assessable in Hong Kong. Deferred tax includes origination or reversal of temporary differences of \$8 million (31 December 2023: \$nil million) provided at a rate of 16.5 per cent (31 December 2023: 16.5 per cent) on the profits assessable in Hong Kong.

The Group falls within the Pillar Two global minimum tax rules which apply in the UK from 1 January 2024. The IAS 12 exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes has been applied. The current tax charge for the period ended 31 December 2024 includes \$17m in respect of Pillar Two income taxes (31 December 2023: N/A).

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	6,014		5,093	
Tax at 25 per cent (2023: 23.5 per cent)	1,504	25.0	1,197	23.5
Lower tax rates on overseas earnings	(425)	(7.1)	(330)	(6.5)
Higher tax rates on overseas earnings	269	4.5	306	6.0
Tax at domestic rates applicable where profits earned	1,348	22.4	1,173	23.0
Non-creditable withholding taxes and other taxes	260	4.3	85	1.7
Tax exempt income	(133)	(2.2)	(131)	(2.6)
Share of associates and joint ventures	(6)	(0.1)	(14)	(0.3)
Non-deductible expenses	243	4.0	219	4.3
Bank levy	23	0.4	26	0.5
Non-taxable losses on investments <sup>1</sup>	35	0.6	64	1.3
Payments on financial instruments in reserves	(72)	(1.2)	(68)	(1.3)
Deferred tax not recognised	298	5.0	278	5.4
Deferred tax rate changes	(3)	–	(1)	–
Adjustments to tax charge in respect of prior years	6	0.1	6	0.1
Other items	(27)	(0.5)	(6)	(0.1)
Tax on profit on ordinary activities	1,972	32.8	1,631	32.0

1 2024 Includes tax impact of \$55m (2023:\$nil) relating to loss on sale of subsidiaries in Africa and \$nil relating to China Bohai impairment (2023:\$140m).

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 statutory 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.

	2024			2023		
	Current tax \$million	Deferred tax \$million	Total \$million	Current tax \$million	Deferred tax \$million	Total \$million
<b>Tax recognised in other comprehensive income</b>						
<b>Items that will not be reclassified to income statement</b>						
Own credit adjustment	1	49	50	–	(49)	(49)
Equity instruments at fair value through other comprehensive income	(17)	76	59	–	(69)	(69)
Retirement benefit obligations	–	(12)	(12)	–	11	11
<b>Items that may be reclassified subsequently to income statement</b>						
Debt instruments at fair value through other comprehensive income	(7)	(30)	(37)	–	(129)	(129)
Cash flow hedges	–	14	14	–	(112)	(112)
Total tax credit/(charge) recognised in equity	(23)	83	60	–	(236)	(236)

Current tax: The following are the movements in current tax during the year:

	2024 \$million	2023 \$million
Current tax comprises:		
Current tax assets	484	503
Current tax liabilities	(811)	(583)
Net current tax opening balance	(327)	(80)
Movements in income statement	(1,761)	(1,650)
Movements in other comprehensive income	(23)	–
Taxes paid	2,045	1,367
Other movements	3	36
Net current tax balance as at 31 December	(63)	(327)
Current tax assets	663	484
Current tax liabilities	(726)	(811)
Total	(63)	(327)

Deferred tax: The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the year:

	At 1 January 2024 \$million	Exchange & other adjustments \$million	(Charge)/credit to profit \$million	(Charge)/credit to equity \$million	At 31 December 2024 \$million
Deferred tax comprises:					
Accelerated tax depreciation	(424)	7	40	(3)	(380)
Impairment provisions on loans and advances	286	(2)	(94)	–	190
Tax losses carried forward	97	(24)	1	–	74
Equity Instruments at Fair value through other comprehensive income	(144)	6	–	76	(62)
Debt Instruments at Fair value through other comprehensive income	27	3	(16)	(44)	(30)
Cash flow hedges	(25)	2	–	14	(9)
Own credit adjustment	(71)	26	–	49	4
Retirement benefit obligations	4	(5)	6	(12)	(7)
Share-based payments	43	(1)	12	–	54
Other temporary differences	139	(1)	(160)	35	13
Net deferred tax assets	(68)	11	(211)	115	(153)

	At 1 January 2023 \$million	Exchange & other adjustments \$million	(Charge)/credit to profit \$million	(Charge)/credit to equity \$million	At 31 December 2023 \$million
Deferred tax comprises:					
Accelerated tax depreciation	(589)	236	(71)	–	(424)
Impairment provisions on loans and advances	334	(20)	(28)	–	286
Tax losses carried forward	212	(106)	(9)	–	97
Equity Instruments at Fair value through other comprehensive income	(74)	(1)	–	(69)	(144)
Debt Instruments at Fair value through other comprehensive income	61	(14)	(3)	(17)	27
Cash flow hedges	89	(2)	–	(112)	(25)
Own credit adjustment	5	(27)	–	(49)	(71)
Retirement benefit obligations	2	2	(11)	11	4
Share-based payments	36	–	7	–	43
Other temporary differences	(11)	16	134	–	139
Net deferred tax assets	65	84	19	(236)	(68)



Deferred tax comprises assets and liabilities as follows:

	2024			2023		
	Total \$million	Asset \$million	Liability \$million	Total \$million	Asset \$million	Liability \$million
Deferred tax comprises:						
Accelerated tax depreciation	(380)	19	(399)	(424)	3	(427)
Impairment provisions on loans and advances	190	139	51	286	282	4
Tax losses carried forward	74	51	23	97	49	48
Equity Instruments at Fair value through other comprehensive income	(62)	(12)	(50)	(144)	(1)	(143)
Debt Instruments at Fair value through other comprehensive income	(30)	(14)	(16)	27	29	(2)
Cash flow hedges	(9)	–	(9)	(25)	12	(37)
Own credit adjustment	4	4	–	(71)	(1)	(70)
Retirement benefit obligations	(7)	16	(23)	4	13	(9)
Share-based payments	54	12	42	43	9	34
Other temporary differences	13	199	(186)	139	307	(168)
	(153)	414	(567)	(68)	702	(770)

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 \$74 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 \$51 million are forecast to be recovered before expiry and within five years.

#### Unrecognised deferred tax

	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	(611)	(6,827)	(653)	(7,685)
Tax losses	2,494	10,414	2,242	9,326
Held over gains on incorporation of overseas branches	(360)	(1,366)	(366)	(1,389)
Other temporary differences	356	1,363	397	1,516

## 11. Dividends

The Board considers a number of factors prior to dividend declaration which includes 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.

Dividends on equity instruments are recognized as a liability once they have been declared and no longer at the discretion of the directors, and in certain situations, approved by shareholders.

#### Ordinary equity shares

	2024		2023	
	Cents per share	\$million	Cents per share	\$million
2023/2022 final dividend declared and paid during the year	21	551	14	401
2024/2023 interim dividend declared and paid during the year	9	229	6	167

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. Accordingly, the final ordinary equity share dividends set out above relate to the respective prior years.

#### 2024 recommended final ordinary equity share dividend

The 2024 final ordinary equity share dividend recommended by the Board is 28 cents per share. The financial statements for the year ended 31 December 2024 do not reflect this dividend as this will be accounted for in shareholders' equity as an appropriation of retained profits in the year ending 31 December 2025.

The dividend will be paid in either pounds sterling, Hong Kong dollars or US dollars on 19 May 2025 to shareholders on the UK and HK register of members at the close of business in the UK on 28 March 2025.

## 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	53	53
Floating rate preference shares of \$5 each <sup>1</sup>	54	50
	107	103
Additional Tier 1 securities: fixed rate resetting perpetual subordinated contingent convertible securities	350	349
	457	452

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. Earnings per ordinary share

### Accounting policy

The Group also measures earnings per share on an underlying basis. This differs from earnings defined in IAS 33 Earnings per share. Underlying earnings is profit/(loss) attributable to ordinary shareholders adjusted for profits or losses of a capital nature; amounts consequent to investment transactions driven by strategic intent; and other infrequent and/or exceptional transactions that are significant or material in the context of the Group's normal business earnings for the year.

The table below provides the basis of underlying earnings.

	2024 \$million	2023 \$million
Profit for the period attributable to equity holders	4,042	3,462
Non-controlling interest	8	7
Dividend payable on preference shares and AT1 classified as equity	(457)	(452)
Profit for the period attributable to ordinary shareholders	3,593	3,017
Items normalised <sup>1</sup> :		
Restructuring	441	14
Goodwill & other impairment	–	850
Net loss/(gain) on sale of businesses	232	(262)
DVA	24	(17)
Other items	100	–
Tax on normalised items	(114)	(21)
Underlying profit attributable to ordinary shareholders	4,276	3,581
Basic – weighted average number of shares (millions)	2,543	2,778
Diluted – weighted average number of shares (millions)	2,610	2,841
Basic earnings per ordinary share (cents)	141.3	108.6
Diluted earnings per ordinary share (cents)	137.7	106.2
Underlying basic earnings per ordinary share (cents)	168.1	128.9
Underlying diluted earnings per ordinary share (cents)	163.8	126.0

1 Refer note 2 segmental information for normalised items

The calculation of basic earnings per share is based on the profit attributable to equity holders of the parent and the basic weighted average number of shares excluding treasury shares held in employees benefit trust. When calculating the diluted earnings per share, the weighted average number of shares in issue is adjusted for the effects of all expected dilutive potential ordinary shares held in respect of SC PLC totalling 59 million (2023: 56 million). The total number of share options outstanding, under schemes considered to be potentially dilutive, was 7 million (2023: 7 million). These options have strike prices ranging from \$3.93 to \$7.64.

Of the total number of employee share options and share awards at 31 December 2024 there were nil share options and share awards which were anti-dilutive.

The 235 million decrease (2023: 188 million decrease) in the basic weighted average number of shares is primarily due to the impact of the share buyback programmes completed in the year.

### 13. 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	<ul style="list-style-type: none"> <li>• Providing financing and originating assets to earn interest income as primary income stream</li> <li>• Performing credit risk management activities</li> <li>• Costs include funding costs, transaction costs and impairment losses</li> </ul>	<ul style="list-style-type: none"> <li>• Global Banking</li> <li>• Transaction Banking</li> <li>• Retail Lending</li> <li>• Treasury Markets (Loans and Borrowings)</li> </ul>	<ul style="list-style-type: none"> <li>• Loans and advances</li> <li>• Debt securities</li> </ul>
Hold to collect and sell	Business objective met through both hold to collect and by selling financial assets	<ul style="list-style-type: none"> <li>• 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</li> <li>• Income streams come from interest income, fair value changes, and impairment losses</li> </ul>	<ul style="list-style-type: none"> <li>• Treasury Markets</li> </ul>	<ul style="list-style-type: none"> <li>• Debt securities</li> </ul>
Fair value through profit or loss	All other business objectives, including trading and managing financial assets on a fair value basis	<ul style="list-style-type: none"> <li>• Assets held for trading</li> <li>• Assets that are originated, purchased, and sold for profit taking or underwriting activity</li> <li>• Performance of the portfolio is evaluated on a fair value basis</li> <li>• Income streams are from fair value changes or trading gains or losses</li> </ul>	<ul style="list-style-type: none"> <li>• Treasury Markets</li> <li>• All other business lines</li> </ul>	<ul style="list-style-type: none"> <li>• Derivatives</li> <li>• Equity shares</li> <li>• Trading portfolios</li> <li>• Reverse repos</li> <li>• Bond and Loan Syndication</li> </ul>

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.

#### 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.

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 forbore 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.

The Group's classification of its financial assets and liabilities is summarised in the following tables.

Assets	Notes	Assets at fair value							Total financial assets at fair value \$million	Assets held at amortised cost \$million	Total \$million
		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					
Cash and balances at central banks <sup>1</sup>		–	–	–	–	–	–	–	63,447	63,447	
Financial assets held at fair value through profit or loss											
Loans and advances to banks <sup>2</sup>		2,213	–	–	–	–	–	2,213	–	2,213	
Loans and advances to customers <sup>2</sup>		6,912	–	172	–	–	–	7,084	–	7,084	
Reverse repurchase agreements and other similar secured lending	16	336	–	85,859	–	–	–	86,195	–	86,195	
Debt securities, alternative tier one and other eligible bills		76,329	–	140	70	–	–	76,539	–	76,539	
Equity shares		5,285	–	201	–	–	–	5,486	–	5,486	
Other assets		–	–	–	–	–	–	–	–	–	
		91,075	–	86,372	70	–	–	177,517	–	177,517	
Derivative financial instruments	14	78,906	2,566	–	–	–	–	81,472	–	81,472	
Loans and advances to banks <sup>2,3</sup>	15	–	–	–	–	–	–	–	43,593	43,593	
of which – reverse repurchase agreements and other similar secured lending	16	–	–	–	–	–	–	–	2,946	2,946	
Loans and advances to customers <sup>2</sup>	15	–	–	–	–	–	–	–	281,032	281,032	
of which – reverse repurchase agreements and other similar secured lending	16	–	–	–	–	–	–	–	9,660	9,660	
Investment securities											
Debt securities, alternative tier one and other eligible bills		–	–	–	–	–	88,425	88,425	55,137	143,562	
Equity shares		–	–	–	–	–	994	994	–	994	
		–	–	–	–	–	89,419	89,419	55,137	144,556	
Other assets	20	–	–	–	–	–	–	–	34,585	34,585	
Assets held for sale	21	–	–	–	5	–	–	5	884	889	
<b>Total at 31 December 2024</b>		<b>169,981</b>	<b>2,566</b>	<b>86,372</b>	<b>75</b>	<b>–</b>	<b>89,419</b>	<b>348,413</b>	<b>478,678</b>	<b>827,091</b>	
Cash and balances at central banks <sup>1</sup>									–	69,905	
Financial assets held at fair value through profit or loss											
Loans and advances to banks <sup>2</sup>		2,265	–	–	–	–	–	2,265	–	2,265	
Loans and advances to customers <sup>2</sup>		6,930	–	282	–	–	–	7,212	–	7,212	
Reverse repurchase agreements and other similar secured lending	16	9,997	–	71,850	–	–	–	81,847	–	81,847	
Debt securities, alternative tier one and other eligible bills		52,776	–	98	78	–	–	52,952	–	52,952	
Equity shares		2,721	–	219	–	–	–	2,940	–	2,940	
Other assets		–	–	6	–	–	–	6	–	6	
		74,689	–	72,455	78	–	–	147,222	–	147,222	
Derivative financial instruments	14	48,333	2,101	–	–	–	–	50,434	–	50,434	
Loans and advances to banks <sup>2,3</sup>	15	–	–	–	–	–	–	–	44,977	44,977	
of which – reverse repurchase agreements and other similar secured lending	16	–	–	–	–	–	–	–	1,738	1,738	
Loans and advances to customers <sup>2</sup>	15	–	–	–	–	–	–	–	286,975	286,975	
of which – reverse repurchase agreements and other similar secured lending		–	–	–	–	–	–	–	13,996	13,996	
Investment securities											
Debt securities, alternative tier one and other eligible bills		–	–	–	–	–	103,328	103,328	56,935	160,263	
Equity shares		–	–	–	–	–	992	992	–	992	
		–	–	–	–	–	104,320	104,320	56,935	161,255	
Other assets	20	–	–	–	–	–	–	–	38,140	38,140	
Assets held for sale	21	–	–	–	–	–	–	–	701	701	
<b>Total at 31 December 2023</b>		<b>123,022</b>	<b>2,101</b>	<b>72,455</b>	<b>78</b>	<b>–</b>	<b>104,320</b>	<b>301,976</b>	<b>497,633</b>	<b>799,609</b>	

1 Comprises cash held at central banks in restricted accounts of \$ 7,799 million (2023: \$ 6,153 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

3 Loans and advances to banks include amounts due on demand from banks other than central banks

Liabilities	Notes	Liabilities at fair value				Amortised cost \$million	Total \$million
		Trading \$million	Derivatives held for hedging \$million	Designated at fair value through profit or loss \$million	Total financial liabilities at fair value \$million		
<b>Financial liabilities held at fair value through profit or loss</b>							
Deposits by banks		–	–	1,893	1,893	–	1,893
Customer accounts		–	–	21,772	21,772	–	21,772
Repurchase agreements and other similar secured borrowing	16	925	–	32,614	33,539	–	33,539
Debt securities in issue	22	1	–	13,730	13,731	–	13,731
Short positions		14,527	–	–	14,527	–	14,527
Other liabilities		–	–	–	–	–	–
		15,453	–	70,009	85,462	–	85,462
Derivative financial instruments	14	80,037	2,027	–	82,064	–	82,064
Deposits by banks		–	–	–	–	25,400	25,400
Customer accounts		–	–	–	–	464,489	464,489
Repurchase agreements and other similar secured borrowing	16	–	–	–	–	12,132	12,132
Debt securities in issue	22	–	–	–	–	64,609	64,609
Other liabilities	23	–	–	–	–	44,047	44,047
Subordinated liabilities and other borrowed funds	27	–	–	–	–	10,382	10,382
Liabilities included in disposal groups held for sale	21	–	–	–	–	360	360
<b>Total at 31 December 2024</b>		<b>95,490</b>	<b>2,027</b>	<b>70,009</b>	<b>167,526</b>	<b>621,419</b>	<b>788,945</b>
<b>Financial liabilities held at fair value through profit or loss</b>							
Deposits by banks		–	–	1,894	1,894	–	1,894
Customer accounts		39	–	17,209	17,248	–	17,248
Repurchase agreements and other similar secured borrowing	16	1,660	–	39,623	41,283	–	41,283
Debt securities in issue	22	–	–	10,817	10,817	–	10,817
Short positions		11,846	–	–	11,846	–	11,846
Other liabilities		–	–	8	8	–	8
		13,545	–	69,551	83,096	–	83,096
Derivative financial instruments	14	52,747	3,314	–	56,061	–	56,061
Deposits by banks		–	–	–	–	28,030	28,030
Customer accounts		–	–	–	–	469,418	469,418
Repurchase agreements and other similar secured borrowing	16	–	–	–	–	12,258	12,258
Debt securities in issue	22	–	–	–	–	62,546	62,546
Other liabilities	23	–	–	–	–	38,663	38,663
Subordinated liabilities and other borrowed funds	27	–	–	–	–	12,036	12,036
Liabilities included in disposal groups held for sale	21	–	–	–	–	726	726
<b>Total at 31 December 2023</b>		<b>66,292</b>	<b>3,314</b>	<b>69,551</b>	<b>139,157</b>	<b>623,677</b>	<b>762,834</b>

#### 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.

	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		Net amount \$million
				Financial instruments \$million	Financial collateral \$million	
At 31 December 2024						
Derivative financial instruments	97,902	(16,430)	81,472	(60,280)	(15,005)	6,187
Reverse repurchase agreements and other similar secured lending	137,115	(38,314)	98,801	–	(98,801)	–
<b>Total Assets</b>	<b>235,017</b>	<b>(54,744)</b>	<b>180,273</b>	<b>(60,280)</b>	<b>(113,806)</b>	<b>6,187</b>
Derivative financial instruments	98,494	(16,430)	82,064	(60,280)	(11,046)	10,738
Repurchase agreements and other similar secured borrowing	83,985	(38,314)	45,671	–	(45,671)	–
<b>Total Liabilities</b>	<b>182,479</b>	<b>(54,744)</b>	<b>127,735</b>	<b>(60,280)</b>	<b>(56,717)</b>	<b>10,738</b>
At 31 December 2023						
Derivative financial instruments	99,929	(49,495)	50,434	(39,293)	(8,440)	2,701
Reverse repurchase agreements and other similar secured lending	109,413	(11,832)	97,581	–	(97,581)	–
<b>Total Assets</b>	<b>209,342</b>	<b>(61,327)</b>	<b>148,015</b>	<b>(39,293)</b>	<b>(106,021)</b>	<b>2,701</b>
Derivative financial instruments	105,556	(49,495)	56,061	(39,293)	(10,337)	6,431
Repurchase agreements and other similar secured borrowing	65,373	(11,832)	53,541	–	(53,541)	–
<b>Total Liabilities</b>	<b>170,929</b>	<b>(61,327)</b>	<b>109,602</b>	<b>(39,293)</b>	<b>(63,878)</b>	<b>6,431</b>

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 of the right of offset may not have been 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	70,009	69,551
Amount Contractually obliged to repay at maturity	70,166	71,240
Difference between aggregate fair value and contractually obliged to repay at maturity	(157)	(1,689)
Cumulative change in Fair Value accredited to Credit Risk Difference	(276)	156

The net fair value loss on financial liabilities designated at fair value through profit or loss was \$3,252 million for the year (31 December 2023: net loss of \$2,649 million).

Further details of the Group's own credit adjustment (OCA) valuation technique is described later in this Note.

## 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
- 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

- 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.
- 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
- 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	115	2	117	118	(3)	115
Credit valuation adjustment	119	15	134	171	(52)	119
Debit valuation adjustment	(129)	24	(105)	(112)	(17)	(129)
Model valuation adjustment	4	1	5	3	1	4
Funding valuation adjustment	33	8	41	46	(13)	33
Other fair value adjustments	25	1	26	23	2	25
<b>Total</b>	<b>167</b>	<b>51</b>	<b>218</b>	<b>249</b>	<b>(82)</b>	<b>167</b>
<b>Income deferrals</b>						
Day 1 and other deferrals	109	29	138	186	(77)	109
<b>Total</b>	<b>109</b>	<b>29</b>	<b>138</b>	<b>186</b>	<b>(77)</b>	<b>109</b>

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.
- 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

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.

The following tables show the classification of financial instruments held at fair value into the valuation hierarchy:

Assets	2024				2023			
	Level 1 \$million	Level 2 \$million	Level 3 \$million	Total \$million	Level 1 \$million	Level 2 \$million	Level 3 \$million	Total \$million
<b>Financial instruments held at fair value through profit or loss</b>								
Loans and advances to banks	–	2,213	–	2,213	–	2,265	–	2,265
Loans and advances to customers	–	5,147	1,937	7,084	–	5,252	1,960	7,212
Reverse repurchase agreements and other similar secured lending	19	82,937	3,239	86,195	–	79,484	2,363	81,847
Debt securities and other eligible bills	32,331	42,615	1,593	76,539	27,055	24,635	1,262	52,952
Of which:								
Issued by Central banks & Governments	30,278	13,355	9	43,642	23,465	6,557	–	30,022
Issued by corporates other than financial institutions <sup>1</sup>	7	4,860	399	5,266	4	4,062	346	4,412
Issued by financial institutions <sup>1</sup>	2,046	24,400	1,185	27,631	3,586	14,016	916	18,518
Equity shares	5,287	8	191	5,486	2,386	370	184	2,940
Derivative financial instruments	386	80,958	128	81,472	954	49,400	80	50,434
Of which:								
Foreign exchange	140	72,870	37	73,047	129	42,414	25	42,568
Interest rate	27	6,296	80	6,403	37	6,293	6	6,336
Credit	–	388	9	397	–	438	47	485
Equity and stock index options	–	349	2	351	–	73	2	75
Commodity	219	1,055	–	1,274	788	182	–	970
Investment securities								
Debt securities and other eligible bills	50,249	38,176	–	88,425	55,060	48,196	72	103,328
Of which:								
Issued by Central banks & Governments	41,395	16,916	–	58,311	47,225	18,983	51	66,259
Issued by corporates other than financial institutions <sup>1</sup>	–	490	–	490	820	3,236	–	4,056
Issued by financial institutions <sup>1</sup>	8,854	20,770	–	29,624	7,015	25,977	21	33,013
Equity shares	27	2	965	994	199	6	787	992
Other Assets	–	–	–	–	–	–	6	6
<b>Total assets at 31 December<sup>2</sup></b>	<b>88,299</b>	<b>252,056</b>	<b>8,053</b>	<b>348,408</b>	<b>85,654</b>	<b>209,608</b>	<b>6,714</b>	<b>301,976</b>
<b>Liabilities</b>								
<b>Financial instruments held at fair value through profit or loss</b>								
Deposits by banks	–	1,522	371	1,893	–	1,560	334	1,894
Customer accounts	–	19,058	2,714	21,772	–	15,970	1,278	17,248
Repurchase agreements and other similar secured borrowing	–	33,539	–	33,539	–	41,283	–	41,283
Debt securities in issue	–	12,317	1,414	13,731	–	9,776	1,041	10,817
Short positions	8,789	5,558	180	14,527	7,152	4,591	103	11,846
Derivative financial instruments	419	81,387	258	82,064	749	55,116	196	56,061
Of which:								
Foreign exchange	183	69,684	8	69,875	122	45,314	10	45,446
Interest rate	14	8,586	23	8,623	46	8,262	5	8,313
Credit	–	2,131	189	2,320	–	945	162	1,107
Equity and stock index options	–	157	37	194	–	147	19	166
Commodity	222	829	1	1,052	581	448	–	1,029
Other Liabilities	–	–	–	–	–	–	8	8
<b>Total liabilities at 31 December</b>	<b>9,208</b>	<b>153,381</b>	<b>4,937</b>	<b>167,526</b>	<b>7,901</b>	<b>128,296</b>	<b>2,960</b>	<b>139,157</b>

1 Includes covered bonds of \$3,727 million (2023: \$7,509 million), securities issued by Multilateral Development Banks/International Organisations of \$10,679 million (2023: \$24,192 million), and State-owned agencies and development banks of \$16,759 million (2023: \$7,564 million)

2 The table above does not include held for sale assets of \$5 million (2023: \$nil). These are reported in Note 21 together with their fair value hierarchy

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 \$739 million (2023: \$940 million) and \$320 million (2023: \$288 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.

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.

	2024					2023				
	Carrying value \$million	Fair value				Carrying value \$million	Fair value			
	Level 1 \$million	Level 2 \$million	Level 3 \$million	Total \$million	Level 1 \$million	Level 2 \$million	Level 3 \$million	Total \$million		
<b>Assets</b>										
Cash and balances at central banks <sup>1</sup>	63,447	–	63,447	–	63,447	69,905	–	69,905	–	69,905
Loans and advances to banks	43,593	–	43,430	165	43,595	44,977	–	44,921	–	44,921
of which – reverse repurchase agreements and other similar secured lending	2,946	–	2,948	–	2,948	1,738	–	1,738	–	1,738
Loans and advances to customers	281,032	–	40,582	238,986	279,568	286,975	–	53,472	226,211	279,683
of which – reverse repurchase agreements and other similar secured lending	9,660	–	9,618	42	9,660	13,996	–	13,827	169	13,996
Investment securities <sup>2</sup>	55,137	–	53,050	24	53,074	56,935	–	54,419	33	54,452
Other assets <sup>1</sup>	34,585	–	34,585	–	34,585	38,140	–	38,140	–	38,140
Assets held for sale	884	58	353	473	884	701	101	541	59	701
<b>Total assets at 31 December</b>	<b>478,678</b>	<b>58</b>	<b>235,447</b>	<b>239,648</b>	<b>475,153</b>	<b>497,633</b>	<b>101</b>	<b>261,398</b>	<b>226,303</b>	<b>487,802</b>
<b>Liabilities</b>										
Deposits by banks	25,400	–	25,238	–	25,238	28,030	–	28,086	–	28,086
Customer accounts	464,489	–	461,549	–	461,549	469,418	–	460,224	–	460,224
Repurchase agreements and other similar secured borrowing	12,132	–	12,133	–	12,133	12,258	–	12,258	–	12,258
Debt securities in issue	64,609	32,209	32,181	–	64,390	62,546	31,255	30,859	–	62,114
Subordinated liabilities and other borrowed funds	10,382	9,599	429	–	10,028	12,036	11,119	336	–	11,455
Other liabilities <sup>1</sup>	44,047	–	44,047	–	44,047	38,663	–	38,663	–	38,663
Liabilities held for sale	360	89	271	–	360	726	54	672	–	726
<b>Total liabilities at 31 December</b>	<b>621,419</b>	<b>41,897</b>	<b>575,848</b>	<b>–</b>	<b>617,745</b>	<b>623,677</b>	<b>42,428</b>	<b>571,098</b>	<b>–</b>	<b>613,526</b>

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 \$23,150 million at 31 December 2024 (31 December 2023: \$19,422 million)

#### Loans and advances to customers by client segment<sup>1</sup>

	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
<b>Corporate &amp; Investment Banking</b>	1,298	137,006	138,304	1,174	137,234	138,408	1,975	128,430	130,405	1,910	125,841	127,751
<b>Wealth &amp; Retail</b>												
Banking	858	118,390	119,248	858	116,823	117,681	724	125,335	126,059	721	120,701	121,422
Ventures	1	1,388	1,389	–	1,388	1,388	–	1,033	1,033	–	1,032	1,032
Central & other items	98	21,993	22,091	98	21,993	22,091	209	29,269	29,478	209	29,269	29,478
<b>At 31 December</b>	<b>2,255</b>	<b>278,777</b>	<b>281,032</b>	<b>2,130</b>	<b>277,438</b>	<b>279,568</b>	<b>2,908</b>	<b>284,067</b>	<b>286,975</b>	<b>2,840</b>	<b>276,843</b>	<b>279,683</b>

1 Loans and advances includes reverse repurchase agreements and other similar secured lending: carrying value \$9,660 million and fair value \$9,660 million (31 December 2023: \$13,996 million and \$13,996 million respectively)



## 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:

Instrument	Value as at 31 December 2024		Principal valuation technique	Significant unobservable inputs	Range <sup>1</sup>	Weighted average <sup>2</sup>	
	Assets \$million	Liabilities \$million					
Loans and advances to customers	1,937	–	Discounted cash flows	Price/yield	1.0% – 100%	20.8%	
				Recovery rate	93.2% – 95.6%	95.1%	
Reverse repurchase agreements and other similar secured lending	3,239	–	Discounted cash flows	Repo curve	2.0% – 7.6%	6.2%	
				Price/yield	2.3% – 10.5%	6.4%	
Debt securities, alternative tier one and other eligible securities	1,584	–	Discounted cash flows	Price/yield	0.7% – 15.3%	6.9%	
				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)	1,156	–	Comparable pricing/yield	EV/EBITDA multiples	5.3x – 18.1x	14.8x	
				EV/Revenue multiples	8.5x – 12.9x	9.0x	
				P/E multiples	17.9x – 48.3x	46.9x	
				P/B multiples	0.3x – 3.2x	1.3x	
				P/S multiples	0.2x – 1.3x	0.2x	
				Liquidity discount	10.0% – 30.0%	16.8%	
				Discounted cash flows	Discount rates	8.3% – 20.4%	10.1%
				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	30.2% – 50.0%	30.5%	
Derivative financial instruments of which:							
Foreign exchange	37	8	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%	
Commodity	–	1	Discounted cash flows	Commodity prices	\$383.0 – \$391.0	\$387.0	
				CM-CM correlation	73.7% – 97.9%	86.0%	
Interest rate	80	23	Discounted cash flows	Interest rate curves	3.5% – 43.9%	5.1%	
			Option pricing model	Bond option implied volatility	2.3% – 4.7%	3.5%	
Credit	9	189	Discounted cash flows	Credit spreads	0.1% – 1.9%	0.9%	
				Price/yield	4.8% – 6.6%	5.5%	
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	–	371	Discounted cash flows	Credit spreads	0.2% – 3.5%	1.5%	
Customer accounts	–	2,714	Internal pricing model	Equity-Equity correlation	44.9% – 100%	80.0%	
				Equity-FX correlation	(36.4)% – 48.9%	5.0%	
			Discounted cash flows	Interest rate curves	1.4% – 4.4%	4.0%	
				Price/yield	0.7% – 13.0%	8.5%	
Debt securities in issue	–	1,414	Discounted cash flows	Credit spreads	0.05% – 2.0%	0.8%	
				Price/yield	6.2% – 14.8%	12.7%	
				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%	12.5%
Short positions	–	180	Discounted cash flows	Price/yield	5.9% – 12.7%	6.3%	
<b>Total</b>	<b>8,053</b>	<b>4,937</b>					

- 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
- 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

### 13. Financial instruments continued

Instrument	Value as at 31 December 2023		Principal valuation technique	Significant unobservable inputs	Range <sup>1</sup>	Weighted average <sup>2</sup>
	Assets \$million	Liabilities \$million				
Loans and advances to customers	1,960	–	Discounted cash flows	Price/yield	1.7% – 100%	12.0%
				Credit spreads	0.1% – 1.0%	0.6%
Reverse repurchase agreements and other similar secured lending	2,363	–	Discounted cash flows	Repo curve	5.1% – 7.6%	6.3%
				Price/yield	(2.7)% – 10.3%	6.0%
Debt securities, alternative tier one and other eligible securities	1,283	–	Discounted cash flows	Price/yield	(14.0)% – 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)	971	–	Comparable pricing/yield	EV/EBITDA multiples	13.8x – 15.6x	14.9x
				EV/Revenue multiples	9.3x – 30.9x	15.8x
				P/E multiples	10.6x – 51.8x	45.7x
				P/B multiples	0.3x – 2.7x	1.6x
				P/S multiples	0.2x – 1.6x	0.3x
				Liquidity discount	7.5% – 20.0%	15.1%
			Discounted cash flows	Discount rates	9.2% – 35.6%	17.0%
			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	21.0% – 65.0%	30.1%
Other Assets	6	–	NAV	N/A	N/A	N/A
Derivative financial instruments of which:						
Foreign exchange	25	10	Option pricing model	Foreign exchange option implied volatility	0.5% – 51%	31.8%
			Discounted cash flows	Interest rate curves	3.6% – 5.8%	3.8%
				Foreign exchange curves	0.6% – 64.2%	12.8%
Interest rate	6	5	Discounted cash flows	Interest rate curves	3.6% – 8.6%	5.0%
Credit	47	162	Discounted cash flows	Credit spreads	1.0% – 1.0%	1.0%
				Price/yield	1.7% – 16.3%	8.6%
Equity and stock index	2	19	Internal pricing model	Equity-Equity correlation	44.1% – 100%	80.7%
	–	–		Equity-FX correlation	(35.9)% – 45.5%	14.2%
Deposits by banks	–	334	Discounted cash flows	Credit spreads	0.1% – 3.4%	1.9%
Customer accounts	–	1,278	Discounted cash flows	Credit spreads	1.0% – 2.0%	1.2%
				Interest rate curves	2.9% – 8.6%	6.1%
				Price/yield	4.8% – 15.2%	9.9%
			Internal pricing model	Equity-Equity correlation	44.1% – 100%	80.7%
				Equity-FX correlation	(35.9)% – 45.5%	14.2%
Debt securities in issue	–	1,041	Discounted cash flows	Credit spreads	0.3% – 1.6%	1.1%
				Price/yield	6.6% – 20.9%	17.9%
				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%
Other Liabilities	–	8	Comparable pricing/yield	EV/EBITDA multiples	5.8x – 11.2x	8.5x
<b>Total</b>	<b>6,714</b>	<b>2,960</b>				

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

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 multiple 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 measures of future interest rates at a particular point in time
- Liquidity discounts in the valuation of unlisted investments are 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 in an unfavourable movement in the fair value of the unlisted firm
- Price-Earnings (P/E) multiple is the ratio of the market value of the 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 is 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

## Level 3 movement tables – financial assets

The table below analyses movements in Level 3 financial assets carried at fair value.

Assets	Held at fair value through profit or loss						Investment securities				Total \$million
	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		
At 01 January 2024	–	1,960	2,363	1,262	184	6	80	72	787	6,714	
Total (losses)/gains recognised in income statement	(1)	8	73	(114)	(15)	–	(57)	–	–	(106)	
Net trading income	(1)	8	73	(56)	(15)	–	(57)	–	–	(48)	
Other operating income	–	–	–	(58)	–	–	–	–	–	(58)	
Total (losses)/gains recognised in other comprehensive income (OCI)	–	–	–	–	–	–	–	(11)	50	39	
Fair value through OCI reserve	–	–	–	–	–	–	–	–	74	74	
Exchange difference	–	–	–	–	–	–	–	(11)	(24)	(35)	
Purchases	–	1,853	6,161	1,337	24	–	227	–	145	9,747	
Sales	–	(2,062)	(4,716)	(907)	(2)	–	(160)	–	(19)	(7,866)	
Settlements	(7)	(42)	(782)	–	–	–	–	–	–	(831)	
Transfers out <sup>1</sup>	(13)	(263)	–	(1)	–	(6)	(1)	(61)	(2)	(347)	
Transfers in <sup>2</sup>	21	483	140	16	–	–	39	–	4	703	
At 31 December 2024	–	1,937	3,239	1,593	191	–	128	–	965	8,053	
Recognised in the income statement <sup>3</sup>	–	7	1	7	(13)	–	(9)	–	–	(7)	
At 01 January 2023	21	1,805	1,998	1,153	182	7	44	–	655	5,865	
Total (losses)/gains recognised in income statement	–	(35)	(107)	(292)	4	(1)	12	–	–	(419)	
Net trading income	–	(35)	(107)	(304)	5	–	12	–	–	(429)	
Other operating income	–	–	–	12	(1)	(1)	–	–	–	10	
Total (losses)/gains recognised in other comprehensive income (OCI)	–	–	–	–	–	–	–	(1)	101	100	
Fair value through OCI reserve	–	–	–	–	–	–	–	–	108	108	
Exchange difference	–	–	–	–	–	–	–	(1)	(7)	(8)	
Purchases	22	1,784	5,902	1,082	8	–	189	21	61	9,069	
Sales	(22)	(1,133)	(3,942)	(518)	(10)	–	(115)	(23)	(5)	(5,768)	
Settlements	–	(442)	(1,488)	(305)	–	–	(25)	–	–	(2,260)	
Transfers out <sup>1</sup>	(21)	(225)	–	(6)	–	–	(27)	(16)	(32)	(327)	
Transfers in <sup>2</sup>	–	206	–	148	–	–	2	91	7	454	
At 31 December 2023	–	1,960	2,363	1,262	184	6	80	72	787	6,714	
Recognised in the income statement <sup>3</sup>	–	(3)	3	(1)	4	–	(12)	–	–	(9)	

1 Transfers out includes loans and advances, debt securities, alternative tier one and other eligible bills, equity shares, other assets 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, repurchase agreements, debt securities, alternative tier one and other eligible bills, 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

## Level 3 movement tables – financial liabilities

	Deposits by banks \$million	Customer accounts \$million	Debt securities in issue \$million	Derivative financial instruments \$million	Short positions \$million	Other liabilities \$million	Total \$million
At 01 January 2024	334	1,278	1,041	196	103	8	2,960
Total losses/(gains) recognised in income statement – net trading income	49	(27)	48	(6)	3	(8)	59
Issues	388	3,068	4,244	507	177	–	8,384
Settlements	(400)	(1,627)	(2,795)	(438)	(103)	–	(5,363)
Transfers out <sup>1</sup>	–	(26)	(1,194)	(7)	–	–	(1,227)
Transfers in <sup>2</sup>	–	48	70	6	–	–	124
At 31 December 2024	371	2,714	1,414	258	180	–	4,937
Recognised in the income statement <sup>3</sup>	29	5	2	(13)	–	–	23
At 01 January 2023	288	972	451	121	40	6	1,878
Total losses/(gains) recognised in income statement – net trading income	7	(6)	39	(52)	3	3	(6)
Issues	628	1,789	1,489	447	100	–	4,453
Settlements	(585)	(1,491)	(1,218)	(312)	(40)	–	(3,646)
Transfers out <sup>1</sup>	(4)	(9)	(85)	(11)	–	(1)	(110)
Transfers in <sup>2</sup>	–	23	365	3	–	–	391
At 31 December 2023	334	1,278	1,041	196	103	8	2,960
Recognised in the income statement <sup>3</sup>	–	(21)	6	(47)	–	–	(62)

1 Transfers out during the year primarily relate to customer accounts, debt securities in issue 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 relate to customer accounts, debt securities in issue 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.

	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	1,937	1,985	1,862	–	–	–
Reverse Repurchase agreements and other similar secured lending	3,239	3,339	3,138	–	–	–
Debt securities, alternative tier one and other eligible bills	1,593	1,643	1,542	–	–	–
Equity shares	191	210	172	965	1,032	888
Other Assets	–	–	–	–	–	–
Derivative financial instruments	(130)	(115)	(147)	–	–	–
Customers accounts	(2,714)	(2,540)	(2,883)	–	–	–
Deposits by banks	(371)	(371)	(371)	–	–	–
Short positions	(180)	(178)	(182)	–	–	–
Debt securities in issue	(1,414)	(1,352)	(1,476)	–	–	–
Other Liabilities	–	–	–	–	–	–
At 31 December 2024	2,151	2,621	1,655	965	1,032	888
Financial instruments held at fair value						
Loans and advances	1,960	1,985	1,918	–	–	–
Reverse Repurchase agreements and other similar secured lending	2,363	2,390	2,336	–	–	–
Debt securities, alternative tier one and other eligible bills	1,262	1,309	1,193	72	78	66
Equity shares	184	202	166	787	866	708
Other Assets	6	7	5	–	–	–
Derivative financial instruments	(116)	(75)	(157)	–	–	–
Customers accounts	(1,278)	(1,191)	(1,365)	–	–	–
Deposits by banks	(334)	(334)	(334)	–	–	–
Short positions	(103)	(101)	(105)	–	–	–
Debt securities in issue	(1,041)	(966)	(1,115)	–	–	–
Other Liabilities	(8)	(7)	(9)	–	–	–
At 31 December 2023	2,895	3,219	2,533	859	944	774

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	
	2024 \$million	2023 \$million	2024 \$million	2023 \$million
Financial instruments				
Held at fair value through profit or loss	470	324	(496)	(362)
Fair value through other comprehensive income	67	85	(77)	(85)

## 14. 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 ( $R^2$ ), 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.

## 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	2024			2023		
	Notional principal amounts \$million	Assets \$million	Liabilities \$million	Notional principal amounts \$million	Assets \$million	Liabilities \$million
Foreign exchange derivative contracts:						
Forward foreign exchange contracts	4,923,991	54,913	51,128	3,628,067	30,897	32,601
Currency swaps and options	1,377,308	18,104	18,720	1,145,702	11,671	12,845
	6,301,299	73,017	69,848	4,773,769	42,568	45,446
Interest rate derivative contracts:						
Swaps	6,267,261	20,600	22,282	4,841,616	53,735	55,241
Forward rate agreements and options	294,705	2,233	2,771	313,253	2,057	2,520
	6,561,966	22,833	25,053	5,154,869	55,792	57,761
Exchange traded futures and options	383,528	30	27	325,051	39	47
Credit derivative contracts	227,675	397	2,320	281,130	485	1,107
Equity and stock index options	10,678	351	194	8,671	75	166
Commodity derivative contracts	142,393	1,274	1,052	117,436	970	1,029
Gross total derivatives	13,627,539	97,902	98,494	10,660,926	99,929	105,556
Offset <sup>1</sup>	–	(16,430)	(16,430)	–	(49,495)	(49,495)
Total derivatives	13,627,539	81,472	82,064	10,660,926	50,434	56,061

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

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.



## 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.

Included in the table above are derivatives held for hedging purposes as follows:

	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	63,840	763	1,679	69,347	1,264	2,397
Currency swaps	1,035	–	56	115	10	6
	64,875	763	1,735	69,462	1,274	2,403
Derivatives designated as cash flow hedges:						
Interest rate swaps	49,309	165	282	41,834	184	537
Forward foreign exchange contracts	9,193	609	1	12,071	420	183
Currency swaps	14,305	729	2	14,321	191	150
	72,807	1,503	285	68,226	795	870
Derivatives designated as net investment hedges:						
Forward foreign exchange contracts	14,137	300	7	15,436	32	41
Total derivatives held for hedging	151,819	2,566	2,027	153,124	2,101	3,314

## 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 13). 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

	Notional \$million	Carrying Amount		Change in fair value used to calculate hedge ineffectiveness <sup>2</sup> \$million	Ineffectiveness recognised in profit or loss \$million
		Asset \$million	Liability \$million		
Interest rate <sup>1</sup>					
Interest rate swaps – debt securities/subordinated notes issued	46,832	283	1,643	46	2
Interest rate swaps – loans and advances to customers	1,334	10	12	(5)	–
Interest rate swaps – debt securities and other eligible bills	15,674	470	24	142	2
Interest and currency risk <sup>1</sup>					
Cross currency swaps – debt securities/subordinated notes issued	1,035	–	56	(52)	(1)
Cross currency swaps – debt securities and other eligible bills	–	–	–	(10)	–
<b>Total at 31 December 2024</b>	<b>64,875</b>	<b>763</b>	<b>1,735</b>	<b>121</b>	<b>3</b>
Interest rate swaps – debt securities/subordinated notes issued	45,455	381	2,267	271	(4)
Interest rate swaps – loans and advances to customers	1,203	26	1	(20)	–
Interest rate swaps – debt securities and other eligible bills	22,689	857	129	(459)	(17)
Interest and currency risk <sup>1</sup>					
Cross currency swaps – debt securities/subordinated notes issued	70	–	6	(2)	–
Cross currency swaps – debt securities and other eligible bills	45	10	–	11	–
<b>Total at 31 December 2023</b>	<b>69,462</b>	<b>1,274</b>	<b>2,403</b>	<b>(199)</b>	<b>(21)</b>

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

2 This represents a (loss)/gains change in fair value used for calculating hedge ineffectiveness

## Hedged items in fair value hedges

	Carrying Amount		Accumulated amount of fair value hedge adjustments included in the carrying amount		Change in the value used for calculating hedge ineffectiveness <sup>1</sup> \$million	Cumulative balance of fair value adjustments from de-designated hedge relationships <sup>2</sup> \$million
	Asset \$million	Liability \$million	Asset \$million	Liability \$million		
Debt securities/subordinated notes issued	–	49,616	–	1,485	7	178
Debt securities and other eligible bills	15,183	–	(353)	–	(130)	235
Loans and advances to customers	1,330	–	(4)	–	5	4
<b>Total at 31 December 2024</b>	<b>16,513</b>	<b>49,616</b>	<b>(357)</b>	<b>1,485</b>	<b>(118)</b>	<b>417</b>
Debt securities/subordinated notes issued	–	46,156	–	1,761	(273)	360
Debt securities and other eligible bills	21,473	–	(553)	–	431	744
Loans and advances to customers	1,183	–	(20)	–	20	13
<b>Total at 31 December 2023</b>	<b>22,656</b>	<b>46,156</b>	<b>(573)</b>	<b>1,761</b>	<b>178</b>	<b>1,117</b>

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	121	(199)
Change in fair value of hedged risks attributable to hedged items	(118)	178
Net ineffectiveness gain/(loss) to net trading income	3	(21)
Amortisation gain to net interest income	153	232

## 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.

## Hedging instruments and ineffectiveness

	Carrying Amount			Change in fair value used to calculate hedge ineffectiveness <sup>1</sup> \$million	Gain recognised in OCI \$million	Ineffectiveness (loss)/gain recognised in net trading income \$million	Amount reclassified from reserves to income \$million
	Notional \$million	Asset \$million	Liability \$million				
<b>Interest rate risk</b>							
Interest rate swaps	49,309	165	282	(131)	(125)	(6)	–
<b>Currency risk</b>							
Forward foreign exchange contract	9,193	609	1	45	45	–	–
Cross currency swaps	14,305	729	2	650	648	2	–
<b>Total as at 31 December 2024</b>	<b>72,807</b>	<b>1,503</b>	<b>285</b>	<b>564</b>	<b>568</b>	<b>(4)</b>	<b>–</b>
<b>Interest rate risk</b>							
Interest rate swaps	41,834	184	537	612	609	3	–
<b>Currency risk</b>							
Forward foreign exchange contract	12,071	420	183	104	103	1	–
Cross currency swaps	14,321	191	150	185	183	2	–
<b>Total as at 31 December 2023</b>	<b>68,226</b>	<b>795</b>	<b>870</b>	<b>901</b>	<b>895</b>	<b>6</b>	<b>–</b>

1 This represents a gain/(loss) change in fair value used for calculating hedge ineffectiveness

## Hedged items in cash flow hedges

	2024			2023		
	Change in fair value used for calculating hedge ineffectiveness <sup>1</sup> \$million	Cash flow hedge reserve \$million	Cumulative balance in the cash flow hedge reserve from designated hedge relationships \$million	Change in fair value used for calculating hedge ineffectiveness <sup>1</sup> \$million	Cash flow hedge reserve \$million	Cumulative balance in the cash flow hedge reserve from designated hedge relationships \$million
Customer accounts	(199)	(38)	104	(421)	(114)	136
Debt securities and other eligible bills	(354)	(10)	(5)	(98)	(22)	(15)
Loans and advances to customers	124	(27)	(7)	(312)	134	–
Intragroup lending currency hedge	(55)	(2)	–	(64)	–	–
Intragroup borrowing currency hedge	(84)	4	–	–	–	–
<b>Total at 31 December</b>	<b>(568)</b>	<b>(73)</b>	<b>92</b>	<b>(895)</b>	<b>(2)</b>	<b>121</b>

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	91	(564)
Gains recognised in other comprehensive income on effective portion of changes in fair value of hedging instruments	568	895
Gains reclassified to income statement when hedged item affected net profit	(669)	(128)
Taxation charge relating to cash flow hedges	14	(112)
Cash flow hedge reserve balance as at 31 December	4	91

### 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

	Carrying amount			Change in fair value used to calculate hedge ineffectiveness <sup>2</sup> \$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
	Notional \$million	Asset \$million	Liability \$million				
Derivative forward currency contracts <sup>1</sup>							
As at 31 December 2024	14,137	300	7	678	678	–	–
As at 31 December 2023	15,436	32	41	215	215	–	–

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 <sup>1</sup> \$million	Translation reserve <sup>2</sup> \$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 <sup>1</sup> \$million	Translation reserve <sup>2</sup> \$million	Balances remaining in the translation reserve from hedging relationships for which hedge accounting is no longer applied \$million
Net investments	(678)	293	–	(215)	(9)	–

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 recognised in other comprehensive income	678	215

## Maturity of hedging instruments

		2024				2023			
		Less than one month	More than one month and less than one year	One to five years	More than five years	Less than one month	More than one month and less than one year	One to five years	More than five years
<b>Fair value hedges</b>									
<b>Interest rate swap</b>									
Notional	\$million	2,763	11,260	32,030	17,787	3,242	9,789	41,545	14,771
<b>Cross currency swap</b>									
Notional	\$million	–	–	1,035	–	–	115	–	–
Average fixed interest rate (to USD) (%)	EUR	–	–	2.40	–	–	–	–	–
	GBP	–	–	–	–	–	1.33	–	–
	CNH	–	–	–	–	–	3.17	–	–
Average exchange rate	EUR/USD	–	–	0.91	–	–	–	–	–
	GBP/USD	–	–	–	–	–	0.66	–	–
	CNH/USD	–	–	–	–	–	6.37	–	–
<b>Cash flow hedges</b>									
<b>Interest rate swap</b>									
Notional	\$million	2,428	15,589	25,943	5,349	2,129	27,634	11,664	407
Average fixed interest rate (%)	USD	5.09	4.62	4.05	3.74	5.10	3.45	4.70	3.16
<b>Cross currency swap</b>									
Notional	\$million	880	12,232	1,193	–	166	10,794	3,361	–
Average fixed interest rate (%)	HKD	–	4.07	0.21	–	–	4.97	0.21	–
	KRO	–	2.85	–	–	1.96	3.58	0.62	–
	USD	–	–	–	–	–	5.64	–	–
	TWD	–	–	–	–	(3.68)	0.77	0.81	–
	JPY/HKD	–	(0.05)	–	–	–	–	–	–
	TWO	0.53	1.04	–	–	–	–	–	–
	CNO	2.45	1.54	–	–	–	–	–	–
	JPY	0.01	0.08	–	–	–	(0.07)	(0.05)	–
Average exchange rate	HKD/USD	–	7.78	7.85	–	–	7.83	7.85	–
	KRO/USD	–	1,386.94	1,300.90	–	1,192.20	1,321	1,285	–
	USD/HKD	–	–	–	–	–	0.13	–	–
	TWD/USD	–	–	–	–	30.63	31.53	32.22	–
	TWO/USD	31.83	32.22	–	–	–	–	–	–
	CNO/USD	7.18	7.20	–	–	–	–	–	–
	JPY/HKD	–	18.12	–	–	–	17.86	18.09	–
<b>Forward foreign exchange contracts</b>									
Notional	\$million	2,044	7,149	–	–	2,194	9,877	–	–
Average exchange rate	BRL/USD	–	6.54	–	–	–	5.17	–	–
	TWD/HKD	–	–	–	–	–	3.81	–	–
	JPY/USD	147.38	145.65	–	–	130.49	136	–	–
<b>Net investment hedges</b>									
<b>Foreign exchange derivatives</b>									
Notional	\$million	14,137	–	–	–	15,436	–	–	–
Average exchange rate	CNY/USD	7.13	–	–	–	7.12	–	–	–
	KRW/USD	1,364.97	–	–	–	1,283	–	–	–
	AED/USD	–	–	–	–	3.67	–	–	–
	HKD/USD	7.77	–	–	–	7.80	–	–	–
	INR/USD	84.07	–	–	–	–	–	–	–

## 15. Loans and advances to banks and customers

### Accounting policy

Refer to Note 13 Financial instruments for the relevant accounting policy.

	2024 \$million	2023 \$million
Loans and advances to banks	43,609	45,001
Expected credit loss	(16)	(24)
	43,593	44,977
Loans and advances to customers	285,936	292,145
Expected credit loss	(4,904)	(5,170)
	281,032	286,975
Total loans and advances to banks and customers <sup>1</sup>	324,625	331,952

<sup>1</sup> Includes \$2.5 billion (31 December 2023: \$3.6 billion) of assets pledged as collateral. For more information, please refer to page 127 of Pillar 3 disclosures

The Group has outstanding residential mortgage loans to Korea residents of \$13.7 billion (2023: \$17.2 billion) and Hong Kong residents of \$31.1 billion (2023: \$32.7 billion).

Analysis of loans and advances to customers by key geographies and client segment together with their related impairment provisions are set out within the Risk review and Capital review.

## 16. 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

### Reverse repurchase agreements and other similar secured lending

	2024 \$million	2023 \$million
Banks	37,700	32,286
Customers	61,101	65,295
	98,801	97,581
Of which:		
Fair value through profit or loss	86,195	81,847
Banks	34,754	30,548
Customers	51,441	51,299
Held at amortised cost	12,606	15,734
Banks	2,946	1,738
Customers	9,660	13,996

Under reverse repurchase and securities borrowing arrangements, the Group obtains securities under usual and customary terms which permit it to repledge or resell the securities to others. Amounts on such terms are:

	2024 \$million	2023 \$million
Securities and collateral received (at fair value)	103,007	101,935
Securities and collateral which can be repledged or sold (at fair value)	102,741	101,845
Amounts repledged/transferred to others for financing activities, to satisfy liabilities under sale and repurchase agreements (at fair value)	27,708	34,154

value)

## Repurchase agreements and other similar secured borrowing

	2024 \$million	2023 \$million
Banks	8,669	5,585
Customers	37,002	47,956
	45,671	53,541
Of which:		
Fair value through profit or loss	33,539	41,283
Banks	7,759	4,658
Customers	25,780	36,625
Held at amortised cost	12,132	12,258
Banks	910	927
Customers	11,222	11,331

The tables below set out the financial assets provided as collateral for repurchase and other secured borrowing transactions:

	Fair value through profit or loss \$million	Fair value through other comprehensive income \$million	Amortised cost \$million	Off-balance sheet \$million	Total \$million
Collateral pledged against repurchase agreements					
On-balance sheet					
Debt securities and other eligible bills	4,698	6,366	7,592	–	18,656
Off-balance sheet					
Repledged collateral received	–	–	–	27,708	27,708
At 31 December 2024	4,698	6,366	7,592	27,708	46,364
On-balance sheet					
Debt securities and other eligible bills	4,993	8,157	10,181	–	23,331
Off-balance sheet					
Repledged collateral received	–	–	–	34,154	34,154
At 31 December 2023	4,993	8,157	10,181	34,154	57,485

## 17. 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.

#### 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.

	2024				2023			
	Goodwill \$million	Acquired intangibles \$million	Computer software \$million	Total \$million	Goodwill \$million	Acquired intangibles \$million	Computer software \$million	Total \$million
<b>Cost</b>								
At 1 January	2,429	278	6,168	8,875	2,471	295	5,178	7,944
Exchange translation differences	(42)	(18)	(109)	(169)	(24)	(12)	21	(15)
Additions	–	1	952	953	–	–	1,124	1,124
Disposals	–	–	(5)	(5)	–	–	–	–
Impairment	–	–	(663) <sup>1</sup>	(663)	–	–	(151) <sup>2</sup>	(151)
Amounts written off	–	(9)	(42)	(51)	(18)	(5)	(4)	(27)
At 31 December	2,387	252	6,301	8,940	2,429	278	6,168	8,875
<b>Provision for amortisation</b>								
At 1 January	–	265	2,396	2,661	–	276	1,799	2,075
Exchange translation differences	–	(20)	(48)	(68)	–	(12)	11	(1)
Amortisation	–	4	695	699	–	1	625	626
Impairment charge	–	–	(102) <sup>1</sup>	(102)	–	–	(39) <sup>2</sup>	(39)
Amounts written off	–	–	(41)	(41)	–	–	–	–
At 31 December	–	249	2,900	3,149	–	265	2,396	2,661
Net book value	2,387	3	3,401	5,791	2,429	13	3,772	6,214

1 During 2024, the Group performed a review of its computer software intangibles which were capitalised as at 31 December 2023, and impaired \$483 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 \$78 million. A total of \$561 million is recorded within impairment to reflect the above

2 Computer software impairment includes \$82.8 million charge relating to write off on SaaS (Software as a Service) applications capitalised in previous years

At 31 December 2024, accumulated goodwill impairment losses incurred from 1 January 2005 amounted to \$3,331 million (31 December 2023: \$3,331 million), of which \$nil was recognised in 2024 (31 December 2023: \$nil).

#### 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.

Cash generating unit	2024			2023		
	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						
Asia	1,014			1,036		
Hong Kong	359	13.0	1.1	357	12.9	1.6
Taiwan	316	12.2	1.5	333	12.4	1.5
Singapore	339	13.0	2.3	346	13.9	2.1
Africa & Middle East	81			80		
Pakistan	32	35.9	3.3	31	35.5	3.2
Bahrain	49	12.4	0.8	49	12.4	0.5
Global CGUs	1,292			1,313		
Wealth Management	83	15.0	1.8	83	15.3	1.9
Corporate & Investment Banking	1,209	15.5	2.3	1,230	15.7	2.3
	2,387			2,429		

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.

#### Acquired intangibles

These primarily comprise those items recognised as part of the acquisitions of Union Bank (now amalgamated into Standard Chartered Bank (Pakistan) Limited), Hsinchu (now amalgamated into Standard Chartered Bank (Taiwan) Limited), American Express Bank and ABSA's custody business in Africa.

The acquired intangibles are amortised over periods from four years to a maximum of 16 years. The constituents are as follows:

	2024 \$million	2023 \$million
Acquired intangibles comprise:		
Brand names	1	–
Customer relationships	–	1
Licenses	2	12
Net book value	3	13

## 18. 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
- Leasehold premises
- Leasehold improvements
- Equipment and motor vehicles
- up to 50 years
- up to 50 years
- Shorter of remaining lease term and 10 years
- 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 19.

	Premises \$million	Equipment \$million	Operating lease assets \$million	Leased premises assets \$million	Leased equipment assets \$million	Total \$million
<b>Cost or valuation</b>						
At 1 January 2024	1,741	810	–	1,864	18	4,433
Exchange translation differences	(41)	(31)	–	(38)	(4)	(114)
Additions	112 <sup>1</sup>	194 <sup>1</sup>	–	213	150 <sup>1</sup>	669
Disposals and fully depreciated assets written off	(61) <sup>2</sup>	(37) <sup>2</sup>	–	(13)	(1)	(112)
Other movements	(25)	–	–	–	–	(25)
As at 31 December 2024	1,726	936	–	2,026	163	4,851
<b>Depreciation</b>						
Accumulated at 1 January	692	535	–	914	18	2,159
Exchange translation differences	(28)	(15)	–	(40)	(14)	(97)
Charge for the year	79	92	–	220	36	427
Impairment charge	2	–	–	9	–	11
Attributable to assets sold, transferred or written off	(29) <sup>2</sup>	(37) <sup>2</sup>	–	(7)	(1)	(74)
Accumulated at 31 December 2024	716	575	–	1,096	39	2,426
Net book amount at 31 December 2024	1,010	361	–	930	124	2,425
<b>Cost or valuation</b>						
At 1 January 2023	1,773	840	4,420	1,652	29	8,714
Exchange translation differences	(27)	(22)	–	(5)	(3)	(57)
Additions	45 <sup>1</sup>	114 <sup>1</sup>	–	286	1	446
Disposals and fully depreciated assets written off	(68) <sup>2</sup>	(122) <sup>2</sup>	(4,420) <sup>3</sup>	(69)	(9)	(4,688)
Transfers to assets held for sale	18	–	–	–	–	18
As at 31 December 2023	1,741	810	–	1,864	18	4,433
<b>Depreciation</b>						
Accumulated at 1 January 2023	678	575	1,185	730	24	3,192
Exchange translation differences	(21)	(17)	1	(25)	(1)	(63)
Charge for the year	77	99	27	238	4	445
Impairment charge	3	–	–	9	–	12
Attributable to assets sold, transferred or written off	(47) <sup>2</sup>	(122) <sup>2</sup>	(1,213) <sup>3</sup>	(38)	(9)	(1,429)
Transfers to assets held for sale	2	–	–	–	–	2
Accumulated at 31 December 2023	692	535	–	914	18	2,159
Net book amount at 31 December 2023	1,049	275	–	950	–	2,274

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 \$456 million (2023: \$159 million)

2 Disposals for property, plant and equipment during the year of \$56million (2023: \$53 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

3 Includes disposal of assets from aviation finance leasing business and sale of vessels

## 19. 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 \$265 million (2023: \$283 million).

The right-of-use asset balances and depreciation charges are disclosed in Note 18. The lease liability balances are disclosed in Note 23 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:

	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	279	223	443	414	1,359	248	203	373	410	1,234

## 20. Other assets

Other assets include:	2024 \$million	2023 \$million
Financial assets held at amortized cost (Note 13):		
Hong Kong SAR Government certificates of indebtedness (Note 23) <sup>1</sup>	6,369	6,568
Cash collateral <sup>3</sup>	11,046	10,337
Acceptances and endorsements	5,476	5,326
Unsettled trades and other financial assets	11,694	15,909
	34,585	38,140
Non-financial assets:		
Commodities and emissions certificates <sup>2</sup>	8,358	8,889
Other assets	525	565
	43,468	47,594

1 The Hong Kong SAR Government certificates of indebtedness are subordinated to the claims of other parties in respect of bank notes issued

2 Physically held commodities and emission certificates are inventory that is carried at fair value less costs to sell, \$5.6 billion (31 December 2023: \$5.1 billion) are classified as Level 1 and \$2.7 billion are classified as Level 2 (31 December 2023: \$3.7 billion). For commodities, the fair value is derived from observable spot or short-term futures prices from relevant exchanges

3 Cash collateral are margins placed to collateralize net derivative mark-to-market (MTM) positions

## 21. 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.

### Assets held for sale

The financial assets reported below are classified under Level 1 \$58 million (31 December 2023: \$101 million), Level 2 \$353 million (31 December 2023: \$541 million) and Level 3 \$473 million (31 December 2023: \$59 million).

	2024 \$million	2023 \$million
Financial assets held at fair value through profit or loss	5	–
Loans and advances to banks	5	–
Financial assets held at amortised cost	884	701
Cash and balances at central banks	109	246
Loans and advances to banks	18	24
Loans and advances to customers	656 <sup>2</sup>	251
Debt securities held at amortised cost	101	180
Property, plant and equipment	15	59
Vessels <sup>1</sup>	–	43
Others	15	16
Others	28	49
	932	809

1 Consideration on disposal of Property, plant and equipment classified under assets held for sale during 31 December 2024 was \$53 million (31 December 2023: \$149 million)

2 Includes \$414 million unsecured personal loan business from SC Bank India which was disposed on 23 January 2025 (refer note 37 – Post balance sheet events)

### Liabilities held for sale

The financial liabilities reported below are classified under Level 1 \$89 million (2023: \$54 million) and Level 2 \$271 million (2023: \$672 million).

	2024 \$million	2023 \$million
Financial liabilities held at amortised cost	360	726
Deposits by banks	–	3
Customer accounts	360	723
Other liabilities	16	51
Provisions for liabilities and charges	5	10
	381	787

## 22. Debt securities in issue

### Accounting policy

Refer to Note 13 Financial instruments for the relevant accounting policy.

	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	18,113	46,496	64,609	15,533	47,013	62,546
Debt securities in issue included within:						
Financial liabilities held at fair value through profit or loss (Note 13)	–	13,731	13,731	–	10,817	10,817
Total debt securities in issue	18,113	60,227	78,340	15,533	57,830	73,363

In 2024, the Company issued a total of \$7.4 billion senior notes for general business purposes of the Group as shown below:

Securities	\$million
\$1,500 million fixed-rate senior notes due 2035 (callable 2034)	1,500
SGD 335 million fixed-rate senior notes due 2030 (callable 2029)	246
EUR1,000 million fixed-rate senior notes due 2032 (callable 2031)	1,035
HKD 1,100 million fixed-rate senior notes due 2027 (callable 2026)	142
\$500 million floating-rate senior notes due 2028 (callable 2027)	500
\$1,000 million fixed-rate senior notes due 2028 (callable 2027)	1,000
\$1,500 million fixed-rate senior notes due 2035 (callable 2034)	1,500
\$1,500 million fixed-rate senior notes due 2030 (callable 2029)	1,500
<b>Total Senior Notes issued</b>	<b>7,423</b>

In 2023, the Company issued a total of \$8.1 billion senior notes for general business purposes of the Group as shown below:

Securities	\$million
\$1,000 million fixed rate senior notes due 2027 (callable 2026)	1,000
EUR 1,000 million fixed rate senior notes due 2031 (callable 2030)	1,105
HKD 784 million fixed rate senior notes due 2026 (callable 2025)	100
\$1,000 million fixed rate senior notes due 2034 (callable 2033)	1,000
\$1,000 million fixed rate senior notes due 2027 (callable 2026)	1,000
\$500 million floating rate senior notes due 2027 (callable 2026)	500
\$400 million floating rate senior notes due 2028 (callable 2027)	400
\$1,500 million fixed rate senior notes due 2029 (callable 2028)	1,500
\$750 million fixed rate senior notes due 2030 (callable 2029)	750
\$750 million fixed rate senior notes due 2028 (callable 2027)	750
<b>Total Senior Notes issued</b>	<b>8,105</b>

### 23. Other liabilities

#### Accounting policy

Refer to Note 13 Financial instruments for the relevant accounting policy for financial liabilities, Note 19 Leased assets for the accounting policy for leases, and Note 31 Share-based payments for the accounting policy for cash-settled share-based payments.

	2024 \$million	2023 \$million
<b>Financial liabilities held at amortised cost (Note 13)</b>		
Notes in circulation <sup>1</sup>	6,369	6,568
Acceptances and endorsements	5,476	5,386
Cash collateral <sup>2</sup>	15,005	8,440
Property leases	1,041	1,054
Equipment leases	115	4
Unsettled trades and other financial liabilities	16,041	17,211
	<b>44,047</b>	<b>38,663</b>
<b>Non-financial liabilities</b>		
Cash-settled share-based payments	131	102
Other liabilities	503	456
	<b>44,681</b>	<b>39,221</b>

1 Hong Kong currency notes in circulation of \$6,369 million (31 December 2023: \$6,568 million) that are secured by the Government of Hong Kong SAR certificates of indebtedness of the same amount included in other assets (Note 20)

2 Cash collateral are margins received against collateralize net derivative mark-to-market (MTM) positions

## 24. 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.

	2024			2023		
	Provision for credit commitments <sup>1</sup> \$million	Other provisions <sup>2</sup> \$million	Total \$million	Provision for credit commitments <sup>1</sup> \$million	Other provisions <sup>2</sup> \$million	Total \$million
At 1 January	227	72	299	280	103	383
Exchange translation differences	10	(5)	5	(5)	4	(1)
Charge/(release) against profit <sup>4</sup>	18	136	154	(48)	42	(6)
Provisions utilised <sup>4</sup>	–	(121)	(121)	–	(71)	(71)
Other movements <sup>3</sup>	–	12	12	–	(6)	(6)
At 31 December	255	94	349	227	72	299

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

4 \$136 million (charge) and \$121 million (provision utilised) includes provision for Korea equity linked securities (ELS) portfolio

## 25. 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.

	2024 \$million	2023 \$million
Financial guarantees and other contingent liabilities		
Financial guarantees, trade credits and irrevocable letters of credit	90,632	74,414
	90,632	74,414
Commitments		
Undrawn formal standby facilities, credit lines and other commitments to lend		
One year and over	76,915	78,356
Less than one year	29,249	33,092
Unconditionally cancellable	76,365	70,942
	182,529	182,390
Capital Commitments		
Contracted capital expenditure approved by the directors but not provided for in these accounts	123	217

As set out in Note 26, 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.

## 26. 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 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 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 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 Group. It is alleged that the individuals breached their duties to the Group and caused a waste of corporate assets by permitting the conduct that gave rise to the costs and losses to the 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.

Since October 2020, four lawsuits have been filed in the English High Court against Standard Chartered PLC on behalf of more than 200 shareholders in relation to alleged untrue and/or misleading statements and/or omissions in information published by Standard Chartered PLC in its rights issue prospectuses of 2008, 2010 and 2015 and/or public statements regarding the Group's historic sanctions, money laundering and financial crime compliance issues. These lawsuits have been brought under sections 90 and 90A of the Financial Services and Markets Act 2000. The trial of these lawsuits is due to start in late 2026. The claimants have alleged that their losses are in the region of £1.56 billion (excluding any pre-judgment interest that may be awarded). In addition to having denied any and all liability, Standard Chartered PLC will contest claimants' alleged losses.



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 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 Group by the BMIS bankruptcy trustee and the Fairfield funds' liquidators, in each case seeking to recover funds paid to the Group's clients pursuant to redemption requests made prior to BMIS' bankruptcy filing. The total amount sought in these cases exceeds \$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 Group continues to defend the lawsuit brought by the BMIS bankruptcy trustee.

A number of Korean banks, including Standard Chartered Bank Korea, sold equity linked securities (ELS) to customers, the redemption values of which are determined by the performance of various stock indices. From January 2021 to May 2023 Standard Chartered Bank Korea sold relevant ELS to its customers with a notional value of approximately \$900 million. Due to the performance of the Hang Seng China Enterprise Index, several thousand Standard Chartered Bank Korea customers have redeemed their ELS at a loss. Standard Chartered Bank Korea has offered compensation to impacted customers. Standard Chartered Bank Korea may also receive a regulatory penalty. A \$100 million provision had been recognised as at Q1 2024 with respect to anticipated losses, \$24 million of which remains recorded on the Group's balance sheet as at 31 December 2024.

With the exception of the Korea ELS matter described above, 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 matters are inherently uncertain and difficult to predict.

## 27. Subordinated liabilities and other borrowed funds

	2024 \$million	2023 \$million
Subordinated loan capital – issued by subsidiary undertakings		
\$700 million 8.0 per cent subordinated notes due 2031 <sup>1</sup>	326	342
NPR2.4 billion fixed sub debt rate 10.3 per cent <sup>2</sup>	18	18
	344	360
Subordinated loan capital – issued by the Company <sup>3</sup>		
£900 million 5.125 per cent subordinated notes due 2034	601	644
\$2 billion 5.7 per cent subordinated notes due 2044	2,179	2,197
\$1 billion 5.2 per cent subordinated notes due 2024	–	1,001
\$750 million 5.3 per cent subordinated notes due 2043	691	697
€500 million 3.125 per cent subordinated notes due 2024	–	536
\$1.25 billion 4.3 per cent subordinated notes due 2027	1,174	1,154
\$1 billion 3.516 per cent fixed rate reset subordinated notes due 2030 (callable 2025)	996	964
\$500 million 4.866 per cent fixed rate reset subordinated notes due 2033 (callable 2028)	478	481
£96.035 million 7.375 per cent Non-Cum Pref Shares (reclassified as Debt) – Other borrowings	121	122
£99.250 million 8.25 per cent Non-Cum Pref Shares (reclassified as Debt) – Other borrowings	124	126
\$750 million 3.603 per cent fixed rate reset subordinated notes due 2033 (callable 2032)	634	648
€ 1 billion 2.5 per cent fixed rate reset subordinated notes due 2030 (callable 2025)	1,015	1,044
\$1.25 billion 3.265 per cent fixed rate reset subordinated notes due 2036 (callable 2030)	1,032	1,040
€1 billion 1.200 per cent fixed rate reset subordinated notes due 2031 (callable 2026)	993	1,022
	10,038	11,676
Total for Group	10,382	12,036

1 Issued by Standard Chartered Bank

2 Issued by Standard Chartered Bank Nepal Limited. NPR refers to Nepalese Rupee

3 In the balance sheet of the Company the amount recognised is \$10,338 million (2023: \$11,945 million), with the difference on account of hedge accounting achieved on a Group basis

	2024					2023				
	USD \$million	EUR \$million	GBP \$million	NPR \$million	Total \$million	USD \$million	EUR \$million	GBP \$million	NPR \$million	Total \$million
Fixed rate subordinated debt	7,510	2,008	846	18	10,382	8,524	2,602	892	18	12,036
Total	7,510	2,008	846	18	10,382	8,524	2,602	892	18	12,036

Redemptions and repurchases during the year.

Standard Chartered PLC exercised its right to redeem \$1 billion 5.2 per cent subordinated notes 2024 and €500 million 3.125 per cent subordinated notes 2024

Issuance during the year

There was no issuance during the period.

## 28. 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.

	Number of ordinary shares millions	Ordinary share capital <sup>1</sup> \$million	Ordinary Share premium \$million	Preference Share premium <sup>2</sup> \$million	Total share capital and share premium \$million	Other equity instruments \$million
At 1 January 2023	2,895	1,447	3,989	1,494	6,930	6,504
Cancellation of shares including share buy-back	(230)	(115)	–	–	(115)	–
Additional Tier 1 Redemption	–	–	–	–	–	(992)
At 31 December 2023	2,665	1,332	3,989	1,494	6,815	5,512
Cancellation of shares including share buy-back	(240)	(120)	–	–	(120)	–
Additional Tier 1 equity issuance	–	–	–	–	–	1,568
Additional Tier 1 Redemption	–	–	–	–	–	(553)
Other movements <sup>3</sup>	–	–	–	–	–	(25)
At 31 December 2024	2,425	1,212	3,989	1,494	6,695	6,502

1 Issued and fully paid ordinary shares of 50 cents each

2 Includes preference share capital of \$75,000

3 Relates to realised translation loss on redemption of AT1 securities of SGD 750 million

### Share buyback

On 23 February 2024, the Group announced the buyback programme for a share buyback of its ordinary shares of \$0.50 each. Nominal value of share purchases was \$57 million, the total consideration paid was \$1,000 million, and the buyback completed on 25 June 2024. The total number of shares purchased was 113,266,516, representing 4.25 per cent of the ordinary shares in issue at the beginning of the programme. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account. The shares were purchased by Standard Chartered PLC on various exchanges not including the Hong Kong Stock Exchange, by private arrangement.

On 30 July 2024, the Group announced the buyback programme for a share buyback of its ordinary shares of \$0.50 each. As at FY 2024 the buyback is ongoing, with the total number of shares purchased of 126,262,414 representing 4.95 per cent of the ordinary shares in issue at the beginning of the programme, the total consideration was \$1,355 million and a further \$145 million relating to irrevocable obligation to buy back shares under the buyback programme has been recognised. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account.

The shares were purchased by Standard Chartered PLC on various exchanges not including the Hong Kong Stock Exchange.

	Number of ordinary shares	Highest price Paid £	Lowest price paid £	Average price paid per share £	Aggregate price paid £	Aggregate price paid \$
February 2024	6,418,285	6.6920	6.3700	6.5039	41,743,905	52,831,654
March 2024	45,113,015	7.0000	6.4400	6.6765	301,197,187	383,771,653
April 2024	24,716,649	7.1300	6.3800	6.7727	167,398,467	209,475,694
May 2024	19,525,751	7.9540	6.9080	7.6883	150,119,738	189,885,098
June 2024	17,492,816	7.8840	7.1220	7.3676	128,879,487	164,035,854
August 2024	27,834,474	7.8340	6.6740	7.3594	204,843,866	264,717,166
September 2024	33,245,826	8.1120	7.4260	7.7103	256,333,914	338,823,108
October 2024	34,497,109	9.1700	7.6880	8.3791	289,055,494	377,008,057
November 2024	20,250,801	9.8600	9.0240	9.4021	190,399,354	243,785,545
December 2024	10,434,204	10.0950	9.6380	9.8709	102,994,626	130,375,125

#### Ordinary share capital

In accordance with the Companies Act 2006 the Company does not have authorised share capital. The nominal value of each ordinary share is 50 cents.

During the period nil shares were issued under employee share plans.

#### Preference share capital

At 31 December 2024, the Company has 15,000 \$5 non-cumulative redeemable preference shares in issue, with 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 and are classified in equity.

The available profits of the Company are distributed to the holders of the issued preference shares in priority to payments made to holders of the ordinary shares and in priority to, or pari passu with, any payments to the holders of any other class of shares in issue. On a winding up, the assets of the Company are applied to the holders of the preference shares in priority to any payment to the ordinary shareholders and in priority to, or pari passu with, the holders of any other shares in issue, for an amount equal to any dividends payable (on approval of the Board) and the nominal value of the shares together with any premium as determined by the Board. The redeemable preference shares are redeemable at the paid up amount (which includes premium) at the option of the Company in accordance with the terms of the shares. The holders of the preference shares are not entitled to attend or vote at any general meeting except where any relevant dividend due is not paid in full or where a resolution is proposed varying the rights of the preference shares

#### Other equity instruments

The table provides details of outstanding Fixed Rate Resetting Perpetual Subordinated Contingent Convertible AT1 securities issued by Standard Chartered PLC. 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 <sup>1</sup>	Coupon payment dates each year <sup>2</sup>	First reset dates <sup>3</sup>	Conversion price per ordinary share <sup>5</sup>
26 Jun 2020	\$1,000 million	\$992 million	6%	26 January, 26 July	26 January 2026	\$5.331
14 January 2021	\$1,250 million	\$1,239 million	4.75%	14 January, 14 July	14 July 2031	\$6.353
19 August 2021	\$1,500 million	\$1,489 million	4.30%	19 February, 19 August	19 August 2028	\$6.382
15 August 2022	\$1,250 million	\$1,239 million	7.75%	15 February, 15 August	15 February 2028	\$7.333
08 March 2024	\$1,000 million	\$993 million	7.875%	8 March, 8 September	8 September 2030	\$8.216
19 Sep 2024	SGD750 million	\$575 million	5.300%	19 March, 19 September	19 March 2030	SGD12.929
	Total <sup>4</sup>	\$6,527 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

4 Excludes realised translation loss (\$25 million) on redemption of AT1 securities of SGD 750 million

5 Conversion price set at the time of pricing with reference to closing share price and any applicable discount

Standard Chartered PLC redeemed SGD 750 million Fixed Rate Resetting Perpetual Contingent Convertible Securities on its first optional redemption date of 3 October 2024 for \$578 million (realised translation loss of \$25 million).

The AT1 issuances above are primarily purchased by institutional investors.

The principal terms of the AT1 securities are described below:

- The securities are perpetual and redeemable, at the option of Standard Chartered PLC in whole but not in part, on the first interest reset date and each date falling five years after the first reset 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 Standard Chartered PLC 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 Standard Chartered PLC, subject to certain additional restrictions set out in the terms and conditions. Accordingly, Standard Chartered PLC 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 convert into ordinary shares of Standard Chartered PLC, at a pre-determined price detailed in the table above, should the fully loaded Common Equity Tier 1 ratio of the Group fall below 7.0 per cent. Approximately 970 million ordinary shares would be required to satisfy the conversion of all the securities mentioned above.

The securities rank behind the claims against Standard Chartered PLC of (a) unsubordinated creditors, (b) which are expressed to be subordinated to the claims of unsubordinated creditors of Standard Chartered PLC but not further or otherwise; or (c) which are, or are expressed to be, junior to the claims of other creditors of Standard Chartered PLC, 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 conversion trigger.

#### 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
- The amounts in the “Capital and Merger Reserve” represents the premium arising on shares issued using a cash box financing structure, which required the Company to create a merger reserve under section 612 of the Companies Act 2006. Shares were issued using this structure in 2005 and 2006 to assist in the funding of Korea (\$1.9 billion) and Taiwan (\$1.2 billion) acquisitions, in 2008, 2010 and 2015 for the shares issued by way of a rights issue, primarily for capital maintenance requirements and for the shares issued in 2009 by way of an accelerated book build, the proceeds of which were used in the ordinary course of business of the Group. The funding raised by the 2008, 2010 and 2015 rights issues and 2009 share issue was fully retained within the Company. Of the 2015 funding, \$1.5 billion was used to subscribe to additional equity in Standard Chartered Bank, a wholly owned subsidiary of the Company. Apart from the Korea, Taiwan and Standard Chartered Bank funding, the merger reserve is considered realised and distributable.
- 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 and taxation. 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, net of taxation. 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, own shares held (treasury shares) and share buybacks

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 PLC (the Company) were \$14.1 billion (31 December 2023: \$14.7 billion). Distributable reserves of SC PLC were \$14.1 billion, which is calculated from the Merger reserve and Retained earnings with consideration for restricted items in line with sections 830 and 831 of the Companies Act 2006.

#### Own shares

The 2004 Employee Benefit Trust (2004 Trust) is used in conjunction with the Group's employee share schemes and other employee share-based payments (such as upfront shares and salary shares). Computershare Trustees (Jersey) Limited is the trustee of the 2004 Trust. Group companies fund the 2004 Trust from time to time to enable the trustees to acquire shares in Standard Chartered PLC to satisfy these arrangements.

Details of the shares purchased and held by the 2004 Trust are set out below.

	2004 Trust	
	2024	2023
Shares purchased during the period	19,604,557	29,069,539
Market price of shares purchased (\$million)	223	237
Shares held at the end of the period	17,589,987	28,095,542
Maximum number of shares held during the period	28,085,688	28,893,930

Except as disclosed, neither the Company nor any of its subsidiaries has bought, sold or redeemed any securities of the Company listed on The Stock Exchange of Hong Kong Limited, on another exchange, by private arrangement, or by way of a general offer during the period.

#### Dividend waivers

The trustees of the 2004 Trust, which holds ordinary shares in Standard Chartered PLC in connection with the operation of its employee share plans, waive any dividend on the balance of ordinary shares that have not been allocated to employees, except for 0.01p per share.

## Changes in share capital and other equity instruments of Standard Chartered PLC subsidiaries

The table below details the transactions in equity instruments (including convertible and hybrid instruments) of the Group's subsidiaries, including issuances, conversions, redemptions, purchase or cancellation. This is required under the Hong Kong Listing requirements, appendix D2 paragraph 10.

Name	Description of Shares	Issued/(redeemed) Shares	Issued/(redeemed) capital
Standard Chartered Bank Nigeria Limited	NGN1.00 Ordinary	8,581,235,698	NGN11,081,235,698
Furaha Finserve Uganda Limited	USD1.00 Ordinary	199,500	USD199,500
SCV Research and Development Pvt. Ltd.	INR10.00 Ordinary	10,000	INR100,000
Furaha Holding Ltd	USD1.00 Ordinary	6,500,000	USD6,500,000
Qatalyst Pte. Ltd.	USD1.00 Ordinary	1,099,999	USD1,099,999
Standard Chartered I H Limited	USD1.00 Ordinary	52,086,333	USD 52,086,333
Standard Chartered Strategic Investments Limited	USD1.00 Ordinary	16,086,333	USD 16,086,333
Standard Chartered Capital Limited	INR10.00 Equity	32,269,750	INR322,697,500
SC Ventures Holdings Limited	USD1.00 Ordinary	59,386,000	USD 59,386,000
Standard Chartered Holdings Limited	USD2.00 Ordinary	25,043,166	USD 50,086,332
Standard Chartered Luxembourg S.A.	EUR1.00 Ordinary	125,000	EUR125,000
Mox Bank Limited	HKD Ordinary	54,740,000	HKD547,400,000
Standard Chartered Research and Technology India Private Limited	INR10 Equity Class – A	10,821,311	INR108,213,110
myZoi Financial Inclusion Technologies LLC	AED1.00 Ordinary	25,000,000	AED25,000,000
Zodia Holdings Limited	USD1.00 A Ordinary	18,000,000	USD18,000,000
Audax Financial Technology Pte. Ltd	USD Ordinary-A	8,500,000	USD8,500,000
Trust Bank Singapore Limited	SGD Ordinary	185,000,000	SGD185,000,000
Zodia Markets Holdings Limited	USD1.00 Ordinary	5,580	USD 5,580
Letsbloom Pte. Ltd.	USD Ordinary-A	9,406,219	USD9,406,219
Zodia Custody (Ireland) Limited	USD1.00 Ordinary	1,000,000	USD1,000,000
SCV Research and Development Pte. Ltd.	USD Ordinary-A	11,440,850	USD11,440,850
SCV Master Holding Company Pte. Ltd.	USD Ordinary	63,299,999	USD63,299,999
Financial Inclusion Technologies Ltd	USD Ordinary-A	6,700,000	USD6,700,000
Appro Onboarding Solutions FZ-LLC	AED1,000 Ordinary	21,670	AED21,670,000
Solv-India Pte. Ltd.	USD Ordinary	38,963,752	USD38,963,752
Solvezy Technology Kenya Limited	KES1,000.00 Ordinary	196,448	KES196,448,000
Tawi Fresh Kenya Limited	KES1,000.00 Ordinary	454,890	KES454,890,000
Libeara Pte. Ltd.	USD Ordinary	10,258,400	USD10,258,400
CashEnable Pte. Ltd.	USD Ordinary-A	9,300,000	USD9,300,000
Solvezy Technology Ghana Ltd	GHS Ordinary	18,000,441	GHS18,000,441
Libeara (Singapore) Pte. Ltd.	USD Ordinary	10,258,400	USD10,258,400
Standard Chartered Securities (Africa) Holdings Limited	USD1.00 Ordinary	(8,002,228)	USD(8,002,228)
Banco Standard Chartered en Liquidacion	USD75.133 Ordinary	(133,930)	USD(10,062,563)

Please see Note 22 Debt securities in issue for issuances and redemptions of senior notes.

Please see Note 27 Subordinated liabilities and other borrowed funds for issuance and redemptions of subordinated liabilities and AT1 securities.

Please see Note 40 Related undertakings of the Group for subsidiaries liquidated, dissolved or sold during the year.

## 29. Non-controlling interests

	2024 \$million	2023 \$million
As at 1 January	396	350
Comprehensive income for the year	(22)	(38)
Income in equity attributable to non-controlling interests	(14)	(31)
Other profits attributable to non-controlling interests	(8)	(7)
Distributions	(43)	(26)
Other increases <sup>1</sup>	63	110
As at 31 December	394	396

<sup>1</sup> Movements in 2024 are primarily from non-controlling interests pertaining to Trust Bank Singapore Limited (\$55 million) and Mox Bank Limited (\$14 million) partly offset by disposal of SCB Angola S.A. (\$6 million). Cash received from additional investment was \$55 million (2023: \$116 million). Movements in 2023 primarily from non-controlling interest pertaining to Mox Bank Limited (\$48 million), Trust Bank Singapore Limited (\$34 million) and Zodia Custody Limited (\$28 million).

### 30. 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 recognized 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.

Net Retirement benefit obligation and charge comprise:

	Net Obligation		Charge <sup>1,2</sup>	
	2024 \$million	2023 \$million	2024 \$million	2023 \$million
Defined benefit plans	101	166	62	66
Defined contribution plans <sup>1</sup>	14	17	389	365
Total <sup>2</sup>	115	183	451	431

1 The Group during the year utilised against defined contribution payments, \$5m forfeited pension contributions in respect of employees who left before their interests vested fully. The residual balance of forfeited contributions is \$17m

2 Refer note 7: "Operating expenses"

The Group operates over 60 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.

The material holdings of government and corporate bonds shown partially hedge movements in the liabilities resulting from interest rate and inflation changes. Setting aside movements from other drivers such as currency fluctuation, the increases in discount rates in most geographies over 2024 have led to lower liabilities. These have been partly offset by decreases in the value of bonds held, however growth assets such as equities and property performed well over 2024, leading to a fall in the pension deficit reported. These movements are shown as actuarial gains and losses in the tables below. Contributions into a number of plans in excess of the amounts required to fund benefits accruing have also helped to reduce 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 Group's largest pension plan, representing 46 per cent (31 December 2023: 53 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 UK 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 Willis Towers Watson, using assumptions different from those used for IAS19, 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 \$48 million (£38 million).

To repair the deficit, three annual cash payments each 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 allowed that the payments due in 2025 and 2026 may be varied depending on the funding position at the preceding 30 June provided that total payments over the three year recovery plan period do not exceed \$38 million (£30 million). 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 the Trustee.

The 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 Group are in Hong Kong, India, Jersey, Korea, Taiwan, United Arab Emirates (UAE) and the United States of America (US). Plans in Hong Kong, India, Korea, Taiwan and UAE remain open for accrual of future benefits.

#### Key assumptions

The principal financial assumptions used at 31 December 2024 were:

	2024			2023		
	UK Funded %	Overseas Plans <sup>1</sup> %	Unfunded Plans <sup>2</sup> %	UK Funded %	Overseas Plans <sup>1</sup> %	Unfunded Plans <sup>2</sup> %
Discount rate	5.5	1.6–6.9	2.5–6.9	4.6	1.2–4.9	3.1–7.4
Price inflation	2.5	2.0–5.0	2.0–5.0	2.5	2.0–2.9	2.0–5.0
Salary increases	n/a	3.5–8.5	4.0–8.5	n/a	3.5–4.5	4.0–8.5
Pension increases	2.3	2.9	0.0–2.3	2.3	2.9	0.0–2.3
Post-retirement medical rate	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 funded defined benefit overseas plans in Hong Kong, India, Jersey, Korea, Taiwan, and the US. These comprise around 85 per cent of the total liabilities of overseas funded plans

2 The range of assumptions shown is for the main unfunded defined benefit plans in India, Korea, Thailand, UAE, UK and the US. They comprise over 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 Per cent annual trend and initial addition parameter of 0.25 Per cent. Scaling factors of 81 Per cent for male pensioners, 93 Per cent for female pensioners, 81 Per cent for male dependants and 81 Per cent for female dependants have been applied.

The resulting assumptions for life expectancy for the UK Fund are that a male member currently aged 60 will live for 28 years (2023: 27 years) and a female member for 29 years (2023: 30 years) and a male member currently aged 40 will live for 29 years (2023: 29 years) and a female member for 31 years (2023: 32 years) after their 60th birthdays.

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 (2023: \$35 million) and \$20 million for the other plans (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 (2023: \$20 million) and \$15 million for the other plans (2023: \$15 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 (2023: nil) and approximately \$10 million for the other plans (2023: \$10 million)
- If longevity expectations increased by one year the liability would increase by approximately \$35 million for the UK Fund (2023: \$35 million) and \$10 million for the other plans (2023: \$10 million)

Although this analysis does not take account of the full distribution of cash flows expected, 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	8	8
Duration of the defined benefit obligation – 2023	11	8	8
Benefits expected to be paid from plans			
Benefits expected to be paid during 2025	83	76	20
Benefits expected to be paid during 2026	85	115	17
Benefits expected to be paid during 2027	88	97	17
Benefits expected to be paid during 2028	90	104	17
Benefits expected to be paid during 2029	92	113	16
Benefits expected to be paid during 2030 to 2034	495	526	82

## Fund values:

	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 2024												
Equities	2	-	2	132	-	132	2	-	2	160	-	160
Government bonds	342	-	342	269	-	269	443	-	443	173	-	173
Corporate bonds	357	126	483	291	-	291	360	113	473	179	-	179
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	60	153 <sup>2</sup>	213	66	-	66	37	166	203
Others	7	2	9	-	156	156	7	2	9	-	145	145
Total fair value of assets <sup>1</sup>	765	383	1,148	752	324	1,076	880	379	1,259	549	311	860

1 Self-investment is monitored closely and is less than \$1 million of Standard Chartered equities and bonds for 2024 (31 December 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 Group is a constituent of the relevant index

2 Cash and equivalents includes the value of insurance contracts held in Korea which invest only in short term money market instruments

	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	1,076	N/A	1,259	860	N/A
Present value of liabilities	(1,070)	(1,075)	(180)	(1,219)	(877)	(189)
Net pension plan asset/(obligation)	78	1	(180)	40	(17)	(189)
Of which: Total pension assets in respect of plans in surplus	78	73	-	40	54	-
Of which: Total pension obligations in respect of plans in deficit	-	(72)	(180)	-	(71)	(189)

## The pension cost for defined benefit plans was:

	2024				2023				
	Funded plans			Total \$million	Funded plans			Unfunded plans \$million	Total \$million
	UK Fund \$million	Overseas plans \$million	Unfunded plans \$million		UK Fund \$million	Overseas plans \$million	Unfunded plans \$million		
Current service cost <sup>1</sup>	-	44	8	52	-	39	11	50	
Past service cost and curtailments <sup>2</sup>	-	2	(1)	1	8	-	1	9	
Settlement cost <sup>3</sup>	-	3	-	3	-	2	-	2	
Interest income on pension plan assets	(56)	(41)	-	(97)	(57)	(43)	-	(100)	
Interest on pension plan liabilities	54	41	8	103	56	41	8	105	
Total charge to profit before deduction of tax	(2)	49	15	62	7	39	20	66	
Losses/(gains) on plan assets <sup>4</sup>	78	(32)	-	46	(18)	(52)	-	(70)	
Losses/(gains) on liabilities	(103)	6	(1)	(98)	30	79	8	117	
Total losses/(gains) recognised directly in statement of comprehensive income before tax	(25)	(26)	(1)	(52)	12	27	8	47	
Deferred taxation	5	7	-	12	(1)	(10)	-	(11)	
Total losses/(gains) after tax	(20)	(19)	(1)	(40)	11	17	8	36	

1 Includes administrative expenses paid out of plan assets of \$1 million (2023:\$1 million) and actuarial losses of \$1 million (2023: \$2 million) that are immediately recognised through P&L in line with the requirements of IAS 19

2 Relates to plan amendments in India

3 Termination benefits paid from the pension plan 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 \$73 million (2023: \$95 million gain)

## Movement in the deficit during the year comprise:

	2024				2023			
	Funded plans			Total \$million	Funded plans			Total \$million
	UK Fund \$million	Overseas plans \$million	Unfunded plans \$million		UK Fund \$million	Overseas plans \$million	Unfunded plans \$million	
Surplus/(Deficit)	40	(17)	(189)	(166)	48	1	(177)	(128)
Contributions	13	39	16	68	8	59	14	81
Current service cost <sup>1</sup>	–	(44)	(8)	(52)	–	(39)	(11)	(50)
Past service cost and curtailments	–	(2)	1	(1)	(8)	–	(1)	(9)
Settlement costs and transfers impact	–	(3)	–	(3)	–	(2)	–	(2)
Net interest on the net defined benefit asset/liability	2	–	(8)	(6)	1	2	(8)	(5)
Actuarial (losses)/gains	25	26	1	52	(12)	(27)	(8)	(47)
Asset held for Sale	–	–	–	–	–	(7)	6	(1)
Other Movement <sup>2</sup>	–	(1)	–	(1)	–	–	–	–
Exchange rate adjustment	(2)	3	7	8	3	(4)	(4)	(5)
Surplus/(Deficit)	78	1	(180)	(101)	40	(17)	(189)	(166)

1 Includes administrative expenses paid out of plan assets of \$1 million (31 December 2023: \$1 million)

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. 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

The Group's expected contribution to its defined benefit pension plans in 2025 is \$ 68 million.

	2024			2023		
	Assets \$million	Obligations \$million	Total \$million	Assets \$million	Obligations \$million	Total \$million
At 1 January 2024	2,119	(2,285)	(166)	2,004	(2,132)	(128)
Contributions <sup>1</sup>	69	(1)	68	82	(1)	81
Current service cost <sup>2</sup>	–	(52)	(52)	–	(50)	(50)
Past service cost and curtailments	–	(1)	(1)	–	(9)	(9)
Settlement costs <sup>3</sup>	–	(3)	(3)	–	(2)	(2)
Interest cost on pension plan liabilities	–	(103)	(103)	–	(105)	(105)
Interest income on pension plan assets	97	–	97	100	–	100
Benefits paid out <sup>2</sup>	(169)	169	–	(161)	161	–
Actuarial gains/(losses) <sup>4</sup>	(46)	98	52	70	(117)	(47)
Asset held for Sale	–	–	–	(7)	6	(1)
Other Movement <sup>5</sup>	212	(213)	(1)	–	–	–
Exchange rate adjustment	(58)	66	8	31	(36)	(5)
At 31 December 2024	2,224	(2,325)	(101)	2,119	(2,285)	(166)

1 Includes employee contributions of \$1 million (31 December 2023: \$1 million)

2 Includes administrative expenses paid out of plan assets of \$1 million (31 December 2023: \$1 million)

3 Impact of settlements relates termination benefits paid out in Indonesia

4 Actuarial gain on obligation comprises of \$127 million gain (31 December 2023: \$50 million loss) from financial assumption changes, \$1 million gain (31 December 2023: \$1 million loss) from demographic assumption changes and \$30 million loss (31 December 2023: \$66 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

## 31. 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.

## 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 <sup>1</sup>			2023 <sup>1</sup>		
	Cash \$million	Equity \$million	Total \$million	Cash \$million	Equity \$million	Total \$million
Deferred share awards	31	160	191	34	103	137
Other share awards	34	109	143	19	70	89
Total share-based payments <sup>2</sup>	65	269	334	53	173	226

1 No forfeiture assumed

2 The total share-based payments charge during the year includes costs relating to Business ventures. Business ventures are established as separate legal entities with their own employee share ownership plans (ESOP) to attract and incentivise talent. ESOPs have been set up with share-based payment charges recorded in 2024 with \$2 million (2023: \$14 million) in cash settled and \$14 million (2023: \$3 million) equity settled deferred awards spread across 19 entities

## 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	<p>The vesting of awards granted in 2024, 2023 and 2022 are subject to the following performance measures:</p> <ul style="list-style-type: none"> <li>• relative total shareholder return (TSR);</li> <li>• return on tangible equity (RoTE) (with a Common Equity Tier 1 (CET1) underpin); and</li> <li>• strategic measures (including targets set for sustainability linked to business strategy)</li> </ul> <p>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.</p>	<p>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.</p> <p>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.</p> <p>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.</p>
Deferred shares	<p>Used to deliver:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul> <p>Deferred share awards are not subject to any performance measures.</p>	<p>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.</p> <p>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.</p>

The remaining life of the 2021 Standard Chartered Share Plan during which new awards can be made is seven years.

## 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 dividend 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	7.4
1-5 years	3.0	6.51	3.3, 3.3	6.23, 5.83	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
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
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								

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 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.

### 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.

As at 1 January 2024 and 31 December 2024, the shareholder dilution under our discretionary and Sharesave plans adopted by Standard Chartered PLC and its subsidiaries represented 4.5 per cent and 4.9 per cent of the issued ordinary share capital of Standard Chartered PLC respectively. Accordingly, the number of Standard Chartered PLC shares available to be granted under all discretionary and Sharesave plans at the beginning and the end of the year ended 31 December 2024 were 147,876,885 and 123,504,051 respectively.

The maximum number of Standard Chartered PLC shares that may be issued in respect of share options and awards granted under the discretionary and Sharesave plans during the year ended 31 December 2024 divided by the weighted average number of Standard Chartered PLC shares in issue for the year ended 31 December 2024 is 1.5 per cent.

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 30 March 2023. In relation to the waiver of strict compliance with Note 1 to 17.03(18), in 2024 no changes to the plan rules have been proposed that fall within scope of disclosure requirements under the terms of the waiver.

#### Reconciliation of share award movements for the year to 31 December 2024

	Discretionary <sup>1</sup>			Weighted average Sharesave exercise price (£)
	LTIP	Deferred shares	Sharesave <sup>4,5</sup>	
Outstanding at 1 January 2024	10,947,382	47,068,204	16,902,217	4.49
Granted <sup>2,3</sup>	2,320,695	25,712,216	9,707,454	–
Lapsed <sup>6</sup>	(2,703,518)	(1,431,969)	(1,289,780)	4.88
Vested/Exercised	(923,866)	(19,654,725)	(4,754,780)	3.42
Outstanding at 31 December 2024	9,640,693	51,693,726	20,565,111	5.48
Total number of securities available for issue under the plan	9,640,693	51,693,726	20,565,111	5.48
Percentage of the issued shares this represents as at 31 December 2024	0.40	2.13	0.85	
Exercisable as at 31 December 2024	–	250,094	1,121,867	3.78
Range of exercise prices (£) <sup>3</sup>	–	–	3.67 – 6.10	
Intrinsic value of vested but not exercised options (\$ million)	–	3.10	8.57	
Weighted average contractual remaining life (years)	7.32	8.22	2.58	
Weighted average share price for awards exercised during the period (£)	6.60	6.68	8.20	

1 Granted under the 2021 Plan and 2011 Plan. Employees do not contribute to the cost of these awards

2 2,315,422 (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. 24,381,791 (Deferred shares) granted on 11 March 2024; 229,896 (Deferred shares) granted as a notional dividend on 1 March 2024; 463,694 (Deferred shares) granted on 17 June 2024; 86,702 (Deferred shares) granted as a notional dividend on 8 August 2024; 287,533 (Deferred shares) granted on 23 September 2024; 262,600 (Deferred shares) granted on 18 November 2024. 9,707,454 (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 December 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 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



## Reconciliation of share award movements for the year to 31 December 2023

	Discretionary <sup>1</sup>			Weighted average Sharesave exercise price (£)
	LTI <sup>2</sup>	Deferred shares	Sharesave	
Outstanding at 1 January 2023	11,339,951	46,449,040	17,109,519	3.81
Granted <sup>2,3</sup>	2,142,057	21,668,459	5,668,325	–
Lapsed	(1,911,931)	(1,231,514)	(1,407,502)	4.14
Exercised	(622,695)	(19,817,781)	(4,468,125)	3.75
Outstanding at 31 December 2023	10,947,382	47,068,204	16,902,217	4.49
Total number of securities available for issue under the plan	10,947,382	47,068,204	16,902,217	
Percentage of the issued shares this represents as at 31 December 2023	0.41	1.76	0.63	4.49
Exercisable as at 31 December 2023	–	685,077	2,482,392	3.16
Range of exercise prices (£) <sup>3</sup>	–	–	3.14 – 5.88	
Intrinsic value of vested but not exercised options (\$ million)	–	5.81	11.08	
Weighted average contractual remaining life (years)	7.59	8.11	2.30	
Weighted average share price for awards exercised during the period (£)	6.94	7.04	6.65	

1 Granted under the 2021 Plan and 2011 Plan. Employees do not contribute to the cost of these awards

2 2,134,238 (LTI<sup>2</sup>) granted on 13 March 2023, 6,501 (LTI<sup>2</sup>) granted as a notional dividend on 1 March 2023, 1318 (LTI<sup>2</sup>) granted as a notional dividend on 1 September 2023, 20,828,385 (Deferred shares) granted on 13 March 2023, 121,314 (Deferred shares) granted as a notional dividend on 1 March 2023, 338,583 (Deferred shares) granted on 19 June 2023, 235,186 (Deferred shares) granted on 18 September 2023, 52,082 (Deferred shares) granted as a notional dividend on 1 September 2023, 92,909 (Deferred shares) granted on 20 November 2023; 5,668,325 (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 2023 was £7.214

See pages 211 and 212 of the Standard Chartered PLC Annual Report 2023 for information specific to Directors

### 32. 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.

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	60,791	60,975
Additions <sup>1</sup>	1,631	1,566
Disposal <sup>2</sup>	(803)	(1,750)
Other Movements <sup>3</sup>	(26)	–
As at 31 December	61,593	60,791

1 Includes internal Additional Tier 1 Issuances of \$980 million by Standard Chartered Bank, \$600 million by Standard Chartered Bank (Hong Kong) Limited (31 December 2023: Includes internal Additional Tier 1 Issuances of \$992 million by Standard Chartered Bank, \$575 million additional investment in Standard Chartered Holdings Limited)

2 Includes redemption of Preference share capital of \$553 million by Standard Chartered Bank Singapore Limited and additional Tier 1 capital of \$250 million by Standard Chartered Bank (Hong Kong) Limited (31 December 2023: Additional Tier1 capital of \$1,000 million by Standard Chartered Bank)

3 Relates to realised translation gain (\$26 million) on redemption of AT1 securities of SGD 750 million (\$553 million)

At 31 December 2024, the principal subsidiary undertakings, all indirectly held except for Standard Chartered Bank (Hong Kong) Limited, and principally engaged in the business of banking and provision of other financial services, were as follows:

Principal subsidiary <sup>1</sup>	Main areas of operation	Group interest in ordinary share capital		Total Issued share capital (millions)
		%		
Standard Chartered Bank	Refer footnote <sup>3</sup>	100		US\$ 20,597 <sup>4</sup>
Standard Chartered Bank (Hong Kong) Limited	Hong Kong	100		Refer footnote <sup>5</sup>
Standard Chartered Bank (Singapore) Limited	Singapore	100		Refer footnote <sup>6</sup>
Standard Chartered Bank Korea Limited	Korea	100		KRW 1,313,043
Standard Chartered Bank (China) Limited <sup>2</sup>	China	100		CNY 10,727
Standard Chartered Bank (Taiwan) Limited	Taiwan	100		TWD 29,106
Standard Chartered Bank AG	Germany	100		EUR 180
Standard Chartered Bank Malaysia Berhad	Malaysia	100		RM 880 <sup>7</sup>
Standard Chartered Bank (Thai) Public Company Limited	Thailand	99.87		THB 14,837
Standard Chartered Bank (Pakistan) Limited	Pakistan	98.99		PKR 38,716
Standard Chartered Bank Botswana Limited	Botswana	75.83		BWP 298
Standard Chartered Bank Kenya Limited	Kenya	74.32		KES 2,169 <sup>8</sup>
Mox Bank Limited	Hong Kong	71.58		HKD 5,279
Standard Chartered Bank Nepal Limited	Nepal	70.21		NPR 9,429
Standard Chartered Bank Ghana PLC	Ghana	69.42		GHS 409 <sup>9</sup>

1 Unless other wise stated the share capital comprises of ordinary or common shares refer to note 40 for proportion of shares held and for country of incorporation

2 Registered as a Limited company under the Law of China

3 Includes United Kingdom, Middle East, South Asia, Asia Pacific, Americas and, through Group companies, Africa

4 US\$1.00 Ordinary 20,596,529,642; US\$0.01 Non-Cumulative Irredeemable Preference 24,000 and US\$5.00 Non-Cumulative Redeemable Preference 37500

5 HKD Ordinary-A 12,502,836,515; HKD Ordinary-B -78,000,000; US\$ Ordinary-C 2,698,156,122 and US\$ Ordinary-D 3,010,485,610

6 SGD Ordinary-A 1,653,000,000; SGD Non-cumulative Class D Tier-1 Preference 400,000,000; US\$ Ordinary-A 3,383,000,000; US\$ Non-cumulative Class B Tier-1 Preference 500,000,000; US\$ Ordinary-B 733,000,000 and US\$ Ordinary-C 333,000,000

7 RM Ordinary 499,999,988 and RM Irredeemable Convertible Preference 380,190,000

8 KES5.00 Ordinary 1,889,252,945 and KES5.00 Preference 280,000,000

9 GHS Ordinary 400,000,000 and GHS0.52 Non-cumulative Irredeemable Preference Shares 9,092,858

A complete list of subsidiary undertaking is included in Note 40.

The Group does not have any material non-controlling interest except as listed above, which contribute \$36 million (31 December 2023: \$35 million) of the (loss)/Profit attributable to non-controlling interest and \$292 million (31 December 2023: \$290 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:\$172 million including translation adjustment loss: \$190 million), SCB Angola S.A. (loss: \$26 million including translation adjustment loss:\$31 million), SCB Sierra Leone Limited (loss: \$19 million including translation adjustment loss:\$25 million), Shoal Limited (gain:\$14 million) and Autumn life Pte. Ltd. (gain:\$3 million).

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 \$63 billion (31 December 2023: \$70 billion) of which \$8 billion (31 December 2023: \$6 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	(10)	(13)
Profit from Investment in Associates	118	154
<b>Total</b>	<b>108</b>	<b>141</b>

	2024 \$million	2023 \$million
<b>Interests in associates and joint ventures</b>		
As at 1 January	966	1,631
Exchange translation difference	(40)	16
Additions <sup>1</sup>	22	64
Share of profits	108	141
Dividend received <sup>2</sup>	(36)	(11)
Impairment	–	(872)
Share of FVOCI and Other reserves	9	(7)
Other movements <sup>3</sup>	(9)	4
<b>As at 31 December</b>	<b>1,020</b>	<b>966</b>

1 Includes non-cash consideration of \$6.4 million (disposal of Autumn Life) from Vault 22 Solutions Holdings Ltd and \$3.6 million (convertible notes) from Verified Impacts Holdings Pte Ltd

2 Includes \$30 million capital distribution from Ascenta IV

3 Includes Investment in Seychelles International Mercantile Banking Corporation Limited classifieds as held for sale

A complete list of the Group's interest in associates is included in Note 40. The Group's principal associates are:

Associate	Nature of activities	Main areas of operation	Group interest in ordinary share capital %
China Bohai Bank	Banking	China	16.26
CurrencyFair Limited Exchange Ireland	Banking	Ireland	43.42

The Group's ownership percentage in China Bohai Bank is 16.26%.

Although the Group's investment in China Bohai Bank is less than 20 per cent, it is an associate because of the significant influence the Group can exercise over its management and financial and operating policies. This influence is exercised through Board representation and the provision of technical expertise to Bohai. The Group applies the equity method of accounting for investments in associates.

If the Group did not have significant influence over Bohai, the investment would be measured at fair value rather than the current carrying value, which is based on the application of the equity method as described in the accounting policy note.

Bohai publishes their results after the Group. As it is impracticable for Bohai to prepare financial statements sooner, the Group recognises its share of Bohai's earnings on a three-month lag basis. Therefore, the Group recognised its share of Bohai's profits and movements in other comprehensive income for the 12 months ended 30 September 2024 in the Group's consolidated statement of income and consolidated statement of comprehensive income for the year ended 31 December 2024, also considering any known changes or events in the subsequent period from 1 October 2024 to 31 December 2024 that would have materially affected Bohai's results.

#### Impairment testing

On 31 December 2024, the listed equity value of Bohai is below the carrying amount of the Group's investment in associate. The Group assessed the carrying value of its investment in Bohai for impairment and concluded that no impairment was required for the period ended 31 December 2024 (\$850 million for the year ended 31 December 2023; \$1,459 million of accumulated impairment as at 31 December 2024). The carrying value of the Group's investment in Bohai of \$738 million (2023: \$700 million) represents the higher of the value in use and fair value less costs of disposal. The financial forecasts used in the recoverable amount, a value in use (VIU) calculation, reflects Group management's best estimate of Bohai's future earnings, in line with current economic conditions and latest Bohai's reported results.

Bohai	31.12.24 \$million	31.12.23 \$million
VIU	738	700
Carrying amount <sup>1</sup>	738	700
Market capitalisation <sup>2</sup>	338	418

<sup>1</sup> The Group's 16.26% share in the net assets less other equity instruments which the Group does not hold

<sup>2</sup> Number of shares held by the Group multiplied by the quoted share price at period end

#### Basis of recoverable amount

The impairment test was performed by comparing the recoverable amount of Bohai, determined as the higher of VIU and fair value less costs to dispose, with its carrying amount.

The VIU is calculated using a dividend discount model (DDM), which estimates the distributable future cashflows to the equity holders, after adjusting for regulatory capital requirements, for a 5-year period, after which a terminal value (TV) is calculated based on the Price to Earnings (P/E) exit multiple. The key assumptions in the VIU are as follows:

- Short to medium term projections are based on Group management's best estimates of future profits available to ordinary shareholders and have been determined with reference to the latest published financial results, the historical performance of Bohai and forward looking macro-economic variables for Mainland China.

- The projections use available information and include normalised performance over the forecast period, inclusive of: (i) balance sheet growth assumptions based on the short to medium term GDP growth rates for Mainland China; (ii) Net Interest Income (NII) projecting interest income (primarily the 1-year Loan Prime Rate, 1-year LPR, as basis) and interest expenses (Shanghai Interbank Offered Rate, 3m SHIBOR, as basis) which reference to forecast third party market interest rates plus/minus a observed historical spread to the benchmark rate; (iii) Non-interest income estimated according to the latest available performance of Bohai, with consideration of the contribution of the constituent parts of the non-interest income; (iv) ECL assumptions using Bohai's historical reported ECL, based on the proportion of ECL from loans and advances to customers and financial investments measured at amortised cost and FVOCI; and (v) Statutory tax rate of 25% was applied to the taxable profit of Bohai, after consideration of taxable and non-taxable elements, consistent with historical reported results;
- The distributable reserves under the DDM are calculated as the difference between the capital resources and the capital requirements in each of the forecast periods. The calculation assumes a target CET 1 capital ratio and risk weighted asset (RWA) growth consistent with total assets.
- The discount rate applied to these cash flows was estimated with reference to a capital asset pricing model (CAPM), which includes a long-term risk-free rate, beta, and company risk premium assumptions for Bohai; and
- A long-term average P/E multiple of comparable companies is used to derive a TV after the 5-year forecast period.

The VIU model was refined during 2024 to include more granular forecasting assumptions for each period. While it is impracticable for the Group to estimate the impact on future periods, the key changes to the 2024 model are summarised as follows:

- Separately forecast interest income and interest expenses, by applying an estimated yield and cost to forecasted interest-earning assets and interest-bearing liabilities of each forecast period. In the previous model, net interest income was estimated by applying a net interest margin (NIM) percentage to the interest earning assets of each period.
- Non-interest income was calculated by applying the historical average return on the respective components of the non-interest income, grown at the relevant GDP rate for Mainland China, over the forecasted period. In the previous model, the non-interest income was projected based on the latest actual results reported by Bohai and grown according to long-term GDP rate
- A statutory tax rate of 25% was applied to the taxable profit of Bohai, after consideration of taxable and non-taxable elements, consistent with the 5yr-average of historical reported results. In previous model, the calculation of the tax expenses was based on the reported effective tax rate as per published financial statements of Bohai; and
- A P/E multiple was used to calculate the TV. The Gordon Growth model was used in the previous period . The Group will continue to evaluate the TV under both methods.

The key assumptions used for the VIU calculation:

	31.12.24	31.12.23
Post-tax discount rate <sup>1</sup>	10.5%	11.0%
Total balance-sheet (and risk weighted assets) growth rate	3.77%–4.52%	4.00%
P/E multiple used to calculate TV <sup>2</sup>	5.6x	N/A
Interest income <sup>3</sup>	3.00%–3.56%	N/A
Interest expense <sup>3</sup>	1.77%–2.01%	N/A
Net fee income growth rate	3.77%–4.52%	4.00%
Expected credit losses as a percentage of customer loans <sup>4</sup>	0.84%–1.36%	0.80%–1.24%
Expected credit losses as a percentage of financial investments measured at amortised cost and FVOCI <sup>4</sup>	0.48%–1.26%	0.35%–0.67%
Tax expense <sup>5</sup>	5.4%–14.1%	12.0%–16.0%
Capital maintenance ratio	8.00%	8.00%

1 Pre-tax Discount rate of 15.31% was used in 2024 (2023: 13.68%). The difference in pre-tax discount rates relates to changes in effective tax rate

2 P/E multiple approach was introduced in 2024, therefore comparative not applicable to previous period

3 1yr LPR and 3m SHIBOR rate forecasts were sourced from an external third-party provider, and with a spread derived from long term historical averages, are used to produce the interest income and interest expense forecasts. These assumptions were introduced in 2024 and are therefore not applicable to previous period. For 31 December 2023, NIM range of 1.21%-1.48% was used in the model

4 The low end of the range is based on historical loss rates, and the high end of the range includes adjustments for incremental judgemental management overlays

5 The tax rates disclosed are the implied effective tax rates (%) over the 5-yr forecast period. The 31 December 2024 tax expense forecasts, calculated from the taxable profit, considered the 5-year historical average of non-taxable income (16.09%) and non-deductible expenses (12.53%). A statutory tax rate of 25% was applied to the taxable profit of Bohai, after consideration of taxable and non-taxable elements. In periods when losses are forecast, the effective tax rate applied was 0%. For the 31 December 2023 VIU, the calculation of the tax expenses was based on the reported effective tax rate. The 5-year historical average effective tax rate (2019 to 2023) of Bohai is 11.5%, with the 5-year low being 1.6% (2023) and the 5-year high being 17.3% (2019)

The table below discloses sensitivities to the key assumptions of Bohai, according to management's judgement of reasonably possible changes. Changes were applied to every cash flow year on an individual basis. The percentage change to the assumptions reflects the level at which management assess the reasonableness of the assumptions used and their impact on the Value in Use.

Sensitivities	Key assumption increase	Key assumption decrease	
		Increase/(decrease) in VIU \$ million	Increase/(decrease) in VIU \$ million
	basis points		
Discount Rate	100	(31)	33
Total balance sheet (and risk weighted asset) growth rate	100	(26)	24
P/E multiple used to calculate TV	1.0x	120	(120)
Net interest income – Scenario 1 <sup>1</sup>	10	(15)	15
Net interest income – Scenario 2 <sup>2</sup>	Various <sup>2</sup>	360	(230)
Net fee income	100	43	(42)
Expected credit losses as a percentage of customer loans	10	(147)	145
Expected credit losses as a percentage of financial investments measured at amortised cost and FVOCI	10	(78)	77
Tax expense <sup>3</sup>	300	23	(23)
Capital maintenance ratio	50	(142)	142

1 In September 2024, the People's Bank of China announced a stimulus package aimed at guiding the loan prime rate and deposit rates downward in tandem, ensuring the stability of commercial banks' net interest margins. This scenario assumes that 1yr LPR and 3m SHIBOR increase or decrease by the same amount, to demonstrate the impact on the VIU of a similar scenario

2 An alternative scenario is that Bohai's asset yield and liability cost move in the same direction, albeit by different amounts, through the five year forecast period including the terminal value. The key assumption increase sensitivity assumes that asset yields increase by 25 basis points and liability costs increase by 10 basis points in each period. The key assumption decrease sensitivity assumes that asset yields decrease by 25 basis points and liability costs decrease by 15 basis points in each period

3 Changes in tax expense applied only to both average percentages of non-taxable income (16.09%) and non-deductible expenses (12.53%). Refer to footnote 5 of the key assumptions table for more details

The following table sets out the summarised financial statements of China Bohai Bank prior to the Group's share of the associate's profit being applied:

	30.09.24 \$million	30.09.23 \$million
Total assets	244,510	246,212
Total liabilities	229,259	230,101
Operating income <sup>1</sup>	3,583	3,640
Net profit <sup>2</sup>	681	811
Other comprehensive income <sup>1</sup>	69	(38)

1 This represents twelve months of earnings (1 October to 30 September)

2 Bohai only publishes its effective tax rate on a semi-annual basis. The effective tax rate of Bohai for the period that ended 30 June 2024 was 10.1% (1.6%, 31 December 2023)

### 33. 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.

	31.12.24 \$million	31.12.23 \$million
Shipping lease	14	52
Principal and other structured finance	474	353
<b>Total</b>	<b>488</b>	<b>405</b>

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.

	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
<b>Group's interest – assets</b>												
Financial assets held at fair value through profit or loss	1,222	255	178	124	–	1,779	954	269	143	137	–	1,503
Loans and advances/Investment securities at amortised cost	16,305	16,735	12,656	–	97	45,793	17,795	15,105	13,353	–	190	46,443
Investment securities (fair value through other comprehensive income)	2,371	–	–	–	–	2,371	2,443	–	–	–	–	2,443
Other assets	–	–	1	–	–	1	–	–	34	–	–	34
<b>Total assets</b>	<b>19,898</b>	<b>16,990</b>	<b>12,835</b>	<b>124</b>	<b>97</b>	<b>49,944</b>	<b>21,192</b>	<b>15,374</b>	<b>13,530</b>	<b>137</b>	<b>190</b>	<b>50,423</b>
Off-balance sheet	–	11,075	6,901	63	73	18,112	–	8,869	6,691	–	20	15,580
<b>Group's maximum exposure to loss</b>	<b>19,898</b>	<b>28,065</b>	<b>19,736</b>	<b>187</b>	<b>170</b>	<b>68,056</b>	<b>21,192</b>	<b>24,243</b>	<b>20,221</b>	<b>137</b>	<b>210</b>	<b>66,003</b>
<b>Total assets of structured entities</b>	<b>129,864</b>	<b>17,579</b>	<b>14,758</b>	<b>226</b>	<b>–</b>	<b>162,427</b>	<b>191,627</b>	<b>15,374</b>	<b>31,806</b>	<b>250</b>	<b>1,688</b>	<b>240,745</b>

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.
- **Structured finance:** Structured finance comprises interests in transactions 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.

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

### 34. 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	(815)	(704)	–	–
Interest expense on subordinated liabilities	744	951	578	632
Interest expense on senior debt securities in issue	2,584	2,068	1,855	1,434
Other non-cash items	(122)	(227)	(12)	8
Net loss/(gain) on sale of businesses	210 <sup>1</sup>	(351)	–	–
Pension costs for defined benefit schemes	62	61	–	–
Share-based payment costs	334	219	–	–
Impairment losses on loans and advances and other credit risk provisions	547	508	–	–
Dividend income from subsidiaries	–	–	(4,101)	(4,738)
Other impairment	588	1,008	–	–
Gain on disposal of property, plant and equipment	(23)	(31)	–	–
Loss on disposal of FVOCI and AMCST financial assets	264	209	–	–
Depreciation and amortisation	1,126	1,071	–	–
Fair value changes taken to income statement	(2,140)	(1,666)	9	(202)
Foreign Currency revaluation	(583)	299	1	19
Profit from associates and joint ventures	(108)	(141)	–	–
<b>Total</b>	<b>2,668</b>	<b>3,274</b>	<b>(1,670)</b>	<b>(2,847)</b>

1 Refer note 6



## Change in operating assets

	2024 \$million	2023 \$million	2024 \$million	2023 \$million
(Increase)/decrease in derivative financial instruments	(31,939)	13,061	(32)	(19)
(Increase)/decrease in debt securities, treasury bills and equity shares held at fair value through profit or loss	(25,823)	(29,477)	376	(4,068)
Increase in loans and advances to banks and customers	(13,776)	(787)	–	–
Net (increase)/decrease in prepayments and accrued income	(224)	82	–	–
Net decrease in other assets	5,331	2,663	338	268
Total	(66,431)	(14,458)	682	(3,819)

## Change in operating liabilities

	2024 \$million	2023 \$million	2024 \$million	2023 \$million
Increase/(Decrease) in derivative financial instruments	26,951	(13,629)	(39)	(239)
Net increase in deposits from banks, customer accounts, debt securities in issue, Hong Kong notes in circulation and short positions	7,253	17,877	613	4,479
Increase in accruals and deferred income	79	1,106	101	153
Net increase/(decrease) in other liabilities	5,090	(3,377)	(1,574)	(1,154)
Increase in amount due to parents/subsidiaries/other related parties	–	–	35	–
Total	39,373	1,977	(864)	3,239

## Disclosures

	Group		Company	
	2024 \$million	2023 \$million	2024 \$million	2023 \$million
Subordinated debt (including accrued interest):				
Opening balance	12,216	13,928	12,123	13,895
Proceeds from the issue	–	18	–	–
Interest paid	(519)	(563)	(505)	(545)
Repayment	(1,517)	(2,160)	(1,517)	(2,160)
Foreign exchange movements	(191)	146	(190)	146
Fair value changes from hedge accounting	48	311	97	271
Accrued interest and Others	499	536	483	516
Closing balance	10,536	12,216	10,491	12,123
Senior debt (including accrued interest):				
Opening balance	41,350	32,288	17,518	14,080
Proceeds from the issue	11,044	15,261	3,887	5,105
Interest paid	(1,366)	(1,145)	(708)	(434)
Repayment	(11,185)	(6,471)	(2,619)	(2,037)
Foreign exchange movements	(454)	(21)	(248)	(2)
Fair value changes from hedge accounting	42	119	6	188
Accrued interest and Others	1,145	1,319	824	618
Closing balance	40,576	41,350	18,660	17,518

## 35. 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'.

	Group		Company	
	2024 \$million	2023 \$million	2024 \$million	2023 \$million
Cash and balances at central banks	63,447	69,905	–	–
Less: restricted balances	(7,799)	(6,153)	–	–
Treasury bills and other eligible bills	5,472	5,931	–	–
Loans and advances to banks	9,654	11,879	–	–
Loans and advances to Customers	18,120	25,829	–	–
Investments	1,034	244	–	–
Amounts owed by and due to subsidiary undertakings	–	–	11,601	10,294
<b>Total</b>	<b>89,928</b>	<b>107,635</b>	<b>11,601</b>	<b>10,294</b>

### 36. Related party transactions

#### Directors and officers

Details of directors' remuneration and interests in shares are disclosed in the Directors' remuneration report.

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.

	2024 \$million	2023 \$million
Salaries, allowances and benefits in kind	41	42
Share-based payments	38	26
Bonuses paid or receivable	7	5
Termination benefits	2	–
<b>Total</b>	<b>88</b>	<b>73</b>

#### 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 (Hong Kong Listing Rules) about loans to directors were as follows:

	2024		2023	
	Number	\$million	Number	\$million
Directors <sup>1</sup>	3	–	4	–

<sup>1</sup> 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 Hong Kong 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.

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 independent trustee of its employer financed retirement benefit scheme.

Other than as disclosed in the Annual Report and Accounts, there were no other transactions, arrangements or agreements outstanding for any director, connected person or officer of the Company which have to be disclosed under the Act, the rules of the UK Listing Authority or the Hong Kong Listing Rules.

Details of non-revenue transactions with Temasek Holdings (Private) Limited are set out below.

## Company

The Company has received \$1,838 million (31 December 2023: \$1,469 million) of net interest income from its subsidiaries. The Company issues debt externally and lends proceeds to Group companies.

The Company has an agreement with Standard Chartered Bank that in the event of Standard Chartered Bank defaulting on its debt coupon interest payments, where the terms of such debt requires it, the Company shall issue shares as settlement for non-payment of the coupon interest.

	2024			2023		
	Standard Chartered Bank \$million	Standard Chartered Bank (Hong Kong) Limited \$million	Others <sup>1</sup> \$million	Standard Chartered Bank \$million	Standard Chartered Bank (Hong Kong) Limited \$million	Others <sup>1</sup> \$million
<b>Assets</b>						
Due from subsidiaries	11,318	135	147	10,208	60	25
Derivative financial instruments	98	–	–	62	12	–
Debt securities	18,124	5,512	1,221	20,524	4,775	1,070
<b>Total assets</b>	<b>29,540</b>	<b>5,647</b>	<b>1,368</b>	<b>30,794</b>	<b>4,847</b>	<b>1,095</b>
<b>Liabilities</b>						
Derivative financial instruments	1,042	23	–	1,104	–	–
<b>Total liabilities</b>	<b>1,042</b>	<b>23</b>	<b>–</b>	<b>1,104</b>	<b>–</b>	<b>–</b>

1 Others include Standard Chartered Bank (Singapore) Limited, Standard Chartered Holdings Limited and Standard Chartered I H Limited

## Associate and joint ventures

The following transactions with related parties are on an arm's length basis:

	2024 \$million	2023 \$million
<b>Assets</b>		
Financial Assets held at FVTPL	–	14
Derivative assets	5	12
<b>Total assets</b>	<b>5</b>	<b>26</b>
<b>Liabilities</b>		
Deposits	209	959
Derivative liabilities	4	–
Other Liabilities	–	2
<b>Total liabilities</b>	<b>213</b>	<b>961</b>
Loan commitments and other guarantees <sup>1</sup>	14	113

1 The maximum loan commitments and other guarantees during the period were \$14 million (31 December 2023: \$113 million)

## 37. Post balance sheet events

On 16 January 2025 Standard Chartered PLC issued AT1 of \$1.0 billion and on 21 January 2025 Standard Chartered PLC issued \$1.0 billion 6.228 per cent Fixed Rate Reset Notes due 2036, \$1.0 billion 5.545 per cent Fixed Rate Reset Notes due 2029 and \$0.5 billion Floating Rate Notes due 2029. Standard Chartered PLC redeemed \$2.0 billion senior debt on 30 January 2025 and redeemed \$1.0 billion subordinated debt on 12 February 2025.

On 23 January 2025, the Indian branch of Standard Chartered 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.

A share buyback for up to a maximum consideration of \$1.5 billion has been declared by the directors after 31 December 2024. This will reduce the number of ordinary shares in issue by cancelling the repurchased shares.

A final dividend for 2024 of 28 cents per ordinary share was declared by the directors after 31 December 2024.

### 38. 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 and its associates (together Ernst & Young 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 Group statutory audit	31.3	27.8
Of which fees for the audit of Standard Chartered Bank Group	23.2	20.6
Fees payable to EY for other services provided to the SC PLC Group:		
Audit of Standard Chartered PLC subsidiaries	13.5	13.4
<b>Total audit fees</b>	<b>44.8</b>	<b>41.2</b>
Audit-related assurance services	6.6	6.0
Other assurance services	5.4	7.0
Other non-audit services	0.4	0.8
Transaction related services	0.6	0.3
<b>Total non-audit fees</b>	<b>13.0</b>	<b>14.1</b>
<b>Total fees payable</b>	<b>57.8</b>	<b>55.3</b>

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 Ernst & Young 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 Ernst & Young 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).

### 39. Standard Chartered PLC (Company)

#### Classification and measurement of financial instruments

	2024				2023			
	Derivatives held for hedging \$million	Amortised cost \$million	Non-trading mandatorily at fair value through profit or loss \$million	Total \$million	Derivatives held for hedging \$million	Amortised cost \$million	Non-trading mandatorily at fair value through profit or loss \$million	Total \$million
<b>Financial assets</b>								
Derivatives	112	–	–	112	80	–	–	80
Investment securities	–	5,808	19,049 <sup>1</sup>	24,857	–	6,944	19,425 <sup>1</sup>	26,369
Amounts owed by subsidiary undertakings	–	11,601	–	11,601	–	10,294	–	10,294
<b>Total</b>	<b>112</b>	<b>17,409</b>	<b>19,049</b>	<b>36,570</b>	<b>80</b>	<b>17,238</b>	<b>19,425</b>	<b>36,743</b>

<sup>1</sup> Standard Chartered Bank, Standard Chartered Bank (Hong Kong) Limited, Standard Chartered Bank (China) Limited and Standard Chartered Bank (Singapore) Limited issued Loss Absorbing Capacity (LAC) eligible debt securities

Instruments classified as amortised cost, which include investment securities and amounts owed by subsidiary undertakings, are recorded in stage 1 for the recognition of expected credit losses.

Derivatives held for hedging are held at fair value and are classified as Level 2 and Level 3 while the counterparty is Standard Chartered Bank and external counterparties.

Debt securities comprise securities held at amortised cost issued by Standard Chartered Bank and SC Ventures Holdings Limited and have a fair value equal to carrying value of \$5,808 million (31 December 2023: \$6,944 million).

In 2024 and 2023, amounts owed by subsidiary undertakings have a fair value equal to carrying value.

	2024				2023			
	Derivatives held for hedging \$million	Amortised cost \$million	Designated at fair value through profit or loss \$million	Total \$million	Derivatives held for hedging \$million	Amortised cost \$million	Designated at fair value through profit or loss \$million	Total \$million
Financial liabilities								
Derivatives	1,065	–	–	1,065	1,104	–	–	1,104
Debt securities in issue	–	18,167	14,175	32,342	–	17,142	14,007	31,149
Subordinated liabilities and other borrowed funds	–	7,661	2,677	10,338	–	9,248	2,697	11,945
Amounts owed to subsidiary undertakings	–	35	–	35	–	–	–	–
Total	1,065	25,863	16,852	43,780	1,104	26,390	16,704	44,198

Derivatives held for hedging are held at fair value and are classified as Level 2 while the counterparty is Standard Chartered Bank and Standard Chartered Bank (Hong Kong) Limited.

The fair value of debt securities in issue held at amortised cost is \$18,313 million (2023: \$17,195 million).

The fair value of subordinated liabilities and other borrowed funds held at amortised cost is \$7,336 million (2023: \$8,717 million).

#### Derivative financial instruments

	2024			2023		
	Notional principal amounts \$million	Assets \$million	Liabilities \$million	Notional principal amounts \$million	Assets \$million	Liabilities \$million
Derivatives						
Foreign exchange derivative contracts:						
Forward foreign exchange	9,077	46	30	8,968	32	–
Currency swaps	545	20	–	563	–	35
Interest rate derivative contracts:						
Swaps	14,863	32	1,035	14,819	43	1,069
Forward rate agreements and options	–	–	–	–	–	–
Credit derivative contracts	4,030	14	–	4,030	5	–
Total	28,515	112	1,065	28,380	80	1,104

#### Credit risk

	2024 \$million	2023 \$million
Derivative financial instruments	112	80
Debt securities	24,857	26,369
Amounts owed by subsidiary undertakings	11,601	10,294
Total	36,570	36,743

In 2024 and 2023, amounts owed by subsidiary undertakings were neither past due nor impaired; the Company had no individually impaired loans.

In 2024 and 2023, the Company had no impaired debt securities. The debt securities held by the Company are issued by Standard Chartered Bank, Standard Chartered Bank (Hong Kong) Limited, Standard Chartered Bank (China) Limited and Standard Chartered Bank (Singapore) Limited, subsidiary undertakings with credit ratings of A+.

There is no material expected credit loss on these instruments as they are Stage 1 assets, and of a high quality.

## Liquidity risk

The following table analyses the residual contractual maturity of the assets and liabilities of the Company on a discounted basis:

	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
<b>Assets</b>									
Derivative financial instruments	45	23	–	20	–	24	–	–	112
Investment securities	–	–	–	–	–	1,725	7,205	15,927	24,857
Amount owed by subsidiary undertakings	1,763	1,536	1,931	110	53	2,355	2,695	1,158	11,601
Investments in subsidiary undertakings	–	–	–	–	–	–	–	61,593	61,593
Other assets	–	–	–	–	–	–	–	–	–
<b>Total assets</b>	<b>1,808</b>	<b>1,559</b>	<b>1,931</b>	<b>130</b>	<b>53</b>	<b>4,104</b>	<b>9,900</b>	<b>78,678</b>	<b>98,163</b>
<b>Liabilities</b>									
Derivative financial instruments	30	–	22	–	–	53	147	813	1,065
Senior debt	–	–	992	–	–	4,979	12,887	13,484	32,342
Amount owed to subsidiary undertakings	35	–	–	–	–	–	–	–	35
Other liabilities	304	512	126	14	3	–	–	–	959
Subordinated liabilities and other borrowed funds	2	46	14	187	–	376	1,995	7,718	10,338
<b>Total liabilities</b>	<b>371</b>	<b>558</b>	<b>1,154</b>	<b>201</b>	<b>3</b>	<b>5,408</b>	<b>15,029</b>	<b>22,015</b>	<b>44,739</b>
<b>Net liquidity gap</b>	<b>1,437</b>	<b>1,001</b>	<b>777</b>	<b>(71)</b>	<b>50</b>	<b>(1,304)</b>	<b>(5,129)</b>	<b>56,663</b>	<b>53,424</b>

	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
<b>Assets</b>									
Derivative financial instruments	32	–	–	–	–	10	27	11	80
Investment securities	–	–	–	–	–	3,853	5,581	16,935	26,369
Amount owed by subsidiary undertakings	1,598	504	1,530	12	1,073	1,082	3,254	1,241	10,294
Investments in subsidiary undertakings	–	–	–	–	–	–	–	60,791	60,791
Other assets	–	–	–	–	–	–	–	–	–
<b>Total assets</b>	<b>1,630</b>	<b>504</b>	<b>1,530</b>	<b>12</b>	<b>1,073</b>	<b>4,945</b>	<b>8,862</b>	<b>78,978</b>	<b>97,534</b>
<b>Liabilities</b>									
Derivative financial instruments	11	26	17	–	–	93	171	786	1,104
Senior debt	–	–	–	–	–	7,242	14,020	9,887	31,149
Amount owed to subsidiary undertakings	–	–	–	–	–	–	–	–	–
Other liabilities	278	202	135	30	5	–	–	–	650
Subordinated liabilities and other borrowed funds	996	51	8	172	440	330	1,952	7,996	11,945
<b>Total liabilities</b>	<b>1,285</b>	<b>279</b>	<b>160</b>	<b>202</b>	<b>445</b>	<b>7,665</b>	<b>16,143</b>	<b>18,669</b>	<b>44,848</b>
<b>Net liquidity gap</b>	<b>345</b>	<b>225</b>	<b>1,370</b>	<b>(190)</b>	<b>628</b>	<b>(2,720)</b>	<b>(7,281)</b>	<b>60,309</b>	<b>52,686</b>

## Financial liabilities on an undiscounted basis

	2024								Total \$million
	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	
Derivative financial instruments	30	–	22	–	–	53	147	813	1,065
Debt securities in issue	276	151	1,355	368	308	6,333	15,780	15,635	40,206
Subordinated liabilities and other borrowed funds	33	134	34	206	–	407	2,261	13,473	16,548
Other liabilities	–	959	–	–	–	–	–	–	959
<b>Total liabilities</b>	<b>339</b>	<b>1,244</b>	<b>1,411</b>	<b>574</b>	<b>308</b>	<b>6,793</b>	<b>18,188</b>	<b>29,921</b>	<b>58,778</b>

	2023								Total \$million
	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	
Derivative financial instruments	11	26	17	–	–	93	171	786	1,104
Debt securities in issue	247	57	328	398	278	8,490	16,396	11,279	37,473
Subordinated liabilities and other borrowed funds	1,059	134	34	208	556	410	2,304	13,968	18,673
Other liabilities	5	91	–	–	–	–	–	–	96
<b>Total liabilities</b>	<b>1,322</b>	<b>308</b>	<b>379</b>	<b>606</b>	<b>834</b>	<b>8,993</b>	<b>18,871</b>	<b>26,033</b>	<b>57,346</b>

#### 40. Related undertakings of the Group

As at 31 December 2024, the Group's interests in related undertakings are disclosed below. Unless otherwise stated, the share capital disclosed comprises ordinary or common shares which are held by subsidiaries of the Group. Standard Chartered Bank (Hong Kong) Limited, Standard Chartered Funding (Jersey) Limited, Stanchart Nominees Limited, Standard Chartered Holdings Limited and Standard Chartered Nominees Limited are directly held subsidiaries, all other related undertakings are held indirectly. Unless otherwise stated, the principal country of operation of each subsidiary is the same as its country of incorporation Note 32 details undertakings that have a significant contribution to the Group's net profit or net assets.

##### Subsidiary Undertakings

Name	Proportion of shares held (%)	Footnotes
FinVentures UK Limited <sup>v</sup>	100	1, 163, 166
SC (Secretaries) Limited <sup>x</sup>	100	1
SC Transport Leasing 1 LTD <sup>vi</sup>	100	1, 163, 166
SC Transport Leasing 2 Limited <sup>vi</sup>	100	1, 163, 166
SC Ventures G.P. Limited <sup>v</sup>	100	1
SC Ventures Innovation Investment L.P. <sup>v</sup>	100 <sup>y</sup>	1
SCMB Overseas Limited <sup>v</sup>	100	1, 163, 166
Standard Chartered Africa Limited <sup>v</sup>	100	1, 163, 166
Standard Chartered Bank <sup>l</sup>	100; 100 <sup>o,t</sup>	1
Standard Chartered Foundation <sup>x</sup>	100 <sup>ae</sup>	1, 158
Standard Chartered Health Trustee (UK) Limited <sup>x</sup>	100	1
Standard Chartered I H Limited <sup>v</sup>	100	1, 163, 166
Standard Chartered Leasing (UK) Limited <sup>h</sup>	100	1, 163, 166
Standard Chartered Nominees (Private Clients UK) Limited <sup>l</sup>	100	1
Standard Chartered Securities (Africa) Holdings Limited <sup>v</sup>	100	1, 163, 166
Standard Chartered Strategic Investments Limited <sup>v</sup>	100	1, 163, 166
Standard Chartered Trustees (UK) Limited <sup>x</sup>	100	1
SC Ventures Holdings Limited <sup>v</sup>	100; 100 <sup>m</sup>	1
The SC Transport Leasing Partnership 1 <sup>vi</sup>	100 <sup>y</sup>	1, 163, 166
The SC Transport Leasing Partnership 2 <sup>vi</sup>	100 <sup>y</sup>	1, 163, 166
The SC Transport Leasing Partnership 3 <sup>vi</sup>	100 <sup>y</sup>	1, 163, 166
The SC Transport Leasing Partnership 4 <sup>vi</sup>	100 <sup>y</sup>	1, 163, 166
Zodia Markets (UK) Limited <sup>l</sup>	100	1
Zodia Markets Holdings Limited <sup>v</sup>	83.96	1
Bricks (C&K) LP <sup>x</sup>	100 <sup>y</sup>	2, 158
Bricks (C) LP <sup>x</sup>	100 <sup>y</sup>	2, 158
Bricks (T) LP <sup>x</sup>	100 <sup>y</sup>	2, 158
Corrasi Covered Bonds LLP <sup>x</sup>	75 <sup>aa</sup>	3
Zodia Custody Limited <sup>iv</sup>	95.1; 15.132 <sup>k</sup>	107
Zodia Holdings Limited <sup>v</sup>	100 <sup>a</sup>	107
Assembly Payments UK Ltd <sup>v</sup>	100	4, 158
CurrencyFair (UK) Limited <sup>i</sup>	100	4, 158
Zai Technologies Limited <sup>iv</sup>	100	4, 158
Standard Chartered Grindlays Pty Limited <sup>v</sup>	100	5
Assembly Payments Australia Pty Ltd <sup>v</sup>	100	131, 158
Zai Australia Pty Ltd <sup>iv</sup>	100	131
CurrencyFair Australia Pty Ltd <sup>v</sup>	100	6, 158
Standard Chartered Bank Insurance Agency (Proprietary) Limited <sup>l</sup>	100	7
Standard Chartered Investment Services (Proprietary) Limited <sup>l</sup>	100	7
Standard Chartered Bank Botswana Limited <sup>l</sup>	75.827	7
Standard Chartered Botswana Nominees (Proprietary) Limited <sup>l</sup>	100	7
Standard Chartered Botswana Education Trust <sup>x</sup>	100 <sup>ab</sup>	7
Standard Chartered Representação e Participações Ltd <sup>pi</sup>	100	8
Standard Chartered Securities (B) Sdn Bhd <sup>i</sup>	100	108
Standard Chartered Bank Cameroon S.A. <sup>i</sup>	100	9
CurrencyFair (Canada) Ltd <sup>iv</sup>	100	10, 158
SCB Investment Holding Company Limited <sup>v</sup>	99.999 <sup>a</sup>	114
Standard Chartered Global Business Services Co., Ltd <sup>viii</sup>	100	12, 160
Standard Chartered Global Business Services (Guangzhou) Co., Ltd. <sup>viii</sup>	100	121, 160
Guangzhou CurrencyFair Information Technology Limited <sup>iv</sup>	100	13, 166
Standard Chartered Bank Cote d'Ivoire SA <sup>i</sup>	100	14
Standard Chartered Bank Gambia Limited <sup>l</sup>	74.852	15



Name	Proportion of shares held (%)	Footnotes
Standard Chartered Bank AG <sup>i</sup>	100	16
Solvezy Technology Ghana Ltd <sup>iv</sup>	100	17
Standard Chartered Bank Ghana PLC <sup>i</sup>	69.416; 87.043 <sup>T</sup>	18
Standard Chartered Ghana Nominees Limited <sup>i</sup>	100	18
Standard Chartered Wealth Management Limited Company <sup>j</sup>	100	19
Standard Chartered PF Real Estate (Hong Kong) Limited <sup>v</sup>	100	81
Standard Chartered Private Equity Limited <sup>v</sup>	100	20
Standard Chartered Asia Limited <sup>v</sup>	100; 100 <sup>AD</sup>	20
Assembly Payments HK Limited <sup>iv</sup>	100	21, 158
CurrencyFair Asia Limited <sup>v</sup>	100	91, 158
Zodia Custody (Hong Kong) Limited <sup>iv</sup>	100	132
Assembly Payments India Private Limited <sup>iv</sup>	100	92
Standard Chartered Global Business Services Private Limited <sup>x</sup>	100	22
Standard Chartered Finance Private Limited <sup>x</sup>	98.675	23
St Helen's Nominees India Private Limited <sup>i</sup>	100	24
Standard Chartered Private Equity Advisory (India) Private Limited <sup>ix</sup>	100	24
Standard Chartered Research and Technology India Private Limited <sup>iv</sup>	100 <sup>AR</sup>	136
Standard Chartered Capital Limited <sup>i</sup>	100	153
Standard Chartered Securities (India) Limited <sup>i</sup>	100	93
Standard Chartered (India) Modeling and Analytics Centre Private Limited <sup>ix</sup>	100	26
SCV Research and Development Pvt. Ltd. <sup>iv</sup>	100	117
PT Labamu Sejahtera Indonesia <sup>iv</sup>	100	27
CurrencyFair (Canada) Limited <sup>iv</sup>	100	28
CurrencyFair Limited <sup>iv</sup>	27.951; 100 <sup>A</sup>	28, 158, 165
CurrencyFair Nominees Limited <sup>iv</sup>	100	28, 158
Zodia Markets (Ireland) Limited <sup>i</sup>	100	133
Zodia Custody (Ireland) Limited <sup>iv</sup>	100	134
Standard Chartered Assurance Limited <sup>i</sup>	100; 100 <sup>M</sup>	29
Standard Chartered Isle of Man Limited <sup>i</sup>	100	29
Standard Chartered Securities (Japan) Limited <sup>i</sup>	100	30
SCB Nominees (CI) Limited <sup>i</sup>	100	31
Solvezy Technology Kenya Limited <sup>iv</sup>	100	32
Standard Chartered Bancassurance Intermediary Limited <sup>i</sup>	100	32
Standard Chartered Investment Services Limited <sup>v</sup>	100	32
Standard Chartered Bank Kenya Limited <sup>i</sup>	74.318; 100 <sup>J</sup>	32
Standard Chartered Securities (Kenya) Limited <sup>i</sup>	100	32
Standard Chartered Financial Services Limited <sup>i</sup>	100	32
Standard Chartered Kenya Nominees Limited <sup>i</sup>	100	32
Tawi Fresh Kenya Limited <sup>iv</sup>	100	32
Standard Chartered Metropolitan Holdings SAL <sup>v</sup>	99.9 <sup>A</sup>	33
Cartaban (Malaya) Nominees Sdn Berhad <sup>i</sup>	100	34
Cartaban Nominees (Asing) Sdn Bhd <sup>i</sup>	100	34
Cartaban Nominees (Tempatan) Sdn Bhd <sup>i</sup>	100	34
Golden Maestro Sdn Bhd <sup>v</sup>	100	34
Price Solutions Sdn Bhd <sup>i</sup>	100	34
SCBMB Trustee Berhad <sup>x</sup>	100	34
Standard Chartered Bank Malaysia Berhad <sup>i</sup>	100; 100 <sup>S</sup>	34
Standard Chartered Saadiq Berhad <sup>i</sup>	100	34
Resolution Alliance Sdn Bhd <sup>v</sup>	91	35
Standard Chartered Global Business Services Sdn Bhd <sup>ix</sup>	100	115
Assembly Payments Malaysia Sdn. Bhd. <sup>iv</sup>	100	37, 158
Standard Chartered Bank (Mauritius) Limited <sup>i</sup>	100	38
Standard Chartered Private Equity (Mauritius) Limited <sup>i</sup>	100	113
Standard Chartered Private Equity (Mauritius) II Limited <sup>i</sup>	100	113
Standard Chartered Private Equity (Mauritius) III Limited <sup>i</sup>	100	113
Subcontinental Equities Limited <sup>v</sup>	100	39
Actis Treit Holdings (Mauritius) Limited <sup>v</sup>	62.001 <sup>A</sup> ; 62.001 <sup>B</sup>	149, 158
Standard Chartered Bank Nepal Limited <sup>i</sup>	70.21	40
Standard Chartered Holdings (Africa) B.V. <sup>v</sup>	100	1, 161
Standard Chartered Holdings (Asia Pacific) B.V. <sup>v</sup>	100	1, 161
Standard Chartered Holdings (International) B.V. <sup>v</sup>	100	1, 161

Name	Proportion of shares held (%)	Footnotes
Standard Chartered MB Holdings B.V. <sup>v</sup>	100	1, 161
PromisePay Limited <sup>iv</sup>	100	41, 158
Standard Chartered Bank Nigeria Limited <sup>d</sup>	100; 100 <sup>N,T</sup>	42
Standard Chartered Capital & Advisory Nigeria Limited <sup>i</sup>	100	42
Standard Chartered Nominees (Nigeria) Limited <sup>i</sup>	100	42
Standard Chartered Bank (Pakistan) Limited <sup>i</sup>	98.986	43
Standard Chartered Group Services, Manila Incorporated <sup>ix</sup>	100	44
Standard Chartered Global Business Services spółka z ograniczoną odpowiedzialnością <sup>ix</sup>	100	45
Standard Chartered Capital (Saudi Arabia) <sup>i</sup>	100	116
Actis Treit Holdings No.1 (Singapore) Private Limited <sup>v</sup>	100	156
Actis Treit Holdings No.2 (Singapore) Private Limited <sup>v</sup>	100	156
Standard Chartered Private Equity (Singapore) Pte. Ltd <sup>v</sup>	100	46
Standard Chartered Real Estate Investment Holdings (Singapore) Private Limited <sup>v</sup>	100	46
Raffles Nominees (Pte.) Limited <sup>i</sup>	100	47
SCTS Capital Pte. Ltd <sup>i</sup>	100	48
SCTS Management Pte. Ltd. <sup>i</sup>	100	48
Standard Chartered Bank (Singapore) Limited <sup>i</sup>	100 <sup>A, B, C, U, V, W</sup>	48
Standard Chartered Trust (Singapore) Limited <sup>t</sup>	100	48
Standard Chartered Holdings (Singapore) Private Limited <sup>v</sup>	100	48
Standard Chartered Nominees (Singapore) Pte Ltd <sup>i</sup>	100	48
Audax Financial Technology Pte. Ltd <sup>iv</sup>	100 <sup>A</sup>	90
CashEnable Pte. Ltd. <sup>iv</sup>	100 <sup>A</sup>	90
Letsbloom Pte. Ltd. <sup>iv</sup>	100 <sup>A</sup>	90
Libeara (Singapore) Pte. Ltd. <sup>iv</sup>	100	90
Libeara Pte. Ltd. <sup>v</sup>	100	90
SCV Research and Development Pte. Ltd. <sup>iv</sup>	100 <sup>A</sup>	90
Zodia Custody (Singapore) Pte. Ltd. <sup>iv</sup>	100	46
Pegasus Dealmaking Pte. Ltd. <sup>iv</sup>	100	46
Power2SME Pte. Ltd. <sup>v</sup>	90.6	90
SCV Master Holding Company Pte. Ltd. <sup>v</sup>	100	46
Solv-India Pte. Ltd. <sup>v</sup>	100	90
Trust Bank Singapore Limited <sup>i</sup>	60	130
CurrencyFair (Singapore) Pte.Ltd <sup>iv</sup>	100	49, 158
Assembly Payments SGP Pte. Ltd. <sup>iv</sup>	100	50, 158
Assembly Payments Pte. Ltd. <sup>iv</sup>	100; 100 <sup>j</sup>	50, 158
Standard Chartered Nominees South Africa Proprietary Limited (RF) <sup>i</sup>	100	52
Promisepay (PTY) Ltd <sup>v</sup>	100	137, 158
Standard Chartered Bank Tanzania Limited <sup>i</sup>	100; 100 <sup>j</sup>	53
Standard Chartered Tanzania Nominees Limited <sup>i</sup>	100	53
Standard Chartered Bank (Thai) Public Company Limited <sup>i</sup>	99.871	54
Standard Chartered Yatirim Bankasi Turk Anonim Sirket <sup>i</sup>	100	55
Standard Chartered Bank Uganda Limited <sup>i</sup>	100	56
Furaha Finserve Uganda Limited <sup>i</sup>	100	57
Appro Onboarding Solutions FZ-LLC <sup>iv</sup>	100	58
Financial Inclusion Technologies Ltd <sup>v</sup>	100 <sup>A</sup>	94
Furaha Holding Ltd <sup>v</sup>	100; 100 <sup>B</sup>	59
myZoi Financial Inclusion Technologies LLC <sup>iv</sup>	100	61
Standard Chartered Bank International (Americas) Limited <sup>i</sup>	100	111
Standard Chartered Holdings Inc. <sup>v</sup>	100	62
Standard Chartered Securities (North America) LLC <sup>i</sup>	100 <sup>AA</sup>	62
CurrencyFair (USA) Inciv	100 <sup>AC</sup>	64, 158
Standard Chartered Trade Services Corporation <sup>i</sup>	100	89
Standard Chartered Bank (Vietnam) Limited <sup>i</sup>	100 <sup>X</sup>	65
Sky Harmony Holdings Limited <sup>v</sup>	100	118
Standard Chartered Bank Zambia Plc <sup>i</sup>	90	119
Standard Chartered Zambia Securities Services Nominees Limited <sup>i</sup>	100	138
Stanchart Nominees Limited <sup>i</sup>	100	1, 164
Standard Chartered Holdings Limited <sup>v</sup>	100	1, 163, 164, 166
Standard Chartered NEA Limited <sup>v</sup>	100	1, 163, 166
Standard Chartered Nominees Limited <sup>i</sup>	100	1, 164
Standard Chartered (Guangzhou) Business Management Co., Ltd. <sup>ii</sup>	100	120, 166

Name	Proportion of shares held (%)	Footnotes
Standard Chartered Bank (China) Limited <sup>d</sup>	100	75, 160, 166
Standard Chartered Securities (China) Limited <sup>d</sup>	100	76, 166
Horsford Nominees Limited <sup>i</sup>	100	77
Marina Acacia Shipping Limited <sup>vi</sup>	100	78
Marina Amethyst Shipping Limited <sup>vi</sup>	100	78
Marina Angelite Shipping Limited <sup>vi</sup>	100	78
Marina Beryl Shipping Limited <sup>vi</sup>	100	78
Marina Emerald Shipping Limited <sup>vi</sup>	100	78
Marina Flax Shipping Limited <sup>vi</sup>	100	78
Marina Gloxinia Shipping Limited <sup>vi</sup>	100	78
Marina Hazel Shipping Limited <sup>vi</sup>	100	78
Marina Ilex Shipping Limited <sup>vi</sup>	100	78
Marina Iridot Shipping Limited <sup>vi</sup>	100	78
Marina Mimosa Shipping Limited <sup>vi</sup>	100	78
Marina Moonstone Shipping Limited <sup>vi</sup>	100	78
Marina Peridot Shipping Limited <sup>vi</sup>	100	78
Marina Sapphire Shipping Limited <sup>vi</sup>	100	78
Marina Tourmaline Shipping Limited <sup>vi</sup>	100	78
Standard Chartered Securities (Hong Kong) Limited <sup>i</sup>	100	78
Marina Leasing Limited <sup>vi</sup>	100	78
Standard Chartered Leasing Group Limited <sup>iv</sup>	100	78
Standard Chartered Trade Support (HK) Limited <sup>d</sup>	100	78
Mox Bank Limited <sup>d</sup>	71.579	79
Standard Chartered Bank (Hong Kong) Limited <sup>d</sup>	100 <sup>A,B,C,D</sup>	80
Standard Chartered Trust (Hong Kong) Limited <sup>d</sup>	100	82
Standard Chartered Trustee (Hong Kong) Limited <sup>x</sup>	100	82
Standard Chartered Funding (Jersey) Limited <sup>iv</sup>	100	83
Standard Chartered Bank Korea Limited <sup>i</sup>	100	84
Standard Chartered Securities Korea Co., Ltd <sup>d</sup>	100	85
Marina Morganite Shipping Limited <sup>vi</sup>	100	125, 162
Marina Moss Shipping Limited <sup>vi</sup>	100	125, 162
Marina Tanzanite Shipping Limited <sup>vi</sup>	100	125, 162
Marina Angelica Shipping Limited <sup>vi</sup>	100	86, 162
Marina Aventurine Shipping Limited <sup>vi</sup>	100	86, 162
Marina Citrine Shipping Limited <sup>vi</sup>	100	86, 162
Marina Dahlia Shipping Limited <sup>vi</sup>	100	86, 162
Marina Dittany Shipping Limited <sup>vi</sup>	100	86, 162
Marina Lilac Shipping Limited <sup>vi</sup>	100	86, 162
Marina Lolite Shipping Limited <sup>vi</sup>	100	86, 162
Marina Obsidian Shipping Limited <sup>vi</sup>	100	86, 162
Marina Quartz Shipping Limited <sup>vi</sup>	100	86, 162
Marina Remora Shipping Limited <sup>vi</sup>	100	86, 162
Marina Turquoise Shipping Limited <sup>vi</sup>	100	86, 162
Marina Zircon Shipping Limited <sup>vi</sup>	100	86, 162
Price Solution Pakistan (Private) Limited <sup>d</sup>	100	87
Marina Partawati Shipping Pte. Ltd. <sup>vi</sup>	100	152
Standard Chartered Bank (Taiwan) Limited <sup>d</sup>	100	88
CMB Nominees (RF) Proprietary Limited <sup>x</sup>	100	52
Letsbloom India Private Limited <sup>iv</sup>	100	97
PointSource Technologies Pte. Ltd. <sup>x</sup>	100	90
Qatalyst Pte. Ltd. <sup>iv</sup>	72.727	90
SC Ventures Management Consulting (Shenzhen) Limited <sup>x</sup>	100	74, 154, 166
Solv Vietnam Company Limited <sup>iv</sup>	100 <sup>x</sup>	98
Standard Chartered Funds VCC <sup>c</sup>	100	48
TASConnect (Hong Kong) Private Limited <sup>iv</sup>	100	99
TASConnect (Malaysia) Sdn. Bhd. <sup>iv</sup>	100	36
TASConnect (Shanghai) Financial Technology Pte. Ltd <sup>iv</sup>	100	151
NewCo Holding EUR 19 S.A. <sup>x</sup>	100	128
Zodia Custody Australia Pty. Ltd. <sup>iv</sup>	100	126
Zodia Markets (AME) Limited <sup>iv</sup>	100	127
Zodia Markets (Jersey) Limited <sup>iv</sup>	100	129

Name	Proportion of shares held (%)	Footnotes
Standard Chartered Luxembourg S.A. <sup>i</sup>	100	106
Solv Holding Ltd <sup>v</sup>	100	155

### Joint ventures

Name	Proportion of shares held (%)	Footnotes
Olea Global Pte. Ltd. <sup>iv</sup>	47; 100 <sup>j</sup>	46
Global Digital Asset Holdings Limited <sup>v</sup>	100	60

### Associates

Name	Proportion of shares held (%)	Footnotes
Clifford Capital Holdings Pte. Ltd. <sup>v</sup>	9.9	109
Verified Impact Exchange Holdings Pte. Ltd. <sup>i</sup>	13.421	110
Seychelles International Mercantile Banking Corporation Limited. <sup>i</sup>	22	66
SWIAT GmbH <sup>iv</sup>	30	67
SBI Zodia Custody Co. Ltd <sup>iv</sup>	100	68
Partior Holdings Pte. Ltd. <sup>i</sup>	25; 25 <sup>h</sup> ; 11.111 <sup>l</sup>	69
China Bohai Bank Co., Ltd. <sup>i</sup>	16.263	95, 166
Vault22 Solutions Holdings Ltd <sup>iv</sup>	100 <sup>e</sup>	135

### Significant investment holdings and other related undertakings

Name	Proportion of shares held (%)	Footnotes
Corrasi Covered Bonds (LM) Limited <sup>i</sup>	20	3
ATSC Cayman Holdco Limited <sup>v</sup>	5.272 <sup>A</sup> ; 100 <sup>B</sup>	140
Actis Temple Stay Holdings (HK) Limited <sup>v</sup>	39.689 <sup>A</sup> ; 39.689 <sup>B</sup>	141
Mikado Realtors Private Limited <sup>x</sup>	26	142
Industrial Minerals and Chemical Co. Pvt. Ltd <sup>x</sup>	26	157
Ascenta III <sup>v</sup>	31 <sup>G</sup>	70
SCIAIGF Liquidating Trust <sup>v</sup>	43.96 <sup>AB</sup>	112
Paxata, Inc. <sup>iii</sup>	40.74 <sup>O</sup> ; 8.908 <sup>P</sup>	64

## Subsidiary/Associate Undertakings – In liquidation

Name	Proportion of shares held (%)	Footnotes
Standard Chartered Masterbrand Licensing Limited <sup>k</sup>	100	122
Standard Chartered Leasing (UK) 3 Limited <sup>l</sup>	100	122
Birdsong Limited <sup>k</sup>	100	71
Nominees One Limited <sup>k</sup>	100	71
Nominees Two Limited <sup>k</sup>	100	71
Songbird Limited <sup>k</sup>	100	71
Standard Chartered Secretaries (Guernsey) Limited <sup>k</sup>	100	71
Standard Chartered Trust (Guernsey) Limited <sup>k</sup>	100	71
Standard Chartered Financial Services (Luxembourg) S.A. <sup>x</sup>	100	72
Standard Chartered IL&FS Management (Singapore) Pte. Limited <sup>k</sup>	50	51
Banco Standard Chartered en Liquidacion <sup>x</sup>	100	123
Standard Chartered Uruguay Representacion S.A. <sup>x</sup>	100	73
Marina Opah Shipping Pte. Ltd. <sup>vi</sup>	100	152
Marina Cobia Shipping Pte. Ltd. <sup>vi</sup>	100	152
Marina Aquata Shipping Pte. Ltd. <sup>vi</sup>	100	152
Marina Aruana Shipping Pte. Ltd. <sup>vi</sup>	100	152
Fintech for International development Ltd <sup>x</sup>	58.901 <sup>A</sup>	96
Ascenta IV <sup>c</sup>	39.1 <sup>Z</sup>	70
Cerulean Investments LP <sup>x</sup>	100 <sup>Y</sup>	11

## Subsidiary/Associate undertakings and Significant investment holdings – Liquidated/dissolved/sold

Name	Proportion of shares held (%)	Footnotes
Assembly Payments, Inc <sup>i</sup>	100	143
Assembly Escrow Inc <sup>i</sup>	100	144, 158
Shoal Limited <sup>iv</sup>	100	1
Standard Chartered Bank Zimbabwe Limited <sup>i</sup>	100	145
Africa Enterprise Network Trust <sup>x</sup>	100 <sup>AB</sup>	145, 159
Standard Chartered Nominees Zimbabwe (Private) Limited <sup>k</sup>	100	145
Standard Chartered Trading (Shanghai) Limited <sup>k</sup>	100	148, 160
Standard Chartered Bank Angola S.A. <sup>l</sup>	60	146
Standard Chartered Bank Sierra Leone Limited <sup>l</sup>	80.656	147
Marina Fatmarini Shipping Pte. Ltd. <sup>vi</sup>	100	152
Marina Frabandari Shipping Pte. Ltd. <sup>vi</sup>	100	152
Marina Gerbera Shipping Pte. Ltd. <sup>vi</sup>	100	152
The BW Leasing Partnership 1 LP <sup>vi</sup>	100 <sup>Y</sup>	107
The BW Leasing Partnership 2 LP <sup>vi</sup>	100 <sup>Y</sup>	107
The BW Leasing Partnership 3 LP <sup>vi</sup>	100 <sup>Y</sup>	107
The BW Leasing Partnership 4 LP <sup>vi</sup>	100 <sup>Y</sup>	107
The BW Leasing Partnership 5 LP <sup>vi</sup>	100 <sup>Y</sup>	107
Standard Chartered Overseas Investment, Inc. <sup>v</sup>	100	63
Actis Rivendell Holdings (HK) Limited <sup>v</sup>	39.671 <sup>AB</sup>	141
Autumn Life Pte. Ltd. <sup>iv</sup>	100 <sup>A</sup>	46

## Footnotes

### Registered address

Address in country of incorporation

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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	1 Poultry, London, EC2R 8EJ, United Kingdom
5	Level 5, 345 George St, Sydney NSW 2000, Australia
6	Milsons Landing, Level 5, 6A Glen Street, Milsons Point NSW 2061, Australia
7	5th Floor Standard House Bldg, The Mall, Queens Road, PO Box 496, Gaborone, Botswana
8	Avenida Brigadeiro Faria Lima, no 3.477, 6º andar, conjunto 62 – Torre Norte, Condominio Patio Victor Malzoni, CEP 04538-133, Sao Paulo, Brazil
9	1155, Boulevard de la Liberté, Douala, B.P. 1784, Cameroon
10	66 Wellington Street, West, Suite 4100, Toronto Dominion Centre, Toronto ON M5K 1B7, Canada
11	Maples Corporate Services Limited, PO Box 309, Uglan House, Grand Cayman, KY1-1104 , Cayman Islands
12	No. 35, Xinhuanbei Road, TEDA, Tianjin, 300457, China
13	Room 2619, No 9, Linhe West Road, Tianhe District, Guangzhou, China
14	23 Boulevard de la République, Abidjan 17, 17 B.P. 1141, Cote d'Ivoire
15	8 Ecowas Avenue, Banjul, Gambia
16	Taunusanlage 16, 60325, Frankfurt am Main, Germany
17	Standard Chartered Bank Building, 87 Independence Avenue, Ridge, ACCRA, Greater ACCRA, GA-016-4621, Ghana
18	Standard Chartered Bank Building, No. 87, Independence Avenue, P.O. Box 768, Accra, Ghana
19	87, Independence Avenue, Post Office Box 678, Accra, Ghana
20	13/F Standard Chartered Bank Building, 4-4A Des Voeux Road Central, Hong Kong
21	31/F, Tower 2 Times Square, 1 Matheson St, Causeway Bay, Hong Kong
22	1st Floor, Europe Building, No.1, Haddows Road, Nungambakkam, Chennai, 600 006, India
23	90 M.G.Road, II Floor, Fort, Mumbai, Maharashtra, 400001, India
24	Ground Floor, Crescenzo Building, G Block, C 38/39 , Bandra Kurla Complex, Bandra (East) , Mumbai , Maharashtra , 400051, India
25	Crescenzo, 6th Floor, Plot No 38-39 G Block , Bandra Kurla Complex, Bandra East , Mumbai , Maharashtra , 400051, India
26	Vaishnavi Serenity, First Floor, No. 112, Koramangala Industrial Area, 5th Block, Koramangala, Bangalore, Karnataka, 560095, India
27	The Icon Business Park Blok P Nomor 03, RT 03/RW 09Sampora, Kec, Cisauk, Kabupaten Tangerang, Banten, 15345, Indonesia
28	91 Pembroke Road, Dublin 4, Ballsbridge, Dublin, DO4 EC42, Ireland
29	1st Floor, Goldie House, 1-4 Goldie Terrace, Upper Church Street, Douglas, IM1 1EB, Isle of Man
30	21/F, Sanno Park Tower, 2-11-1 Nagatacho, Chiyoda-ku, Tokyo, 100-6155, Japan
31	15 Castle Street, St Helier, JE4 8PT, Jersey
32	Standard Chartered@Chiro, 48 Westlands Road, P. O. Box 30003 – 00100, Nairobi , Kenya
33	Atrium Building, Maarad Street, 3rd Floor, P.O. Box 11-4081 Raid El Solh, Beirut Central District, Lebanon
34	Level 25, Equatorial Plaza, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
35	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
36	12th Floor, Menara Symphony , No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya , Selangor, Malaysia
37	Level 13, Menara 1 Sentrum 201, Jalan Tun Sambanthan, Brickfields, 50470 Kuala Lumpur, Malaysia
38	6th Floor, Standard Chartered Tower , 19, Bank Street, Cybercity, Ebene, 72201, Mauritius
39	Mondial Management Services Ltd, Unit 2L, 2nd Floor Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius
40	Madan Bhandari Marg. Ward No.31, Kathmandu Metropolitan City, Kathmandu District, Bagmati Province, Kathmandu, 44600, Nepal
41	PromisePay, 4 All good Place, Rototuna North, Hamilton, 3210, New Zealand
42	142, Ahmadu Bello Way, Victoria Island, Lagos, 101241, Nigeria
43	P.O. Box No. 5556, I.I. Chundrigar Road , Karachi , 74000, Pakistan
44	8th Floor, Makati Sky Plaza Building 6788, Ayala Avenue San Lorenzo, City of Makati, Fourth District, National Capi, 1223, Philippines
45	Rondo Ignacego Daszyńskiego 2B, 00-843, Warsaw, Poland
46	9 Raffles Place, #26-01 Republic Plaza, 048619, Singapore
47	7 Changi Business Park Crescent, #03-00 Standard Chartered @ Changi, 486028, Singapore
48	8 Marina Boulevard, #27-01 Marina Bay Financial Centre Tower 1, 018981, Singapore
49	1 Robinson Road, #17-00, AIA Tower, 048542, Singapore
50	38 Beach Road, #29-11 South Beach Tower, 189767, Singapore
51	Abogado Pte Ltd, No. 8 Marina Boulevard, #05-02 MBFC Tower 1, 018981, Singapore
52	2nd Floor, 115 West Street, Sandton, Johannesburg, 2196, South Africa
53	1 Floor, International House, Shaaban Robert Street/Garden Avenue, PO Box 9011, Dar Es Salaam, Tanzania, United Republic of
54	No. 140, 11th, 12th and 14th Floor, Wireless Road, Lumpini, Patumwan, Bangkok, 10330, Thailand
55	Buyukdere Cad. Yapi Kredi Plaza C Blok, Kat 15, Levent, Istanbul, 34330, Turkey
56	Standard Chartered Bank Bldg, 5 Speke Road, PO Box 7111, Kampala, Uganda
57	14 Mackinnon Road, Nakasero, Kampala, 141769, Uganda
58	EX-26, Ground Floor, Bldg 16-Co Work, Dubai Internet City, Dubai, United Arab Emirates
59	Unit GV-00-10-07-OF-02, Level 7, Gate Village Building 10, Dubai International Financial Centre, Dubai, United Arab Emirates

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60	7th Floor, Building One, Gate Precinct, DIFC, PO Box 999, Dubai, United Arab Emirates
61	Part of Level 15, Standard Chartered Bank Building, Plot 8, Burj Downtown, Dubai, United Arab Emirates
62	Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801, United States
63	50 Fremont Street, San Francisco CA 94105, United States
64	251 Little Falls Drive, Wilmington DE 19808, United States
65	Level 3, #CP1.L01 and #CP2.L01, Capital Place, 29 Lieu Giai Street, Ngoc Khanh Ward, Ba Dinh District, Ha Noi, 10000, Vietnam
66	Victoria House, State House Avenue, Victoria, MAHE, Seychelles
67	Gervinusstrasse 17, 60322, Frankfurt am Main, Hesse, Germany
68	Izumi Garden Tower 19F, 1-6-1 Roppongi, Minato-ku, Tokyo, Japan
69	60B, Orchard Road, #06-18, Tower 2, The Atrium @ Orchard, 238891, Singapore
70	17F, 47, Jong-ro, Jongno-gu, (17F, 100, Gongpyeong-dong, Jongno-gu), Seoul, Korea, Republic of
71	Bucktrout House, Glatigny Esplanade, St Peter Port, GY1 3HQ, Guernsey
72	30 Rue Schrobilgen, 2526, Luxembourg
73	Luis Alberto de Herrera 1248, Torre II, Piso 11, Esc. 1111, Uruguay
74	8A, Hony Tower, 1st Financial Street, Nanshan District, Shenzhen, China
75	Standard Chartered Tower, 201 Century Avenue, Pudong, Shanghai, 200120, China
76	1201 1-2, 15-16, 12/F, Unit No.1, Building No.1, No. 1 Dongsanhuan Zhong Road, Chaoyang District, Beijing, China
77	18/F., Standard Chartered Tower, 388 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong
78	15/F., Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong
79	39/F., Oxford House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
80	32/F., 4-4A Des Voeux Road, Central, Hong Kong
81	14th Floor, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
82	14/F, Standard Chartered Bank Building, 4-4A Des Voeux Road, Central, Hong Kong
83	IFC 5, St Helier, JE1 1ST, Jersey
84	47, Jong-ro, Jongno-gu, Seoul, 110-702, Korea, Republic of
85	2F, 47, Jong-ro, Jongno-gu, Seoul, Korea, Republic of
86	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, MH96960, Marshall Islands
87	3rd Floor Main SCB Building, I.I Chundrigar Road, Karachi, Sindh, 74000, Pakistan
88	1F, No.177 & 3F-6F, 17F-19F, No.179, Liaoning Street, Zhongshan Dist., Taipei, 104, Taiwan
89	C/O Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808, United States
90	16 Raffles Quay, #16-02, Hong Leong Building, Singapore, 048581, Singapore
91	Suite 12100, 12/F., YF Life Tower, 33 Lockhart Road, Wan Chai, Hong Kong
92	1st Floor, UB Plaza, No. 1 & 2, Vittal Mallya Road, Bengalur, India
93	2nd Floor, 23-25 M.G. Road, Fort, Mumbai 400 001, India
94	16th Floor, WeWork Hub 71, Al Khatem Tower, ADGM Square, Al Maryah Island, Abu Dhabi, United Arab Emirates
95	218 Haihe East Road, Hedong District, Tianjin, 300012, China
96	Parker Andrews Ltd, 5th Floor. The Union Building, 51-59 Rose Lane, Norwich, NR1 1BY
97	Unit 1 – 127A, WeWork Futura, Magarpatta Road, Kirtane Baug, Hadpsar I.E., Pune – 411013, Maharashtra, India
98	L17-11, Floor 17, Vincom Center, 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
99	30th floor, One Taikoo Place, 979 King's Road, Hong Kong, Hong Kong
100	Ground Floor, Two Dockland Central, Guild Street, North Dock, Dublin, D01 K2C5, Ireland
101	2701, 27th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
102	12E, rue Guillaume Kroll, L-1882 Helios, Luxembourg
103	1 Raffles Place, #36-01, One Raffles Place, 048616, Singapore
104	Duo, Level 6, 280 Bishopsgate, London, EC2M 4RB, United Kingdom
105	138 Arab Street, 199826, Singapore
106	53 Boulevard Royal, Grand Duchy of Luxembourg, 2449, Luxembourg
107	5th Floor, Holland House, 1-4 Bury Street, London, EC3A 5AW, United Kingdom
108	G01-02, Wisma Haji Mohd Taha Building, , Jalan Gadong, BE4119, Brunei Darussalam
109	1 Raffles Quay, #23-01, One Raffles Quay, 048583, Singapore
110	10 Marina Boulevard #08-08, Marina Bay Financial Centre, 018983, Singapore
111	1095 Avenue of Americas, New York City NY 10036, United States
112	3 Jalan Pisang, c/o Watiga Trust Ltd, 199070, Singapore
113	c/o Ocorian Corporate Services (Mauritius) Ltd, 6th Floor, Tower A,1, Exchange Square, Wall Street, Ebene, Mauritius – 72201, Mauritius
114	c/o Maples Finance Limited, PO Box 1093 GT, Queensgate House, Georgetown, Grand Cayman, Cayman Islands
115	Level 1, Wisma Standard Chartered, Jalan Teknologi 8, , Taman Teknologi Malaysia, Bukit Jalil, , 57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia
116	Al Faisaliah Office Tower Floor No 7 (T07D) , King Fahad Highway, Olaya District, P.O box 295522 , Riyadh, 11351 , Saudi Arabia
117	B001, Metrotech Forest View, Sy No 67/5 BSK, 6th Stage, Thalaghattapura Bengaluru , Karnataka, India, 560062
118	The Company's Registered Office, Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, Virgin Islands, British
119	Standard Chartered House, Stand No. 4642, Corner of Mwaimwene Road and Addis Ababa Drive, Lusaka, Lusaka, 10101, Zambia
120	Units 1101B (Office use only), No. 235 Tianhebei Rd., Tianhe District, Guangzhou City, Guangdong Province, China
121	Unit 802B, 803, 1001A,1002B,1003-1005,1101-1105, 201-1205,1302C,1303, No. 235 Tianhe North Road, Tianhe District, Guangzhou City, Guangdong Province,

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## China

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122	C/O Teneo Financial Advisory Limited, The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT, United Kingdom
123	Jiron Huascar 2055, Jesus Maria, Lima, 15072, Peru
124	77 Robinson Road, #13-00, Robinson 77, 068896, Singapore
125	TMF Trust Labuan Limited, Brumby Centre, Lot 42, Jalan Muhibbah, 87000 Labuan F.T., Malaysia
126	c/o King & Wood Mallesons, Level 61, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000, Australia
127	2402C, 24th Floor, Tamouh Tower, Tamouh, Abu Dhabi, Al Reem Island, United Arab Emirates
128	8-10 Avenue de la Gare, 1610, Luxembourg
129	No 1 Grenville Street, St Helier, JE2 4UF, Jersey
130	77 Robinson Road, #25-00 Robinson 77, 068896, Singapore
131	Level 22, 120 Spencer Street, Melbourne VIC 3000 VIC 3000, Australia
132	5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong
133	32 Molesworth Street, Dublin 2, D02Y512, Ireland
134	27 Fitzwilliam Street, Dublin, D02 TP23, Ireland
135	Dubai International Financial Centre, Level 14 , The Gate , PO Box 74777, Dubai, United Arab Emirates
136	No. 2734, Sector-I, HSR Layout, HSR Layout, Bangalore , Bangalore South, Karnataka, 560102, India
137	1st Floor Building 33, Waterford Office Park, Waterford Drive, Fourways, Gauteng, 2191, South Africa
138	Stand No. 4642 , Corner of Mwaimwena Road and Addis Ababa Drive, Lusaka, 10101, Zambia
139	3 Jalan Pisang, c/o Watiga Trust Ltd, 199070, Singapore
140	Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman , KY1-9005, Cayman Islands
141	Unit 605-07, 6/F Wing OnCentre, 111 Connaught Road, Central, Sheung Wan, Hong Kong
142	1221 A, Devika Tower, 12th Floor, 6 Nehru Place, New Delhi 110019
143	555 Washington Av, St Louis, MO, United States of America, 63101
144	25 Taylor St, San Francisco CA 94102-3916, United States
145	Africa Unity Square Building, 68 Nelson Mandela Avenue, Harare, Zimbabwe
146	Edifício Kilamba, 8º Andar Avenida 4 de Fevereiro, Marginal, Luanda, Angola
147	9 & 11, Lightfoot Boston Street, Freetown, Sierra Leone
148	No. 188 Yeshen Rd, 11F, A-1161 RM, Pudong New District, Shanghai, 31, 201308, China
149	IQEQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis, 11324, Mauritius
150	9 Raffles Place, #27-00 Republic Plaza, 048619, Singapore
151	Level C, No. 888 2nd Huanhu West Road, Nanhui New Town, Pudong New Area, Shanghai
152	8 Marina Boulevard, Level 26, Marina Bay Financial Centre, Tower 1, 018981, Singapore
153	12th Floor, Parinee Crescenzo Building, Plot C-38 & 39, G Block Bandra (E) Opp. MCA Ground, Mumbai, 400051, India
154	Unit 8C-17B, Xinlikang Building, 3044 Xinghai Blvd, Nanshan District, Shenzhen, China
155	Dedicated desk # 14-123-039, 15th Floor, Al Khatem Tower, ADGM Square, Abu Dhabi, United Arab Emirates
156	6 Battery Road #13-01, 049909, Singapore
157	4th Floor, 274, Chitalia House, Dr. Cawasji Hormusji Road, Dhobi Talao, Mumbai City, Maharashtra, India 400 002, Mumbai, 400 002, India

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## Other notes

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158	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.
159	No share capital by virtue of being a trust
160	Limited liability company
161	The Group has determined the principal place of operation to be United Kingdom
162	The Group has determined the principal place of operation to be Hong Kong
163	Company is exempt from the requirement of 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: Finventures UK Limited 04275894, Standard Chartered I H Limited 08414408, Standard Chartered Strategic Investments Limited 01388304, Standard Chartered Holdings Limited 02426156, Standard Chartered NEA Limited 05345091, 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 and 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 PLC Company) guarantees all outstanding liabilities to which the subsidiary company is subject at the end of the financial year including external liabilities of Finventures UK Limited (\$2.3million), Standard Chartered NEA Limited (\$15.6million) and SCMB Overseas Limited (\$5.9million)
164	Directly held related undertaking
165	Group's ultimate ownership for CurrencyFair entities is 43.422%
166	Registered as a Limited company under the Law of China

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## Description of shares

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A	Class A Ordinary shares
B	Class B Ordinary shares
C	Class C Ordinary shares
D	Class D Ordinary shares
E	Class A2 shares
F	Class B Shares
G	Class B Equity interest
H	Series A Preferred
I	Series B Preferred
J	Preference shares
K	Series A preference shares
L	Series B preference shares
M	Redeemable preference shares
N	Series B Redeemable preference shares
O	Series C2 preference shares
P	Series C3 preference shares
Q	Redeemable non-cumulative preference shares
R	Compulsory convertible cumulative preference shares
S	Irredeemable convertible preference shares
T	Irredeemable non-cumulative preference shares
U	Class B Non-cumulative preference shares
V	Class C Non-cumulative preference shares
W	Class D Non-cumulative preference shares
X	Charter capital
Y	Limited Partnership
Z	Partnership Interest
AA	Membership interest
AB	Trust
AC	Uncertificated
AD	Deferred shares
AE	Guarantee

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## Business activity

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i	Banking & Financial Services
ii	Commercial real estate
iii	Data Analytics
iv	Digital Venture
v	Investment holding company
vi	Leasing and Finance
vii	To manage intellectual property for Group
viii	Research & development
ix	Support Services
x	Others

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Save for those disclosed in this Annual Report, there were no other significant investments held, nor were there material acquisitions or disposals of subsidiaries during the year under review. Apart from those disclosed in this Annual Report, there were no material investments or additions of capital assets authorised by the Board at the date of this Annual Report.

### 41. Dealings in Standard Chartered PLC listed securities

This is also disclosed as part of Note 28 Share capital, other equity and reserves.

Except as disclosed, neither the Company nor any of its subsidiaries has bought, sold or redeemed any securities of the Company listed on The Stock Exchange of Hong Kong Limited, on another exchange, by private arrangement, or by way of a general offer during the period. Details of the shares purchased and held by the trusts are set out below.

	2004 Trust	
	2024	2023
Shares purchased during the period	19,604,557	29,069,539
Market price of shares purchased (\$million)	223	237
Shares held at the end of the period	17,589,987	28,095,542
Maximum number of shares held during the period	28,085,688	28,893,930

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### 42. Corporate governance

The directors confirm that Standard Chartered PLC (the Company) has complied with all of the provisions set out in the 2018 UK Corporate Governance Code during the year ended 31 December 2024. The directors also confirm that, throughout the year, the Company has complied with the code provisions set out in the Hong Kong Corporate Governance Code contained in Appendix C1 of the Hong Kong Listing Rules. The Group confirms that it has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than required by Appendix C3 of the Hong Kong Listing Rules and that the directors of the Company have complied with the required standards of the adopted code of conduct. The directors also confirm that the announcement of these results has been reviewed by the Company's Audit Committee.

## Shareholder information

### Dividend and Interest Payment Dates

Ordinary Shares	Final Dividend
Results and dividend announced	21 February 2025
Ex-dividend date	27 (UK) 26 (HK) March 2025
Record date for dividend	28 March 2025
Last date to amend currency election instructions for cash dividend*	24 April 2025
Dividend payment date	19 May 2025

\* In either United States dollars, sterling or Hong Kong dollars

Preference Shares	1st half yearly dividend	2nd half yearly dividend
7 <sup>3</sup> / <sub>8</sub> per cent non-cumulative irredeemable preference shares of £1	1 April 2025	1 October 2025
8 <sup>1</sup> / <sub>4</sub> per cent non-cumulative irredeemable preference shares of £1 each	1 April 2025	1 October 2025
6.409 per cent non-cumulative redeemable preference shares of \$5 each	30 January and 30 April 2025	30 July and 30 October 2025
7.014 per cent non-cumulative redeemable preference shares of \$5 each	30 January 2025	30 July 2025

### Annual General Meeting

The Annual General Meeting (AGM) will be held on Thursday, 8 May 2025 at 11.00am UK time (6.00pm Hong Kong time). Further details regarding the format, location and business to be transacted at the meeting will be disclosed within the 2025 Notice of AGM.

### Interim results

The interim results will be announced to the London Stock Exchange and the Stock Exchange of Hong Kong Limited and put on the Company's website.

### Country-by-Country Reporting

In accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013, the Group will publish additional country-by-country information in respect of the year ended 31 December 2024, on or before 31 December 2025. We have also published our UK Tax Strategy.

### Pillar 3 Reporting

In accordance with the Pillar 3 disclosure requirements, the Group will publish the Pillar 3 Disclosures in respect of the year ended 31 December 2024, on or before 21 February 2025.

### ShareCare

ShareCare is available to shareholders on the Company's UK register who have a UK address and bank account. It allows you to hold your Standard Chartered PLC shares in a nominee account. Your shares will be held in electronic form so you will no longer have to worry about keeping your share certificates safe. If you join ShareCare, you will still be invited to attend the Company's AGM and you will receive any dividend at the same time as everyone else. ShareCare is free to join and there are no annual fees to pay.

### Donating shares to ShareGift

Shareholders who have a small number of shares often find it uneconomical to sell them. An alternative is to consider donating them to the charity ShareGift (registered charity 1052686), which collects donations of unwanted shares until there are enough to sell and uses the proceeds to support UK charities. There is no implication for capital gains tax (no gain or loss) when you donate shares to charity and UK taxpayers may be able to claim income tax relief on the value of their donation.

### Bankers' Automated Clearing System (BACS)

Dividends can be paid straight into your bank or building society account.

### Registrars and shareholder enquiries

If you have any enquiries relating to your shareholding and you hold your shares on the UK register, please contact our registrar at [investorcentre.co.uk/contactus](http://investorcentre.co.uk/contactus). Alternatively, please contact Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ or call the shareholder helpline number on 0370 702 0138. If you hold your shares on the Hong Kong branch register and you have enquiries, please contact Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

### Substantial shareholders

The Company and its shareholders have been granted partial exemption from the disclosure requirements under Part XV of the Securities and Futures Ordinance (SFO). As a result of this exemption, shareholders, directors and chief executives, no longer have an obligation under Part XV of the SFO (other than Divisions 5, 11 and 12 thereof) to notify the Company of substantial shareholding interests, and the Company is no longer required to maintain a register of interests of substantial shareholders under section 336 of the SFO, nor a register of directors' and chief executives' interests under section 352 of the SFO. The Company is, however, required to file with The Stock Exchange of Hong Kong Limited any disclosure of interests made in the UK.

### Taxation

No tax is currently withheld from payments of dividends by Standard Chartered PLC. Shareholders and prospective purchasers should consult an appropriate independent professional adviser regarding the tax consequences of an investment in shares in light of their particular circumstances, including the effect of any national, state or local laws.

### Chinese translation

If you would like a Chinese language version of the 2024 Annual Report, please contact Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

二〇二四年年報之中文譯本可向香港中央證券登記有限公司索取, 地址: 香港灣仔皇后大道東183號合和中心17M樓。

Shareholders on the Hong Kong branch register who have asked to receive corporate communications in either Chinese or English can change this election by contacting Computershare. If there is a dispute between any translation and the English version of this Annual Report, the English text shall prevail.

### Electronic communications

If you hold your shares on the UK register and in future you would like to receive the Annual Report electronically rather than by post, please register online at: [investorcentre.co.uk](https://investorcentre.co.uk). Click on 'register now' and follow the instructions. You will need to have your Shareholder or ShareCare reference number to hand. You can find this on your share certificate or ShareCare statement. Once you have registered and confirmed your email communication preference, you will receive future notifications via email enabling you to submit your proxy vote online. In addition, as a member of Investor Centre, you will be able to manage your shareholding online and change your bank mandate or address information.

## 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 the Annual Report and the 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 the Annual Report 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.

### Non-IFRS performance measures and alternative performance measures

The Group financial statements have been prepared in accordance with UK-adopted international accounting standards and International Financial Reporting Standards (IFRS) as adopted by the European Union. Standard Chartered PLC's financial statements have been prepared in accordance with UK-adopted international accounting standards (IAS) as applied in conformity with section 408 of the Companies Act 2006. This document may contain financial measures and ratios not specifically defined under IFRS or IAS and/or alternative performance measures as defined in the European Securities and Market Authority guidelines. Such measures may exclude certain items which management believes are not representative of the underlying performance of the business and which distort period-on-period comparison. These measures are not a substitute for IAS or IFRS measures and are based on a number of assumptions that are subject to uncertainties and change. Please refer to the Annual Report and the financial statements of the Group for further information, including reconciliations between the underlying and reported measures.

### 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.

### General

You are advised to exercise your own independent judgement (with the advice of your professional advisers as necessary) with respect to the risks and consequences of any matter contained in this document. The Group, its affiliates, directors, officers,

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#### Basis of Preparation and Caution Regarding Data Limitations

This section is specifically relevant to, amongst others, the sustainability and climate models, calculations and disclosures throughout this report. The information contained in this document has been prepared on the following basis:

- i. disclosures in the Strategic report, Sustainability review, Directors' report, Risk review and Capital review and Supplementary information are unaudited unless otherwise stated;
- ii. all information, positions and statements set out in this document are subject to change without notice;
- iii. the information included in this document does not constitute any investment, accounting, legal, regulatory or tax advice or an invitation or recommendation to enter into any transaction;
- iv. the information included in this document may have been prepared using models, methodologies and data which are subject to certain limitations. These limitations include: the limited availability of reliable data, data gaps, and the nascent nature of the methodologies and technologies underpinning this data; the limited standardisation of data (given, amongst other things, limited international coordination on data and methodology standards); and future uncertainty (due, amongst other things, to changing projections relating to technological development and global and regional laws, regulations and policies, and the current inability to make use of strong historical data);
- v. models, external data and methodologies used in information included in this document are or could be subject to adjustment which is beyond our control;
- vi. any opinions and estimates should be regarded as indicative, preliminary and for illustrative purposes only. Expected and actual outcomes may differ from those set out in this document (as explained in the "Forward-looking statements" section above);
- vii. some of the related information appearing in this document may have been obtained from public and other sources and, while the Group believes such information to be reliable, it has not been independently verified by the Group and no representation or warranty is made by the Group as to its quality, completeness, accuracy, fitness for a particular purpose or noninfringement of such information;
- viii. for the purposes of the information included in this document, a number of key judgements and assumptions have been made. It is possible that the assumptions drawn, and the judgement exercised may subsequently turn out to be inaccurate. The judgements and data presented in this document are not a substitute for judgements and analysis made independently by the reader;
- ix. any opinions or views of third parties expressed in this document are those of the third parties identified, and not of the Group, its affiliates, directors, officers, employees or agents. By incorporating or referring to opinions and views of third parties, the Group is not, in any way, endorsing or supporting such opinions or views;
- x. whilst the Group bears primary responsibility for the information included in this document, it does not accept responsibility for the external input provided by any third parties for the purposes of developing the information included in this document;
- xi. the data contained in this document reflects available information and estimates at the relevant time;
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- xv. further development of reporting, standards or other principles could impact the information included in this document or any metrics, data and targets included in this document (it being noted that ESG reporting and standards are subject to rapid change and development); and
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By Order of the Board  
**Adrian de Souza**  
Group Company Secretary

Hong Kong, 21 February 2025

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

*Chairman:*

José María Viñals Iñiguez

*Executive Directors:*

William Thomas Winters, CBE and Diego De Giorgi

*Independent Non-Executive Directors:*

Shirish Moreshwar Apte; Jacqueline Hunt; Diane Enberg Jurgens; Robin Ann Lawther, CBE; Lincoln Leong Kwok Kuen; Maria da Conceicao das Neves Calha Ramos (Senior Independent Director); Philip George Rivett; David Tang and Linda Yi-chuang Yueh, CBE