Annual Report 2024

Connecting the world's most dynamic markets

Connecting the world's most dynamic markets

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

Our strategy combines differentiated cross-border capabilities and leading wealth management expertise. Our purpose is to drive commerce and prosperity through our unique diversity.

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

Financial KPIs[1]

Return on tangible equity (RoTE)

11.7% ↑160bps
Underlying basis

9.7% ↑130bps
Reported basis

Common Equity Tier 1 ratio (CET1)

14.2% ↑19bps
Above our 13-14% target range

Total shareholder return

47.5% 2023: 9.4%

Non-financial KPIs[2]

Diversity and inclusion: women in senior roles[4]

33.1% ↑0.6ppt

Mobilising sustainable finance

$121bn ↑$34bn

Employee net promoter score (eNPS)

20.44 ↓5.42 points

Other financial measures[1,3]

Operating income

$19,696m ↑14%
Underlying basis

$19,543m ↑10%
Reported basis

Profit before tax

$6,811m ↑21%
Underlying basis

$6,014m ↑19%
Reported basis

Earnings per share

168.1 cents ↑39.2 cents
Underlying basis

141.3 cents ↑32.7 cents
Reported basis

Tangible net asset value per ordinary share

1,541 cents ↑148 cents

1 Reconciliations from underlying to reported and definitions of alternative performance measures can be found on pages 54 to 56.
2 For more information on our culture of inclusion see page 40, and for more on our Sustainability Aspirations see page 64.
3 Year-on-year growth on Operating income and Profit before tax is on constant currency basis.
4 Senior leadership is defined as Managing Directors and Band 4 roles (including the Group Management Team).

In this report

About this report

Sustainability and ESG reporting

The Group includes Environmental, Social and Governance (ESG) and sustainability information in this Annual Report, providing investors and stakeholders with an understanding of the implications of relevant sustainability-related risks and opportunities and progress against our objectives.

We have observed our obligations under: (i) sections 414CA and 414CB of the UK Companies Act 2006; (ii) the UK's Financial Conduct Authority's Listing Rules in respect of climate-related disclosures; and (iii) the ESG Reporting Guide contained in Appendix C2 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. We have made disclosures consistent with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations and recommended disclosures throughout this Annual Report.

In preparing this report we have given consideration to (but do not align in full with) the guidance provided by the International Sustainability Standards Board (ISSB) Standards finalised in 2023: IFRS S1 and IFRS S2, noting that IFRS S2, although largely based on TCFD, requires a more granular level of disclosure. IFRS S1 and S2 are voluntary standards and compliance is not yet required in the Group's listing locations.

Additionally, we publish an ESG reporting index against the voluntary Global Reporting Initiative (GRI) Universal Standards and select GRI Topic Standards, and the World Economic Forum Stakeholder Capitalism Metrics framework.

+ The Group's sustainability-related disclosures can be accessed via **sc.com/sustainabilitylibrary**

Alternative performance measures

The Group uses a number of alternative performance measures in the discussion of its performance. These measures exclude certain items which management believes are not representative of the underlying performance of the business and which distort period-on-period comparison. They provide the reader with insight into how management measures the performance of the business.

+ For more information on Standard Chartered please visit **sc.com**

All information presented in the Group Chairman's statement, and Group CEO and CFO reviews are on an underlying basis unless otherwise stated. A reconciliation from underlying to reported and definitions of alternative performance measures can be found on pages 54 to 56.

Unless another currency is specified, the word 'dollar' or symbol '$' in this document means US dollar and the word 'cent' or symbol 'c' means one-hundredth of one US dollar. Disclosures in the Strategic report, Financial review, Sustainability review, Directors' report, Risk review and Capital review and Supplementary information are unaudited unless otherwise stated. Unless context requires within the document, 'China' refers to the People's Republic of China and, for the purposes of this document only, excludes Hong Kong Special Administrative Region (Hong Kong), Macau Special Administrative Region (Macau) and Taiwan. 'Korea' or 'South Korea' refers to the Republic of Korea. Asia includes Australia, Bangladesh, Brunei, Cambodia, India, Indonesia, Laos, Malaysia, Myanmar, Nepal, Philippines, Singapore, Sri Lanka, Thailand, Vietnam, China, Hong Kong, Japan, Korea, Macau and Taiwan; Africa includes Botswana, Côte d'Ivoire, Egypt, Ghana, Kenya, Mauritius, Nigeria, South Africa, Tanzania, Uganda and Zambia. The Middle East includes Bahrain, Iraq, Oman, Pakistan, Qatar and Saudi Arabia and the UAE. Europe includes Belgium, Falkland Islands, France, Germany, Jersey, Luxembourg, Poland, Sweden, Türkiye and the UK. The Americas includes Argentina, Brazil, Colombia and the US. Within the tables in this report, blank spaces indicate that the number is not disclosed, dashes indicate that the number is zero and 'nm' stands for not meaningful. Standard Chartered PLC is incorporated in England and Wales with limited liability, and is headquartered in London. The Group's head office provides guidance on governance and regulatory standards. Standard Chartered PLC Stock codes are: LSE STAN.LN and HKSE 02888.

Who we are and what we do

Our client segments

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

Client segment	Operating income
1. Corporate & Investment Banking (CIB) Supports large corporations, development organisations, governments, banks and investors in accessing cross-border trade and investment opportunities.	$11,818m Underlying basis $11,863m Reported basis
2. Wealth & Retail Banking (WRB) Serves the local and international banking needs of clients across the wealth continuum from Personal to Priority and Private Banking, as well as small and medium enterprises.	$7,816m Underlying basis $7,839m Reported basis
3. Ventures Promotes a culture of innovation across the Group, investing in disruptive financial technology and creating alternative financial service business models, as well as growing our digital banks — Mox and Trust.	$183m Underlying basis $183m Reported basis
4. Central & Other Items	$(121)m Underlying basis $(342)m Reported basis

Global functions

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

Group Chief Financial Office (GCFO)	Partners with the business and collaborates with other functions to execute on the Group strategy. GCFO comprises four areas: Finance, Treasury, Investor Relations and Corporate Development.
Strategy & Talent	Brings together the Corporate Strategy, Group-wide Transformation, Corporate Affairs, Brand & Marketing, Corporate Real Estate Services, Human Resources, Supply Chain Management and Fit for Growth programme teams. The function plays a critical role in how we develop, execute and communicate our strategy and build and deploy our skills and resources to transform the Bank and achieve sustainable growth.
Technology & Operations	Responsible for reshaping the Group's systems and technology platforms to ensure we provide robust, responsive and innovative technology and digital solutions. Also manages all client operations, seeking to provide an optimal client service and experience across the board.
Group Internal Audit	An independent function with the primary role of supporting the Board and Management Team, and protecting the assets, reputation and sustainability of the Group.
Compliance, Financial Crime & Conduct Risk (CFCR)	Partners internally and externally to achieve the highest standards in conduct and compliance to enable a sustainable business and to fight financial crime.
Legal	Provides legal advice and support to the Group in managing legal risks and issues.
Risk	Provides oversight and challenge on the Group's risk management, ensuring that business is conducted in line with regulatory expectations.

Our culture

With our focus on cross-border banking and helping generations of families grow their wealth – we remain the bank we set out to be over 170 years ago.

Our distinctive culture has been developed in pursuit of our purpose – to drive commerce and prosperity through our unique diversity. We deliver innovative solutions that create long-term value for our clients and the communities within which we operate.

We're committed to promoting equality and inclusion, as it's our diversity – of people, cultures and networks – that sets us apart and helps us drive business growth.

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

Valued behaviours

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

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

Do the right thing

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

Never settle

We're ambitious in our constant pursuit of excellence and market-leading innovation.

Better together

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

Our Stands

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

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

Read more on our Stands
sc.com/who-we-are

Accelerating Zero

Lifting Participation

Resetting Globalisation

Where we operate

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

Our locations

Our unique geographic footprint connects high-growth and emerging markets in Asia, Africa and the Middle East with more established economies in Europe and the Americas, allowing us to channel capital to where it's needed most. For more than 170 years, we have used the power of our network to maximise opportunities for people and businesses who trade, operate or invest in these regions. Our diverse experience, capabilities and culture set us apart.

Americas

- Argentina
- Brazil
- Colombia
- US

Europe

- Belgium
- Falkland Islands
- France
- Germany
- Jersey
- Luxembourg
- Poland
- Sweden
- Türkiye
- UK

Middle East

- Bahrain
- Iraq
- Oman
- Pakistan
- Qatar
- Saudi Arabia
- UAE

Africa

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

Asia

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

Markets across the world

53

Together, we run further

Our marathon series covered new ground in 2024.

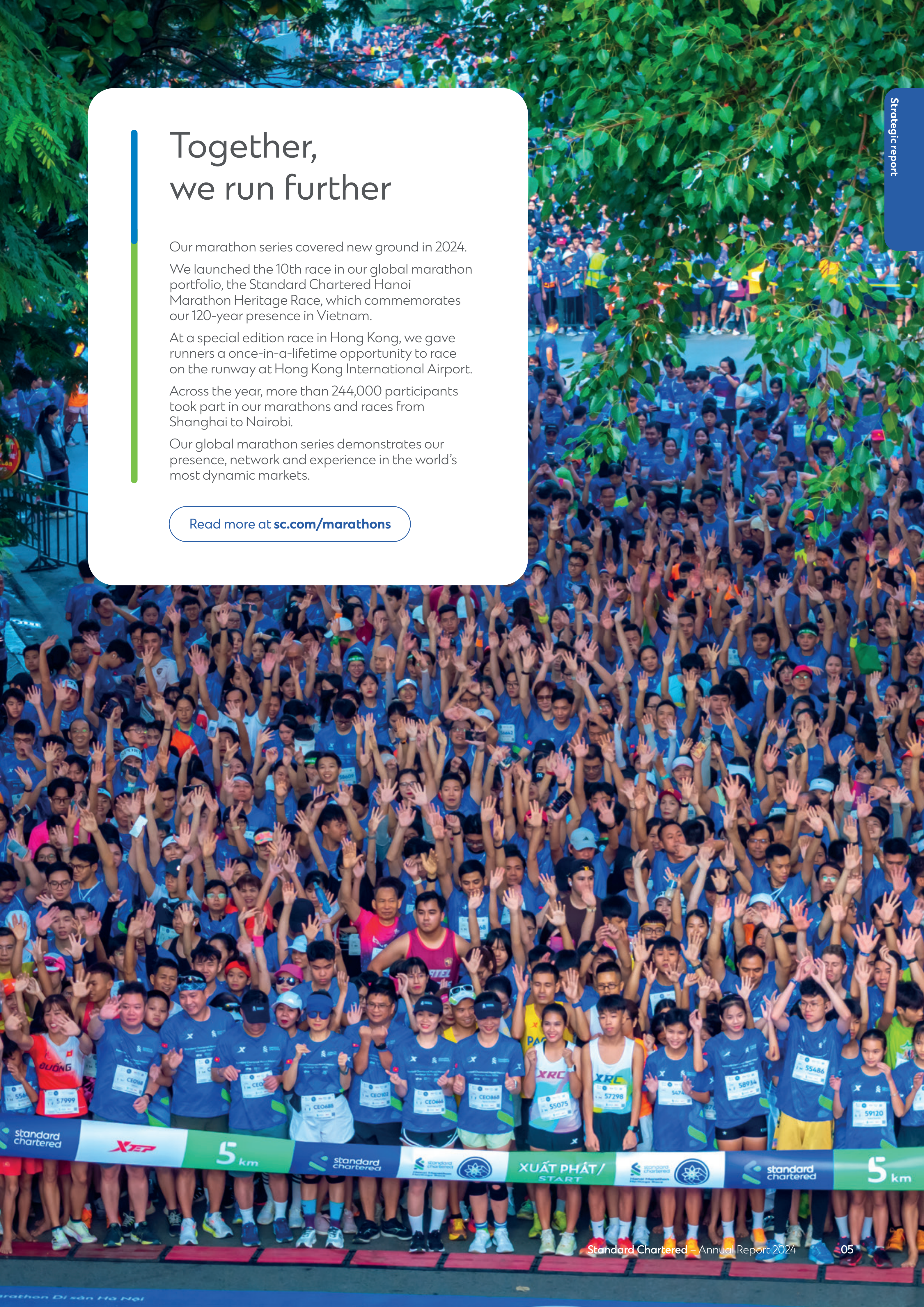
We launched the 10th race in our global marathon portfolio, the Standard Chartered Hanoi Marathon Heritage Race, which commemorates our 120-year presence in Vietnam.

At a special edition race in Hong Kong, we gave runners a once-in-a-lifetime opportunity to race on the runway at Hong Kong International Airport.

Across the year, more than 244,000 participants took part in our marathons and races from Shanghai to Nairobi.

Our global marathon series demonstrates our presence, network and experience in the world's most dynamic markets.

Read more at **sc.com/marathons**



Group Chairman's statement

Throughout 2024, we made demonstrable progress in delivering on our strategy, as evidenced by our financial performance for the full year. Our high-growth markets, where we have prioritised investment, continue to deliver strongly and provide the basis for us to pursue our role as a super connector across the established and emerging global corridors of trade, investment and wealth.

This performance was achieved in a year when the geopolitical environment saw the transition and transfer of power as roughly half the world's population participated in the global election 'super cycle', with approximately two billion eligible voters in over 70 national elections. Despite many changes, and in some cases disruption, our strategy endures. This has been driven by our own internal discipline as well as our tireless execution in delivering outstanding service to our clients. The leadership of our Group Chief Executive, Bill Winters, and his Management Team continues to inspire confidence and focus across the organisation. Their expertise and dedication remain essential to our success, and my deepest thanks go to each of them and their teams.

The refinement of our strategy announced with our Q3 2024 results brings together two complementary strengths of our business, which are well positioned as drivers of future growth: the pursuit of **cross-border** opportunities through our corporate and investment banking capability and network; and an unrelenting focus on the fast-growing **affluent** segment of clients through our leading wealth management offering.

In sharpening our focus, it has likewise been necessary to make changes to our business model, including the decision to reshape our mass retail business to focus on developing our pipeline of future affluent and international banking clients, and optimise our resource allocation by exiting some markets. While such changes are difficult, particularly where our presence has been longstanding, we must consider where we can have the greatest impact and where our capabilities can be delivered both efficiently and effectively in service of future growth, value creation and the evolving needs of our clients.

Performance with purpose

In my statement last year, I highlighted that our growth must be achieved in a strong, safe and sustainable manner, while maintaining both cost and capital discipline. I am delighted to say that 2024 saw us maintain this level of rigour in our approach. This led to an improvement in our return on tangible equity reaching 11.7 per cent, which sets a notable milestone for us ahead of our 2026 target of approaching 13 per cent. When combined with income growth of 14 per cent on a constant currency basis it becomes clear that our underlying business is connected to meaningful opportunities across our markets.

The strength of our performance in 2024 has also been observed in our share price over the period, which not only reflects the progress we are making, but the renewed confidence and understanding of our business in the eyes of our investors and external stakeholders. The Board and Group Management Team are pleased to see such results flow through and remain committed to building on this further. This year, we are pleased to be able to provide an increased full-year dividend of 37 cents per share (a 37 per cent increase) and are announcing a further share buyback of $1.5 billion, in addition to the $2.5 billion already announced over the course of the year. Overall, this amounts to a total of $4.9 billion announced since full-year 2023 results.

Across both Corporate & Investment Banking (CIB) and our Wealth & Retail Banking (WRB) businesses, we are focused on driving income growth in high-returning areas. In CIB, our commitment to deepening our relationship with financial institutions and leveraging our unique network in support of our corporate client base was underpinned by strong growth in both our Global Markets and Global Banking business. While in WRB, our decision to make a $1.5 billion investment commitment in service of the affluent client segment underlines our role as a Bank that offers services throughout the full wealth continuum. We are targeting $200 billion in net new money and double-digit CAGR in Wealth Solutions income over the next five years, a business which saw a record performance in 2024, up 29 per cent at constant currency when compared with 2023, with double-digit growth in both Investment Products and Bancassurance.

Beyond financial performance, our purpose and brand promise, here for good, remain critically important in defining who we are as a business. They aid us in determining our ambition and help guide our decision making. As a Group, we continue to play our part in helping to address some of the most pressing societal changes through our Stands: Accelerating Zero, Lifting Participation and Resetting Globalisation.

In this report we outline further progress against our net zero roadmap as we disclose the interim targets and science-based methodologies for our financed emissions in all 12 of the high-emitting sectors as defined by the Net-Zero Banking Alliance. The addition of a target for the Agriculture sector fulfils our commitment to target setting in support of our clients as they navigate the transition of the real-world economy. As a reminder, 2025 is also the year in which we aim to be net zero in our Scope 1 and 2 emissions, an important milestone in our own net zero journey as a Group.

This year we also published the Group's inaugural Transition Plan which outlines our approach to deliver this change and achieve net zero by 2050, demonstrating to clients, suppliers, customers and other key stakeholders that the bank has a clear plan to deliver on the commitments we have made. Our sustainable and transition finance capabilities are a significant part of our commercial offering and demonstrate the value of our deep expertise in this space as a trusted, expert adviser. The growth of this business and the broadening diversity of our product offering give us a leading advisory capability that is in high demand in our markets, as they look to deliver progress against their own adaptation, transition, and sustainability ambitions.

Confident and accountable

As a Board, our role is to ensure the highest standards in corporate governance and to take a long-term view on how we can responsibly achieve success for the Group, through both our oversight and constructive partnership with the Group Management Team.

As I reach the end of my nine-year term and prepare to step down from the Board after this year's Annual General Meeting (AGM), I am especially proud that my successor comes from our existing non-executives. I have every confidence that Maria Ramos will build on the constructive partnership we have built with the Group Management Team and in her ability to lead the Group in its next phase of growth. Under her stewardship, I believe that the Group will continue to seek out opportunity, leverage the talent of our people, remain client-centric and resilient, and ensure we can successfully navigate the challenges that may lie ahead.

In reflecting on my time with the Group, I look back to my original priorities when joining. These were to deliver long-term value by helping the Bank achieve its potential, safeguard and strengthen its resilience; and to leave in place an enhanced model of governance. By these measures, I am proud of what we have achieved, and grateful for the contribution of the many colleagues and partners over the years who were integral in helping us to, collectively, make credible progress.

While such work is never complete in any organisation, our financial performance highlights the value of our franchise. And as we look to the future, we must set a renewed level of ambition. Our ability to adapt and evolve in a fast-changing external and competitive environment will be the measure of our long-term success.

I would like to acknowledge the contribution of my fellow Board members during my tenure, and thank those who retired from the Board. Since our last AGM, David Conner stepped down in December 2024 after nine years. During his tenure we greatly benefited from his insights and expertise gained over many years of working across some of our key markets. He has likewise played a key role as a member of the Board and our committees and led the Board Risk Committee with distinction. Importantly, we also welcomed new members to the Board. This includes Diane Jurgens, who was announced last year, and subsequently joined the Board in March 2024, as well as Lincoln Leong, who joined the Board in November 2024.

Each of our Board members brings valuable personal perspectives and the weight of their experience in terms of expertise in markets and industries. The multi-faceted diversity of our Board remains critically important, and while all appointments are based on merit, they must also be representative of the diverse clients we serve and markets in which we operate.

From possibilities to prosperity

The early months of 2025 have already proven that, alongside growth, success and opportunity, there is always risk. Circumstances can and will change and what we consider to be norms cannot always be taken for granted. As a Group, it is incumbent on us to aid our clients through such circumstances, to help them navigate the possibilities that provide a pathway to growth and prosperity.

The world is in a period of transition, from a western-led and progressively more integrated global economy to an era of 'multi-alignment' where major players may act more independently and assertively. The long-running trends of environmental, technological and demographic change are being brought into sharper relief by these tensions. This is re-shaping the way markets interact – and, in turn, the where, how and who of globalisation.

In 2024, we saw profound changes across geopolitics, technology, and the need for a better and more sustainable model of growth. The full scale of the AI opportunity started to dawn on businesses and governments alike, with greater appreciation for how incremental investments can drive near-term growth and impact. In the context of ongoing climate negotiations, the planet exceeded the 1.5C warming threshold for the first time, bringing us close to a long-term trend that may be irreversible.

Our role is to help our clients, communities and stakeholders navigate transition with confidence, underpinned by the belief that change is most powerful and inclusive when it is delivered in partnership. Although we expect global growth to slow slightly in 2025, on the back of strong activity in Asia, Gulf Cooperation Council markets and the US, there is persistent uncertainty in the outlook, in large part because of the geopolitical context.

This uncertainty will create new risks, but also new opportunities in fast-growing trade corridors, sustainable development, and cross-border wealth. This context isn't new: in recent years, trade routes have been rewired, with many of our markets acting as a channel between east and west. There are opportunities for our business, anchored in our footprint markets. And also for the world at large, as we have seen concerted efforts to improve supply chain resilience, including reducing carbon footprints.

At the same time, we must guard against unnecessary friction that raises costs for all involved. We should all remember that, over the last half a century, trade has been a key driver in powering global economic growth, improving living standards and reducing household consumption costs. And open trade and investment will be crucial if we are to leverage the full benefits of the global technology transformation, and to continue to invest in addressing climate change – including in the resilience of markets most exposed to its impacts.

I remain optimistic that, working together, businesses and governments around the world can power world trade and the next wave of global growth. In that, our role as a super connector is critical in realising our value as a Group that operates in service of our clients and other stakeholders.

Dr José Viñals

Group Chairman

21 February 2025

Group Chief Executive's review

Our team has worked hard to make our bank focused, strong and profitable. We made good progress over the past several years and 2024 marked further improvement. We have more that we can do and remain focused on further strengthening our business and growing our returns.

We are a global bank connecting corporate, institutional and affluent clients to a network that offers unique access to sustainable growth opportunities across Asia, Africa and the Middle East. This distinctive proposition puts us in good stead to help our clients navigate the dynamic conditions we saw throughout the year.

As a result, we performed strongly in 2024, delivering on our target to continue to increase our return on tangible equity (RoTE), posting 11.7 per cent for 2024, up 160 basis points on 2023, and we remain on-track to achieve our 2026 target of approaching 13 per cent.

Income of $19.7 billion was up 14 per cent on a constant currency basis, supported by an encouraging performance across our big engines of non-net interest income, including a record performance in Wealth Solutions, with income up 29 per cent, and double-digit growth in Global Markets and Global Banking.

Good cost discipline has enabled us to generate positive income-to-cost jaws, even with continued underlying investments. Credit impairment rose 5 per cent year-on-year, mainly from higher charges in Wealth & Retail Banking (WRB), while Corporate & Investment Banking (CIB) benefitted from recoveries. The broader portfolios have proved resilient, and we remain vigilant in the face of a volatile global environment. All this has helped to increase underlying profit before tax by 21 per cent year-on-year to $6.8 billion.

Our strategy of combining differentiated cross-border capabilities for corporate and institutional clients with leading wealth management expertise for affluent clients is working. In CIB, we have increased cross-border (network) income by 11 per cent compound annual growth rate (CAGR) since 2019, and it is now 61 per cent of total CIB income. We also recently announced a long-term strategic partnership with Apollo to support and accelerate financing for infrastructure, clean transition and renewable energy globally. In WRB, we continue to build on our strengths in affluent, with $44 billion of net new money in 2024, up 61 per cent on prior year. This is equivalent to a strong 16 per cent growth of affluent assets under management coming from net new money. Also, earlier in 2024 we set-up our first global variable capital company in Singapore, through which we offer hard-to-access custom-created investment strategies exclusively to our clients, and have subsequently launched two such sub-funds.

We remain highly liquid, with a diverse and stable deposit base, and a liquidity coverage ratio of 138 per cent. We are well capitalised, finishing the year with a Common Equity Tier 1 (CET1) ratio of 14.2 per cent, above our target range, allowing us to increase our full-year ordinary dividend by 37 per cent to 37 cents per share. With the proposed final dividend and the $1.5 billion share buyback announced today, our total shareholder returns announced since the full-year 2023 results is $4.9 billion, well on our way to the at least $8 billion three-year cumulative target.

As we look to the year ahead, I would like to offer my thanks to our much valued and long-standing colleague, José Viñals, who will step down as our Group Chairman later this year. José has been a great partner to me and the members of our Board. During his tenure he has been a tireless advocate and champion of our business. Under his diligent stewardship as Chairman, he has helped steer the Group and made a meaningful contribution to the strong position we hold today. By embodying our brand promise, here for good, he has also played critical roles in contributing to the development of the international finance sector and in mobilising sustainable finance in service of our markets.

In wishing José a fond farewell, I would also like to extend a warm welcome to Maria Ramos who will succeed José as the Group Chair, subject to regulatory approval. Maria first joined our Board as an Independent Non-Executive Director in January 2021, and she was appointed Chair of the Board Risk Committee and Senior Independent Director in 2022. Maria is a seasoned leader and former banker, with a wealth of experience from leadership positions within the private and public sectors. She also has extensive international non-executive and Chair experience as well as a deep understanding of operating across emerging and developing markets.

Taking action to concentrate resources on areas of greatest strength

Our strategy is designed to deliver our purpose, to drive commerce and prosperity through our unique diversity. This is underpinned by our brand promise, here for good. In our Q3'24 results, we set out a series of further actions to double down on our strategy of combining differentiated cross-border capabilities for corporate and institutional clients with leading wealth management expertise for affluent clients. We will concentrate capital and investment in our areas of greatest differentiation and competitive strength, further simplifying our business and helping us to generate higher quality growth, deliver sustainably higher returns and improve our RoTE over the medium term.

We have set ourselves ambitious goals that align to delivering this strategy and we also upgraded our 2026 RoTE target from 12 per cent to approaching 13 per cent. These goals, outlined below, supersede the commitments we previously announced with our 2023 results in February last year.

- In our CIB business, we will continue to sharpen our focus on serving the cross-border needs of our larger global corporate and financial institution clients. We are optimising resource allocation by reducing the number of clients whose needs do not play directly to our strengths.
- As a result of these actions, we are targeting to increase income from financial institution clients to around 60 per cent of CIB over the medium-term (51 per cent in 2024), and to increase the percentage of cross-border (network) income to around 70 per cent (61 per cent in 2024).
- In our WRB business, we are solidifying our position as a leading wealth manager in Asia, Africa and the Middle East with a differentiated, fast-growing and high-returning international affluent franchise. This will be enabled by investing $1.5 billion over five years in our wealth and digital platforms, client centres, people and brand and marketing, to accelerate income growth and returns. This investment will be funded by reshaping our mass retail business to focus on developing a strong pipeline of future affluent and international clients.
- We are confident that our increased investment and greater concentration will help us to outperform the market in terms of asset gathering and income growth over the medium term, and we are therefore targeting $200 billion of net new money from 2025 to 2029, a double-digit CAGR in Wealth Solutions income from 2024 to 2029, and for affluent income share of WRB income to reach 75 per cent by 2029, from 68 per cent in 2024.
- In Ventures, SC Ventures will continue to promote a culture of innovation across the Group, investing in disruptive financial technology and creating alternative financial services and business models. As our portfolio matures, we expect to generate gains on sales or mergers of our ventures and will increasingly obtain third party funding for expansion of ventures, demonstrating the economic value we are creating. And we expect our two digital banks, Mox and Trust, to be profitable in 2026.

Strong progress in our leading sustainability business

Our leading sustainability capabilities are an integral part of our client offering across all our business segments, and the Group as a whole. We have had another year of strong growth in Sustainable Finance income, which is up 36 per cent year-on-year in 2024, to $982 million, and is very close to our 2025 target of over $1 billion. We have mobilised $121 billion of Sustainable Finance since the beginning of 2021, making good progress as we advance towards our $300 billion target by 2030.

Looking forward, in CIB we will continue to scale Sustainable Finance and support our clients' transition journeys across our markets. In WRB, we will integrate sustainable investments into our Wealth Solutions propositions and leverage bank-wide sustainability capabilities as a key differentiator to our affluent clients.

Turning to our net zero roadmap, in 2024 we continued to deliver against our net zero commitments, completing the baseline and target setting for our 12 highest emitting sectors. But we also recognise that achieving our net zero by 2050 target requires active collaboration and engagement with our clients to support and accelerate their transition and I am therefore pleased to share that we have published our inaugural Transition Plan alongside this Annual Report.

This year, we also demonstrated our commitment to protecting and restoring nature by becoming an early adopter of the Taskforce on Nature-related Financial Disclosures. Building on our ambition to shift financial flows towards nature-positive outcomes, we also partnered with the Government of The Bahamas, The Nature Conservancy, the Inter-American Development Bank, and other financial partners to launch an innovative debt conversion, expected to generate $124 million for marine conservation.

Improving operational leverage through the Fit for Growth programme

In February last year, we launched our bank-wide, three-year, Fit for Growth programme, which is focused on taking actions to transform the way we operate, addressing structural inefficiencies and complexity to simplify, standardise and digitise key elements of our business, setting the stage for accelerated growth.

This programme is targeting to deliver around $1.5 billion of expense savings over three years, and we expect to incur a similar amount in terms of the cost to achieve these sustainable organisational and financial benefits, creating lasting capacity to reinvest in our growth.

Since its launch we have progressed the programme at pace, having mobilised over 200 projects during 2024, with initiatives that focus on sustainable structural improvements. We expect the majority of the $1.5 billion of savings to ramp up from 2025, with a tail of efficiency effects continuing after 2026, albeit several projects executed in 2024 have achieved the equivalent of around $0.2 billion of annualised savings. We expect to incur around 60 per cent of the $1.5 billion cost-to-achieve by the end of 2025. We remain committed to delivering positive jaws each year on an underlying basis, and for costs to be below $12.3 billion in 2026.

Delivering substantial shareholder distributions

Our equity generation and discipline on risk-weighted assets this year have created capacity for us to continue to deliver substantial shareholder distributions, and in our Q3'24 results we substantially increased our shareholder distribution target from at least $5 billion to at least $8 billion from 2024 to 2026.

We remain committed to sharing our success with our shareholders and will continue to actively manage our capital position with this objective in mind. We are therefore announcing today a further share buyback programme of $1.5 billion, to commence imminently. This new share buyback, and a proposed final dividend of $679 million, brings our total shareholder returns announced since the full-year 2023 results to $4.9 billion, well on our way to our improved target of at least $8 billion.

Optimistic outlook for the markets in our footprint

Looking forward, we expect the global growth rate to be broadly flat in 2025, moderating down slightly to 3.1 per cent from 3.2 per cent in 2024, but then accelerating in 2026 to 3.3 per cent. Support from looser financial conditions and expansionary fiscal policy may be partly offset by protectionist trade policies and interest rates that remain high.

Growth in our footprint markets across Asia, Africa and the Middle East, is set to outpace global growth, with Asia expanding by 4.8 per cent in 2025, Africa growing by 4.3 per cent and the Middle East (including Pakistan) by 3.6 per cent. We expect growth in the Association of Southeast Asian Nations (ASEAN) and India to remain healthy, despite the moderating outlook for key western trade partners, and we are uniquely positioned to take advantage of this with our unparalleled presence in all 10 ASEAN markets, as well as being one of the largest international banks in South Asia.

Our clients find immense value in partnering with us to solve complicated problems for them in the markets we call home. While we are anchored in Asia, Africa and the Middle East, our footprint is global and our deep knowledge of, and expertise in, doing business across our network is hard to replicate.

This is our time

We are a unique organisation – a diverse, global business with unparalleled cross-border reach and capabilities. As the world gets more complicated, we become more critical to our clients because we, like no other, understand how to navigate those complexities.

We have delivered a strong financial performance in 2024 demonstrating the value of our franchise and the strength of our strategy.

Looking forward, we are targeting a RoTE approaching 13 per cent in 2026, and for it to progress thereafter. We aim to deliver this through strong income growth, improving operational leverage aided by our Fit for Growth programme and maintaining our responsible approach to risk and capital.

Our recent success has made us ambitious and confident for more. My Management Team and I remain focused on delivering on our targets, seizing the structural underlying growth opportunities we have, transforming how we work, delivering better experiences for clients and colleagues, and creating exceptional long-term value for our shareholders.

Finally, I would like to acknowledge the remarkable efforts of our colleagues again this year. Their impressive dedication to our clients and the communities that we serve help to manifest our brand promise of here for good.

Bill Winters
Group Chief Executive
21 February 2025

Management Team


Bill Winters, CBE
Group Chief Executive


Diego De Giorgi
Group Chief Financial Officer


Alvaro Garrido
Interim Group Chief Information Officer


Roberto Hoornweg
Global Co-Head, Corporate & Investment Banking


Benjamin Hung
President, International


Judy Hsu
CEO, Wealth & Retail Banking


Mary Huen
CEO, Hong Kong and Greater China & North Asia


Tanuj Kapilashrami
Chief Strategy & Talent Officer


Sunil Kaushal
Global Co-Head, Corporate & Investment Banking


Alex Manson
CEO, SC Ventures


Sadia Ricke
Group Chief Risk Officer


Darrell Ryman
Interim Group Chief Operating Officer

Read more on the management team on **pages 110 to 112**.

Key performance indicators

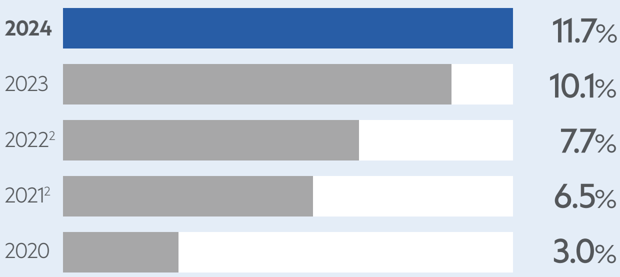
We measure our progress against Group key performance indicators (KPIs), as detailed below, as well as client KPIs, which can be found on pages 21 to 23. Our Group KPIs include non-financial measures reflecting our commitment to build an engaged, diverse and inclusive culture and support social and environmental outcomes.

Financial KPIs

Underlying return on tangible equity (RoTE)[1] %

Alignment to remuneration

+160bps



Aim Deliver sustainable improvement in the Group's profitability as a percentage of the value of shareholders' tangible equity.

Progress in 2024 Our strategy to drive improved levels of return on tangible equity (RoTE) is working. RoTE for the year of 11.7 per cent is 160 basis points higher year-on-year.

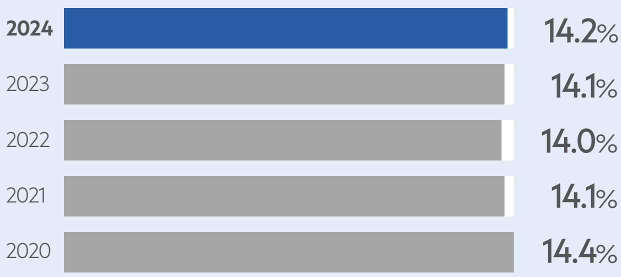
1 The underlying profit attributable to ordinary shareholders expressed as a percentage of average ordinary shareholders' tangible equity.

2 2021 and 2022 have been restated to reflect market and business exits announced in Q1 2023.

Common Equity Tier 1 ratio (CET1)[1] %

Alignment to remuneration

+19bps



Aim Maintain a strong capital base and Common Equity Tier 1 (CET1) ratio.

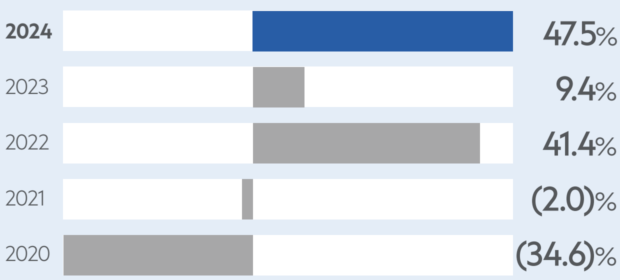
Progress in 2024 The Group remains well capitalised and highly liquid with a CET1 ratio of 14.2 per cent above our target range, enabling the Board to announce a 37 per cent increase in the full-year dividend and a $1.5 billion share buyback programme to start imminently.

The components of the Group's capital are summarised in the Capital review on **pages 270 to 274**.

Total shareholder return (TSR)[3] %

Alignment to remuneration

47.5%



Aim Deliver a positive return on shareholders' investment through share price appreciation and dividends paid.

Progress in 2024 Our total shareholder return for the full year was 47.5%.

3 Combines simple share price appreciation with dividends paid to show the total return to the shareholder and is expressed as a percentage total return to shareholders.

Alignment to remuneration

Reward for all Group employees, including executive directors, continues to be aligned to the Group's strategic priorities, through our annual and long-term incentive scorecards. Our approach to remuneration is consistent for all employees and is designed to create alignment with our Fair Pay Charter, which applies globally. However, our pay structures may vary according to location (to comply with local requirements). Variable remuneration falls into two categories: annual incentive and a long-term incentive plan (LTIP) which are aligned to the KPIs indicated.

- **Annual incentive** is based on measurable performance criteria linked to the Group's strategy and assessed over a period of one year.
- **LTIP** awards are granted to senior executives who have the ability to influence the long-term performance of the Group. Awards are performance dependent based on measurable, long-term criteria.

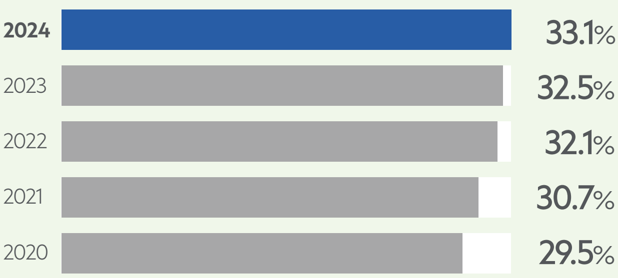
Read more in our Directors' remuneration report on **pages 143 to 174**.

Non-financial KPIs

Diversity and inclusion: women in senior roles[4] %

Alignment to remuneration

+0.6ppt



Aim Increase representation[4] of women in senior leadership roles[5] globally to 35 per cent by the end of 2025.

Progress in 2024 In 2024, the proportion of senior leadership roles occupied by women has increased to 33.1 per cent. This is up by 0.6 percentage points from December 2023 (32.5 per cent) and up 7.8 percentage points since December 2016 (25.3 per cent).

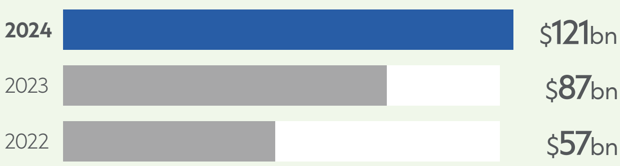
4 Subject to local legal requirements

5 Senior leadership is defined as Managing Director and Band 4 roles (including the Group Management Team).

Mobilisation of sustainable finance[6,7]

Alignment to remuneration

+$34bn



2021 The Group announced this target in Q4 2021.

Aim Cumulative progress towards our commitment to mobilise $300 billion between 2021 and 2030.

Progress in 2024 We made strong progress against this target during the year.

Read more on **pages 69 to 73**

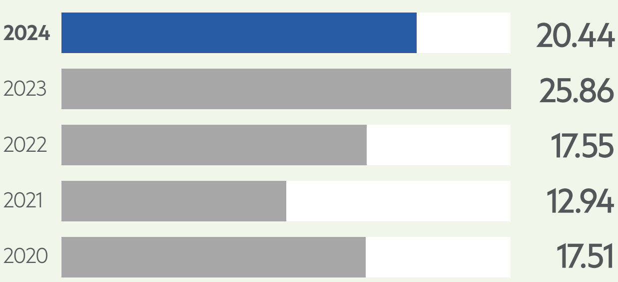
6 We define mobilisation of sustainable finance as any investment or financial service provided to clients that supports: (i) the preservation and/or improvement of biodiversity, nature or the environment; (ii) the long-term avoidance/decrease of GHG emissions, including the alignment of a client's business and operations with a 1.5 degree Celsius trajectory (known as transition finance); (iii) a social purpose; or (iv) incentivising our clients to meet their own sustainability objectives (known as sustainability-linked finance). It is a measure of total capital mobilised and considers the total value of the committed facilities provided.

7 Figures reflect cumulative sustainable finance mobilised since January 2021 up to September of each year.

Employee net promoter score (eNPS)[8]

Alignment to remuneration

-5.42 points



Aim Improve the overall employee experience across the Group by creating a better work environment for our colleagues that should translate into an improved client experience.

Progress in 2024 While the eNPS score dropped by 5.42 points to 20.44 from 25.86 in 2023 (which was our highest ever score), it continues to be stronger than previous years.

8 eNPS ranges from -100 to +100 and is based on a single question which measures whether colleagues would recommend working for the Bank. It is calculated by deducting the percentage of detractors from the percentage of promoters.

Market environment

Global macro trends: Macroeconomic factors affecting the global landscape

Trends in 2024

- Global GDP growth held at 3.2 per cent in 2024, the same as 2023, as central banks began to loosen policy in the face of declining inflation.
- Asia was the best-performing region, recording growth of 5.0 per cent as ASEAN economies in particular were supported by improving tourism and the semiconductor upcycle. Growth in China was slower relative to 2023, but appeared to have accelerated in Q4 helped by policy support. Growth in India normalised to 6.2 per cent from 8.2 per cent in 2023.
- Sub-Saharan Africa likely saw growth of 3.4 per cent in 2024, an improvement from 3.1 per cent in 2023, supported by easing global financial conditions, the region's continued recovery from COVID-19 crisis and country-specific factors.
- Among the majors, the US economy remained resilient, with growth improving to 2.7 per cent from 2.5 per cent in 2023, led by personal consumption, despite recent signs of softening in the labour market. Growth also recovered in the UK to 0.9 per cent in 2024 as inflation fell and demand recovered. The euro-area economy grew by 0.7 per cent in 2024, following 0.4 per cent growth in 2023, as growth was constrained by weak investment. In most majors, labour markets remained strong, but there are signs of softening.
- Major central banks like the Federal Reserve and European Central Bank started to loosen monetary policy from mid-2024 onwards as inflation showed clearer signs of returning to target levels, while fiscal policy remained accommodative in the US.

Outlook for 2025

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

Medium- and long-term view

Broader global trends

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

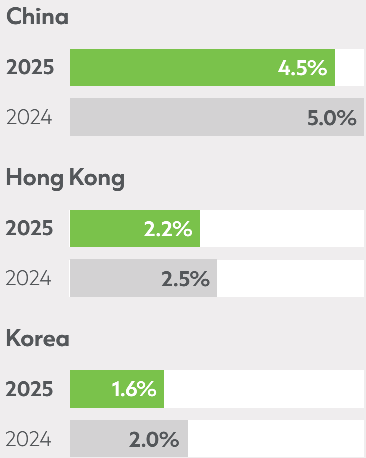
The world under Trump 2.0

- Trump's victory in the US elections is likely to have significant implications for the existing geopolitical environment through the impact for global climate policy, the UN, Bretton Woods institutions, and US relations with the EU.
- Trump has pledged to use import tariffs to reduce the US trade deficit and bring production back to the US. While this process has begun, uncertainty around the scope and extent of tariff action from the US and likely retaliation by trade partners might act as drags on consumer and investor confidence, slowing growth.
- Global trade has remained resilient in the face of rising protectionism over the past decade. However, an escalation in tariff wars has the potential not only to accelerate the reorientation of supply chains already under way but also lead to lower global trade overall.
- Expectations of spending on defence and infrastructure together with possible tax cuts is likely to be inflationary and could see the Fed terminal rate settling at a higher level than in the pre-pandemic period.
- This would significantly change the global funding environment for emerging markets. The external funding environment for emerging markets will likely be tougher as US Money Market rates could stay elevated with a higher Fed terminal rate.
- Emerging market economies that are more domestically driven and have better fiscal and monetary buffers to offset external shocks are likely to be more resilient to external shocks.

Regional outlook

Greater China and North Asia

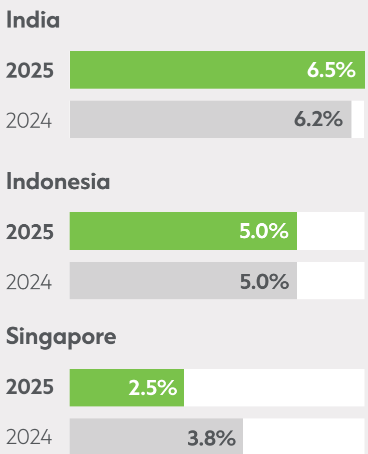
Actual and projected growth by market



- China is likely to bear the brunt of US tariff policy, with initial US tariffs being met by retaliatory tariffs from China. The authorities are preparing for the potential fallout by delivering additional stimulus to support the domestic economy. In late September, China pivoted towards more aggressive policy easing that helped generate a Q4 rebound. In December, the top planning meeting adopted a pro-growth stance for 2025, pledging to raise the deficit ratio and loosen monetary policy. The authorities appear determined to tap the policy space to offset a potentially sharp increase in the US tariffs, focusing more on consumption than investment.
- Net exports have contributed significantly to China's growth in 2024; this contribution is expected to decline substantially in 2025. However, the real-estate sector – which has weighed heavily on growth for the past few years – is likely to be less of a drag in 2025 as supportive policies take effect.
- While The People's Bank of China is expected to keep monetary policy loose, expansionary fiscal policy will be the biggest source of support for 2025 growth, in our view. We expect China's economy to grow 4.5 per cent in 2025.
- Hong Kong is likely to be disproportionally affected by outsized US trade measures targeted against China. The US–China trade war under Trump 1.0 pushed Hong Kong to trade more with China and ASEAN (at the expense of trade with the US and Europe); this secular trend could accelerate as global supply chains reorient around new US tariff threats. We believe Hong Kong still has a key role to play as China's 'super-connector' as South-South trade and investment links expand in an increasingly fragmented world.
- Growth in South Korea is likely to slow in 2025, reflecting rising uncertainty on external demand due to likely protectionist policies under Trump 2.0. This may weigh heavily on firms' investment incentives, particularly in export-driven industries.

ASEAN and South Asia

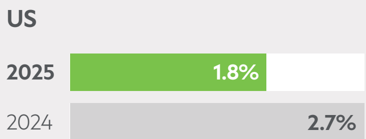
Actual and projected growth by market



- India's growth has likely moderated to 6.2 per cent in 2024 and 6.5 per cent in 2025 from 8.2 per cent in 2023, owing to a cyclical slowdown in urban demand, and delays in the private sector investment cycle. However, the likelihood of more measures to improve INR liquidity, a shallow rate cutting cycle and a large income tax cut delivered in the recent budget are likely to provide a floor. The government remains focused on fiscal consolidation, albeit gradually amid slowing domestic growth and external uncertainty.
- We expect growth in ASEAN to remain healthy but slow slightly in 2025 versus 2024 due to the effects of monetary tightening and the moderating economic outlook for key trade partners – namely the US, the euro area and China. Trade-reliant economies like Singapore, Vietnam, Malaysia and Thailand are exposed to US trade policies. Even if they are not directly targeted by tariffs or other measures, Asia's small, open economies could be hit by spillover from China in the short term.
- Larger and more domestically driven economies – including India, Indonesia and the Philippines – may be less affected but are not immune to a significant hit to China and/ or global trade. Over the medium term, however, we expect ASEAN to continue to attract strong foreign direct investment flows as investors seek to diversify their operational capacity and tap new markets.
- Asian central banks focused on FX stability are likely to scale back their rate-cutting cycles due to sharply reduced Fed easing expectations, the spectre of a stronger USD in 2025, and an uncertain Asian trade environment. For India, we maintain our call for 50bps of rate cuts; we think monetary policy will focus more on the growth and inflation impact of US trade policies than on FX concerns. For the region's small, open economies, negative currency spillover may have less influence on policy decisions in the coming year. Singapore has already eased monetary policy in January and we expect Thailand to lower rates further in 2025.

Americas

Actual and projected growth by market

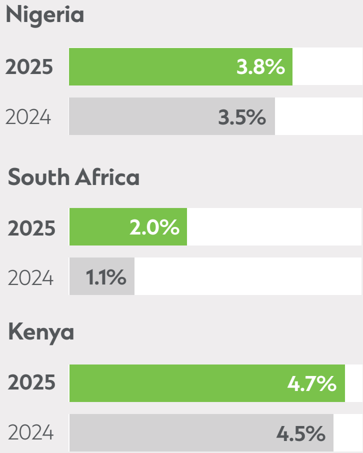


- The US economy is likely to stay on a healthy footing, with layoffs remaining low and consumer and business sentiment staying strong. Tighter financial conditions towards end-2024 could bring some growth softness in H1 2025 before returning to trend in H2 2025.
- Slowing growth and a softening labour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

Regional outlook

Africa

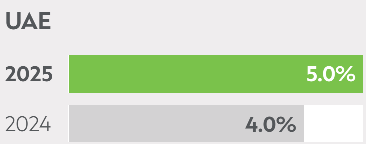
Actual and projected growth by market



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

Middle East

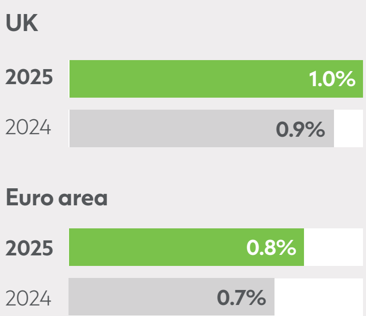
Actual and projected growth by market



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

Europe

Actual and projected growth by market



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

Highlighting the impact of extreme weather and climate change

The Standard Chartered Weather Photographer of the Year competition highlights captivating weather and climate images by amateur and professional photographers.

In 2024, our Malaysian colleague Nur Syaireen Natasya Binti Azaharin came first in the smartphone category, with her image 'Volcanoes'.

The other winners were:

- Main prize: Wang Xin, from China; 'Sprites Dancing in the Dark Night'
- Youth prize: Angelina Widmann, from Austria; 'Rain Aria'
- Public vote and Climate Award: Gerson Turelly from Brazil; 'Rowing'.

Organised by the UK's Royal Meteorological Society, the competition helps to raise awareness about the impact of extreme weather and the changing climate across our markets.

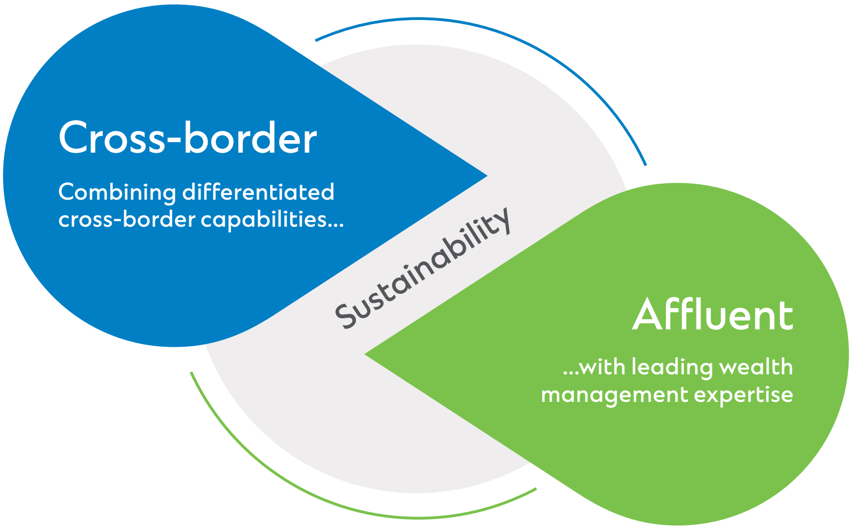
Read more at **sc.com/scwpy**

Image credit: 'Volcanoes' by Nur Syaireen Natasya Binti Azaharin

Our strategy

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

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



Strategic priorities

Cross-border

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

Affluent

- Solidify our position as a leading wealth manager in Asia, Africa and the Middle East with a differentiated, fast-growing and high-returning international affluent franchise
- Invest $1.5 billion over five years in our wealth and digital platforms, client centres, people, brand, and marketing, to accelerate income growth and returns
- Reshape our mass retail business to focus on developing a strong pipeline of future affluent and international banking clients
- Integrate sustainable investments into our Wealth Solutions propositions and leverage bank-wide sustainability capabilities as a key differentiator to our affluent clients

Cross-border income:	Income from financial institution clients:	Affluent income:	Wealth Solutions income:
~70% of CIB in medium term	~60% of CIB in medium term	~75% of WRB by 2029	Double-digit CAGR from 2024 to 2029

Our business model

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

Our business segments

Corporate & Investment Banking (CIB)

Supports large corporations, development organisations, governments, banks and investors in accessing cross-border trade and investment opportunities.

Read more on **page 21**

Wealth & Retail Banking (WRB)

Serves the local and international banking needs of clients across the wealth continuum from Personal to Priority and Private Banking, as well as small and medium enterprises.

Read more on **page 22**

Ventures

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

Read more on **page 23**

Our key products and services

Global Markets & Global Banking

- Macro, Credit & Commodities Trading
- Lending & Financial Solutions
- Capital Markets & Advisory

Transaction Services

- Payments and Liquidity
- Trade & Working Capital
- Securities & Prime Services

Wealth Solutions

- Investments
- Bancassurance
- Wealth advice
- Portfolio management

Retail Products

- Deposits
- Mortgages
- Credit cards
- Personal loans

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

Read more on **page 57**

Responsible business practices

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

Bespoke sustainable finance solutions

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

Innovation in service of our markets

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

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

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

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

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

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

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

Technology
Our foundations in technology and data act as key enablers in providing world class client services.

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

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

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

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

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

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

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

Client segment reviews

Corporate & Investment Banking

Profit before taxation

$5,581m

↑4% underlying basis

$5,378m

↓6% reported basis

Return on tangible equity (RoTE)

19.0%

↓50bps underlying basis

18.4%

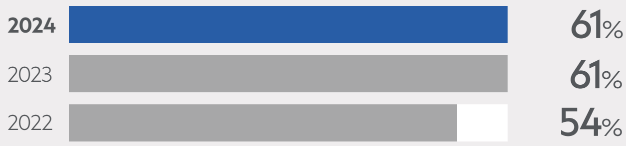
↓227bps reported basis

Risk-weighted assets (RWA)

$157bn

↑$15bn

Network income as % of total CIB income



Aim: Drive cross-border income by focusing on strategic corridors with growth potential

Analysis: Share of network income improved from 54 per cent in 2022 to 61 per cent in 2023 and 2024 as we focus on serving the cross-border needs of our large global corporate and financial institution clients

Contributions of Financial Institutions segment as % of total CIB income

Aim: Drive growth in high-returning Financial Institutions segment

Analysis: Share of Financial Institutions income improved to 51 per cent in 2024 as we applied continued focus to this segment to drive income and returns

Segment overview

Corporate & Investment Banking (CIB) supports local and large corporations, governments, banks and investors with their transaction services, banking, and financial market needs. We provide differentiated cross-border capabilities to over 17,000 clients in some of the world's fastest-growing economies and most active trade corridors. Our clients operate or invest in 47 markets across the globe.

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

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

Strategic priorities

- Deliver sustainable growth for clients by leveraging our network to facilitate trade, capital and investment flows across our footprint markets.
- Generate high-quality returns by improving income mix, growing capital-lite income and driving balance sheet velocity, while maintaining disciplined risk management.
- Be a digital-first and data-driven bank that delivers enhanced client experiences.
- Accelerate our sustainable finance offering to our clients through product innovation and enabling transition to a low-carbon future.

Progress

- Our underlying income performance was driven by our diversified product suite, expanded client solutions and optimised resource allocation by focusing on clients whose cross-border needs played directly to our strengths. Our cross-border income contributed to 61 per cent of total CIB income with growth across strategic corridors.
- Resilient balance sheet quality with investment-grade net loans and advances to customers represented 66 per cent of total corporate net loans and advances to customers (2023: 65 per cent).
- We increased the share of income from our financial institution clients as a percentage of total CIB income, from 49 per cent in 2023 to 51 per cent in 2024.
- Active management of pass-through rates helped us to maintain a balance between pricing and deposit attrition.
- Client Digital Transaction Initiation stood at 68.3 per cent (2023: 64.5 per cent) largely in Cash, Trade and FX. Client experience remained at the centre of our digital transformation, with our Customer Satisfaction Score at 72 per cent (2023: 61 per cent).
- We are well on our way towards delivering our target of $1 billion income from our Sustainable Finance franchise by 2025, and have mobilised $121 billion against our $300 billion commitment in sustainable financing by 2030.

Performance highlights

- Underlying profit before tax of $5,581 million increased by 4 per cent at constant currency (ccy) driven by higher income, partially offset by higher operating expenses and other impairment charge.
- Underlying operating income of $11,818 million increased by 6 per cent at ccy primarily driven by strong performance in Global Markets and Global Banking. Global Markets grew by 15 per cent, supported by double-digit growth in both flow and episodic income. Global Banking also saw a 15 per cent increase due to higher loan origination volumes from strong pipeline execution, coupled with improved Capital Markets activities. Transaction Services remained flat, as 12 per cent increase in Securities & Prime Services income, driven by higher fees and deposit balances were offset by lower margins in Payments and Liquidity, and Trade & Working Capital products.
- Underlying operating expenses were up by 9 per cent at ccy largely due to investments and higher performance-related pay, partly offset by disciplined hiring and control over discretionary spending.
- Credit impairment was a net release of $106 million, benefitting from client recoveries, partly offset by a $58 million overlay for clients who have exposure to Hong Kong's commercial real estate sector. Other impairment charge primarily related to the write-off of software assets.
- Risk-weighted assets of $157 billion were up $15 billion mainly driven by asset growth and higher market RWA.

Wealth & Retail Banking

Profit before taxation

$2,463m

↓1% underlying basis

$2,193m

↓10% reported basis

Return on tangible equity (RoTE)

24.4%

↓90bps underlying basis

21.7%

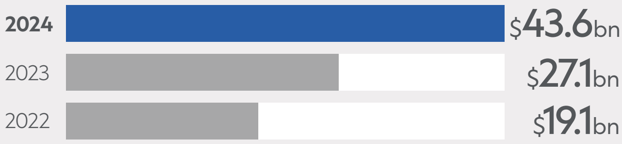
↓301bps reported basis

Risk-weighted assets (RWA)

$50.5bn

↓$1bn

Affluent Net New Money (NNM)[1]

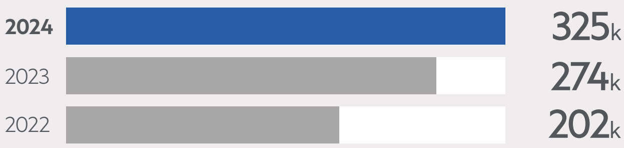


1 Net New Money is shown at YTD constant currency FX rates

Aim: Achieve NNM[1] from new and existing affluent clients, via innovation, and advisory-led and digital-first Wealth propositions

Analysis: Affluent NNM increased by 61 per cent year-on-year in 2024, supported by strong new-to-bank client acquisition momentum, cross-border referrals and digital-driven client engagement

International affluent clients in wealth hubs



Aim: To solidify our position as a leading international wealth manager by leveraging our client continuum, global network and expertise in wealth solutions

Analysis: International affluent clients increased 18 per cent year-on-year in 2024, delivering ~50 per cent of the three-year growth target set in 2023

Segment overview

Wealth & Retail Banking (WRB) serves more than 13 million individuals and small businesses, with a focus on the affluent segment which encompasses Private Bank, Priority Private, Priority Banking, and Premium. In the mass retail space, we are focused on emerging affluent clients who will progress in their wealth journey with us and form the pipeline of future affluent clients.

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

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

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

Strategic priorities

- Solidify our position as a leading international wealth manager and capture Global Chinese and Global Indian opportunities, by leveraging our client continuum, global network and expertise in wealth solutions.
- Accelerate our investment in affluent frontline teams, wealth and digital platforms, and client centres, as well as brand and marketing, to drive income growth and higher returns.
- Deliver differentiated and advisory-led wealth propositions with digital-first and personalised experiences, leveraging an open architecture platform.
- Enable access to sustainable investments by integrating ESG into our Wealth Solutions propositions.
- Reshape our mass retail business to focus on building a strong pipeline of future affluent and international banking clients.
- Improve client experience and efficiency via continuous innovation, digitisation, data analytics and process simplification.

Progress

- Strong momentum in client growth with the addition of 265,000 new-to-bank affluent clients, and Net New Money[1] across Priority Banking and Private Bank reached $43.6 billion, up by 61 per cent year-on-year.
- Strengthened cross-border and cross-segment collaboration across our global network to deliver robust growth in international clients (up 18 per cent year-on-year), resulting in 325,000 new international clients and a significant contribution to Assets Under Management.
- Continued to launch differentiated wealth solutions such as our exclusive Signature Select and Signature CIO funds.
- Digitised and enhanced wealth client journeys with new self-service capabilities, streamlined processes, and more comprehensive portfolio advisory capabilities for both clients and frontline teams.
- Developed our relationship teams to be better wealth advisers, with about 1,100 frontline relationship managers, team leaders and specialists trained in the Standard Chartered-INSEAD Wealth Academy programmes since launch.
- Up-tiered 295,000 individual clients through our wealth continuum across and within personal and affluent segments, by tailoring propositions and service models to the needs of our clients.
- Recognised for excellence in private banking, digital wealth and other capabilities, with over 30 industry awards received in 2024.

Performance highlights

- Underlying profit before tax of $2,463 million decreased by 1 per cent at constant currency (ccy) primarily driven by increased operating expenses, higher credit and other impairment charge partially offset by higher income.
- Underlying operating income of $7,816 million was up 11 per cent at ccy, driven primarily by Wealth Solutions, up 29 per cent. This growth was broad-based across markets and products, driven by continued momentum in Affluent new-to-bank onboarding and net new money. CCPL & Other Unsecured Lending income increased by 3 per cent supported by higher volumes from Partnership-led growth. Deposits income rose by 4 per cent driven by higher deposit volumes. Mortgage & Other Secured Lending income was up by 3 per cent benefitting from higher upfront fees due to new sales momentum in Korea and Hong Kong, along with improving margins due to lower HIBOR.
- Underlying operating expenses increased by 9 per cent in ccy, primarily driven by inflation and investment in business growth initiatives including the strategic hiring of Affluent relationship managers.
- Credit impairment charge increased $290 million to $644 million mainly from the higher interest rate environment impacting repayments on credit cards and personal loans, the growth and maturity of the digital partnership portfolios in China and Indonesia as well as $21 million overlay relating to Korea eCommerce platforms. Other impairment charge primarily related to the write-off of software assets.

Ventures

Loss before taxation

$390m

↓ 4% underlying basis

External funds raised

$60m

↓ 7%

Risk-weighted assets (RWA)

$2.4bn

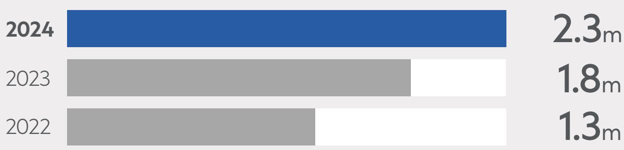
↑ $0.5bn

Customers

2.3m

↑ 0.5m

Customers



Segment overview

Formed in 2022, the Ventures client segment is a consolidation of SC Ventures and its related entities as well as the Group's two majority-owned digital banks Mox in Hong Kong and Trust in Singapore.

- SC Ventures is the platform and catalyst for the Group to promote innovation, invest in disruptive financial technology and explore alternative business models. It represents a diverse portfolio of almost 30 ventures and more than 30 investments.
- Mox, a cloud-native, mobile only digital bank, was launched in Hong Kong as a joint venture with HKT, PCCW and Trip.com in September 2020.
- Trust Bank is Singapore's first digitally native bank, launched in partnership with FairPrice Group in September 2022. It has become one of the world's fastest-growing digital banks, rapidly expanding to 974,000 customers in Singapore by the end of 2024 and building a wide range of innovative products and services.

Strategic priorities

- SC Ventures' focus is on building and scaling new business models – across the three themes of Digital Banking & Lifestyle, Trade & Supply Chains and Digital Assets, enabled by artificial intelligence, Web3/Blockchain, ESG and Quantum. We do this by connecting ecosystems, partners and clients to create value and new sources of revenues, providing optionality for the Bank. We advance our fintech agenda by identifying, partnering and making minority investments in companies that provide technology capabilities, which can be integrated into the Bank and Ventures. Our focus is on innovative, fast growing, technology-focused companies that can accelerate transformation in the financial services sector.
- Mox aims to become the leading digital bank globally. Its vision is to set the global benchmark for digital banking, focusing on cards, digital lending, deposits and wealth management. Mox plans to enhance its offering with insurance services and a broader range of digital financial solutions to cater to customer needs in a competitive market.
- Trust Bank aims to establish itself as one of the main retail banks in Singapore, creating new standards of customer experience. Key near-term priorities are to continue to deepen engagement with existing customers and to launch a wealth management proposition.

Progress

- In 2024, SC Ventures maintained positive momentum, further enhancing its business performance. It launched four new ventures, raised funds amid a challenging environment, and expanded its geographical reach. As a result, the SC Ventures customer base grew by 13 per cent year-on-year to reach 660,000. SC Ventures' presence in the Middle East expanded its network of partners and stakeholders in the region, while our Singapore-based digital infrastructure platform, Olea Global, secured a $100 million warehouse financing facility from HSBC and Manulife.

  SC Ventures' portfolio of compliant and bank-grade platforms continues to prove our commitment to building infrastructure that will enable institutional adoption of digital assets. In 2024, Zodia Custody's client base significantly expanded, and the digital asset custodian is now backed by four major financial institutions: Standard Chartered, Northern Trust, SBI Holdings, and NAB. Libeara is powering the SGD Delta Fund (managed by Fundbridge Capital), which received Moody's first ever rating of a tokenised bond.
- In 2024, Mox had around 650,000 customers, penetrating over 10 per cent of Hong Kong's total bankable population. Mox continued to achieve strong performance, supported by an engaged customer base with an average 3.1x products and average log in of 15 times per active customer every month. Mox delivered 15 per cent year-on-year growth in revenue and 57 per cent year-on-year growth in deposits. Mox Card is a runaway success, with more than 100 million transactions to date. In 2024, Mox was the first digital bank in Hong Kong to offer Asia Miles as part of its customer value proposition and has distributed a total of 500 million Asia Miles to date. By the first half of 2024, Mox's market share had reached 27 per cent (was ranked #1) and 26 per cent (was ranked #2) in lending and deposits respectively, among all Hong Kong digital banks.

  Mox was recognised for its excellence by various global named agencies, such as the Best Digital Bank in Hong Kong by The Asian Banker, Best Digital Bank for CX in Hong Kong and in Asia Pacific by The Digital Banker Digital CX Awards, Virtual Bank of the Year – Hong Kong by Asian Banking & Finance. Besides, Mox has established a strong connection with Hong Kong customers since its launch – the bank's app is currently the highest-rated digital banking app in Hong Kong, achieving a score of 4.8 out of 5 in the Apple App Store
- Trust Bank continued its rapid growth during 2024, with customer numbers reaching 974,000, equivalent to an 18 per cent share of the adult population in Singapore. Customer referrals remain the main source of this growth, keeping customer acquisition costs low. Alongside this customer growth, Trust Bank significantly expanded its customer proposition during the year, launching several innovative products including split purchase and balance transfer loans, a cashback credit card and a proposition for mass affluent customers called Trust+. Customer engagement levels remain high with credit card customers making an average of 21 transactions each month. The resulting financial progress has been strong, with deposit balances doubling to $2.8 billion and customer lending balances increasing 149 per cent to $0.6 billion. 2024 revenue increased 160 per cent compared with 2023 while costs rose only 5 per cent. Loan impairments remained well controlled.

  During the year, Trust Bank received extensive industry awards and recognition, including the best digital bank in Singapore by The Asian Banker and was named the best mobile banking app globally by The Digital Banker. It remains a top-rated bank in Singapore on the Apple App Store. Building on the success of Trust+, Trust Bank is building its first investment solutions product called TrustInvest, which it plans to launch in the first quarter of 2025.

Performance highlights

- Underlying loss before tax decreased by $18 million to $390 million reflecting the Group's continued commitment to investing in transformational digital initiatives. Income rose by 16 per cent at ccy to $183 million, driven primarily by a 60 per cent growth in the Digital Banks. This growth was fuelled by strong growth in customer numbers and volumes in both digital banks – Mox and Trust.
- Operating expenses increased by 8 per cent due to continued investment in new and existing ventures.
- Credit impairment decreased from $85 million to $74 million, mainly due to delinquency rates improving in Mox.
- Risk-weighted assets of $2.4 billion have increased $0.5 billion mainly due to continued investment in new and existing ventures and minority interests.

Group Chief Financial Officer's review

Summary of financial performance

All commentary that follows is on an underlying basis and comparisons are made to the equivalent period in 2023 on a constant currency basis, unless otherwise stated.

The Group delivered a strong performance in 2024, recording a return on tangible equity (RoTE) of 11.7 per cent, up 160 basis points year-on-year. A record performance in Wealth Solutions, and strong double-digit growth in Global Markets and Global Banking, drove operating income growth of 14 per cent to $19.7 billion. Operating income was up 12 per cent excluding two notable items relating to gains on revaluation of FX positions in Egypt and hyperinflationary accounting adjustments in Ghana, as well as adjusting for the reclassification of deposit insurance to expenses (the reclassification). Operating expenses grew 7 per cent or 6 per cent excluding the reclassification, resulting in positive income-to-cost jaws of 6 per cent excluding both notables and the reclassification. The credit impairment charge of $557 million was equivalent to an annualised loan-loss rate of 19 basis points while the other impairment charge of $588 million mostly related to the write-off of software assets with no impact on capital ratios. This resulted in an underlying profit before tax of $6.8 billion, up 21 per cent.

The Group remains well capitalised and highly liquid with a strong and diverse deposit base. The liquidity coverage ratio of 138 per cent reflects disciplined asset and liability management. The Common Equity Tier 1 (CET1) ratio of 14.2 per cent is above the Group's target range of 13 per cent to 14 per cent, enabling the Board to announce a $1.5 billion share buyback programme to commence imminently.

- **Operating income** of $19.7 billion increased by 14 per cent or 12 per cent excluding the benefit of two notable items and the reclassification. The double-digit growth was driven by record performance in Wealth Solutions and strong double-digit growth in Global Markets and Global Banking.
- **Net interest income (NII)** increased 10 per cent, benefitting from the roll-off of short-term hedges of $455 million, and improved asset mix from a reduction in treasury assets to fund the trading book. This was partly offset by lower average interest earning asset volumes and the impact of elevated pass-through rates on deposit margins. Excluding the reclassification, NII was up 8 per cent.
- **Non NII** increased 20 per cent. This was driven by a record performance in Wealth Solutions with broad-based growth across products, strong performance in Global Markets with double-digit growth in both flow and episodic income and strong performance in Global Banking from higher origination volumes. Excluding two notable items of $295 million, non NII increased 16 per cent.
- **Operating expenses** excluding the UK bank levy increased 7 per cent, or 6 per cent excluding the reclassification. This was largely driven by inflation, strategic investments and continued investments into business growth initiatives, including strategic hiring of Relationship Managers in Wealth & Retail Banking (WRB) and coverage bankers in Corporate & Investment Banking (CIB), partly offset by efficiency saves. The Group generated 7 per cent positive income-to-cost jaws and the cost-to-income ratio improved by 4 percentage points to 59 per cent.
- **Credit impairment** of $557 million in 2024 was up 5 per cent year-on-year. WRB impairment of $644 million was up $290 million, mainly from the higher interest rate environment impacting repayments on credit cards and personal loans, and the growth and maturation of the digital partnership portfolios in China and Indonesia. This was partly offset by a $106 million net recovery in CIB.
- **Other impairment** of $588 million of which $561 million relates to write-off of software assets, with no impact on capital ratios.

- **Profit from associates and joint ventures** was down 47 per cent to $50 million mainly reflecting lower profits at China Bohai Bank.
- **Restructuring, other items and Debit Valuation Adjustment (DVA)** totalled $797 million. Restructuring of $441 million reflects the impact of actions to transform the organisation to structurally improve productivity, of which $156 million relates to the Fit for Growth programme, partly offset by gains on the remaining Principal Finance portfolio. Other items of $332 million includes losses related to the sale of Zimbabwe of $172 million, Angola of $26 million and Sierra Leone of $19 million all primarily from the recycling of FX translation losses from reserves into the income statement, with no impact on tangible equity or capital. There was also a $100 million charge booked for participation in a compensation scheme recommended by the Korean Financial Supervisory Service. Movements in the DVA were a negative $24 million.
- **Taxation** was $1,972 million on a reported basis, with an underlying effective tax rate of 30.6 per cent up from 29.1 per cent in the prior year reflecting deferred tax not recognised for UK losses, US tax adjustments, lower tax-exempt income and a change in the geographic mix of profits.
- **Underlying RoTE** increased by 160 basis points to 11.7 per cent mainly reflecting an increase in profits.
- **Underlying basic earnings per share (EPS)** increased 39.2 cents or 30 per cent to 168.1 cents and reported EPS increased 32.7 cents or 30 per cent to 141.3 cents.
- A final **ordinary dividend** per share of 28 cents has been proposed taking the full-year dividend to 37 cents per share, a 37 per cent increase year-on-year. The Group completed a $1 billion share buyback programme during the first half of the year and the $1.5 billion share buyback programme announced on 30 July 2024 was completed on 30 January 2025. The increased dividend, along with a new share buyback programme of $1.5 billion to be commenced imminently, takes the total shareholder distributions announced since the full year 2023 results to $4.9 billion.

Guidance

The 2025 and 2026 guidance is as follows:

- **Income:**
  - Operating income to increase 5-7 per cent CAGR in 2023-2026 at constant currency (ccy) excluding the reclassification, currently tracking towards the upper end of the range
  - 2025 growth expected to be below the 5-7 per cent range at ccy excluding notable items
- **Expenses:**
  - Operating expenses to be below $12.3 billion in 2026 at ccy, now including the UK bank levy and the ongoing impact of the reclassification; there has been no change to the 2026 guidance on a like-for-like basis
  - Expense saves of around $1.5 billion and cost to achieve of no more than $1.5 billion from the Fit for Growth programme
  - Positive income-to-cost jaws in each year at ccy, excluding notable items
- **Assets and RWA:**
  - Low single-digit percentage growth in underlying loans and advances to customers and RWA
  - Basel 3.1 day-1 impact expected to be close to neutral
- Continue to expect the loan loss rate to normalise towards the historical through-the-cycle 30 to 35 basis points range.
- **Capital:**
  - Continue to operate dynamically within the full 13-14 per cent CET1 ratio target range
  - Plan to return at least $8 billion to shareholders cumulative 2024 to 2026
  - Continue to increase full-year dividend per share over time
- RoTE approaching 13 per cent in 2026 and to progress thereafter.

Diego De Giorgi
Group Chief Financial Officer

21 February 2025

Summary of financial performance

	2024 $million	2023 $million	Change %	Constant currency change[1] %
Underlying net interest income	**10,446**	9,557	9	10
Underlying non NII	**9,250**	7,821	18	20
Underlying operating income	**19,696**	17,378	13	14
Other operating expenses	**(11,700)**	(11,025)	(6)	(7)
UK bank levy	**(90)**	(111)	19	19
Underlying operating expenses	**(11,790)**	(11,136)	(6)	(7)
Underlying operating profit before impairment and taxation	**7,906**	6,242	27	28
Credit impairment	**(557)**	(528)	(5)	(5)
Other impairment	**(588)**	(130)	nm	nm
Profit from associates and joint ventures	**50**	94	(47)	(47)
Underlying profit before taxation	**6,811**	5,678	20	21
Restructuring[4]	**(441)**	(14)	nm	nm
Goodwill and Other impairment[5]	**–**	(850)	100	100
DVA	**(24)**	17	nm	nm
Other items[3]	**(332)**	262	nm	nm
Reported profit before taxation	**6,014**	5,093	18	19
Taxation	**(1,972)**	(1,631)	(21)	(24)
Profit for the year	**4,042**	3,462	17	17
Net interest margin (%)[2]	**1.94**	1.67	27	
Underlying return on tangible equity (%)[2]	**11.7**	10.1	160	
Underlying earnings per share (cents)	**168.1**	128.9	30	

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

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

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 Restructuring 2024 includes $156 million of Fit For Growth costs that are primarily severance costs, costs of staff working on FFG initiatives and legal and professional fees

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

Reported financial performance summary

	2024 $million	2023 $million	Change %	Constant currency change[6] %
Net interest income	**6,366**	7,769	(18)	(17)
Non NII	**13,177**	10,250	29	30
Reported operating income	**19,543**	18,019	8	10
Reported operating expenses	**(12,502)**	(11,551)	(8)	(9)
Reported operating profit before impairment and taxation	**7,041**	6,468	9	10
Credit impairment	**(547)**	(508)	(8)	(7)
Goodwill and Other impairment	**(588)**	(1,008)	42	42
Profit from associates and joint ventures	**108**	141	(23)	(24)
Reported profit before taxation	**6,014**	5,093	18	19
Taxation	**(1,972)**	(1,631)	(21)	(24)
Profit for the year	**4,042**	3,462	17	17
Reported return on tangible equity (%)[7]	**9.7**	8.4	130	
Reported earnings per share (cents)	**141.3**	108.6	30	

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

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

Group Chief Risk Officer's review

The Group's strong performance in 2024 is underpinned by our commitment to effective risk management amid complex geopolitical and macroeconomic challenges across many of our markets. The first half of the year saw sustained inflation levels, high interest rates and uncertainties around the pace of rate cuts, abated by the Fed's gradual rate reductions in the second half of 2024, with many central banks following suit. Political developments remained a key focus, with many national elections taking place globally and civil unrest in several key markets requiring close monitoring. We proactively considered the potential downside impact in our credit impairment outlook. In the Middle East, heightened tensions and the risk of a broader regional conflict prompted us to strengthen crisis management measures and assess spillover risks. The Group continues to have limited direct exposure to Ukraine and to the countries in the Middle East which are currently most impacted by conflicts. In China, the improving outlook in 2025 following rounds of government stimulus measures in 2024 has helped stabilise China's real estate sector. Nonetheless, we remain watchful of China's policy response to boost trade and domestic consumption, as well as the persistent challenges in the property sector in terms of asset devaluation and destocking process by the major developers.

We remained vigilant in managing persistent and evolving geopolitical and macroeconomic risks while keeping our focus to the Group's strategy. This included monitoring volatility in commodity markets and assessing both direct and second order impacts across our segments and vulnerable sectors. Further details on the Topical and Emerging Risks which we are monitoring are detailed on page 29.

Corporate & Investment Banking (CIB)

Our CIB credit portfolio remained resilient with overall good asset quality as evidenced by our largely investment grade corporate portfolio (31 December 2024: 74 per cent, 31 December 2023: 73 per cent). In consideration of the macroeconomic challenges, portfolio and thematic reviews were conducted throughout 2024. These included: (i) stresses on extreme movements in commodity prices; (ii) a global commercial real estate (CRE) stress test, including a review of indirect exposures where the Group may be exposed to; and (iii) thematic reviews of select geographies/portfolios. Our proactive risk management helped us to identify vulnerable industry sectors and clients which could potentially come under stress. The outcomes from these reviews include closer monitoring of impacted industries and clients, placement of accounts on Early Alert, credit grade adjustment or taking proactive limit or exposure reduction actions, as appropriate.

Wealth & Retail Banking (WRB)

The WRB credit portfolio continued to demonstrate resilience amid the economic uncertainties and geopolitical challenges in 2024. Slowing economic growth in China and other challenges persisted in our larger markets (Hong Kong, Korea and Singapore), as prolonged higher interest rates maintained pressure on our retail customers' debt servicing capacity and translated into higher delinquencies and impairments. Across our consumer credit portfolios, we monitored customer affordability, proactively adjusted our origination criteria and refined our portfolio management and collections strategies. The WRB strategy was refreshed to pivot our product offerings across our markets to focus on affluent segments. While credit impairment increased in 2024, we expect improvement in credit performance in 2025 as the impact of credit actions taken and pivot to affluent segments materialise across the portfolios. We will continue to monitor changes in the macroeconomic environment, including disruptions caused by increasing market and rates volatility, regional conflicts and rising geopolitical and trade tensions, through scenario analyses and portfolio reviews.

Treasury Risk

Our liquidity and capital risks are managed to ensure a strong and resilient balance sheet that supports sustainable growth. Funding markets and liquidity conditions have generally been stable in 2024 compared to 2023. We continue to have a clear focus on Treasury risks including capital, liquidity and Interest

Rate Risk in the Banking Book and enhance the Treasury Risk framework as required. We maintained a resilient liquidity position across the Group and major legal entities throughout 2024 with Group liquidity coverage ratio (LCR) at 138 per cent (31 December 2023: 145.4 per cent), a surplus to both Risk Appetite and regulatory requirements. Common Equity Tier 1 (CET1) ratio was 14.2 per cent as of December 2024 (31 December 2023: 14.1 per cent) while Leverage ratio was 4.8 per cent (31 December 2023: 4.7 per cent).

Further details on Risk Management for our Principal Risk Types in **page 196**

Further details on Managing Climate Risk can be found in **page 256**

An update on our risk management approach

Our Enterprise Risk Management Framework (ERMF) sets out the principles and minimum requirements for risk management and governance across the Group. The ERMF is complemented by frameworks, policies and standards which are mainly aligned to the Principal Risk Types (PRTs) and is embedded across the Group, including its branches and subsidiaries[1].

The ERMF enables the Group to manage enterprise-wide risks, with the objective of maximising risk-adjusted returns while remaining within our Risk Appetite (RA).

1 The Group's ERMF and System of Internal Control applies only to wholly controlled subsidiaries of the Group, and not to Associates, Joint Ventures or Structured Entities of the Group.

Principal Risk Types and Risk Appetite

PRTs are those risks that are inherent in our strategy and business model and have been formally defined in the Group's ERMF. These risks are managed through distinct Risk Type Frameworks which are approved by the GCRO.

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

Principal Risk Type	Definition	Risk Appetite Statement
Credit Risk	Potential for loss due to failure of a counterparty to meet its agreed obligations to pay the Group.	The Group manages its credit exposures following the principle of diversification across products, geographies, client segments and industry sectors.
Traded Risk	Potential for loss resulting from activities undertaken by the Group in financial markets.	The Group should control its financial markets activities to ensure that market and counterparty credit risk losses do not cause material damage to the Group's franchise.
Treasury Risk	Potential for insufficient capital, liquidity, or funding to support our operations, the risk of reductions in earnings or value from movements in interest rates impacting banking book items and the potential for losses from a shortfall in the Group's pension plans.	The Group should maintain sufficient capital, liquidity and funding to support its operations, and an interest rate profile ensuring that the reductions in earnings or value from movements in interest rates impacting banking book items does not cause material damage to the Group's franchise. In addition, the Group should ensure its pension plans are adequately funded.
Operational and Technology Risk	Potential for loss resulting from inadequate or failed internal processes, technology events, human error, or from the impact of external events (including legal risks).	The Group aims to control operational and technology risks to ensure that operational losses (financial or reputational), including any related to the conduct of business matters, do not cause material damage to the Group's franchise.
Information and Cyber Security (ICS) Risk	Risk to the Group's assets, operations, and individuals due to the potential for unauthorised access, use, disclosure, disruption, modification, or destruction of information assets and/or information systems.	The Group aims to mitigate and control ICS risks to ensure that incidents do not cause the Bank material harm, business disruption, financial loss or reputational damage – recognising that while incidents are unwanted, they cannot be entirely avoided.
Financial Crime Risk[2]	Potential for legal or regulatory penalties, material financial loss or reputational damage resulting from the failure to comply with applicable laws and regulations relating to international sanctions, anti-money laundering and anti-bribery and corruption, and fraud.	The Group has no appetite for breaches of laws and regulations related to Financial Crime, recognising that while incidents are unwanted, they cannot be entirely avoided.
Compliance Risk	Potential for penalties or loss to the Group or for an adverse impact to our clients, stakeholders or to the integrity of the markets we operate in through a failure on our part to comply with laws, or regulations.	The Group has no appetite for breaches of laws and regulations related to regulatory non-compliance; recognising that while incidents are unwanted, they cannot be entirely avoided.
Environmental, Social and Governance and Reputational (ESGR) Risk	Potential or actual adverse impact on the environment and/or society, the Group's financial performance, operations, or the Group's name, brand or standing, arising from environmental, social or governance factors, or as a result of the Group's actual or perceived actions or inactions.	The Group aims to measure and manage financial and non-financial risks arising from climate change, reduce emissions in line with our net zero strategy and protect the Group from material reputational damage by upholding responsible conduct and striving to do no significant environmental and social harm.
Model Risk	Potential loss that may occur because of decisions or the risk of misestimation that could be principally based on the output of models, due to errors in the development, implementation, or use of such models.	The Group has no appetite for material adverse implications arising from misuse of models or errors in the development or implementation of models; while accepting some model uncertainty.

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

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

Further details on our Risk Management Approach can be found on **pages 196 to 206**.

Topical and Emerging Risks (TERs)

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

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

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

Macroeconomic and geopolitical considerations

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

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

Expanding array of global tensions and transition of the international order

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

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

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

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

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

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

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

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

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

Uncertain interest rate trajectory and credit downturn

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

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

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

Economic challenges in China

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

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

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

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

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

Sovereign risk

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

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

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

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

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

Supply chain issues and key material shortages

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

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

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

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

How these risks are mitigated

- We remain vigilant in monitoring risk and assessing impacts from geopolitical and macroeconomic risks to portfolio concentrations.
- We explored the implications of a second Trump administration, evaluating policy direction under different scenarios, the potential outcomes and challenges associated with each.
- We maintain a diversified portfolio across products and geographies, with specific risk appetite metrics to monitor concentrations.
- We are performing targeted portfolio analyses to identify clients that may be impacted by a new wave of tariffs.
- Mitigations in our Wealth & Retail Banking segment include building a resilient revenue base and maintaining close relations with clients for the awareness of early alerts.
- Increased scrutiny is applied when onboarding clients in sensitive industries and in ensuring compliance with sanctions.
- We utilise Credit Risk mitigation measures including collateral and credit insurance.
- We conduct portfolio reviews as well as macroeconomic, thematic and event-driven stress tests at Group, country and business level, with regular reviews of vulnerable sectors, and undertake mitigating actions.

- We have a dedicated country risk team that closely monitors sovereign risk.
- We run a series of daily market risk stress scenarios to assess the impact of unlikely but plausible market shocks.
- We run a suite of management scenarios with differing severities to assess their impact on key risk appetite metrics.
- We regularly review our third-party arrangements to improve operational resilience.

ESG considerations

ESG risk

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

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

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

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

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

How these risks are mitigated

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

Modern slavery statement: **sc.com/modernslavery**

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

New business structures, channels and competition

Competition arising from technological developments and non-bank lending

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

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

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

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

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

Cyber security and data challenges

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

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

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

How these risks are mitigated

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

Regulatory considerations

Regulatory evolution and fragmentation

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

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

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

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

How these risks are mitigated

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

Demographic considerations

Skills of the future

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

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

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

Demographic and migration trends

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

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

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

How these risks are mitigated

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

Sadia Ricke
Group Chief Risk Officer
21 February 2025

We're building next-gen entrepreneurial skills

In August, we held our first Young Entrepreneurs Programme (YEP) in Singapore for the children of high-net-worth Priority Private clients.

The programme was curated in partnership with SC Ventures, our innovation, fintech investment and ventures arm, and INSEAD, the world's leading business school and our Wealth Academy partner.

The four-day workshop involved 53 participants of 13 nationalities joining from eight of our top markets in Asia and beyond. The programme focused on building early entrepreneurial skills, embedding a human-centred design in translating client insights into venture ideas, developing a business model and pitching.

The YEP is a part of Global Experiences, an invitation-only programme for Priority Private clients, offering access to unique events and bespoke activities.

Read more at **sc.com/yep**

Stakeholders

As a global bank operating in 53 markets, stakeholder engagement is crucial in ensuring we understand local, regional and global perspectives and trends which inform how we do business.

Our stakeholders

- Clients
- Regulators and governments
- Investors
- Suppliers
- Society
- Employees

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

See the following pages for:

- How we engage stakeholders to understand their interests. See pages 35 to 41
- How we engage employees and respond to their interests. See pages 38 to 41
- How we respond to stakeholder interests through sustainable and responsible business. See pages 35 to 41
- How the Board engages directly with shareholders and other stakeholders. See pages 103 to 192

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

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

We communicate progress regularly with external stakeholders through channels such as **sc.com**, established social media platforms and this report. Further information on how we engage with our stakeholders, and the initiatives that we are members of, can be found at **sc.com/sustainabilitystakeholders**

Clients

How we create value

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

How we serve and engage

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

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

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

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

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

Training is provided to frontline employees across our branches and contact centres to identify and support vulnerable clients. We have also implemented an educational training programme for clients who need guidance in navigating online and mobile channels.

Clients continued

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

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

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

Wealth & Retail Banking

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

We strengthened our propositions and capabilities, adding global experiences, wealth planning, family advisory and trust services.

In addition, we have evolved our managed investments business to focus on helping clients build foundational and opportunistic portfolios. To support this, we offer innovative solutions, including our Signature CIO Funds, a series of foundational portfolios built on our CIO insights, available in 12 markets and contributing $2.1 billion dollars in Wealth AUM.

We also launched our first Young Entrepreneur Programme. The inaugural programme was curated in collaboration with INSEAD and SC Ventures – our innovation, fintech investment and ventures arm – and focused on supporting high-net-worth clients' next generation with business and entrepreneurial skills. It garnered positive feedback from the 53 young participants who joined from eight markets across our network.

Corporate & Investment Banking

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

Our network and experience, combined with our presence in valuable cross-border hubs, means that we can help clients from around the world access new corridors of globalisation.

We continue to connect capital flows to, through and from Africa, the Middle East and Asia and play a leading role in promoting sustainable finance.

In 2024, in Africa, for example, we were involved in EUR533 million of financing, backed by the African Development Bank, for the government of Côte d'Ivoire and EUR1.29 billion of financing for the Angolan Ministry of Finance to construct photovoltaic electricity distribution infrastructure. Our clients are at the heart of what we do; everything we have done structurally in 2024 is about leveraging our platform so that we can do more business with them.

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

Their interests

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

Regulators and governments

How we create value

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

How we serve and engage

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

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

Their interests

- Strong capital base and liquidity position appropriate to a global systemically important bank
- Robust standards for financial conduct and financial crime
- Competitive economies and markets
- Sustainable finance and net zero transition
- Digital innovation and use of AI in financial services
- Operational resilience
- Market integrity and customer protection
- International and digital trade
- Financial stability

Investors

How we create value

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

How we serve and engage

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

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

The Group delivered a strong set of results in 2024. Our focus is on building on our double-digit return on tangible equity (RoTE) and accelerating to deliver sustainably higher returns over the next three years. We are now targeting a RoTE approaching 13 per cent in 2026. We aim to achieve this through income growth, expense discipline, ongoing transformation and active capital management as outlined in our 2024–2046 financial framework, launched at the start of 2024.

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

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

Key investor feedback, recommendations and requests are considered by the Board, whose members keep abreast of current topics of interest. Standard Chartered PLC's Annual General Meeting (AGM) in May was open to shareholders either in person or electronically via a live video feed of the meeting. All participants had the opportunity to submit their votes and ask the Board questions. The AGM is our principal engagement event with our retail investors. Further details of our 2024 AGM are on page 185.

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

We continue to respond to growing interest from a wide range of stakeholders on ESG matters, including investors.

Investors continued

In 2025, we will continue to engage with investors on progress against our strategic priorities and actions, as well as our financial framework as we progress towards delivering sustainably higher returns.

Their interests

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

Suppliers

Supporting a sustainable supply chain

We measure and manage our Scope 3 upstream emissions and work in partnership with our suppliers to calculate emissions and set net zero targets where appropriate. For further details on our net zero and supply chain emissions programmes visit page 76.

Supporting a diverse and inclusive supply chain

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

Supplier diversity at Standard Chartered incorporates businesses owned by under-represented individuals or groups – such as women and ethnic minorities, as well as micro and small businesses. Further details on the principles of Supplier Diversity and Inclusion can be found in our Supplier Diversity and Inclusion Standard at: **sc.com/supplier-standard**

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

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

For further details of our supplier diversity programme and supplier awards events visit **sc.com/supplier-diversity**

Their interests

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

Society

How we create value

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

How we serve and engage

Our Futuremakers partners

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

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

Our external stakeholders

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

Our colleagues

We encourage colleagues to give back to their communities using their three days paid volunteering leave. To enable a volunteering culture, we gathered feedback and insights from our employee volunteering (EV) champions and ran a series of workshops to develop an EV toolkit accessible to all colleagues. We are expanding our focus on skills-based volunteering to leverage our colleagues' skill sets and deepen our community impact. This year we launched a global skills-based volunteering week providing learning sessions and volunteering opportunities to build awareness across the Bank. To drive participation, we organised train-the-trainer workshops to equip our colleagues with skills necessary to conduct financial education and mentoring sessions with our community stakeholders. In 2024, 53 per cent of colleagues volunteered including contributing 114,276 hours to skills-based volunteering.

Their interests

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

Employees

How we create value

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

How we serve and engage

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

Their interests

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

Listening to employees

Frequent feedback from employee surveys helps us identify and close gaps between colleagues' expectations and their experience. Colleague sentiment is captured through an annual survey as well as regularly through a weekly survey and at key moments, such as when employees join us, leave, or return to work after parental leave. In addition to leveraging inputs from these surveys, the Board and Group Management Team also engage with and listen to the views of colleagues through interactive sessions. More information on the Board's engagement with the workforce can be found on page 121 in the Directors' report.

In 2024, our annual My Voice survey was conducted in May and June. Eighty-seven per cent of our employees (68,590) and 36 per cent of eligible agency workers (778) participated. Key measures of satisfaction have stayed high; however, some have seen a decline year-on-year as the impact of our transformation continues to be felt. Overall, the experience of working for the Bank remains a positive one. Eighty-three per cent of employees say that the Group meets or exceeds their expectations, 96 per cent feel committed to doing what is required to help the Group succeed, and 88 per cent feel proud about working for the Group.

We also continue to be recognised as an employer of choice and details of our accolades can be found at **sc.com/employer-awards**.

All of this underscores the strength of our EVP to attract, retain and grow the skills and talent that are critical to delivering our strategy and outcomes for clients.

Driving a culture of sustainable high performance

As the Group transforms to achieve our strategic ambitions, we continue to embed our refreshed approach to managing, recognising and rewarding performance. We are embedding more regular performance and development conversations, as well as increasing the exchange of two-way balanced, constructive feedback among peers, stakeholders and team members. At the same time, we are encouraging greater aspiration during goal setting as well as placing even more focus on recognising outperformance, including by enhancing flexibility in reward decisions. These habits, that mark a culture of high performance, have continued to strengthen each year. In 2024, 64 per cent of colleagues received feedback in the system (versus 60 per cent in 2023, 59 per cent in 2022 and 39 per cent in 2021 when our refreshed approach was first launched).

We recognise that wellbeing is a driver of sustainable high performance and productivity, and are committed to supporting our colleagues' wellbeing at an individual, team and organisational level. This means focusing on prevention as well as cure, and striving to embed wellbeing into the flow of work. Globally, colleagues have access to a range of tools and resources to manage their wellbeing, including several progressive benefits, a mental health app, access to 1:1 counselling or therapeutic support, an employee assistance programme (through which professional counselling is also available), wellbeing toolkits, and a network of trained mental health first aiders (to date, nearly 600 colleagues have been trained). In 2024, levels of consistent and frequent work-related stress continued to decrease and colleagues felt more comfortable sharing concerns about stress with their people leader. Over three-quarters of our people said they felt able to choose a reasonable balance between their work and personal life, and 80 per cent felt they could adjust work to accommodate personal needs. We continue to drive interventions to further enable healthy working practices, including market-level experiments that we are running on sustainable working habits, promoting training of wellbeing champions, and embedding wellbeing skills (such as resilience and adaptability) into multiple learning programmes.

Our continued commitment to embedding our flexible working model (which was launched in 2021) that combines flexibility in working patterns, time and locations, is an important part of our efforts to enhance both the productivity and experience of our workforce. Over 76 per cent of employees in 42 of our markets are now on agreed flexible working arrangements, with the majority having signed up to work from the office for two to three days per week. Our model purposefully balances client needs and business priorities with individual choice, allowing us to be inclusive of the diverse needs of our workforce. We continue to explore opportunities for enhancing flexibility across further markets and roles, where regulations and the nature of the work allow for it.

We refreshed our toolkits and guidance to people leaders and individuals to help navigate flexible working and establish clear, consistent expectations for all colleagues when working flexibly. These include support on having regular conversations with teams on flexi-work arrangements; on organising team and individual work to enhance productivity and wellbeing; on leading in key moments such as onboarding new team members, returning from parental leave and during performance conversations; and on strengthening connections in flexible work environments. Colleagues continue to adopt ways of working that balance the benefits of remote working with face-to-face interactions to innovate and collaborate as we also continue to re-imagine our physical workspaces with the relevant infrastructure and technology to provide hubs for teamwork, collaboration and learning.

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

Early in 2024, we launched Appreciate, our new digital platform to empower colleagues to give in-the-moment peer-to-peer recognition. Democratising how colleagues celebrate each other's achievements is reinforcing the importance of two-way feedback as well as recognising the behaviours that drive high performance. Hyper-personalising how our people feel appreciated in a way that is most meaningful, to them is also a powerful driver of employee experience. Across the year, the platform was used by over 76 per cent of colleagues to share nearly 700,000 recognitions with each other.

Building leadership capabilities

Exceptional performance requires exceptional leadership, and we believe that our people leaders are critical to unlocking the potential of our workforce and how they experience the Bank every day. Engaging, developing and measuring our people leaders continues to be a critical enabler of our performance and culture. Our leadership agreement sets out clear expectations from our leaders to aspire, inspire and execute. It also forms the foundation of our leadership development curriculum through which one-third of our people leaders are being covered each year to help them build new skills and habits across different leadership stages – including skills on coaching, performance management in business-specific contexts, leading for transformation, and leading through ambiguity. While more than 4,200 leaders learned through face-to-face leadership programmes during the year, leadership skill building is also made accessible to all colleagues to build the capability deeper into the organisation. Nearly 28,000 employees have now experienced the leadership health journey of regular micro-learning activities (since launch in 2021), over 700 have built skills through our 'virtual escape room' game for aspiring leaders, and over 5,500 have participated in experiential bootcamps on creating an environment of psychological safety and innovation.

In 2024, 97 per cent of our people leaders received feedback, either through our 'always on' feedback tool available to all colleagues or through the structured 360-degree feedback tool that is available to mid-to-senior people leaders. Leaders are also provided a consolidated view of the environment they are creating for their teams, and feedback on their leadership skills, as part of their leadership dashboard, bringing even greater transparency to performance and development conversations, and highlighting the value we place on leadership.

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

Employees continued

Developing skills of future strategic value and enabling careers

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

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

Learning in classrooms is combined with learning through our online learning platform. Over 71,000 colleagues actively used the platform in 2024 and over 31,000 colleagues have used one or more of our Future Skills Academies which include the Data & Analytics, Digital, Cyber, Client Advisory, Sustainable Finance and Leadership Academies. Through skills passports on our AI-enabled internal Talent Marketplace platform, employees can sign up for projects (often cross-functional and cross-location) to build and practise skills on the job, can connect with mentors and access more diverse roles based on skills adjacencies. By combining project opportunities with purposeful internal talent moves, we continue to enhance the career experience of colleagues. Over 43,000 employees are engaging with the Talent Marketplace, with over 2,800 projects being assigned (since launch in 2020). Deploying their skills at speed across our network has resulted in unlocking over $9.5 million in terms of productivity. We are also making it easier for colleagues to engage with all that is available for growing their careers, through a range of resources and tools including a dedicated careers hub, careers toolkits, and conversation guides.

We are investing in developing a workforce that is both knowledgeable about and confident in working with Artificial Intelligence (AI). Our AI Learning Hub democratises AI awareness and knowledge building by providing access to all colleagues to immersive learning opportunities, interactive simulations and practical case studies, as well as to a range of AI thought leaders, experts and enthusiasts. Further, colleagues can now use GenAI-based assistive writing tools to uplift the quality of feedback being shared with team members as well as peers, including making the feedback more impactful and actionable. They can also use GenAI to improve quality and focus when writing their performance and development goals.

Creating an inclusive workplace

Our inclusive culture and commitment to diversity and inclusion (D&I) are a vital part of our employee value proposition and what enables us to drive business success. Through our multiple employee listening surveys, and supplemented by qualitative feedback, we aim to better understand the lived experiences of our colleagues, and then act to make targeted, meaningful changes to further drive inclusion and enhance experience. Our levels of inclusion remain high and is reflected in the 82.1 per cent of colleagues who shared positive sentiments in the 2024 annual My Voice survey.

We continue to invest in efforts towards increasing awareness around diversity and inclusion principles, unconscious bias and micro-behaviours as well as emphasise the importance of creating an inclusive environment. Many of these aspects are covered in the 'When we're all included' learning programme which had been completed by more than 33,500 colleagues by the end of 2024, as well as the 'Respect at Work' e-learning programme that helps colleagues understand what constitutes harassment, bullying, discrimination and victimisation and continues is mandatory for all new joiners.

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

We also remain focused on building a workforce that is truly representative of our client base and footprint. Our gender diversity continues to grow, with more women leaders moving up to senior roles. Women currently represent 42 per cent of the Board, 14 of our CEOs are women, and representation of women in senior leadership roles increased to 33.1 per cent by the end of 2024. We are committed to continuous improvement in this area and aspire to have 35 per cent representation[1] of women at a global senior level by end of 2025. As of 2024, 33 per cent of our Board identifies as being from an ethnic minority background, above our aspiration of

1 Subject to local legal requirements

Employees continued

30 per cent. Further, 21.1 per cent of our Group Management Team and their direct reports identify as Black, Asian or ethnic minority. In the US, Black/African American representation in senior leadership is 3.6 per cent and Hispanic/Latin in senior leadership is 10.9 per cent. In the UK, Black representation in senior leadership is 2.5 per cent and ethnic minority in senior leadership is 28.4 per cent. We are currently ahead of our 2025 target in the UK of 20 per cent ethnic minority representation in senior leadership, and we aim to maintain this level through to 2027. We continue to develop strategic partnerships and experiment with programmes to widen our talent pools such as by providing tools and strategies in career workshops to retain, engage and develop all talent, by improving career mobility support including through 'buddy' assistance, and by rolling out sponsorship programmes.

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

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

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

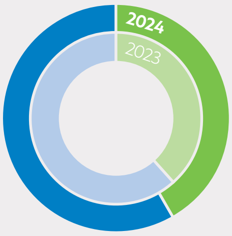
Women representation

Board

Women
42%
(2023: 38%)

Women
5

Men
7

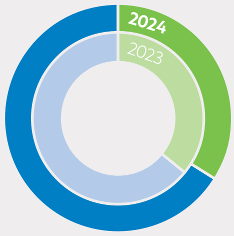


Management Team and their direct reports

Women
34.1%
(2023: 36.1%)

Women
42

Men
81



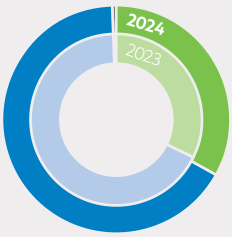
Senior leadership

Women
33.1%
(2023: 32.5%)

Women
1,453

Men
2,915

Undisclosed
17



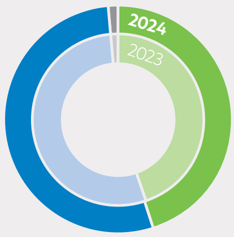
All employees

Women
45.0%
(2023: 44.8%)

Women
36,553

Men
43,665

Undisclosed
927



Sustainability overview

Non-financial and sustainability information statement

We have included within this Annual Report non-financial sustainability-related information which we believe is material based on the interests of our key stakeholders as described on pages 35-41 and the results of our materiality assessment (page 60).

This table sets out where shareholders and other stakeholders can find information about key non-financial matters in this report, in compliance with the non-financial reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006. Further disclosures are available via **sc.com/sustainabilitylibrary**.

Climate-related information required under sections 414CA and 414CB of the Companies Act 2006 is integrated throughout this Annual Report. Please refer to the Taskforce on Climate-related Financial Disclosures (TCFD) index below.

Reporting requirement	Where to find more information in this report about our policies and impact including risks, due diligence processes and outcomes	Page
Description of business model	Who we are and what we do	02-03
	Our strategy	18
	Our business model	19-20
Principal risks and uncertainties	Risk review and capital review	193-274
Environmental matters	Our operations	77
	Our suppliers	78
	Our clients	78-98
Employees	Employees	38-41
	Employee policies and engagement	188-189
	Health, safety and wellbeing	189-190
Human rights	Suppliers	94
	Respecting human rights	94
Social matters	Commercial activities	91
	Philanthropic activities	91-92
Anti-corruption and anti-bribery	Code of conduct and ethics	95
	Fighting financial crime	96
	Political donations	190
Non-financial KPIs	Supplementary people information	388-392
	Supplementary sustainability information	393-395

+ See the Sustainability Review section from **pages 58 to 102** for further information and details

Taskforce on Climate-related Financial Disclosures (TCFD) reporting index

Section		TCFD recommendation	Page
Governance	**a)**	**The Board's oversight of climate-related risks and opportunities**	
		The processes and frequency by which the Board and/or Board committees are informed about climate-related issues	98-99
		How the Board and/or Board committees considers climate-related issues when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets, and business plans	98-99
		How the Board monitors and oversees progress against goals and targets for addressing climate-related issues	98-99
	b)	**Management's role in assessing and managing climate-related risks and opportunities**	
		Assigned climate-related responsibilities to management-level positions and/or committees	98-101
		A description of the associated organisational structure	98
		The processes by which management is informed about climate-related issues	100
		How management (through specific positions and/or management committees) monitors climate-related issues	100
Strategy	**a)**	**Climate-related risks and opportunities the Group has identified over the short, medium and long term**	
		Our short, medium and long-term time horizons that we assess climate-related risks and opportunities over	89
		A description of the specific climate-related issues potentially arising in each time horizon, and a description of the processes used to determine which risks and opportunities could have a material financial impact	256-269
		• We disclose the identified risks and opportunities for our segments across pages	258-268
		• We disclose the identified risks and opportunities for our own operations across pages	264-265
		Our climate-related risks and opportunities by geography	
		• We disclose our Wealth & Retail Banking physical risk exposure across our top 10 markets on pages	258-259
		• We disclose our Wealth & Retail Banking transition risk ratings in relation to our mortgage portfolio on pages	259-260
		• We disclosure our gross physical and transition risk exposure per region on pages	264
		• We disclose our significant concentrations of credit exposure to carbon-related assets. Refer to our financed emissions reporting for the Group's exposure in relation to our 12 highest emitting sectors on pages	80-88
	b)	**Impact of climate-related risks and opportunities on the Group's businesses, strategy and financial planning**	
		Impact of climate-related risks and opportunities on:	
		• Business, strategy and financial planning in products and services	69-73
		• Supply chain and value chain	78
		• Adaptation and mitigation activities	256-265
		• Operations	77, 264-265
		How climate-related issues serve as an input to the Group's financial planning process, the time period(s) used, and how these risks and opportunities are prioritised	265-269
		Impact of climate-related issues on our financial performance	265-269
	c)	**Resilience of the Group's strategy, taking into consideration different climate-related scenarios including a two degrees Celsius or lower scenario**	
		Resilience of our strategies to climate-related risks and opportunities, taking into consideration a transition to a low-carbon economy consistent with a two degree or lower scenario. We also disclose: • Where we believe our strategies may be affected by climate-related risks and opportunities • How our strategies might change to address such potential risks and opportunities • The potential impact of climate-related issues on financial performance • The climate-related scenarios and associated time horizon(s) considered For information regarding the scenarios that we have used, the behaviour of identified risks and opportunities per segment and in our operations across each scenario, and our assessment of our resilience to these risks, please refer to the 'Assessing the resilience of our strategy using scenario analysis' section.	265-269

Section		TCFD recommendation	Page
Risk Management	**a)**	**Our processes for identifying and assessing climate-related risks**	
		Our risk management processes for identifying and assessing climate-related risks • We describe how we identify and assess climate-related risks by segment and in our operations within the 'Managing climate risk' section as well as how we determine the size and scope of these risks and how they are prioritised.	256-265
		Existing and emerging regulatory requirements related to climate change that we consider	256
		Our processes for assessing the potential size and scope of identified climate-related risks	256-265
	b)	**Our processes for managing climate-related risks**	
		Our processes for managing climate-related risks, including how we make decisions to mitigate, transfer, accept, or control those risks • We describe how we identify and assess climate-related risks by segment and in our operations within the 'Managing climate risk' section, as well as how we determine the size and scope of these risks and how they are prioritised.	256-265
		Our processes for prioritising climate-related risks, including how materiality determinations are made within the Group	256-265
	c)	**How the Group's processes for identifying, assessing and managing climate-related risks are integrated into the Group's overall risk management** • While Climate Risk will remain as a cause in the Group's Risk Taxonomy and manifest through our businesses and operations, we have formally incorporated Climate Risk into the ESG Risk Type Framework (RTF).	206
Metrics and Targets	**a)**	**The metrics used by the Group to assess climate-related risks and opportunities in line with our strategy and risk management processes**	
		Our key metrics used to measure and manage climate-related risks and opportunities	
		• Refer to 'Sustainability Aspirations: our long-term goals' for our key opportunity metrics	64
		• Refer to Streamlined Energy and Carbon Reporting within the Directors' report for our Scope 1 and Scope 2 emissions metrics, and to 'Our emissions sources' for our Scope 3 emissions	183-184 258-264
		• Refer to 'Our operations' for other key metrics identified in relation to our operations	
		• Refer to 'Managing climate risk' section for metrics used to assess physical and transitional risk exposure in relation to our Wealth & Retail Banking and Corporate & Investment Banking segments	
		How we incorporate related performance metrics into our remuneration policies Refer to our 'Incentive structure' section and our 'Directors' remuneration report'	102, 150, 157, 161
	b)	**Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions, and the related risks**	
		Refer to 'Our emissions sources', 'Our Operations' and 'Our suppliers' sections for our Scope 1, 2 and 3 emissions relating to our own operations and supply chain	76-78
		Refer to 'Our clients' section for our Scope 3 financed and facilitated emissions	78-79
	c)	**The targets used by the Group to manage climate-related risks and opportunities and our performance against targets**	
		• Refer to our 'Sustainability Aspirations: our long-term goals' for descriptions of our long-term targets and 'Sustainability Strategic Pillars: our short-term targets and immediate priorities' for descriptions of our interim targets	64-65
		• We have also outlined other climate-related targets in relation to 'Our operations'	77
		• We describe the methodologies we have used to calculate our targets in relation to emissions within our 'Climate' section	74-76

Viability statement

The directors are required to issue a viability statement regarding the Group, explaining their assessment of the prospects of the Group over an appropriate period of time and state whether they have reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due.

The directors are to also disclose the period of time for which they have made the assessment and the reason they consider that period to be appropriate.

In considering the viability of the Group, the directors have assessed the key factors including, but not limited to; inflationary pressures, spikes in oil prices, disruption to global supply chains, depreciation in emerging market currencies, market volatility, economic recession, and geopolitical events likely to affect the Group's business model and strategic plan, future performance, capital adequacy, solvency and liquidity taking into account the emerging risks as well as the principal risks.

The viability assessment has been made over a period of three years, which the directors consider appropriate as it is within both the Group's strategic planning horizon and, the basis upon which its regulatory capital stress tests are undertaken and is representative of the continuous level of regulatory change affecting the financial services industry. The directors will continue to monitor and consider the appropriateness of this period.

The directors have reviewed the corporate plan, the output of the Group's formalised process of budgeting and strategic planning. The 2025 Corporate Plan is set against a backdrop of significant geopolitical and macroeconomic challenges, in particular an uncertain interest rate trajectory. The Corporate Plan is evaluated and approved each year by the Board with confirmation from the Group Chief Risk Officer that the Plan is aligned with the Enterprise Risk Management Framework and within Group Risk Appetite Statement and considers the Group's future projections of profitability, cash flows, capital requirements and resources, liquidity ratios and other key financial and regulatory ratios over the period. The Corporate Plan details the Group's key performance measures, of forecast profit, CET 1 capital ratio forecast, return on tangible equity forecasts, cost to income ratio forecasts and cash investment projections. The Board has reviewed the ongoing performance management process of the Group by comparing the reported results to the budgets and corporate plan.

The Group performs enterprise-wide stress tests using a range of bespoke hypothetical scenarios that explore the resilience of the Group to shocks to its balance sheet and business model. To assess the Group's balance sheet vulnerabilities and capital and liquidity adequacy, severe but plausible macro-financial scenarios explore shocks that trigger one or more of:

- Global slowdowns including recessions in China, Asian and Western economies that can be acute or more protracted, resulting in severe declines in property prices.
- Sharp falls in world trade volumes and disruption to global supply chains, including the severe worsening of trade tensions and rise of protectionism.
- Inflationary pressures in the global economy including volatility in commodity prices.
- Significant rises in interest rates and depreciation in emerging market currencies, resulting in heightened sovereign risk.
- Financial market volatility, including significant moves in asset prices driven by a combination of macroeconomic and geopolitical events.

This year, the primary focus has been on:

- The effect of increased global trade tensions leading to severe economic downturns across Asia and other regions, coupled with interest rate reductions and lower commodity prices.
- The effect of high interest rates and persistent inflation, including spikes in the oil price, combined with severe market volatility and severe economic downturns in China and other economies.
- The impact of intensifying geopolitical tensions on economic and financial activity in our footprint markets including an assessment of both financial and operational risks.
- Testing liquidity resilience through multiple severe scenarios similar to Silicon Valley Bank or Credit Suisse and fully integrating them in the liquidity risk framework.

In 2024, the Group undertook a number of Climate Risk stress tests, including those mandated by the Hong Kong Monetary Authority (HKMA) and internal management scenario analysis. We are also participating in the Monetary Authority of Singapore's (MAS), Bank Negara Malaysia's (BNM) and Otoritas Jasa Keuangan's (OJK) climate stress tests. Results are expected to be submitted in 2025. For the internal management scenario analysis, we assessed the resilience of 94 per cent of Corporate & Investment Banking (CIB) Exposure at Default and expanded our coverage to stress Wealth & Retail Banking (WRB) portfolios as well, across three external scenarios based on Version 3 of the Network for Greening the Financial System (NGFS) and three internal management scenarios. The three internal scenarios refer to one bespoke base case and a physical and a transition tail risk scenario.

The loan impairment (LI) intensity which measures the level of gross expected credit losses against the exposure at default enables us to assess the relative size of our exposure subject to potential losses from climate risks. LI intensity is not currently material. Overall, we believe that the level of potential credit losses can be mitigated by continuing to take necessary actions, which the Group is already doing across sectors, engaging with our clients on this topic and supporting them in enhancing their climate transition plans.

We examined exposure concentration 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. In 2024, Climate Risk was also considered as part of our formal annual corporate strategy and financial planning process.

Under this range of scenarios, the results of these stress tests demonstrate that the Group has sufficient capital and liquidity to continue as a going concern and meet regulatory minimum capital and liquidity requirements.

To evaluate the vulnerabilities inherent in the Group's business model, we examine extreme scenarios that could potentially result in the firm reaching the point of non-viability. The probability of such events occurring is considered to be low. During the year, we analysed the escalation of geopolitical tensions resulting in widespread sanctions and the bifurcation of financial systems between Eastern and Western entities, along with its implications to our operational model. The insights derived from these assessments can provide valuable guidance for strategy formulation, risk management, operational resilience, as well as capital and liquidity planning.

The directors further considered the Group's Internal Liquidity Adequacy Assessment Process, which considers the Group's liquidity position, its framework and whether sufficient liquidity resources are being maintained to meet liabilities as they fall due. Funding and liquidity was considered in the context of the risk appetite metrics, including the ADR and LCR ratios.

The Board Risk Committee (BRC) exercises oversight on behalf of the Board of the key risks of the Group and reviews the Group's Risk Appetite Statement and Enterprise Risk Management Framework, including reviewing the appropriateness and effectiveness of the Group's risk management systems, key controls and considering the implications of material regulatory change proposals, and reviewing reports on principal risks, including Climate Risk, to the Group's business.

The BRC receives regular reports on the Group's key risks, as well as updates on the macroeconomic environment, geopolitical and sovereign risks, market developments, and relevant regulatory updates.

In 2024, the BRC received regular reports on the impacts from global conflicts and discussed potential impact to the Group. The Committee discussed a wide range of potential policy changes and their implications for the Group, including impacts on our clients, markets, colleagues and regulators. The Committee also reviewed and discussed reports on the risk environment, including the progress of key transformational change management and technology simplification programmes, scrutinising the overall risk assessments, resources, capabilities and delivery against milestones. For our recovery and resolution planning, the Committee continued to oversee how the Group tested and improved its resolution capabilities in line with the Bank of England's Resolvability Assessment Framework and conducted subsidiary board simulation exercises for some of our markets. The Committee had deep dive reviews of our WRB and CIB portfolios with particular focus on areas such as change management, unsecured digital lending partnerships and private equity financing activities. Financial Crime and Information and Cyber Security risks in the context of these businesses and markets were focused on to fully understand how these risks are being managed and mitigated.

Based on the information received, the directors considered the principal uncertainties as well as the principal risks in their assessment of the Group' viability, how these impact the risk profile, performance and viability of the Group and any specific mitigating or remedial actions necessary.

For further details of information relevant to the directors, assessment can be found in the following sections of the annual report and accounts:

- The Group's business model (pages 19 to 20) and strategy (page 18)
- The Group's current position and prospects including factors likely to affect future results and development, together with a description of financial and funding positions are described in the client segment reviews (pages 21 to 23)
- An update on the key risk themes of the Group is discussed in the Group Chief Risk Officer's review, found in the:
  - Strategic report (pages 27 to 33)
  - The BRC section of the Directors' report (pages 129 to 133)
  - The Group's Topical and Emerging Risks, sets out the key external factors that could impact the Group in the coming year (pages 29 to 33)
  - The Group's Enterprise Risk Management Framework details how the Group identifies, manages and governs risk (pages 196 to 200)
  - The Group's Risk profile provides an analysis of our risk exposures across all major risk types (page 207 to 269)
  - The capital position of the Group, regulatory development and the approach to management and allocation of capital are set out in the Capital review (pages 270 to 274).

Having considered all the factors outlined above, the directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of the assessment up to 21 February 2028.

Our Strategic report from pages 1 to 46 has been reviewed and approved by the Board.

Bill Winters
Group Chief Executive
21 February 2025

Financial review

Championing Tomorrow's Banking

This year more than 50 delegates represented the Bank at Sibos, SWIFT's annual payments conference and exhibition. Held in Beijing, our programme was built around our ongoing theme of Tomorrow's Banking, with Group Chief Executive, Bill Winters, opening the conference.

At the event, we agreed an MOU to facilitate cross-border trade in digital currencies with the Bank of Communications, spoke on trending topics including the future of global trade, enhancing cross-border payments and AI's role in fighting financial crime, and launched EmpowHer, a new initiative with senior female leaders in the industry.

Learn more **sc.com/sibos**

Financial summary

Statement of results

	2024 $million	2023 $million	Change[1] %
Underlying performance			
Operating income	**19,696**	17,378	13
Operating expenses	**(11,790)**	(11,136)	(6)
Credit impairment	**(557)**	(528)	(5)
Other impairment	**(588)**	(130)	nm
Profit from associates and joint ventures	**50**	94	(47)
Profit before taxation	**6,811**	5,678	20
Profit attributable to ordinary shareholders[2]	**4,276**	3,581	19
Return on ordinary shareholders' tangible equity (%)	**11.7**	10.1	160bps
Cost-to-income ratio (excluding bank levy) (%)	**59.4**	63.4	404bps
Reported performance			
Operating income	**19,543**	18,019	8
Operating expenses	**(12,502)**	(11,551)	(8)
Credit impairment	**(547)**	(508)	(8)
Goodwill & other impairment	**(588)**	(1,008)	42
Profit from associates and joint ventures	**108**	141	(23)
Profit before taxation	**6,014**	5,093	18
Taxation	**(1,972)**	(1,631)	(21)
Profit for the period	**4,042**	3,462	17
Profit attributable to parent company shareholders	**4,050**	3,469	17
Profit attributable to ordinary shareholders[2]	**3,593**	3,017	19
Return on ordinary shareholders' tangible equity (%)	**9.7**	8.4	130bps
Cost-to-income ratio (%)	**64.0**	64.1	13bps
Net interest margin (%) (adjusted)	**1.94**	1.67	27bps
Balance sheet and capital			
Total assets	**849,688**	822,844	3
Total equity	**51,284**	50,353	2
Average tangible equity attributable to ordinary shareholders[2]	**36,876**	36,098	2
Loans and advances to customers	**281,032**	286,975	(2)
Customer accounts	**464,489**	469,418	(1)
Risk-weighted assets	**247,065**	244,151	1
Total capital	**53,091**	51,741	3
Total capital ratio (%)	**21.5**	21.2	30bps
Common Equity Tier 1	**35,190**	34,314	3
Common Equity Tier 1 ratio (%)	**14.2**	14.1	19bps
Advances-to-deposits ratio (%)[3]	**53.3**	53.3	nm
Liquidity coverage ratio (%)	**138**	145	(670)bps
UK leverage ratio (%)	**4.8**	4.7	10bps

	Cents	Cents	Change[1]
Information per ordinary share			
Earnings per share – underlying[4]	**168.1**	128.9	39.2
– reported[4]	**141.3**	108.6	32.7
Net asset value per share[5]	**1,781**	1,629	152
Tangible net asset value per share[5]	**1,541**	1,393	148
Number of ordinary shares at period end (millions)	**2,408**	2,637	(9)

1 Variance is better/(worse) other than assets, liabilities and risk-weighted assets. Change is percentage points difference between two points rather than percentage change for total capital ratio (%), common equity tier 1 ratio (%), net interest margin (%), advances-to-deposits ratio (%), liquidity coverage ratio (%), UK leverage ratio (%). Change is cents difference between two points rather than percentage change for earnings per share, net asset value per share and tangible net asset value per share

2 Profit attributable to ordinary shareholders is after the deduction of dividends payable to the holders of non-cumulative redeemable preference shares and Additional Tier 1 securities classified as equity

3 When calculating this ratio, total loans and advances to customers excludes reverse repurchase agreements and other similar secured lending, excludes approved balances held with central banks, confirmed as repayable at the point of stress and includes loans and advances to customers held at fair value through profit and loss. Total customer accounts include customer accounts held at fair value through profit or loss

4 Represents the underlying or reported earnings divided by the basic weighted average number of shares

5 Calculated on period end net asset value, tangible net asset value and number of shares

Operating income by product

	2024 $million	2023 $million	Change %	Constant currency change[1] %
Transaction Services	**6,484**	6,518	(1)	–
Payments and Liquidity	**4,605**	4,645	(1)	(1)
Securities & Prime Services	**611**	550	11	12
Trade & Working Capital	**1,268**	1,323	(4)	(2)
Global Banking	**1,935**	1,705	13	15
Lending & Financial Solutions	**1,677**	1,500	12	13
Capital Markets & Advisory	**258**	205	26	27
Global Markets	**3,450**	3,049	13	15
Macro Trading	**2,852**	2,620	9	10
Credit Trading	**644**	451	43	47
Valuation & Other Adj	**(46)**	(22)	(109)	(130)
Wealth Solutions	**2,490**	1,944	28	29
Investment Products	**1,827**	1,357	35	36
Bancassurance	**663**	587	13	14
CCPL & Other Unsecured Lending	**1,201**	1,161	3	5
Deposits	**3,746**	3,570	5	5
Mortgages & Other Secured Lending	**395**	400	(1)	3
Treasury	**(23)**	(902)	97	97
Other	**18**	(67)	127	142
Total underlying operating income	**19,696**	17,378	13	14

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

The operating income by product commentary that follows is on an underlying basis and comparisons are made to the equivalent period in 2023 on a constant currency basis, unless otherwise stated.

Transaction Services income was broadly flat. Securities & Prime Services income was up 12 per cent primarily due to higher custody, funds and prime brokerage fees. Trade & Working Capital decreased by 2 per cent and Payments and Liquidity decreased by 1 per cent mainly attributed to margin compression, albeit passthrough rates were actively managed.

Global Banking income increased 15 per cent as Lending & Financial Solutions grew 13 per cent from strong pipeline execution which led to higher origination volumes. Capital Market & Advisory income was up 27 per cent driven mostly by higher bond issuances.

Global Markets income increased 15 per cent with double-digit growth in both flow and episodic income. Flow income grew 12 per cent mostly from increased income from Financial Institutions clients and increased FX volumes, and episodic income grew 18 per cent from higher FX and Rates income.

Wealth Solutions income was up 29 per cent, driven by a 36 per cent increase in Investment Products income, with broad based growth across markets and products. This was driven by continued momentum in affluent new-to-bank onboarding, with 265,000 clients onboarded in 2024, and $44 billion of net new money, up 61 per cent year-on-year driven by strong international flows.

CCPL & Other Unsecured Lending income was up 5 per cent with volume and margin growth in both Personal Loans and Credit Cards.

Deposits income increased 5 per cent mainly from growth in WRB CASA and Time Deposit volumes.

Mortgages & Other Secured Lending income was up 3 per cent from higher margins as the cost of funding reduced, particularly with lower HIBOR rates, albeit partly offset by lower mortgage volumes.

Treasury loss decreased by $879 million largely driven by benefits from the roll-off of the short-term hedge of $455 million, $156 million translation gains on the revaluation of FX positions in Egypt, and repricing of treasury assets.

Other income of $18 million includes $139 million related to hyperinflationary accounting adjustments in Ghana partly offset by higher funding costs of non-financial assets.

Profit before tax by client segment

	2024 $million	2023 $million	Change %	Constant currency change[1] %
Corporate & Investment Banking	**5,581**	5,436	3	4
Wealth & Retail Banking	**2,463**	2,487	(1)	(1)
Ventures	**(390)**	(408)	4	4
Central & other items	**(843)**	(1,837)	54	54
Underlying profit before taxation	**6,811**	5,678	20	21

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

The client segment and geographic region commentary that follows is on an underlying basis and comparisons are made to the equivalent period in 2023 on a constant currency basis, unless otherwise stated.

Corporate & Investment Banking (CIB) profit before taxation increased 4 per cent. Income grew 6 per cent with strong performance in Global Markets with double-digit growth in both flow and episodic income and strong performance in Global Banking from higher origination volumes. Expenses were 9 per cent higher, mainly from investments, performance-related pay increases and inflation, while credit impairment was a net release of $106 million. Other impairment of $310 million primarily related to the write-off of software assets.

Wealth & Retail Banking (WRB) profit before taxation was down 1 per cent. Income grew by 11 per cent, driven by a record performance in Wealth Solutions with broad-based growth across products and markets as well as a 14 per cent growth in Bancassurance income. Expenses increased 9 per cent, mainly from increased investment spend and inflation. Credit impairment charge of $644 million was up $290 million, mainly from the higher interest rate environment impacting repayments on credit cards and personal loans, and the growth and maturation of the digital partnership portfolios in China and Indonesia. Other impairment charge primarily related to the write-off of software assets.

Ventures loss before tax decreased $18 million to $390 million, with income up 16 per cent to $183 million, driven by a 60 per cent increase in income from the two digital banks to $142 million. Expenses grew by 8 per cent, reflecting the Group's continued investment in transformational digital initiatives, while the $74 million impairment charge was down $11 million year-on-year as delinquency rates have improved in Mox.

Central & other items (C&O) recorded a loss before tax of $843 million which was 54 per cent lower than the prior year. Treasury losses of $24 million decreased by $908 million, largely driven by benefits from the roll-off of the short-term hedge and repricing of assets, and $156 million translation gains on the revaluation of FX positions in Egypt. Other products loss of $97 million decreased by $73 million mostly driven by a $139 million gain relating to a hyperinflationary accounting adjustment in Ghana. Expenses, which include UK bank levy, central corporate costs and recharges, decreased by $115 million while there was a credit impairment release of $55 million mostly from sovereign-related portfolio movements.

Adjusted net interest income and margin

	2024 $million	2023 $million	Change[1] %
Adjusted net interest income[2]	**10,462**	9,547	10
Average interest-earning assets	**539,338**	572,520	(6)
Average interest-bearing liabilities	**539,787**	540,350	–
Gross yield (%)[3]	**5.17**	4.76	41
Rate paid (%)[3]	**3.22**	3.27	(5)
Net yield (%)[3]	**1.95**	1.49	46
Net interest margin (%)[3,4]	**1.94**	1.67	27

1 Variance is better/(worse) other than assets and liabilities which is increase/(decrease)

2 Adjusted net interest income is reported net interest income less funding costs for the trading book, cash collateral and prime services

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

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

Adjusted net interest income increased 10 per cent driven by an increase in the net interest margin, which averaged 194 basis points in the year, a 27 basis points year-on-year uplift, benefitting from the roll-off of the short-term hedges as well as improved asset mix from a reduction in treasury assets to fund the trading book. This was partly offset by lower average interest earning asset volumes, reflecting the reduction in Treasury assets, and the impact of elevated pass-through rates on deposit pricing within CIB.

- Average interest-earning assets were down by $33 billion primarily due to a reduction in Treasury assets following on from an increase in demand for funding of trading book assets, the impact of FX translation and a decrease in underlying average loans and advances to customers driven by a decline in mortgages. Gross yields increased 41 basis points compared with the prior year due to the impact of higher average interest rates and an improved balance sheet mix
- Average interest-bearing liabilities were broadly stable year-on-year as growth in WRB customer accounts was offset by the impact of FX translation and managed outflow of more expensive CIB and Treasury balances. The rate paid on liabilities decreased 5 basis points in spite of higher average interest rates and elevated passthrough rates on CIB deposits reflecting the impacts of the increased trading book funding cost adjustment, deposit insurance reclassification and roll-off of the loss-making short-term hedges as well as improved mix with strong growth in WRB deposits

Credit risk summary

Income Statement (Underlying view)

	2024 $million	2023 $million	Change[1] %
Total credit impairment charge/(release)[2]	**557**	528	5
Of which stage 1 and 2[2]	**371**	138	169
Of which stage 3[2]	**186**	390	(52)

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

2 Refer to Credit Impairment charge table in Risk review section (page 226) for reconciliation from underlying to reported credit impairment

Balance sheet

	2024 $million	2023 $million	Change[1] %
Gross loans and advances to customers[2]	**285,936**	292,145	(2)
Of which stage 1	**269,102**	273,692	(2)
Of which stage 2	**10,631**	11,225	(5)
Of which stage 3	**6,203**	7,228	(14)
Expected credit loss provisions	**(4,904)**	(5,170)	(5)
Of which stage 1	**(483)**	(430)	12
Of which stage 2	**(473)**	(420)	13
Of which stage 3	**(3,948)**	(4,320)	(9)
Net loans and advances to customers	**281,032**	286,975	(2)
Of which stage 1	**268,619**	273,262	(2)
Of which stage 2	**10,158**	10,805	(6)
Of which stage 3	**2,255**	2,908	(22)
Cover ratio of stage 3 before/after collateral (%)[3]	**64/78**	60/76	4/2
Credit grade 12 accounts ($million)	**969**	2,155	(55)
Early alerts ($million)	**5,559**	5,512	1
Investment grade corporate exposures (%)[3]	**74**	73	1
Aggregate top 20 corporate exposures as a percentage of Tier 1 capital[3,4]	**61**	62	(1)

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

2 Includes reverse repurchase agreements and other similar secured lending held at amortised cost of $9,660 million at 31 December 2024 and $13,996 million at 31 December 2023

3 Change is the percentage points difference between the two points rather than the percentage change

4 Excludes repurchase and reverse repurchase agreements

Asset quality remained resilient in 2024, with an improvement in a number of underlying credit metrics. The Group continues to be vigilant in managing persistent and evolving geopolitical and macroeconomic risks, which have led to idiosyncratic stress in a select number of geographies and industry sectors.

Credit impairment charge of $557 million charge was up 5 per cent year-on-year, representing a loan loss rate of 19 basis points. WRB charges of $644 million were up $290 million mainly from the higher interest rate environment impacting repayments on credit cards and personal loans, and the growth and maturation of the digital partnership portfolios in China and Indonesia. The $74 million charge in Ventures was down $11 million year-on-year, as delinquency rates have improved in Mox. There was net recovery in CIB of $106 million, benefitting from releases and repayments. The Group retains a China commercial real estate (CRE) management overlay of $70 million and a $58 million overlay for clients who have exposure to the Hong Kong CRE sector.

Gross stage 3 loans and advances to customers of $6.2 billion were 14 per cent lower year-on-year as repayments, client upgrades and write-offs more than offset new inflows. Credit-impaired loans represented 2.2 per cent of gross loans and advances, down from 2.5 per cent in the prior year.

The stage 3 cover ratio before collateral of 64 per cent increased by 4 percentage points, while the cover ratio post collateral at 78 per cent increased 2 percentage points, both due to a reduction in gross stage 3 balances.

Credit grade 12 balances decreased by $1.2 billion to $1.0 billion primarily from the reversal of an existing $1 billion sovereign related exposure from reverse repurchase agreements to investment securities. Early alert accounts of $5.6 billion remained broadly stable year-on-year.

The proportion of investment grade corporate exposures of 74 per cent was broadly stable year-on-year.

Restructuring, goodwill impairment and other items

	2024					2023				
	Restructuring[3] $million	Goodwill and other impairment $million	DVA $million	Net loss on businesses disposed off/held for sale[1] $million	Other items[2] $million	Restructuring $million	Goodwill and other impairment[4] $million	DVA $million	Net gain on businesses disposed off/ held for sale $million	Other items $million
Operating income	**103**	**–**	**(24)**	**(232)**	**–**	362	–	17	262	–
Operating expenses	**(612)**	**–**	**–**	**–**	**(100)**	(415)	–	–	–	–
Credit impairment	**10**	**–**	**–**	**–**	**–**	20	–	–	–	–
Other impairment	**–**	**–**	**–**	**–**	**–**	(28)	(850)	–	–	–
Profit from associates and joint ventures	**58**	**–**	**–**	**–**	**–**	47	–	–	–	–
Profit/(loss) before taxation	**(441)**	**–**	**(24)**	**(232)**	**(100)**	(14)	(850)	17	262	–

1 Net loss on businesses disposed off/ held for sale 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

2 Other items 2024 include $100 million charge relating to Korea equity linked securities (ELS) portfolio

3 Restructuring operating expenses 2024 includes $156m of Fit For Growth (FFG) costs that are primarily severance costs, costs of staff working on FFG initiatives and legal and professional fees

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

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

Restructuring charges of $441 million, reflect the impact of actions to transform the organisation to improve productivity, primarily additional redundancy charges, simplifying technology platforms and optimising the Group's office space and property footprint, of which $156 million relates to the Fit for Growth programme. This was partly offset by profits on the remaining Principal Finance portfolio.

Net loss on businesses disposed of/held for sale of $232 million includes losses related to the sale of Zimbabwe of $172 million, Angola of $26 million and Sierra Leone of $19 million, all primarily from the recycling of FX translation losses from reserves into the income statement, with no impact on tangible equity or capital, and $15 million loss on the sale of the Aviation business.

Other items of $100 million relate to a charge booked for participation in a compensation scheme recommended by the Korean Financial Supervisory Service.

Movements in the Debit Valuation Adjustment (DVA) were a negative $24 million driven by the tightening of the Group's asset swap spreads.

Balance sheet and liquidity

	2024 $million	2023 $million	Increase/ (decrease) $million	Increase/ (decrease) %
Assets				
Loans and advances to banks	**43,593**	44,977	(1,384)	(3)
Loans and advances to customers	**281,032**	286,975	(5,943)	(2)
Other assets	**525,063**	490,892	34,171	7
Total assets	**849,688**	822,844	26,844	3
Liabilities				
Deposits by banks	**25,400**	28,030	(2,630)	(9)
Customer accounts	**464,489**	469,418	(4,929)	(1)
Other liabilities	**308,515**	275,043	33,472	12
Total liabilities	**798,404**	772,491	25,913	3
Equity	**51,284**	50,353	931	2
Total equity and liabilities	**849,688**	822,844	26,844	3
Advances-to-deposits ratio (%)[1]	**53.3**	53.3		
Liquidity coverage ratio (%)	**138**	145		

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

2 The Group excludes $19,187 million held with central banks (31 December 2023: $20,710 million) that has been confirmed as repayable at the point of stress. Advances exclude repurchase agreement and other similar secured lending of $9,660 million (31 December 2023: $13,996 million) and include loans and advances to customers held at fair value through profit or loss of $7,084 million (31 December 2023: $7,212 million). Deposits include customer accounts held at fair value through profit or loss of $21,772 million (31 December 2023: $17,248 million)

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

- Loans and advances (L&A) to customers decreased 2 per cent, or $6 billion, to $281 billion as at 31 December 2024. This was driven by a $9 billion decrease from Treasury and securities-based lending and a $8 billion decrease from currency translation. Excluding these items L&A was up a net $12 billion on an underlying basis, mainly from the execution of pipeline deals in Global Banking, partly offset by a decline in mortgages
- Customer accounts decreased 1 per cent, or $5 billion, to $464 billion. Excluding the $9 billion impact of currency translation, customer accounts grew 1 per cent. This was primarily driven by an increase of $16 billion in WRB Time Deposits and $7 billion in WRB CASA partly offset by a $5 billion decrease in Transaction Services from CASA outflows and a $12 billion decrease in Corporate Term Deposits from treasury management activities
- Other assets increased 7 per cent, or $34 billion, from 31 December 2023 with a $31 billion increase in derivative balances and $30 billion increase in financial assets held at fair value through profit or loss, primarily in reverse repurchase agreements and debt securities and other eligible bills. This was partly offset by a decrease in cash and balances at central banks of $6 billion, a $17 billion reduction in investment securities and $4 billion reduction in other financial assets held at amortised cost
- Other liabilities increased 12 per cent, or $33 billion, from 31 December 2023 with a $26 billion increase in derivative balances and a $5 billion increase in other financial liabilities held at amortised cost

The advances-to-deposits ratio was flat year-on-year at 53.3 per cent. The point-in-time LCR of 138 per cent decreased 7 percentage points year-on-year and 5 percentage points quarter-on-quarter due to ongoing treasury liability optimisation, LCR normalisation from surplus levels and some seasonal CASA outflows. It remains well above the minimum regulatory requirement of 100 per cent.

Financial review

Risk-weighted assets

	2024 $million	2023 $million	Change[1] $million	Change[1] %
By risk type				
Credit risk	**189,303**	191,423	(2,120)	(1)
Operational risk	**29,479**	27,861	1,618	6
Market risk	**28,283**	24,867	3,416	14
Total RWAs	**247,065**	244,151	2,914	1

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

Total risk-weighted assets (RWA) of $247.1 billion increased $2.9 billion or 1 per cent in comparison to 31 December 2023:

- Credit risk RWA decreased by $2.1 billion to $189.3 billion. This was mainly driven by decreases of $3.2 billion reflecting improved asset quality, $2.6 billion from optimisation actions and $4.9 billion from foreign currency translation, partly offset by a $5.0 billion increase from changes in asset growth and mix, and $3.1 billion increase from derivatives
- Operational Risk RWA increased by $1.6 billion to $29.5 billion mainly due to a marginal increase in average income as measured over a rolling three-year time horizon for certain products
- Market risk RWA increased by $3.4 billion to $28.3 billion as RWA were deployed to help clients capture market opportunities

Capital base and ratios

	2024 $million	2023 $million	Change[1] $million	Change[1] %
CET1 capital	**35,190**	34,314	876	3
Additional Tier 1 capital (AT1)	**6,482**	5,492	990	18
Tier 1 capital	**41,672**	39,806	1,866	5
Tier 2 capital	**11,419**	11,935	(516)	(4)
Total capital	**53,091**	51,741	1,350	3
CET1 capital ratio (%)[2]	**14.2**	14.1		19bps
Total capital ratio (%)[2]	**21.5**	21.2		30bps
Leverage ratio (%)[2]	**4.8**	4.7		10bps

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

2 Change is percentage points difference between two points rather than percentage change

The Group's CET1 ratio of 14.2 per cent was 19 basis points higher year-on-year and is 3.8 percentage points above the Group's latest regulatory minimum of 10.5 per cent. Underlying profit accretion enabled funding of shareholder distributions.

There was 167 basis points of CET1 accretion from underlying profits, and a further 61 basis points uplift primarily from fair value gains on other comprehensive income, FX , software intangibles and regulatory capital adjustments. This was partly offset by 50 basis points from an increase in RWAs.

The Group completed a $1 billion share buyback programme on 25 June 2024, and as of 31 December 2024 the $1.5 billion share buyback programme announced on 30 July 2024 was nearly complete, having spent $1,354 million purchasing 126.3 million ordinary shares. Even though the share buyback completed on 30 January 2025, the entire $1.5 billion is deducted from CET1 in the reporting period. The 2024 share buybacks reduced the CET1 ratio by 102 basis points.

The Board has recommended a final dividend of 28 cents per share or $679 million resulting in a total 2024 ordinary dividend of 37 cents a share or $909 million. This, combined with the payments due to AT1 and preference shareholders cost approximately 57 basis points.

The Board has announced a share buyback for up to a maximum consideration of $1.5 billion to further reduce the number of ordinary shares in issue by cancelling the repurchased shares. The terms of the buyback will be published, and the programme will start shortly and is expected to reduce the Group's CET1 ratio in the first quarter of 2025 by 61 basis points.

The Group's UK leverage ratio of 4.8 per cent remains significantly above its minimum requirement of 3.7 per cent.

Underlying versus reported results reconciliations

Reconciliations between underlying and reported results are set out in the tables below:

Operating income by client segment

Reconciliation of underlying versus reported operating income by client segment set out in Note 2, Segmental information, on page 299.

Net interest income and non NII

	2024				2023			
	Underlying $million	Restructuring $million	Adjustment for Trading book funding cost and Others $million	Reported $million	Underlying $million	Restructuring $million	Adjustment for Trading book funding cost and Others $million	Reported $million
Net interest income	**10,446**	**16**	**(4,096)**	**6,366**	9,557	(10)	(1,778)	7,769
Non NII	**9,250**	**(169)**	**4,096**	**13,177**	7,821	651	1,778	10,250
Total income	**19,696**	**(153)**	**–**	**19,543**	17,378	641	–	18,019

Profit before taxation (PBT)

Reconciliation of underlying versus reported Profit/(loss) before taxation is set out in Note 2, Segmental information, on page 298.

Profit before taxation (PBT) by client segment

Reconciliation of underlying versus reported Profit/(loss) before taxation by client segment is set out in Note 2, Segmental information, on page 299.

Return on tangible equity (RoTE)

	2024 $million	2023 $million
Average parent company shareholders' equity	**44,478**	43,549
Less: Preference share premium	**(1,494)**	(1,494)
Less: Average intangible assets	**(6,108)**	(5,957)
Average ordinary shareholders' tangible equity	**36,876**	36,098
Profit for the period attributable to equity holders	**4,042**	3,462
Non-controlling interests	**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:		
Restructuring	**441**	14
Goodwill & other impairment[1]	**–**	850
Net losses/(gains) on sale of businesses	**232**	(262)
Ventures FVOCI unrealised gains net of tax	**39**	69
DVA	**24**	(17)
Other items[2]	**100**	–
Tax on normalised items	**(114)**	(21)
Underlying profit for the period attributable to ordinary shareholders	**4,315**	3,650
Underlying return on tangible equity (%)	**11.7**	10.1
Reported return on tangible equity (%)	**9.7**	8.4

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

2 Other items 2024 include $100 million charge relating to Korea equity linked securities (ELS) portfolio

	2024					2023				
	Corporate & Investment Banking %	**Wealth & Retail Banking %**	**Ventures %**	**Central & other items %**	**Total %**	Corporate & Investment Banking %	Wealth & Retail Banking %	Ventures %	Central & other items %	Total %
Underlying RoTE	**19.0**	**24.4**	**nm**	**(20.9)**	**11.7**	19.5	25.3	nm	(27.0)	10.1
Restructuring										
Of which: Income	**0.3**	**0.3**	**–**	**0.2**	**0.3**	1.4	0.6	–	0.3	1.0
Of which: Expenses	**(1.0)**	**(2.5)**	**nm**	**(2.1)**	**(1.7)**	(1.3)	(1.4)	nm	(0.6)	(1.1)
Of which: Credit impairment	**–**	**–**	**–**	**–**	**–**	0.1	–	–	0.1	0.1
Of which: Other impairment	**–**	**–**	**–**	**(0.1)**	**–**	(0.1)	–	–	(0.2)	(0.1)
Of which: Profit from associates and joint ventures	**–**	**–**	**–**	**0.8**	**0.2**	–	–	–	0.6	0.1
Net gain/(loss) on businesses disposed/held for sale	**–**	**–**	**–**	**(3.3)**	**(0.6)**	1.3	–	–	–	0.7
Goodwill and other impairment[1]	**–**	**–**	**–**	**–**	**–**	–	–	–	(11.1)	(2.3)
Ventures FVOCI unrealised gains/(losses) net of taxes	**–**	**–**	**nm**	**–**	**(0.1)**	–	–	nm	–	(0.2)
DVA	**(0.1)**	**–**	**–**	**–**	**(0.1)**	0.1	–	nm	–	–
Other items	**–**	**(1.3)**	**–**	**–**	**(0.3)**	–	–	nm	–	–
Tax on normalised items	**0.2**	**0.8**	**nm**	**(0.1)**	**0.3**	(0.4)	0.2	nm	1.1	0.1
Reported RoTE	**18.4**	**21.7**	**nm**	**(25.5)**	**9.7**	20.6	24.7	nm	(36.8)	8.4

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

Net charge-off ratio

	2024			2023		
	Credit impairment (charge)/release for the year/period $million	**Net average exposure $million**	**Net charge-off ratio %**	Credit impairment (charge)/release for the year/period $million	Net average exposure $million	Net charge-off ratio %
Stage 1	**22**	**314,092**	**(0.01)**	42	320,649	(0.01)
Stage 2	**(368)**	**10,176**	**3.62**	(262)	11,674	2.24
Stage 3	**(244)**	**2,550**	**9.57**	(386)	3,117	12.38
Total exposure	**(590)**	**326,818**	**0.18**	(606)	335,440	0.18

Earnings per ordinary share (EPS)

	Underlying $million	Restructuring $million	Other items[2] $million	Net gain on sale of businesses $million	Goodwill & other impairment[1] $million	DVA $million	Tax on normalised items $million	Reported $million
2024								
Profit/(loss) for the year attributable to ordinary shareholders	**4,276**	**(441)**	**(100)**	**(232)**	**–**	**(24)**	**114**	**3,593**
Basic – Weighted average number of shares (millions)	**2,543**							**2,543**
Basic earnings per ordinary share (cents)	**168.1**							**141.3**
2023								
Profit/(loss) for the year attributable to ordinary shareholders	3,581	(14)	–	262	(850)	17	21	3,017
Basic – Weighted average number of shares (millions)	2,778							2,778
Basic earnings per ordinary share (cents)	128.9							108.6

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

2 Other items 2024 include $100 million charge relating to Korea equity linked securities (ELS) portfolio

Alternative performance measures

An alternative performance measure is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. The following are key alternative performance measures used by the Group to assess financial performance and financial position.

Advances-to-deposits/customer advances-to-deposits (ADR) ratio: The ratio of total loans and advances to customers relative to total customer accounts, excluding approved balances held with central banks, confirmed as repayable at the point of stress. A low advances-to-deposits ratio demonstrates that customer accounts exceed customer loans resulting from emphasis placed on generating a high level of stable funding from customers.

Average interest earning balance: Daily average of the interest earning assets and interest bearing liabilities balances excluding the daily average cash collateral balances in other assets and other liabilities that are related to the Global Markets trading book.

Constant currency basis: A performance measure on a constant currency basis is presented such that comparative periods are adjusted for the current year's functional currency rate. The following balances are presented on a constant currency basis when described as such: 1. Operating income, 2. Operating expenses, 3. Profit before tax and 4. RWAs or risk-weighted assets.

Cost-to-income ratio (CIR): The proportion of total operating expenses to total operating income.

Cover ratio: The ratio of impairment provisions for each stage to the gross loan exposure for each stage.

Cover ratio after collateral/cover ratio including collateral: The ratio of impairment provisions for stage 3 loans and realisable value of collateral held against these non-performing loan exposures to the gross loan exposure of stage 3 loans.

Gross yield: Reported interest income divided by average interest earning assets.

Income return on risk weighted assets (IRoRWA): Annualised Income excluding Debit Valuation Adjustment as a percentage of Average RWA.

Jaws: The difference between the rates of change in revenue and operating expenses. Positive jaws occurs when the percentage change in revenue is higher than, or less negative than, the corresponding rate for operating expenses.

Loan loss rate: Credit Impairment Profit & Loss on Loans & Advances to Banks & Customers over Gross Average Loans and Advances to Banks and Customers excluding FVTPL loans.

Net charge-off ratio: The ratio of net credit impairment charge or release to average outstanding net loans and advances.

Net tangible asset value per share: Ratio of net tangible assets (total tangible assets less total liabilities) to the number of ordinary shares outstanding at the end of a reporting period.

Net yield: Gross yield on average assets less rate paid on average liabilities.

NIM or Net Interest Margin: Reported net interest income adjusted for trading book funding cost, cash collateral and prime services on interest earning assets, divided by average interest-earning assets excluding financial assets measured at fair value through profit or loss.

Non NII: Reported non NII is a sum of net fees and commission, net trading income and other operating income

Rate paid: Reported interest expense adjusted for interest expense incurred on amortised cost liabilities used to fund financial instruments held at fair value through profit or loss, divided by average interest bearing liabilities

RoE or Return on Equity: The ratio of the current year's profit available for distribution to ordinary shareholders plus fair value movements through other comprehensive income relating to the Ventures segment to the weighted average ordinary shareholders' equity for the reporting period.

RoTE or Return on Ordinary Shareholders' Tangible Equity: The ratio of the current year's profit available for distribution to ordinary shareholders to the average tangible equity, being ordinary shareholders' equity less the average intangible assets for the reporting period. Where a target RoTE is stated, this is based on profit and equity expectations for future periods.

TSR or Total Shareholder Return: The total return of the Group's equity (share price growth and dividends) to investors.

Underlying net interest income: Reported net interest income normalised to an underlying basis adjusted for trading book funding cost, cash collateral and prime services.

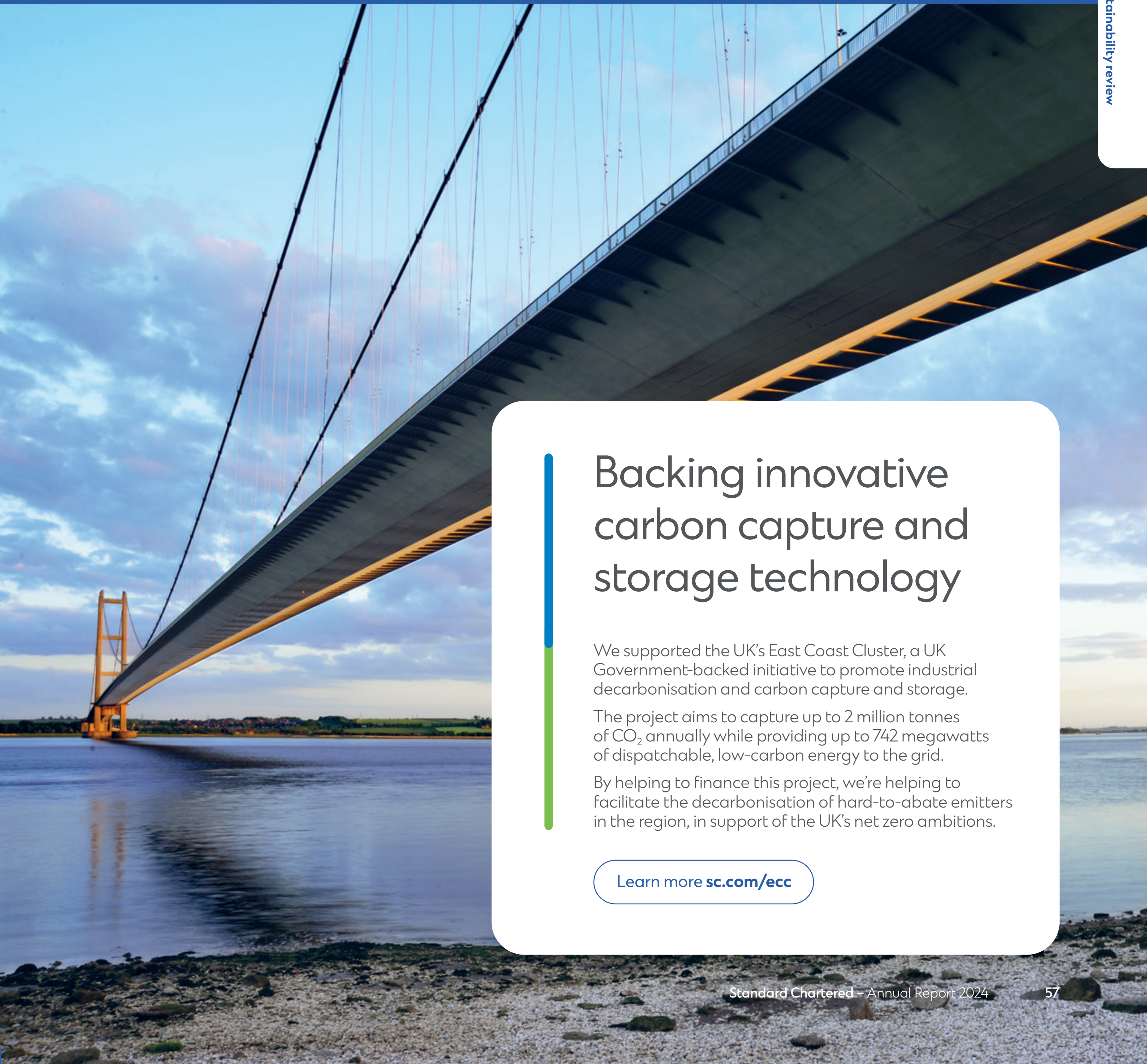
Underlying/normalised: A performance measure is described as underlying/normalised if the statutory result has been adjusted for restructuring and other items representing profits or losses of a capital nature; DVA; amounts consequent to investment transactions driven by strategic intent, excluding amounts consequent to Ventures transactions, as these are considered part of the Group's ordinary course of business; and other infrequent and/or exceptional transactions that are significant or material in the context of the Group's normal business earnings for the period, and items which management and investors would ordinarily identify separately when assessing performance period-by-period. Restructuring includes impacts to profit or loss from businesses that have been disclosed as no longer part of the Group's ongoing business, redundancy costs, costs of closure or relocation of business locations, impairments of assets and other costs which are not related to the Group's ongoing business. Restructuring in this context is not the same as a restructuring provision as defined in IAS 37.

A reconciliation between underlying/normalised and statutory performance is contained in Note 2 to the financial statements. The following balances and measures are presented on an underlying basis when described as such: 1. Operating income, 2. Operating expenses, 3. Profit before tax and 4. Earnings per share (basic and diluted) 5. CIR 6. Jaws and 7. RoTE.

Underlying non NII: Reported non NII normalised to an underlying basis adjusted for trading book funding cost and financial guarantee Fees on interest earning assets. In prior periods Underlying Non NII was described as underlying other income.

Underlying RoTE: The ratio of the current year's underlying profit attributable to ordinary shareholders plus fair value on OCI equity movement relating to Ventures segment to the weighted average tangible equity, being ordinary shareholders' equity less the intangible assets for the reporting period.

Sustainability Review



Backing innovative carbon capture and storage technology

We supported the UK's East Coast Cluster, a UK Government-backed initiative to promote industrial decarbonisation and carbon capture and storage.

The project aims to capture up to 2 million tonnes of CO_2 annually while providing up to 742 megawatts of dispatchable, low-carbon energy to the grid.

By helping to finance this project, we're helping to facilitate the decarbonisation of hard-to-abate emitters in the region, in support of the UK's net zero ambitions.

Learn more **sc.com/ecc**

Sustainability review

The Sustainability review provides information on the Group's approach to sustainability, related governance structures, how we manage environmental, social, and climate risk, and mobilise sustainable finance to help clients transition and support sustainable, inclusive growth in our markets.

Sustainability is an area of strategic focus for Standard Chartered which we aim to integrate across our business. As a result, sustainability information can be found throughout this Annual Report and across the suite of sustainability-related reports on our website as set out on this page.

This Sustainability review is designed to address the topics that could have a material (positive or negative) impact on society, nature or the climate, and that are not addressed elsewhere in the Annual Report. We describe how we have determined these topics under the **Materiality** heading on page 60.

Content map of Annual Report sustainability-related disclosures

Our suite of sustainability-related reports and disclosures

Report or disclosure	Description
Assurance and verification reports	Independent assurance and verification reports by Ernst & Young LLP (EY), Global Documentation Ltd and EcoAct over certain data points within this Annual Report as detailed on page 61
Code of Conduct and Ethics	Primary tool through which we communicate our conduct expectations. It is designed to guide colleagues through how to live our valued behaviours on a day-to-day basis, whatever their business, function, region, or role.
Country-by-Country Disclosure	Provides tax information in accordance with the Capital Requirements (Country-by-Country-Reporting) Regulations 2013.
Diversity, Equality and Inclusion Impact Report	Includes gender and ethnicity pay gap assessment and the actions we have taken to support a culture of inclusion.
Equator Principles reporting	As a member since 2003, we report on how we apply the principles to ensure that the projects we finance and advise on are developed in a manner that is socially responsible and reflect sound environmental management practices.
Environmental and Social Risk Management Framework	Provides an overview of our approach to identifying, assessing, and managing the environmental and social risks associated with our client relationships.
ESG data pack	Supplementary Environmental, Social and Governance (ESG) and sustainability data is provided in a spreadsheet format.
ESG Reporting Index	Alignment table referencing our disclosures using voluntary sustainability reporting frameworks: Sustainability Accounting Standards Board Standards, Global Reporting Initiative Standards and World Economic Forum (WEF) Stakeholder Capitalism Metrics.
Futuremakers Impact Report	Provides progress and outcomes about Futuremakers, our global youth economic empowerment initiative, tackling inequality and promoting greater economic inclusion.
Modern Slavery Statement	Sets out the steps we have taken to assess and manage the risk of modern slavery and human trafficking in our operations and supply chain.
Net zero methodological white paper – The journey continues	Describes our approach to net zero, laying out the methodologies we have used to calculate our financed and facilitated emissions, and setting our interim 2030 targets at sector level.
Net Zero Transition Plan	Sets out how we aim to deliver on our commitments to reach net zero emissions in our financed emissions by 2050, and in our Scope 1 and Scope 2 emissions by 2025.
Policies	We publish our main sustainability-related policies, including on: anti-money laundering; anti-bribery and corruption; digital assets approach; diversity and inclusion; health, safety and security; privacy; public policy engagement; and Speaking Up.
Position Statements and Prohibited Activities	We use our cross-sector and sector-specific Position Statements and Prohibited Activities list to assess whether to provide financial services to clients.
PRB reporting and self-assessment	Our disclosures on actions undertaken related to the six principles as defined by the United Nations Principles for Responsible Banking (PRB).
Supplier Charter	Sets out principles for the behavioural standard that we expect from our suppliers, and those within a supplier's sphere of influence that assist them in performing their obligations to us.
Sustainable Finance Impact Report	We present the impact of our sustainable finance assets on a portfolio basis.
Sustainable Finance Frameworks	Our Green and Sustainable Product Framework (GSPF) and Sustainability Bond Framework (SBF) outline our definition of green and sustainable finance. Our Transition Finance Framework (TFF) sets out the activities and entities that we consider eligible for transition finance.

+ To access the Group's suite of sustainability-related reports and disclosures visit **sc.com/sustainabilitylibrary**

Our approach to sustainability reporting

The Group includes ESG and sustainability information in this Annual Report, providing investors and stakeholders with an understanding of the implications of relevant sustainability-related risks and opportunities, and progress against our objectives. We have considered our ESG reporting obligations under the Hong Kong and FCA UK Listing Rules, please refer to our Directors' report on page 103 for further information. For our TCFD content table please refer to pages 43 to 44.

We have used the GRI Standards to guide our disclosures and have published an ESG Reporting Index with reference to disclosures captured in the GRI Universal and select Topic Standards. We have also considered relevant metrics from sector-specific SASB Standards and WEF Stakeholder Capitalism Metrics.

Our approach to sustainability reporting will continue to evolve subject to regulatory and voluntary standards across our listing locations and footprint markets. Our disclosures are guided by international standards, frameworks and principles to the extent relevant to our business. We are actively preparing for future reporting obligations across the various jurisdictions in which we operate, including reporting under the International Sustainability Standards Board (ISSB)'s IFRS S1 General Requirements of Sustainability-related Financial Information (IFRS S1) and IFRS S2 Climate-related Disclosures (IFRS S2) and the EU Corporate Sustainability Reporting Directive (CSRD).

+ See our ESG Reporting Index at **sc.com/sustainabilitylibrary**

Materiality

In preparing these disclosures, we have followed the materiality assessment process outlined in GRI 3: Material Topics 2021, which provides step-by-step guidance for organisations on how to determine material topics. Material topics are topics that represent an organisation's most significant impacts on the economy, environment and people, including impacts on their human rights – both positive and negative.

In doing so, we have taken steps to understand the Group's context, identify actual and potential impacts, assess the significance of the impacts and prioritise the most significant impacts for reporting. We have done this by engaging with relevant internal and external stakeholders and by validating the material topics with experts across the Chief Sustainability Office. Our material topics are set out in the table below.

Topics	Description	Learn more
Sustainable finance	How we identify opportunities for driving positive environmental and social impact by helping our clients address environmental and social challenges, transition towards low carbon economies and achieve sustainable growth.	**Sustainable finance** Pages 69-73
Climate	The positive and negative impacts of our financing activities, direct operations and supply chain on the climate. This includes our emissions, physical and transition climate risk management, and progress against our net zero roadmap.	**Climate** Pages 74-89
Nature	The positive and negative nature-related impacts of our financing activities, direct operations, and supply chain. This includes our approach and progress against our nature-related ambitions.	**Nature** Page 90
Human capital management	The practices used for recruiting, developing and optimising employee output and relationships, across the value chain. This includes human rights and modern slavery, health and safety (including physical and mental wellbeing) and diversity, equity and inclusion.	**Stakeholders** Pages 38-41 **Supplementary people information** Pages 388-392
Society and community relations	The positive and negative impacts of our financing activities on the societies and communities around us. This includes financial inclusion, job creation, vulnerable customer protection, and charitable giving.	**Social impact** Pages 91-92
Data security and privacy	The protection practices over client and personal information held by the Group.	**Risk review and Capital review** Page 204
Corporate governance	Governance structures and internal control processes by which the Group is directed. Includes risk management, business conduct, anti-bribery and corruption, anti-money laundering, and whistleblower protection.	**Managing environmental and social risk** Pages 93-94 **Integrity, conduct and ethics** Pages 95-97 **Sustainability-related governance** Pages 98-102

To learn more about our materiality process and how we engage with stakeholders visit **sc.com/sustainabilitystakeholders**

Reporting period

The reporting period for the majority of our operational environmental performance indicators, including greenhouse gas (GHG) emissions, waste generation and water consumption is from 1 October 2023 to 30 September 2024. This allows sufficient time for independent third-party assurance to be completed and for obtaining external third party data where needed prior to the publication of the Group's Annual Report.

This only differs for the following Scope 3 emissions where a period of 1 January to 31 December with a one to two-year lag is used: Category 1: Purchased Goods (other); Category 2: Capital goods; Category 4: Upstream transportation and distribution; Category 6: Business travel (miscellaneous other than air travel) and Category 15: Investments. Emissions data for these categories is disclosed on a one to two-year lag with emissions reported in 2024 based on the availability of third-party data and client data.

This year, the reporting period for Category 6: Business travel (air travel) has been adjusted from a 1 October 2023 to 30 September 2024 period, to a 1 January 2023 to 31 December 2023 period, to align these emissions with those in Category 6: Business travel (miscellaneous other than air travel).

With the exception of sustainable finance income, sustainable finance metrics are reported at 30 September 2024, allowing sufficient time to complete reporting. Sustainable finance income is reported for the full financial period from 1 January 2024 to 31 December 2024.

The reporting period for all other sustainability information in this Annual Report is from 1 January 2024 to 31 December 2024 to align with the calendar year used in financial reporting.

Independent Limited Assurance

Ernst & Young LLP (EY) was appointed to provide independent limited assurance over certain data points within this Annual Report, indicated with a caret symbol (^) in this report. The assurance engagement was planned and performed in accordance with the International Standard on Assurance Engagements (UK) 3000 (July 2020), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE (UK) 3000 (July 2020)). This independent assurance report is separate from EY's audit report on the financial statements and is available at **sc.com/sustainabilitylibrary**. This report includes further detail on the scope, respective responsibilities, work performed, limitations and conclusions.

We obtained independent limited assurance on the Group's Scope 1 and 2 GHG emissions and Scope 3 data centres GHG emissions by Global Documentation Ltd. We also obtained independent verification of the Group's Scope 3 emissions associated with business travel (air travel) from EcoAct. These verifications were conducted in accordance with the ISO 14064-3 Greenhouse gases standard and are also available at **sc.com/sustainabilitylibrary**.

For further details on assurance obtained on comparative prior year data, please refer to the prior year annual report.

+ Read more about the principles and methodology for measuring our environment data at **sc.com/environmentcriteria**

For further information on our emissions calculation methodology, please refer to the Group's 'Net zero methodological white paper – The journey continues' via **sc.com/sustainabilitylibrary**

Disclaimer

We report on ESG matters throughout this Annual Report, in particular in the following sections:

(i) Strategic report on **pages 35 to 44**
(ii) Directors' report on **pages 183 to 184**
(iii) Sustainability review on **pages 57 to 102**
(iv) Risk review and Capital review on **pages 256 to 269**
(v) Supplementary sustainability information on **pages 393 to 395**

In this 'Sustainability review' chapter, we set out our approach and progress relating to sustainability and its content is subject to the statements included in (i) the 'Forward-looking statements' section; and (ii) the 'Basis of preparation and caution regarding data limitations' section provided under 'Important notices' on **pages 397 to 398**.

+ Additional information can be accessed through our suite of supporting sustainability reports and disclosures via our website **sc.com/sustainabilitylibrary**

Chief Sustainability Officer's review

The opportunity to finance the transition to a low carbon economy is more compelling and crucial than ever. The commercial case continues to grow, with the green economy delivering total returns of 198 per cent over the past 10 years[1]. The scope for further sustainable finance growth is significant as new technologies come online and as renewable capacity growth continues to outpace that of fossil fuels[2].

At the same time, the urgency of the transition remains stark and this year we breached the 1.5°C threshold for the first time, making 2024 the warmest year on record. The disproportionate impact of climate change on those least equipped to respond, notably across our markets in Asia, Africa and the Middle East, underscores the importance of our ongoing commitment to capital mobilisation at scale to deliver the sustainable outcomes we need to see, alongside inclusive growth.

The Chief Sustainability Officer (CSO) organisation was established in 2022 to build on the Group's long-standing sustainability agenda. Since its creation, we have made substantial progress on our Sustainability Strategic Pillars, which represent our near-term strategic focus. This includes the work we do to scale sustainable finance, to embed sustainability across the organisation, deliver against our net zero roadmap, and leverage our thematic Innovation Hubs.

Our sustainable finance income growth speaks to this progress, with $982 million of sustainable finance income generated this year, meaning that we are on track to deliver against our target of at least $1 billion in annual sustainable finance income by 2025. As we scale, we continue to diversify our sustainable finance revenue mix by increasing the penetration of our core sustainable finance products across markets and expanding our product offering suite. Alongside this, we have now mobilised $121 billion in sustainable finance for our clients from January 2021, against our commitment to mobilise $300 billion in sustainable finance by 2030.

Internally, we continue to embed sustainability across our organisation by upskilling and empowering colleagues with user-friendly tools, training and streamlined processes, all aimed at facilitating the adoption of sustainability opportunities and managing sustainability risks throughout the Group. While externally, our Innovation Hubs across Adaptation Finance, Blended Finance Programmes, Carbon Markets and Nature Finance, continue to pioneer novel, high-visibility transactions, investing and supporting landmark projects that offer significant potential for scale.

This year we continued to deliver against our Net Zero Roadmap, completing our final baseline and target setting for the 12 highest-emitting sectors. But we also recognise that achieving our net zero by 2050 target requires active collaboration and engagement with our clients to support and accelerate their transition, and have therefore published our inaugural Transition Plan alongside this Annual Report.

This year we also sought to further expand our understanding of our own nature-related risks and opportunities, becoming an early adopter of the Taskforce on Nature-related Financial Disclosures (TNFD). Building on our ambition to shift financial flows towards nature-positive outcomes, Standard Chartered also partnered with The Government of The Bahamas, The Nature Conservancy, the Inter-American Development Bank (IDB), and other financial partners to launch an innovative debt conversion, expected to generate $124 million for marine conservation.

Looking ahead to 2025, we will no doubt face challenges as the sustainability landscape develops and as we further operationalise our ambitions. However, we're steadfast in our focus to deliver on our commitments, and our CSO team will continue to serve as a centre of excellence to support the Group in delivering on our Sustainability agenda, helping our clients to transition, and supporting sustainable, inclusive growth in our markets.

The progress detailed in this report reflects not just our achievements to date, but our determination to help drive positive change in the years ahead.

1 'Investing in the green economy 2024', London Stock Exchange Group
2 'World Energy Investment 2024', International Energy Agency

Our approach to sustainability

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

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

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

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

This section sets out progress against our Sustainability Aspirations and Sustainability Strategic Pillars before we dive deeper into the material topics set out on page 60, including sustainable finance, climate, nature and social impact.

Sustainability review

2024 highlights

$121bn

Cumulative mobilisation of sustainable finance from January 2021 to September 2024 against our commitment to mobilise $300 billion by 2030

Net Zero

Interim targets set against our 12 highest-emitting sectors in line with Net Zero Banking Alliance (NZBA) guidance

Published our first Transition Plan

$982m^

Income generated from sustainable finance in 2024 against our target of at least $1 billion annual income by 2025

Set an absolute facilitated emissions target for oil and gas, which currently makes up the majority of emissions within our facilitation portfolio

Became early adopters of the Taskforce on Nature-related Financial Disclosures (TNFD)

Values noted with a caret symbol (^) are subject to independent limited assurance by EY. Net zero progress has also been assured. This can be found on pages 74-89. The assurance report is available at **sc.com/sustainabilitylibrary**

Sustainability Aspirations: our long-term goals

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

Sustainability Aspiration		Progress to date
Aspiration 1: Mobilise $300 billion of sustainable finance[1]	We believe sustainable finance is essential in addressing the significant social and environmental challenges faced by our markets. It has the potential to support the needs of businesses, people and communities, by enabling the transition to low-carbon technologies, accelerating financial inclusion, and promoting sustainable, inclusive economic growth. Our sustainable finance product suite includes bonds, loans, advisory and trade finance, and is underpinned by our sustainable finance frameworks, which outline how we apply the 'green', 'social', 'sustainable' or 'transition' labels across products and transactions.	**$121bn** cumulative mobilisation of sustainable finance from January 2021 to September 2024 against our commitment to mobilise $300 billion by 2030
Aspiration 2: Operationalise our interim 2030 financed emissions targets to meet our 2050 net zero ambition	We aim to reach net zero in our financed emissions by 2050. The Group has set and disclosed financed emissions reduction targets for 2030 across our 12 highest-emitting sectors, including a facilitated emissions target for oil and gas, which currently makes up the majority of emissions within our facilitation portfolio. We also believe that while target-setting is crucial, we need a clear plan to transition our business. This can be found in our 2025 Transition Plan, which outlines a comprehensive framework on how we intend to transition our business and operations, and collaborate with our clients with the aim to deliver on our interim 2030 targets and ultimate 2050 net zero ambition. We recognise the challenges posed by a material portion of our markets that have yet to commit to net zero by 2050, but we remain focused on driving progress.	**Published our inaugural Transition Plan** detailing our approach aiming to achieve net zero by 2050
Aspiration 3: Enhance and deepen the sustainability ecosystem	We continue to utilise our experience and network to actively contribute to key global partnerships and initiatives that deliver differentiated impact and help to mature and advance the sustainability ecosystem. For example, we continue to maintain guiding roles in the Glasgow Financial Alliance for Net Zero (GFANZ), the UN Global Alliance of Investors for Sustainable Development (GISD), and the Integrity Council for the Voluntary Carbon Market (ICVCM), among others.[2] Through innovative frameworks and impactful initiatives, we have actively sought to support global efforts to advance and unlock capital flows towards critical areas such as adaptation and resilience, nature, carbon solutions and sustainable finance.	**Launched the Guide for Adaptation and Resilience Finance** in partnership with KPMG and the United Nations Office for Disaster Risk Reduction (UNDRR)
Aspiration 4: Drive social impact with our clients and communities	We seek to accelerate the mobilisation of both private and philanthropic capital to address critical social challenges in our footprint markets. By leveraging our financial expertise, product innovation, and strategic partnerships, we deliver solutions that meet immediate needs while empowering communities for sustainable growth. Through Futuremakers, we establish strategic collaborations with clients, NGOs and communities to mobilise social capital, create an inclusive ecosystem to drive inclusive economies and increase equitable prosperity. For more information, see pages 91-92.	**20,675** decent jobs enabled and supported in 2024[3]

1 We define mobilisation of sustainable finance as any investment or financial service provided to clients that supports: (i) the preservation and/or improvement of biodiversity, nature or the environment; (ii) the long-term avoidance/decrease of GHG emissions, including the alignment of a client's business and operations with a 1.5°C trajectory (known as transition finance); (iii) a social purpose; or (iv) incentivising our clients to meet their own sustainability objectives (known as sustainability-linked finance). It is a measure of total capital mobilised and considers the total value being committed facilities provided

2 A full list of our memberships can be found at **sc.com/sustainabilitystakeholders**

3 Decent jobs/employment: comprises formal employment and self-employment. 'Decent' aligns with the International Labour Organization (ILO) definition, but in recognition of the challenges in many markets to satisfy every criteria for 'decent', our Futuremakers initiative counts those participants who have met minimum wage plus at least two additional ILO criteria. The data includes 7,425 young female participants in sustained decent employment, where participants remain in decent employment six months post intervention, and 13,250 direct jobs enabled to support microbusinesses. This comprises paid employment opportunities (direct employees, active associates, contractors, support/gig workers, and the entrepreneurs themselves) directly created by the supported microbusinesses. These may be part-time or full-time, with each job accounted for as a single unit. This KPI is based on actual data collated from project alumni over the seven year period, estimates based on empirical research, and ex-post project evaluations

For detailed progress against all our Aspiration targets see **pages 393-395**

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

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

Sustainability Pillar		Progress to date
Pillar 1: Scale sustainable finance income[1]	Growth and innovation in our sustainable finance franchise is critical to the delivery of the Group's Net Zero Roadmap and to support our clients on their own transition journeys. Our sustainable finance teams develop customised solutions that speak to clients' needs and ambitions. The Group's sustainable finance product suite is set out within our GSPF, as described on page 73. Our sustainable finance income target is a CIB target, based on income generated from transactions utilising sustainable finance products for our clients and income generated from clients whose activities align with those in our Sustainable Finance Frameworks.	**$982m^** sustainable finance income generated in 2024 against our target of at least $1 billion annual income by 2025[2]
Pillar 2: Further embed sustainability across the organisation	The CSO organisation aims to act as a catalyst for change and a centre of excellence. We foster collaboration internally to embed sustainability across our business operations and functions. We collaborate externally with clients and other stakeholders who are aligned with our mission to drive change. We aim to create a self-reinforcing cycle, which is built on established processes, clear frameworks, engagement with our clients and collaboration across risk and business teams. Our aim is to work with our clients to support their transition and decarbonisation journeys and where clients evidence transition, help to accelerate progress.	**3,825** clients evaluated through Climate Risk Assessments, and 1,449 client Environmental and Social Risk Assessment reviews completed
Pillar 3: Deliver on the annual milestones set forth in our net zero roadmap	We aim to reach net zero in our financed emissions by 2050 and in our own operations by 2025. We focus on three areas to reduce emissions: our operations, our supply chain and financed emissions associated with our clients. The majority of our GHG emissions are linked to our lending activities. As such, we prioritised our measurement and decarbonisation efforts in the highest-emitting and most carbon-intensive sectors of our portfolio. We have now completed our financed emissions target-setting for our 12 highest-emitting sectors. We have further set a facilitated emissions baseline and target for the oil and gas sector which currently makes up the majority of emissions within our facilitation portfolio.	**12 out of 12** of the NZBA high-emitting sectors covered by 2030 science-based financed emissions targets
Pillar 4: Leverage our Innovation Hubs	Our four thematic Innovation Hubs – Adaptation Finance, Blended Finance Programmes, Carbon Markets and Nature Finance – focus on emerging sustainability themes that are nascent but ripe for scale. The Hubs drive innovation in the market across sustainability. In 2024, we executed on four transactions aligned to the themes of the Hubs. Through our Nature Finance Hub, we executed a debt-for-nature swap mandate for The Bahamas, with savings earmarked for conservation. Our Carbon Hub launched a commercial banking facility to support forward carbon purchases for British Airways.	**Four** transactions executed in 2024 aligned to the Group's sustainability themed Innovation Hubs

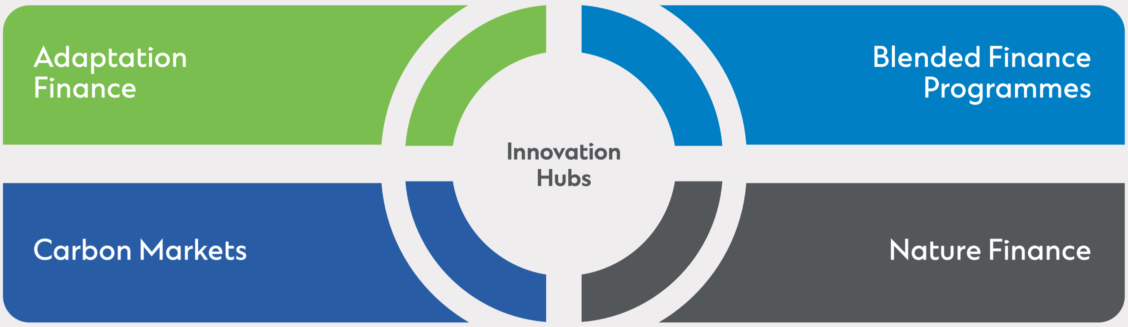
1 Values noted with a caret symbol (^) are subject to independent limited assurance by EY. The report is available at **sc.com/sustainabilitylibrary**
2 Refers to our goal to reach $1 billion in Sustainable finance income by the end of 2025

Innovation Hubs

Announced in 2023, our four thematic Innovation Hubs – Adaptation Finance[1], Blended Finance Programmes[2], Carbon Markets and Nature Finance – focus on emerging sustainability themes that are nascent but ripe for scale, aligned to areas where the Group has a core competency, and are particularly suited to clients in our footprint markets.

Each Hub is transversal, run by senior leaders in the CSO organisation, and aims to identify opportunities for future returns outside of our core range of traditional products and services. By being deliberate in demonstrating leadership to advance the ecosystem in these emerging thematic areas, the Group expects to be well-positioned to take advantage of the significant and differentiated revenue potential that will result from maturation of these themes in the future.

Our Innovation Hub model



About the Innovation Hubs

1. Adaptation Finance

Context

Across our markets, there is an urgent need to unlock and scale public and private climate adaptation finance to build shared societal resilience. This means embedding adaptation and resilience into financial decision-making to manage risks and identify new opportunities, which is critical given that every $1 spent on adaptation this decade could generate up to $12 of economic benefit[3].

Adaptation represents both a risk and an opportunity for the Group, its clients and communities. We are working to identify and scale the adaptation finance opportunity across our business and to support the development of adaptation finance across the wider market.

Progress

In 2024, Standard Chartered, KPMG and the UNDRR – with contributions from more than 30 additional organisations – developed and published the Guide for Adaptation and Resilience Finance (The Guide). The Guide now supports the market in identifying adaptation opportunities, by setting out eligible financeable activities and guidance on what constitutes adaptation and resilience investment, alongside a practical roadmap for financing and investment opportunities.

We also completed the Group's first adaptation finance transaction – an adaptation letter of credit with a parametric insurance provider, which provided financial protection for businesses in the renewable energy sector against extreme weather such as changes in river levels and wind levels.

Standard Chartered is also co-chair of the UK Climate Financial Risk Forum Adaptation working group. Through this forum and others, the Group will continue to engage the financial ecosystem to seek opportunities for adaptation and resilience in Asia, Africa and the Middle East.

Standard Chartered is ranked 1st in Climate X's ranking of the world's top 50 banks for climate adaptation[4].

For more on Adaptation Finance see our
- Adaptation Economy Report **sc.com/adaptation-economy**
- Guide for Adaptation and Resilience Finance via **sc.com/adaptation-resilience**

1 Adaptation and resilience finance: Adaptation and resilience finance is considered to be any financial service which is provided to an entity to enable adaptation and enhance resilience to climate and non-climate-related natural hazards within that entity's assets, operations, customers, supply chain, or the communities in which they operate
2 Blended Finance is the use of catalytic public (and/or philanthropic) capital to increase private sector investment that supports the SDGs
3 Read our research on the Adaptation Economy **sc.com/adaptation-economy**
4 Based on 17 indicators as described Climate X's 2024 white paper 'Top 50 Banks in the World Tackling Adaptation'

2. Blended Finance Programmes

Context

As we move closer to critical 2030 climate and sustainability targets, the need for blended finance to fill financing gaps becomes even more pressing. However, blended finance deals largely continue to be 'bespoke' to each situation, which limits their scalability.

Standard Chartered is already recognised by Convergence (the global network for blended finance) as among the most active commercial banks in the blended finance space, and we are well positioned to play a leadership role in this area given our footprint across Asia, Africa and the Middle East.

We are working to address the issue of scalability by identifying, creating and implementing blended finance through a more programmatic approach: working through partnerships with Development Finance Institutions (DFIs) and Multilateral Development Banks (MDBs) as well as within country platforms. We describe this approach more fully in our article 'Country Platforms: A programmatic approach to blended finance'[1].

Progress

The Group has sought to establish both partnerships and platforms throughout the year. We continue our participation, as a signatory, in the Just Energy Transition Partnerships (JETPs) in Indonesia and Vietnam, working with our clients to translate political investment plans into project financing.

In addition, at COP29 this year, the Kingdom of Lesotho announced its intention to appoint Standard Chartered and Standard Bank South Africa as joint financial advisers, during the launch of the His Majesty King Letsie III Just Energy Transition Fund (HMKLIII JET Fund). The HMKLIII JET Fund aims to build a new era of energy independence and export in Lesotho: fulfilling Lesotho's domestic demand through building both local supply and surplus generation for export to neighbouring Southern Africa. The HMKLIII JET Fund seeks to bring private investment to Lesotho through the country platform approach.

Standard Chartered is also a founding participant in the Bangladesh Climate and Development Platform, a country platform to leverage adaptation and mitigation investments. The country platform concept was first advanced by the World Bank in 2017, moving beyond just single projects, and is designed to foster collaboration among development partners based on a shared vision.

We also contributed to a number of global initiatives (e.g. within GFANZ and WEF) to help drive thought leadership around blended finance.

3. Carbon Markets

Context

Effective carbon markets are critical to global efforts to mitigate climate change and to finance sustainable development. This was stressed by the UN Intergovernmental Panel on Climate Change in its April 2022 report on mitigating climate change, which noted that "the deployment of carbon dioxide markets to counterbalance hard-to-abate residual emissions is unavoidable if net zero emissions are to be achieved".

Carbon markets put a price on carbon emissions, can be complementary to credible net zero transition plans, and help to channel climate finance where it's needed, most critically across our markets. A high-integrity carbon market, combined with corporate commitments to cut emissions and high standards of reporting can accelerate the global progress towards net zero by 2050, while supporting sustainable development globally.

The Group has been a firm advocate of carbon market standardisation and has been at the forefront of several initiatives that are working to ensure that high-integrity, scalable carbon markets develop. We offer trading, advisory, financing and risk management services to our clients around the world and continue to develop our suite of banking solutions as carbon markets grow and mature.

Progress

In 2024, we bolstered our support of carbon market development to provide innovative carbon financing solutions. Standard Chartered partnered with British Airways, CFC Insurance, Cur8, Willis Towers Watson, and UNDO to pilot an innovative bank loan against a carbon removal credits offtake contract. The transaction featured a purpose-built carbon insurance policy, allowing for the upfront monetisation of an existing long-term carbon offtake agreement.

We have been working on broadening our financing capabilities to be able to apply similar solutions to other carbon project types and to support additional sources of debt such as outcome bonds and securitisation of carbon portfolios.

We continue to support the ICVCM review process for both carbon standards and methodologies and, in the past year, have been involved in some of the largest carbon market transactions, including acting as a supplier for the Regional Voluntary Carbon Market Company and Climate Impact X's respective carbon credit auctions.

1 Available at **sc.com/delivering-blended-finance**

4. Nature Finance

Context

It is estimated that over half of global GDP is moderately or highly dependent upon nature. The 2019 Global Assessment Report from the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services highlighted how biodiversity loss undermines livelihoods, food security, economies and health, while also threatening the resilience of our planet to climate change. Despite its importance, nature is rapidly declining. An estimated 25 per cent of plants and animals are threatened with extinction, amid a 47 per cent decline in natural ecosystem extent and condition relative to earliest estimated states.[1] Protecting nature is essential to limiting anthropogenic global warming and mitigating its impacts so that the planet can sustain all livelihoods and support inclusive sustainable economic development.

Having applied international environmental and social standards in our financing for more than 20 years, our presence in markets with some of the richest, remaining biodiversity in the world positions us to engage with a range of key stakeholders.

We are guided by our commercial ambition to increasingly shift financial flows towards nature-positive outcomes by aligning and contributing to the targets of the Global Biodiversity Framework (GBF).

Progress

Standard Chartered has partnered with The Government of The Bahamas, The Nature Conservancy, IDB, and other financial partners to launch an innovative debt conversion for nature and climate, which aims to help the country improve ocean conservation and management.

We have also expanded the Group's GSPF in 2024 to include additional nature-related activities informed by the GBF. Namely, under the GSPF 'Sustainable management of living and natural resources' category, we have expanded the criteria to include a multitude of activities that contribute to ecosystem and nature conservation, including but not limited to: investment in restoration of degraded areas; in-situ conservation activities around sustainable tourism areas, and investment in activities that mitigate the impact of invasive alien species. Within the 'Pollution prevention and control' GSPF category, we have also recognised activities that contribute to soil remediation, and waste prevention or reduction. Through our nature risk working group we are advancing our nature risk analysis by leveraging our climate risk data capabilities to support more in-depth analysis of potential material sectors and sites, and assess our financial exposure to direct and indirect pressures and dependencies on nature.

To amplify Standard Chartered's thought leadership in the nature sphere, we co-authored the Group's latest sustainability research 'Towards a sustainable ocean: where there's a will, there's a wave'[2] published in November 2024, highlighting opportunities for financing the nature-positive transition of the blue economy.

+ For more on progress made towards nature see **page 90**

Debt conversion for nature for The Bahamas

Standard Chartered acted as the sole lender in this transaction, underwriting a new $300 million loan. The loan was backed by guarantees from IDB, Builders Vision (an impact platform founded by Lukas Walton) and AXA XL (a specialist insurer). The Nature Conservancy was responsible for mobilising the guarantee package for the transaction and will also provide long-term conservation support to The Bahamas Government.

Through the new loan, The Bahamas bought back $300 million of its external commercial debt, generating $124 million in savings which will be dedicated to marine conservation in The Bahamas. The debt savings will support The Bahamas to effectively manage its unique system of almost 6.8 million hectares of Marine Protected Areas (MPAs), complete a national Mangrove Management Plan and develop and implement a Marine Spatial Plan aimed at addressing increased demands for the use of The Bahamas' ocean through a transparent, participatory, and science-based process.

The Bahamas debt conversion project thus not only helps to free up fiscal space by reducing debt service payments, but also helps to support sovereign sustainable development priorities – conserving and managing marine areas to provide the critical habitats for diverse species, protect coasts from storms and sustain local livelihoods.

The project is also one of many firsts:

- Our first debt conversion for nature.
- First time a family office has provided a meaningful component of the credit enhancement package, with Builders Vision providing a $70 million co-guarantee.
- First time a private insurer has provided credit insurance alongside a Multilateral Development Bank in support of a sustainable issuance for nature and climate, with AXA XL providing $30 million in credit insurance.
- First time that climate-smart MPA commitments – which include considerations for managing potential climate change impacts – are explicitly included in conservation outcomes to support climate mitigation and adaptation goals.

More information about the debt conversion for nature for the Bahamas is available at **sc.com/debt-conversion**

1 IPBES (2019) Global Assessment Report on Biodiversity and Ecosystem Services
2 Read our blue economy research paper 'Towards a sustainable ocean: where there's a will, there's a wave' at **sc.com/blue-economy**

Sustainable finance

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

Our broad sustainable finance product suite, which includes bonds, loans, advisory and trade finance, is underpinned by our sustainable finance frameworks (described on page 73) that outline how we apply the 'green', 'social', 'sustainable' or 'transition' labels across products and transactions. We also work with retail and wealth clients to mobilise diverse sources of capital in support of social and environmental outcomes.

Our aspiration is to mobilise $300 billion of sustainable finance.

We have mobilised $121 billion of sustainable finance from January 2021 through to September 2024 against our commitment to mobilise $300 billion by 2030.

Sustainable finance mobilised[1]

Product	Oct 2023 – Sep 2024[11] $m	Jan 2021 – Sep 2023 $m	Cumulative progress Jan 2021 – Sep 2024 $m
Use of proceeds[2,3]	**7,510**	18,989	26,499
Sustainability-linked loans (SLLs)[3,4]	**9,529**	28,638	38,167
Transition finance[3,5]	**1,023**	762	1,785
SME lending[3,6]	**1,342**	2,853	4,195
Microfinance[3,6]	**752**	1,940	2,692
Green mortgages[3,7]	**245**	4,822	5,067
Mergers and acquisitions (M&A)/Advisory[8]	**2,926**	5,786	8,712
Green and social bonds facilitated[9]	**10,220**	23,423	33,643
Total sustainable finance mobilised[10]	**33,547^**	87,213	120,760
Of the above			
Corporate &Investment Banking (CIB)	**31,960**	79,539	111,499
Wealth & Retail Banking (WRB)	**1,587**	7,674	9,261
Total sustainable finance mobilised[10]	**33,547^**	87,213	120,760

1 We define mobilisation of sustainable finance as any investment or financial service provided to clients that supports: (i) the preservation and/or improvement of biodiversity, nature or the environment; (ii) the long-term avoidance/decrease of GHG emissions, including the alignment of a client's business and operations with a 1.5°C trajectory (known as transition finance); (iii) a social purpose; or (iv) incentivising our clients to meet their own sustainability objectives (known as sustainability-linked finance). It is a measure of total capital mobilised and considers the total value being committed facilities provided

2 Mobilisation amounts include transactions with restricted use of the financing proceeds that align to our GSPF. Use of proceeds lending transactions are measured as the loan commitment/underwritten amount provided to the counterparty. Use of proceeds transactions to the value of $538 million have been reclassified as SLLs in the 2023 year due to transaction tagging refinement

3 Lending transactions are measured as the loan commitment/underwritten amount provided to the counterparty

4 SLLs refer to any type of loan instrument for which the economic characteristics can vary depending on whether the counterparty achieves ambitious, material and quantifiable predetermined sustainability performance targets (SPTs). The use of proceeds in relation to an SLL is not a determinant in its categorisation and, in most instances, SLLs will be used for general corporate purposes. SLLs are not issued in line with the Group's GSPF but are subject to other internal guidance documentation, based on the Sustainability Linked Loan Principles

5 Transition finance includes any financial service provided to clients to support them to align their business and/or operations with a 1.5°C trajectory issued in line with our TFF, this is measured on a committed facility provided basis

6 SME and Microfinance lending is the provision of finance to developed but not high-income countries as per the United Nations World Economic Situation and Prospects (UN WESP) report. The inclusion of SME lending is linked to the 'Access to Finance' sub-theme within the Group's GSPF incorporating employment generation, and programmes designed to prevent and/or alleviate unemployment, including through the potential effect of small and medium enterprise (SME) financing and microfinance. SME mobilisation is the lending facilities provided to small companies and renewed when the facilities renew. Microfinance mobilisation is measured as the cash disbursed

7 Green Mortgages are loans issued by our Wealth & Retail Banking business (WRB) where the underlying property meets a specific energy rating. Mobilisation is measured as the cash disbursed to lenders. Value mobilised in 2021 includes mortgages originated before 2021 but identified as Green in 2021

8 M&A/Advisory represents where the Group is the financial advisor to a transaction which has been tagged as sustainable in line with the Group's GSPF or TFF. The amount attributed to M&A/Advisory mobilisation is proportional and represents the total deal size divided by the number of financial advisers on the deal

9 Capital market bonds are measured by the proportional bookrunner share of facilitated activities as determined by third-party league table rankings based on the level of services provided

10 Values noted with a caret symbol (^) are subject to independent limited assurance by EY. The report is available at **sc.com/sustainabilitylibrary**

11 Some transactions included in 2024 reporting related to deals that were signed during prior years but which only received approval for sustainable finance tagging during 2024

Scaling sustainable finance income

Our sustainable finance franchise supports clients on their transition and broader sustainability journeys by developing customised solutions that speak to their needs and ambitions. The franchise generated over $982 million between January and December 2024 putting us within reach of our target of at least $1 billion annual income by 2025. This represents over 8.3 per cent of our total Corporate & Investment Banking income in 2024, a year-on-year growth rate of 36 per cent.

As a UK-headquartered international bank we work to deploy capital across our global markets. As can be seen on the following pages and in our 2024 Sustainable Finance Impact Report, we have raised $7.9 billion of sustainable liabilities across our markets, while 78 per cent of our $23.3 billion sustainable finance asset base is located in Asia, Africa and the Middle East.

In 2024, we continued to develop our sustainable finance product suite, with over 40 product variants as set out in our GSPF. Co-developed with Morningstar Sustainalytics, a globally recognised provider of ESG research, ratings and data, our framework is reviewed annually to reflect changes in market trends and industry standards.

Our pureplay clients are also key to achieving our sustainable finance goals. These are companies whose activities align with those in our GSPF or in our TFF. Their significance lies in their ability to deliver credible and robust impact, driven by the inherent green and socially sustainable nature of their business models and operations, or their critical role in supporting and/or enabling the transition.

Our sustainable finance income[1] includes client income generated from our sustainable finance product suite net of funding costs, as well as from clients recognised as green, social, sustainable or transition pureplays.

Read more in our Sustainable Finance Impact Report at **sc.com/sfimpactreport**

Sustainable finance income[2]

Product	2024[3] $m	2023 $m	YOY %
Transaction services	**319**	202	58
Payments & Liquidity	**187**	103	82
Securities & Prime Services	**4**	–	400
Trade & Working Capital	**128**	99	29
Banking	**552**	427	29
Lending and financing solutions	**507**	386	31
Capital market and advisory	**45**	41	10
Markets	**111**	91	22
Macro Trading	**101**	76	33
Credit Trading	**10**	15	(33)
Total sustainable finance income by product	**982^**	720	36

Our target to generate at least $1 billion annual sustainable finance income by 2025

We generated $982 million^ of sustainable finance income in 2024, putting us within reach of our target.

1 For derivative transactions included within our sustainable finance income, these reflect the client income related to transactions, which includes margins charged in excess of hedging costs
2 Values noted with a caret symbol (^) are subject to independent limited assurance by EY. The report is available at **sc.com/sustainabilitylibrary**
3 Product allocations have changed to align to the new business structure within CIB

Sustainable finance assets and sustainability-linked assets

Our sustainable finance assets reflect the assets on our balance sheet generated as a result of this green, social and sustainable financing activity, and it is against these assets that we raise sustainable liabilities. Transition assets are not included within this asset base.

The Group's sustainable finance asset base increased by 32 per cent to $23.3 billion between October 2023 and September 2024. The majority of our sustainable finance asset base ($17.4 billion of the $23.3 billion) is made up of financing to green projects such as renewable energy projects, green real estate and funding for the development of electric rail projects. Our social finance assets make up $5.5 billion of the total sustainable finance asset pool and encompass categories such as healthcare, education and access to finance in developing markets. The remaining assets ($0.4 billion of the $23.3 billion) span across both green and social categories, including renewable energy, sustainable water and wastewater management, access to essential services and food security.

Green finance assets[1,2]

Theme	Sept 2024 $m	Sept 2023 $m	SDGs
Clean transportation	**1,929**	901	
Electric vehicles (EVs)	**710**	197	
EV battery manufacturers	**622**	372	
Manufacturing of specialised component parts of EVs	**147**	112	
Rail	**450**	220	
Climate change adaptation	**3**	4	
Energy efficiency	**141**	482	
LED lighting	**92**	7	
Modernisation of broadband network	**46**	475	
Smart meters	**3**	–	
Eco-efficient products	**37**	–	
Green buildings	**8,816**	8,742	
Green buildings	**5,554**	5,066	
Mortgage portfolio Hong Kong	**3,225**	3,657	
Mortgage portfolio Singapore	**16**	–	
Mortgage portfolio Taiwan	**20**	19	
Mortgage portfolio Vietnam	**1**	–	
Pollution prevention and control	**157**	14	
Portfolio of green projects	**436**	351	Multiple
Renewable energy	**5,498**	3,100	
Transmission lines	**174**	102	
Hybrid wind and solar	**528**	38	
Hydropower	**24**	32	
Manufacture of components for renewable energy technology	**954**	457	
Solar	**1,618**	940	
Waste to energy	**239**	166	
Wind	**1,534**	1,178	
Energy storage	**130**	68	
Green hydrogen	**19**	9	
Mixed renewables	**278**	110	
Sustainable management of living and natural resources	**249**	–	
Sustainable water and wastewater management	**127**	–	
Total green assets	**17,393**	13,594	
Portfolio of green and social projects[3]	**392**	473	Multiple

1 Amounts included in the table are as of September 2024 and September 2023 and are aligned to the Group's Sustainable Finance Impact Report available at **sc.com/sfimpactreport**. September 2024 and September 2023 figures have been prepared on the same basis as the Impact Report

2 Values noted with a caret symbol (^) are subject to independent limited assurance by EY. The report is available at **sc.com/sustainabilitylibrary**

3 The underlying assets could potentially span across various categories, including renewable energy, sustainable water and wastewater management, access to essential services and food security. These assets, while included in the overall totals, remain unidentified in terms of specific green and social classification until allocation reports are received

Social finance assets[1,2]

	Sept 2024 $m	Sept 2023 $m	SDGs
Access to water	**121**	72	
Access to essential services	**338**	145	
Education infrastructure – universities	**6**	6	
Healthcare infrastructure – hospitals	**230**	131	
Provision of supporting healthcare-related products and services	**95**	8	
Education loans	**7**	–	
Road infrastructure	**120**	46	
Access to finance	**4,050**	3,062	
SME lending	**3,467**	2,506	
Microfinance	**583**	555	
Affordable basic infrastructure	**879**	198	
Sewage treatment	**–**	1	
Telecommunications/Internet connectivity	**879**	197	
Food security	**14**	22	
Portfolio of social projects	**25**	–	
Total social assets	**5,547**	3,545	
Total green and social finance assets	**23,332^**	17,612	

Sustainability-linked assets[1]

	Sept 2024 $m	Sept 2023 $m
Total sustainability-linked loans	**6,619**	4,805
Total sustainability-linked assets	**6,619**	4,805

Total green and social finance and sustainability-linked assets[1,3]

	Sept 2024 $m	Sept 2023 $m
Corporate & Investment Banking	**24,098**	17,103
Wealth & Retail Banking	**5,853**	5,314

Sustainable liabilities[1,2]

Theme	Sept 2024 $m	Sept 2023 $m
Total bond issuances	**2,126**	2,353
of which sustainable structured notes	**950**	795
of which green structured notes	**60**	–
Total sustainable term deposits	**3,325**	4,554
Total sustainable term accounts	**1,214**	1,027
Total sustainable retail current and savings accounts and deposits	**1,196**	513
Total sustainable liabilities	**7,861^**	8,447

1 Amounts included in the table are as of September 2024 and September 2023 and are aligned to the Group's Sustainable Finance Impact Report available at **sc.com/sfimpactreport**. September 2024 and September 2023 figures have been prepared on the same basis as the Impact Report

2 Values noted with a caret symbol (^) are subject to independent limited assurance by EY. The report is available at **sc.com/sustainabilitylibrary**

3 The underlying assets could potentially span across various categories, including renewable energy, sustainable water and wastewater management, access to essential services and food security. These assets, while included in the overall totals, remain unidentified in terms of specific green and social classification until allocation reports are received

See **sc.com/sfimpactreport** for more highlights on our Sustainable Finance assets in 2024, including asset locations

Wealth & Retail Banking sustainable investing

The Group had $1.3 billion sustainable investing (SI) assets under management (AUM) at 31 December 2024 (a 30 per cent increase from $1.0 billion at 31 December 2023).

Following a review of our methodology, we have refined our definition of SI AUM this year to only include products that the Group actively advises on. This includes funds and structure products, and excludes bonds and equities.

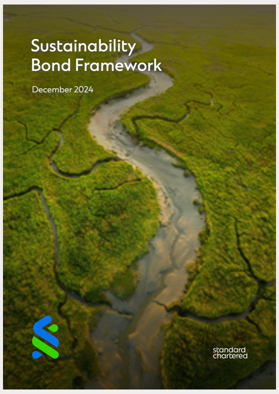
For further information on our Sustainable Investments universe, refer to **sc.com/sustainable-investing**

Our Sustainable Finance Frameworks

Green and Sustainable Product Framework

Our GSPF governs the activities that we as an organisation classify as 'green', 'social' and 'sustainable'.

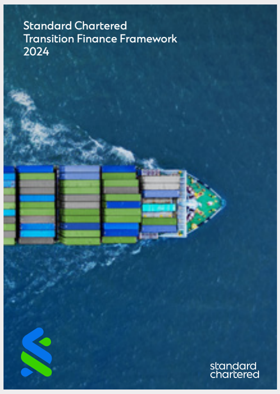
It sets out our approach to mitigating greenwashing risk across our product suite and defines the themes and activities that we consider eligible for green, social and sustainable financing. The Framework is informed by international market guidelines and standards on green and sustainable finance, including among others, the Climate Bonds Standard, EU Taxonomy for sustainable activities and the Green Loan Principles. Co-developed with Morningstar Sustainalytics, our Framework is reviewed annually with the aim to ensure it remains in line with the latest industry standards.



Sustainability Bond Framework

Our SBF provides the basis for the issuance of green, social and sustainability bonds and notes, drawing on the activities that we view as 'green', 'social' and 'sustainable'.

It governs our sustainable debt products issued by the Group, providing transparency and guidance on the use of proceeds, process for project evaluation and selection, management of proceeds and reporting, as aligned with the ICMA Sustainability Bond Principles. It has received a Second Party Opinion from Morningstar Sustainalytics, which confirms our Framework is credible, impactful and aligns with industry guidelines.



Transition Finance Framework

Our TFF sets out the assets and activities that qualify under a 'transition' label.

We have outlined our approach to defining and governing transition finance in our TFF. This framework is informed by the 2023 International Energy Agency (IEA) Net Zero Emissions (NZE) 2050 scenario and is reviewed annually for alignment with the latest available science and industry standards. This year we published the third iteration of the TFF.

Governance over sustainable finance products and frameworks

The Group has Product Programme Guidance documents in place, which underpin each Sustainable Finance product that we offer, signed off by a delegate of the Sustainable Finance Governance Committee (SFGC) following approval of the product construct by the SFGC.

The SFGC is our forum for reviewing Sustainable Finance products and frameworks, and derives its authority from the Group Responsibility and Reputational Risk Committee (GRRRC). The GRRRC is the ultimate approval body for all of our Sustainable Finance Frameworks. Its membership is drawn from the CSO organisation, Legal, Compliance, and ESG and Reputational Risk. The SFGC is our foremost committee for managing greenwashing risk in sustainable finance product design and labelling.

+ For more, visit **sc.com/sustainabilitylibrary**
For more information on our Green and Sustainable Product Framework please visit **sc.com/gspf**
For more information on our Sustainability Bond Framework please visit **sc.com/sustainability-bond-framework**
For more information on our Transition Finance Framework please visit **sc.com/transition-finance-framework**

Climate

We aim to reach net zero in our financed emissions by 2050 and in our Scope 1 and Scope 2 emissions by 2025. Our net zero roadmap sets out the key steps we need to take to achieve this goal, and thus far we have made good progress achieving the goals we set for 2024.

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

Published this year, the Group's inaugural Transition Plan outlines our approach to deliver this change and aim to achieve net zero by 2050, demonstrating to clients, suppliers, customers, and other key stakeholders that we have a clear plan to deliver on the commitments we have made. The Transition Plan consolidates and expands upon the disclosures provided in this Annual Report, the Net Zero Roadmap and Net Zero Methodological White Paper.

The Transition Plan has been developed considering guidelines provided by the Transition Plan Taskforce and GFANZ frameworks.

The Group also made progress on our target-setting coverage for financed emissions, setting a baseline and target on our agriculture portfolio. Reporting also resumed for our aviation business sector following the sale of the Group's global aircraft finance leasing business and majority of lending portfolio in 2023. As a result, the Group has now formally completed target-setting for our twelve highest-emitting sectors.

In 2023, the Partnership for Carbon Accounting Financials (PCAF) released its facilitated emissions methodology.[1] Following this, we continued to work on target-setting for the capital market issuances on which we assist our clients.

The Group has also now set a facilitated emissions target for the oil and gas sector which currently makes up the majority of emissions within our facilitation portfolio. Facilitated emissions refers to the emissions charge the Group incurs for providing the service of facilitating the issuance of a debt capital markets bond for an oil and gas client. This charge is incurred regardless of whether the Group holds any portion of the bond or not.

For information about our approach to climate governance, refer to **pages 98-102**

Download our Transition Plan and 'Net Zero Methodological White Paper – The journey continues' from **sc.com/sustainabilitylibrary**

The Transition Plan sets out:

- Our current practices: The evolving business practices that underpin our commitment to net zero.
- Control environment: The governance framework and description of controls over our net zero calculations, target management, client engagement, and decision-making processes, designed to maintain oversight, accountability, and alignment with the Group's net zero objectives.
- Embedding net zero: The measures and initiatives undertaken to integrate net zero considerations into the client lifecycle. How we are systematically integrating and operationalising sustainability into client engagement strategies, with the aim to drive measurable outcomes.

1 'The Global GHG Accounting & Reporting Standard (Part B): Facilitated Emissions', Partnership for Carbon Accounting Financials, December 2023

Our net zero roadmap

We aim to reach net zero emissions in our financed emissions by 2050 and in our Scope 1 and Scope 2 emissions by 2025.

To help us remain on track, we have set short- and medium-term objectives and quantifiable targets to manage and report on our progress on an annual basis. We have now set interim 2030 targets for all the highest-emitting sectors in the Group's portfolio.

2021

- Launched our roadmap to net zero by 2050, including interim targets and a supporting methodology
- Announced plans to mobilise $300 billion in sustainable finance by 2030
- Published our inaugural TFF

2022

- Developed financed emissions baselines and 2030 targets for the aviation, shipping and automotive manufacturers sectors
- Joined PCAF

2023

- Announced our enhanced oil and gas absolute financed emissions target
- Updated our power and steel sector baselines and targets moving from a revenue-based intensity metric to a production-based intensity metric
- Developed financed emissions baselines and set interim 2030 targets for four additional sectors: cement, aluminium, residential mortgages and commercial real estate, bringing the total number of science-based targets set for high-emitting sectors to 11
- Financed emissions baselines and sectoral progress against targets, where indicated, assured for the first time by Ernst & Young
- Calculated the Group's facilitated emissions from debt capital markets following the final PCAF guidance (published in December 2023) under both the 33 per cent and 100 per cent weighting factors
- Published the Group's updated Net Zero Methodological White Paper – The journey continues

2024

- Measured and disclosed an agriculture baseline and target, the final high emitting sector recommended by the NZBA
- Resumed aviation sector reporting following the sale of the Group's aircraft leasing business and a significant portion of the lending portfolio
- Set a baseline and target for our facilitated emissions portfolio focusing on the oil and gas sector which currently makes up the majority of emissions within our facilitation portfolio
- Issued the Group's first Transition Plan set out with reference to the Transition Plan Taskforce and GFANZ guidance

2025

- Aim to be net zero in our Scope 1 and 2 emissions
- Set a methane reduction target

2030

- We will have substantially reduced our exposure to the thermal coal mining sector in line with our Position Statements
- Aim to meet the Group's financed and facilitated emissions interim targets set for high-emitting sectors

2032

- Targeted end date for legacy direct thermal coal mining financing globally in line with our Position Statements

2050

Aim to become net zero in our financed emissions

Our emission sources

We aim to reach net zero emissions in our financed emissions by 2050 and in our Scope 1 and Scope 2 emissions by 2025. We focus on three areas to reduce emissions:

Topics	Size of emissions (%)	Emissions sources	Learn more
Our operations	0.1	**Scope 1 and Scope 2:** Emissions from the combustion of fuels in owned or controlled sources e.g. boilers, generators and vehicles, refrigeration and air conditioning equipment and the purchase of electricity	Page 77
Our supply chain	1.5	**Scope 3 Categories 1-14**: Emissions from our upstream and downstream supply and value chain	Page 78
Our clients	98.4	**Scope 3 Category 15:** Emissions from transacting with our clients	Page 78

The following tables summarise our most recent performance:

Scope 1 and 2 emissions	2024 (tCO_2e)	2023 (tCO_2e)	2022 (tCO_2e)
Scope 1 emissions[1,3]	**7,696**	8,488	2,071
Scope 2 emissions[2,3]	**17,272**	26,246	47,363
Total Scope 1 and 2 emissions	**24,968**	34,734	49,434

Scope 3 supply chain emissions[4]:	2024 (tCO_2e)	2023 (tCO_2e)	2022 (tCO_2e)
Category 1: Purchased goods and services (other)[5]	**345,193**	346,819	380,732
Category 1: Purchased goods and services (data centres)[3]	**4,186**	4,431	7,060
Category 2: Capital goods	**43,716**	42,707	34,496
Category 4: Upstream transportation and distribution	**27,268**	24,125	20,300
Category 5: Waste generated in operations	**379**	520	747
Category 6: Business travel (air travel)[6]	**53,326**	48,046	39,107
Category 6: Business travel (miscellaneous other than air travel)	**16,420**	8,918	2,654
Category 7: Employee commuting[7]	**81,065**	71,228	61,917
Category 13: Downstream leased assets (real estate)	**7,119**	7,898	8,594
Total Scope 3 supply chain emissions	**578,672**	554,692	555,607

Scope 3 Category 15: Investments[8]	2024 (tCO_2e)	2023 (tCO_2e)	2022 (tCO_2e)
Financed emissions[9]	**36,410,000**	42,330,000	49,872,000
Facilitated emissions	**1,761,000**	3,007,000	4,025,000
Total Scope 3 Category 15 emissions[9]	**38,171,000**	**45,337,000**	**53,897,000**
Agriculture sector Scope 3 emissions[10]	**10,300,000**	–	–

1 As we aim to improve our emissions measurement and reporting year-on-year, we have included leased vehicle fleet emissions in our Scope 1 data in 2024 (1,340 tCO_2e) and fugitive emissions since 2023 (3,877 tCO_2e in 2024 and 5,266 tCO_2e in 2023). 2022 data was not available for fugitive emissions

2 Scope 2 indirect emissions have been calculated using the market-based approach as set out in the GHG protocol

3 Our Scope 1 and 2 emissions and Scope 3 Category 1: Purchased goods and services (data centres) emissions calculations for the most recent reporting year were independently assured by Global Documentation Ltd. The assurance scope in 2024 now includes the leased vehicle fleet and fugitive emissions

4 Scope 3 Category 3, Category 8, Category 9, Category 10, Category 11, Category 12 and Category 14 are not relevant for the Group due to the nature of our business, products and services and operations. GHG emissions associated with these categories are not deemed as relevant and/or material

5 We have restated our Scope 3 Category 1: Purchased goods and services emissions data for the 2023 reporting year from 286,304 tCO_2e to 346,819 tCO_2e due to one of our largest suppliers (by spend) restating their publicly reported emissions. The supplier restatement is a result of improved data accuracy within its calculations. As underlying data evolves, we will refine our methodology to improve accuracy and align to evolving industry standards, for example data centre emissions categorisation and appropriate emissions allocation

6 Page 61 of this report sets out the different reporting periods for the data in this table. This year, the reporting period for Category 6: Business travel (air travel) has been adjusted from a 1 October 2023 to 30 September 2024 period to a 1 January 2023 to 31 December 2023 period, to align these emissions with those in Category 6: Business travel (miscellaneous other than air travel). While a change in reporting period does not require a restatement of prior reporting periods under the GHG Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard, we have opted to restate 2023 from 60,279 tCO_2e to 48,046 tCO_2e to allow a comparable period. We plan to complete a review of our air travel methodology in 2025

7 Category 7: Employee commuting includes both emissions from commuting (67,035 tCO_2e) and emissions associated with home office working (14,030 tCO_2e)

8 Category 15: Investments includes financed and facilitated emissions and are measured on a one to two-year lag based on the availability of third-party and client data. Total Category 15 financed emissions have been updated for facilitated emissions for the oil and gas sector which were reported separately for the first time during 2024. Facilitated emissions are calculated on a three year rolling average. Mortgage absolute financed emissions were restated from 0.04 $MtCO_2e$ to 0.4 $MtCO_2e$ following a decimal place error in reporting in 2022 and 2023. Category 15 emissions are rounded to the nearest 1,000 $MtCO_2e$. Facilitated emissions values are calculated on a three-year rolling average

9 Excluding agriculture sector Scope 3 emissions

10 During the year, the Group completed a sector-specific baseline and target for the agriculture sector, the last high emitting sector as defined by the NZBA guidance. The baseline emissions were calculated for the 2023 reporting year using the Implied Temperature Rise (ITR) method, and a 2030 interim target has been set against the 2023 baseline. The ITR method has been applied, which allows us to capture Scope 3, due to the complexities of the value chain of the sector, availability of data and the nature of operation of our clients in the sector value chain. The decision to include Scope 3 emissions of the Group's agriculture clients was tacit as this has the most real-world impact, by allowing the Group to engage with its clients to decarbonise their operations and supply chains. On an absolute emission basis the agriculture portfolio has 1.2 $MtCO_2e$ in its Scope 1 and 2 emissions and a further 10.3 $MtCO_2e$ in its Scope 3 emissions, giving the sector 11.5 $MtCO_2e$ in total (see Agriculture in 'Detailed progress against our sectoral financed emission targets') . In prior years, the Scope 1 and 2 emissions of the Group's agriculture clients were included within the Category 15 absolute financed emissions, in the "Others" category. Agriculture Scope 3 emissions were not included in prior year numbers because the sector deep dive had not occurred and scope 3 is generally not calculated for the agriculture sector. As such, the Scope 3 emissions of 10.3 $MtCO_2e$ are not included in the Total Scope 3 Category 15 emissions above as this would not be comparable to prior years

This section covers our Scope 1 and Scope 2 emissions as defined on page 76

Our approach to managing our environmental footprint

The Group defines and aims to achieve net zero in line with ISO IWA 42 as a condition in which human-caused residual GHG emissions are balanced by human-led removals over a specified period and within specified boundaries whereby residual emissions are those GHG emissions that remain after taking all possible actions to implement emissions reductions.

Our approach is to prioritise the direct reduction of Scope 1 and 2 emissions by:

1. Using efficiency measures across our property portfolio to actively reduce our energy consumption
2. Purchasing renewable energy, either through on-site installations or power purchase agreements
3. Purchasing energy attribution certificates/renewable energy certificates – where possible in the same regions where energy is consumed. This is reinforced by our commitment to purchasing 100 per cent renewable electricity by 2025 when we joined RE100[1] in 2022.

We counterbalance any residual Scope 1 and 2 emissions by purchasing and retiring carbon credits as described in the offsets section below.

Progress in 2024

We reduced our Scope 1 and 2 emissions by 28 per cent to 24,968 tCO_2e during 2024.

Scope 1

This year, we were able to expand the Scope 1 emissions that we capture to include emissions from our vehicle fleet. Our fuel emissions are mostly due to the use of back-up diesel generators, which are operated when regular power supplies from the grid are disrupted – which happens frequently in some markets (for example, Nigeria and Pakistan). We are using biodiesel and biofuels in markets when they become available (for example, Hong Kong, Singapore and India).

Scope 2

We reduced our Scope 2 emissions by 34 per cent in 2024. This is partially due to our measured real estate decreasing by 3.4 per cent during this time, as we continually right-size and adjust our portfolio size to suit our operation.

We have also actively sought to increase the proportion of our electricity usage that comes from a renewable source to 77 per cent this year. This can take the form of power purchase agreements, clean energy contracts, on-site solar installations or renewable energy certificates.

We continue to work towards purchasing renewable energy in every country possible and are striving to meet our target of 100 per cent by 2025. However, due to market constraints and lack of renewable energy options in some markets within Africa and the Middle East (for example, Bahrain, Botswana, Ghana, Iraq and Tanzania), we may not be able to meet our RE100[1] aspiration in 2025. We also have some countries where we purchase renewables through 'cross-border' grid feeds, which is recognised for our net zero target, but not recognised by RE100.

Despite this, we remain committed to the initiative, however, acknowledging that market constraints may limit our ability to achieve these goals in the short/mid-term, financial or other constraints may reasonably prevent the Group from taking all available steps to meet the target.

Offsets

We have purchased and retired carbon credits to mitigate our residual operational Scope 1 and 2 emissions for 2024 and Scope 3 emissions associated with air travel and outsourced on-premise data centres. Our carbon credit portfolio includes a range of decarbonisation activities that result in both removal and reduction of atmospheric methane and carbon dioxide, with the majority being for carbon dioxide removal.

The projects we sourced were selected based on criteria such as integrity, proximity to our operations, and co-benefits. For 2024, the relevant projects were issued by Verra, Gold Standard and Puro Earth.

Waste

We aim to achieve 90 per cent avoidance of landfill by 2030.

In 2024, we reduced our overall waste generated by 18 per cent and achieved 61 per cent avoidance of landfill (up from 52 per cent in 2023). Our sites in India, Kenya and Poland achieved TRUE Zero Waste programme platinum rating. We are single-use plastics free in 324 locations currently. We have also engaged with an NGO to upcycle hard-to recycle items and are minimising electronic waste by prolonging the lifespan of our technology assets through partnerships with third parties.

Water

We retained a water efficiency metric of 0.53 kilolitres per square metre in 2024 despite a 39 per cent increase in the proportion of our employees returning to the office. While water availability is a growing challenge in many of our markets, we did not face any issues sourcing potable water in 2024. We continue to seek to take a responsible approach to managing water use across the Group.

+ For detailed environmental performance data see our ESG data pack at **sc.com/esg-data-pack**

Read the principles and methodology for measuring our environment data at **sc.com/environmentcriteria**

Read the independent assurance statement related to Scope 1 and 2 GHG emissions at **sc.com/environmentalassurance**

1 RE100 is a global corporate renewable energy initiative bringing together businesses that are committed to purchasing 100 per cent renewable electricity

Our suppliers

This section covers our Scope 3 Category 1–14 emissions.

Our approach to managing impacts in our upstream value chain

The Supply Chain Management team provides procurement services internally to drive commercial value generation and manage sustainability and supply chain risks. Proactive supplier engagement and data quality remain a key focus of our supply chain sustainability strategy as we continue to engage constructively with suppliers to increase transparency and accountability around climate impact, and to promote emissions reductions.

Supplier Charter and engagement

Through our Supplier Charter, we set out the principles that Standard Chartered expects from its suppliers, and those within the suppliers' sphere of influence that assist them in performing their obligations for us. These principles have been drawn from the international organisations and conventions of which we are members or signatories.

We engage our largest suppliers to better understand where they stand on climate impact matters. Through supplier questionnaires and direct engagement, we request our larger suppliers (by spend) to share their emissions information and/or to set reduction targets in line with our internal reduction goals. We aim to direct at least 50 per cent of our total spend[1] to suppliers who have set science-based emission reduction targets.

We look for opportunities for innovation and collaboration with our suppliers on shared sustainability goals. For example, in 2024 we partnered with one of our global technology suppliers to reduce the GHG emissions from across our supply chain by creating a standard package for each monitor we purchase while excluding monitor stands. This approach enabled us to reduce the emissions of shipping unnecessary monitor stands, cabling and plastic packaging.

Supply chain emissions

Over time, the accuracy and coverage of suppliers' emissions calculations have been improving. Despite this, limitations to the availability of this data remain. Therefore, we continue to use a hybrid methodology for emissions calculations which combines emissions data collected from vendors (when available) with supplier spend and sector average emissions data for those who are unable to report. In 2024, we engaged with our suppliers to collect supplier specific data to improve the quality of our reporting. This resulted in an increase from approximately 24 to 32 per cent of supplier-specific data collected, either via questionnaires or CDP responses. Consequently, we have restated Scope 3 Category 1 Purchased goods and services emissions data for the 2023 reporting year (based on 2022 data).

In collaboration with DHL, one of our largest logistics suppliers, we coinvested in sustainable aviation fuel to reduce emissions related to the shipment of our parcels. We maintain travel demand measures and continue to offset air travel emissions as described on page 77. As data accuracy increases, we will be better able to understand and act upon the key contributors to our impact and determine further opportunities for reductions.

Limitations

Supply chain emissions calculations are evolving and remain heavily dependent on supplier-provided information. As part of our continuous improvement process, we will continue to work with our suppliers on data quality and our own internal stakeholders to continually improve and enhance our Scope 3 emissions reporting accuracy. This includes the accuracy of individual supplier category mapping to the appropriate emissions calculation factor. As underlying data evolves, we will refine our methodology to improve accuracy and align to evolving industry standards; for example, data centre emissions categorisation and appropriate emissions allocation.

+ Our Supplier Charter can be viewed at **sc.com/suppliercharter**

For further information on how we engage with suppliers see **page 37** and for supplier spend data see our ESG data pack at **sc.com/esg-data-pack**

1 Spend includes Scope 3 Category 1: Purchased goods and services and capital goods suppliers excluding non-addressable spend. Addressable spend is defined as external costs incurred by Standard Chartered in the normal course of business where Supply Chain Management has influence over where the spend is placed. It excludes costs such as government and brokerage fees, rates and taxes and employee expenses. It also excludes any Category 1 co-location data centres which are calculated on energy use and reported separately under Scope 3

Our clients

This section covers our Scope 3 Category 15 emissions (financed and facilitated emissions).

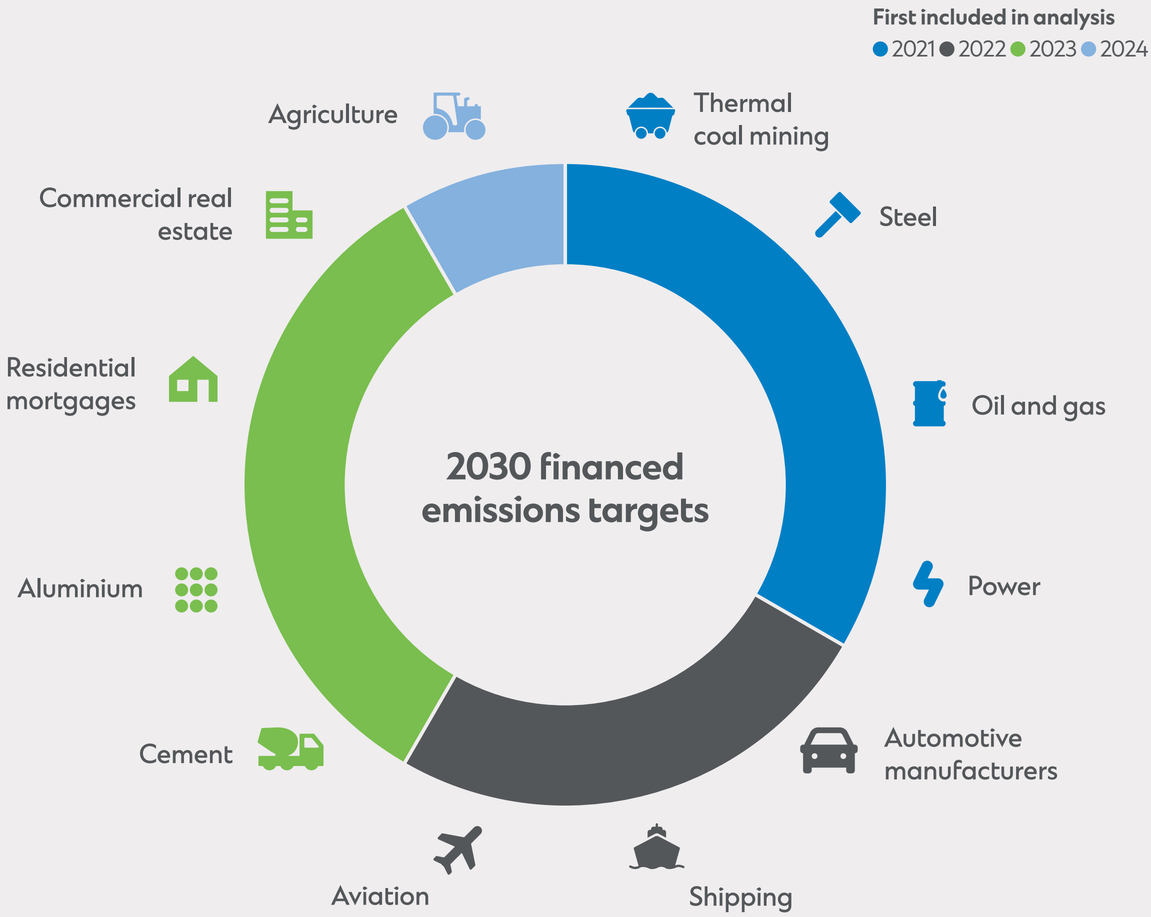
The majority of our GHG emissions are linked to our lending activities, known as financed emissions. We have prioritised our efforts in the highest-emitting sectors of our portfolio, and where working with our clients can have the greatest impact.

Our carbon accounting is calculated and reported in line with the GHG Protocol and PCAF Standards.

The Group has now set a target for its agriculture portfolio. With the addition of this sector, the Group has now set and disclosed science-based interim 2030 financed emissions targets for our 12 highest-emitting sectors. We are working across our businesses and functions and, alongside our clients, aim to deliver these targets, notwithstanding the challenges presented by a material portion of our markets not having a commitment to achieve net zero by 2050.

+ For further information, please refer to the Group's 'Net Zero Methodological White Paper – The journey continues' via **sc.com/sustainabilitylibrary**

2030 financed emissions targets



Setting science-based targets

This year, the Group has set a baseline and target for agriculture. With the addition of this sector, the Group has now set and disclosed science-based interim 2030 financed emissions targets for our 12 highest-emitting sectors.

In addition to setting our final financed emissions sector target, a facilitated emissions target was set during the year for oil and gas, which currently makes up the majority of emissions within our facilitation portfolio.

The Group has also resumed reporting on the aviation sector following the sale of the Group's aircraft leasing business and a significant portion of the lending business associated with this.

The Group's targets have been informed by pre-eminent, scientific forward-looking scenario providers. This includes the IEA for energy sectors, the Mission Possible Partnership (MPP) for metals and aviation, the International Maritime Organization (IMO) for shipping and Carbon Risk Real Estate Monitor (CRREM) for the residential real estate sector.

During 2024, the Group engaged our external assurance provider to perform an ISRS 4400 (Revised) 'Agreed upon Procedure' review to confirm whether our targets for thermal coal, steel, oil and gas, power, automotive manufacturers, shipping, cement, aluminium, and commercial real estate meet the long-term temperature goal of the Paris Agreement, and are mathematically accurate in reference to the third-party science-based scenarios.

Due to our footprint – with many emerging markets and developing countries reliant on carbon-intensive industries – our financed emissions may increase before they decrease. However, our aim is to remain Paris aligned for our interim targets and aligned to a science-based 1.5°C scientific pathway by 2050.

Given our science-based approach, we will strive to update our targets both as the scientific community updates its reference scenarios and as data availability improves.

+ The Agreed-Upon Procedures Report on our Intermediate Financed Emissions Targets can be accessed via **sc.com/sustainabilitylibrary**

Detailed progress against our sectoral financed emissions targets

CIB

			2023[2]		2022[2]				
Sector	2023 Exposure in scope ($bn)	Interim 2030 target[1]	Absolute emissions[3] ($MtCO_2e$)	Physical intensity	Absolute emissions[3] ($MtCO_2e$)	Physical intensity	Baseline year	% change cumulative to baseline	Year target set
Agriculture[4]	7.8	2.2-2.4°C (11-19%)	11.5	2.72^ °C	na[4]	na[4]	2023	na[4]	2024
Aluminium	0.1	6.1 t CO_2e/tonne aluminium (–)	0.1	3.28^ tCO_2e/ tonne aluminium	0.3	4.59 tCO_2e/tonne aluminium	2021	-42	2023
Automotive manufacturers	3.2	66–100 gCO_2/Vkm (44 – 63%)	3.1	157^ gCO_2/Vkm	2.8	165 gCO_2/Vkm	2021	-12	2022
Aviation[5]	1.3	773 gCO_2e/RTK[8] (33%)	1.2	782^ gCO_2e/ RTK	na[5]	na[5]	2021	-32	2024
Cement	0.6	0.52 tCO_2/tonne cement (22%)	2.1	0.62^ tCO_2/ tonne cement	3.5	0.66 tCO_2/tonne cement	2021	-8	2023
Commercial real estate	5.0	19–39 kgCO_2e/sq.m (47 –74%)	0.1	58^ kgCO_2e/ Sq.m	0.1	62 kgCO_2e/sq.m	2021	-21	2023
Oil and gas	6.4	9.3 MtCO_2e (29%)	9.4^	na[9]	10.3	na[9]	2020	-28	2023
Power	5.2	0.17–0.28 tCO_2/ MWh (46 –67%)	4.8	0.43^ tCO_2/MWh	5.9	0.47 tCO_2/MWh	2021	-17	2023
Shipping[6]	4.6	0% delta 0% delta	2.9	+3.2%^ delta +8.2%^ delta	2.8	+11.8% delta +16% delta	2021	-4	2022
Steel	0.5	1.4–1.6 tCO_2/tonne steel (22 –32%)	1.3	1.87^ tCO_2/ tonne steel	2.0	1.97 tCO_2/tonne steel	2021	-9	2023
Thermal coal mining	0.03	0.5 MtCO_2e (85%)	1.2^	na[9]	1.6	na[9]	2020	-64	2021
Others[7]	45.4	na[10]	8.5	na[10]	12.6	na[10]	na[10]	na[10]	na[10]

WRB

			2023[2]		2022[2]				
Sector	2023 Exposure in scope ($bn)	Interim 2030 target[1]	Absolute emissions[3] ($MtCO_2e$)	Physical intensity	Absolute emissions[3] ($MtCO_2e$)	Physical intensity	Baseline year	% change cumulative to baseline	Year target set
Residential mortgages[11]	68.4	29–32 kgCO_2e/sq.m (15 –23%)	0.41	36.04^ kgCO_2e/sq.m	0.43	37.7 kgCO_2e/sq.m	2021	-4	2023

1 An Agreed Upon Procedure review was performed by EY over the Group's net zero targets except for aviation, agriculture and residential mortgages. Procedures included confirming a net zero target had been set, that the scenarios used to set net zero targets are from crediblethird-party sources as recommended by the NZBA and the selected scenarios align to the quantitative temperature goal of article 2(1)a of the Paris Agreement

2 Due to third-party data sets that feed into our emissions calculations, the Group's reported financed emissions figures have a one to two-year lag depending on when third-party data providers release their data refresh

3 Emissions are calculated in CO_2 except where other GHGs are material which are noted as CO_2e (this includes agriculture, aluminium, aviation, commercial real estate, oil and gas, shipping, thermal coal mining and residential mortgages)

4 During the year a sector-specific deep dive was performed on the agriculture sector, the last highest-emitting sector as defined by the NZBA. The baseline emissions have been measured and a target set for the 2023 year of reporting

5 Aviation emissions reporting was resumed in 2024 following the sale of the Group's aircraft leasing business and a significant portion of the lending business associated with this, during 2023. No 2022 emissions value has been measured this year.

6 During the year the Poseidon Principles were updated to only require reporting against the 'minimum' and 'striving' scenarios. Reporting against the old IMO existing strategy has been discontinued. Progress is reported on the revised minimum strategy consistent with prior year

7 Others includes miscellaneous non-high-emitting sectors not included in a sector deep dive

8 RTK (revenue tonne-kilometre) is a measure of annual passenger and cargo aircraft traffic representing the metric tonne of revenue load carried one kilometre

9 Value is not required as the Group has set an absolute emissions target and therefore the production intensity of the portfolio has not been measured

10 Value is not required as the Group has not set a target for the 'others' sector

11 The Group has set its residential mortgage target range at the most ambitious end of the public commitments made by governments and power companies in the countries where we operate, and has been benchmarked to the CRREM scientific pathway. Prior year absolute emissions have been restated from 0.04 to 0.4 MtCO_2e following a decimal place error in reporting in 2022 and 2023. Reporting for residential mortgages includes Hong Kong, Singapore, Taiwan and South Korea. These markets make up the majority of the emissions in our residential mortgages portfolio

Values noted with a caret symbol (^) are subject to independent limited assurance by EY. The report is available at **sc.com/sustainabilitylibrary**

For further information, please refer to our 'Net Zero Methodological White Paper – The journey continues' publication via **sc.com/sustainabilitylibrary**

Our approach to measuring financed emissions

CIB

Sector	Emissions approach	Scenario	Value chain	Scope of emissions	2023 PCAF score	2022 PCAF score	In scope exposure coverage[1]
Agriculture	Implied temperature rise (ITR)	IPCC (1.5C – 2C)	Full value chain (pre-farm and post-farm)	1, 2	2.7[2]	na	82%
				3	4.7[3]	na	
Aluminium	Production intensity	MPP STS	Aluminium producers	1, 2	1.2	2.4	100%
Automotive manufacturers	Physical intensity	IEA APS and NZE	Automotive manufacturers	1, 2	2.3[2]	2.2[2]	100%
				3	5.0[3]	5.0[3]	
Aviation	Physical intensity	MPP Prudent	Aircraft operators	1	2.0[2]	na	100%
				3	2.0[3]	na	
Cement	Production intensity	IEA NZE	Clinker and cement manufacturing	1, 2	2.3	2.3	100%
Commercial real estate	Physical intensity	IEA APS and NZE	Real estate leasing	1, 2	4.0	4.0	100%
Oil and gas	Absolute emissions	IEA NZE	Upstream, midstream and downstream	1, 2	3.2[2]	3.2[2]	98%
				3	3.2[3]	3.2[3]	
Power	Production intensity	IEA APS and NZE	Electricity generation	1, 2	3.4	3.3	100%
Shipping	Physical intensity	IMO rev. min. IMO striving	Shipping lessors and companies	1, 3	1.0	1.0	99%
Steel	Production intensity	MPP TM	Steel producers	1, 2	3.3	3.8	100%
Thermal coal mining	Absolute emissions	IEA NZE	Thermal coal	1, 2	3.9[2]	3.7[2]	100%
				3	3.0[3]	3.0[3]	
Others	Absolute emissions	IEA NZE	Other sectors	1, 2	3.1	3.3	86%

WRB

Sector	Emissions approach	Scenario	Value chain	Scope of emissions	2023 PCAF score	2022 PCAF score	In scope exposure coverage[1]
Residential mortgages	Physical intensity	CRREM	Residential households	1, 2	4.4	4.4	100%

Sector emissions for material Scope 3 high-emitting sectors

	2023 ($MtCO_2e$)		2022 ($MtCO_2e$)		2021 ($MtCO_2e$)	
Sector	Scope 1, 2	Scope 3	Scope 1, 2	Scope 3	Scope 1, 2	Scope 3
Agriculture	1.2	10.3	na	na	na	na
Automotive manufacturers	0.1	3.0	0.1	2.7	0.1	3.2
Oil and gas	1.5	7.9	1.7	8.6	1.3	8.9
Thermal coal mining	0.1	1.1	0.1	1.5	0.1	2.2

1 In scope exposure falls below 100 per cent in instances where client data is not available, and the carbon calculation cannot be run
2 PCAF score for Scope 1 and 2 emissions
3 PCAF score for Scope 3 emissions

+ For further information, please refer to our 'Net Zero Methodological White Paper – The journey continues' publication via **sc.com/sustainabilitylibrary**

Agriculture

Balance in scope	Interim target	Performance versus baseline
$7.8bn	2.2 -2.4°C	newly set

Sector background

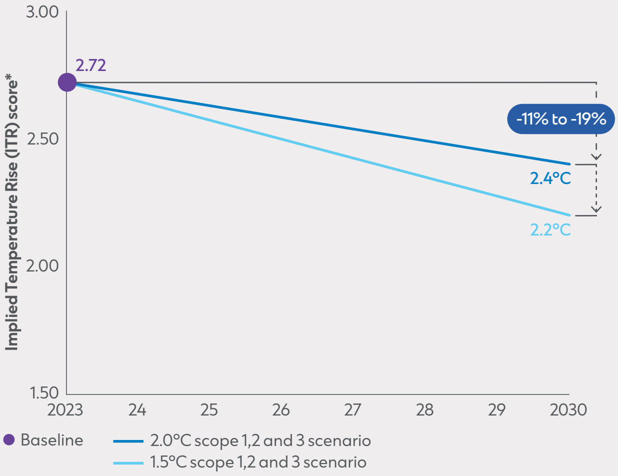
The agriculture sector accounts for 20 per cent of global anthropogenic[1] emissions per the World Business Council for Sustainable Development (WBCSD) with an extensive value chain from fertiliser to retail stores.

Emissions arise from inputs such as fertiliser, crops and livestock (including methane from ruminant portfolios), and from the distribution and processing of farm products.

Approach to achieving net zero targets

- Tracking our clients who do not have commitments, engaging and actively working with those clients to advise on getting their journey started and targets set
- Encouraging our clients to use renewable energy and improve energy efficiency
- Improving traceability and labelling for sustainable products
- Reduce food loss in processing, especially in developing economies

Baseline target and portfolio progress 2023 to 2030



Progress in the year

An agriculture sector baseline and target was measured and reported for the first time during 2024.

A temperature alignment target has been set reflecting the complexity of the agriculture value chain, as well as the diversity of the Group's clients in that value chain that include activities from fertiliser, through farming, up to and including food processors, wholesalers and traders (noting that the Group does not have a ruminants book of any materiality).

A range target was set for the sector using a well below 2°C and 1.5°C pathway which include Scope 1, 2 and Scope 3 emissions to ensure the most impact.

This places an emphasis on the larger corporates within the value chain to drive change, which includes engagement with their suppliers to decarbonise their Scope 3 emissions, hence where the Group believes the greatest impact can be achieved.

Aluminium

Balance in scope	Interim target	Performance versus baseline
$0.1bn	6.1 tCO_2e/tonne aluminium	-42%

Sector background

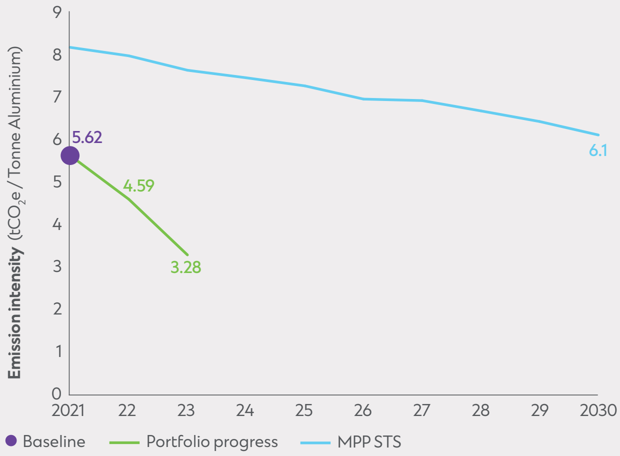
The production of aluminium is emissions intensive and is responsible for 1 per cent of energy-related emissions per IEA WEO, 2024[2].

The aluminium sector relies heavily on electricity from the local grid. Over 60 per cent of the sector's emissions are attributable to the electricity consumed during smelting for the electrolytic reduction process.

Approach to achieving net zero targets

- Promoting electricity decarbonisation and engaging clients to uptake renewable energy power purchase agreements
- Reducing direct emissions through electrification, fuel switching and use of carbon capture, utilisation and storage (CCUS)
- Incentivising recycling and resource efficiency which has a significantly lower production intensity

Baseline target and portfolio progress 2021 to 2030



Progress in the year

The production intensity for the aluminium portfolio has declined from 4.59 tCO_2e/tonne aluminium to 3.28 tCO_2e/tonne aluminium, a decrease of 29 per cent year-on-year.

This was driven by increased lending issued to aluminium producers who utilise a high percentage of scrap within their production process moving the overall intensity of the portfolio down, given the lower intensity of these clients.

Scrap results in avoided electricity use from the electrolysis phase of production with emissions only produced from the collection, transport and smelting of recycled aluminium.

The Group remained well below our 2030 target because of balances of recycled aluminium clients, which we aim to expand in the future. We are further working with our primary aluminium producers on their options for procurement of clean energy.

On track

1 Anthropogenic emissions are emissions caused by human activities and include energy-related emissions from the burning of fossil fuels, emissions from agriculture and land use change and emissions from waste
2 Sector emissions contribution as per the IEA's WEO released in 2024

Automotive

Balance in scope	Interim target	Performance versus baseline	
$3.2bn	66 – 100 gCO_2/Vkm	-12%	On track

Sector background

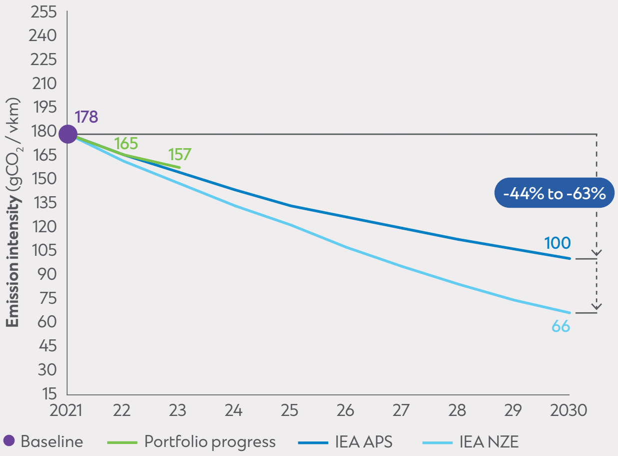
The automotive sector is a key sector for international supply chains and the economy, with tailpipe emissions being the primary source of carbon emissions from the sector.

Annually, the exhaust emissions from passenger vehicles account for 8 per cent of global energy-related emissions per IEA WEO, 2024.

Approach to achieving net zero targets

- Encouraging fuel-switch and improving fuel-efficiency as a first step
- Maximising the electrification production of vehicles
- Encouraging recycling and the circular economy in the manufacturing process

Baseline target and portfolio progress 2021 to 2030



Progress in the year

The automotive manufacturers portfolio intensity, which is based upon the CO_2 of tailpipe emissions per distance travelled, has decreased 5 per cent year-on-year from 165 gCO_2/Vkm to 157 gCO_2/Vkm.

This is driven by ongoing financing provided to manufacturers who are solely making EVs, especially in China, and the financing of manufacturers who are changing their production mix away from internal combustion engines towards hybrid engines and EVs.

The Group is actively monitoring and steering the portfolio towards those automotive manufacturers that have a higher proportion of EVs in their overall vehicle production mix.

Aviation

Balance in scope	Interim target	Performance versus baseline	
$1.3bn	773 gCO_2e/RTK	-32%	On track

Sector background

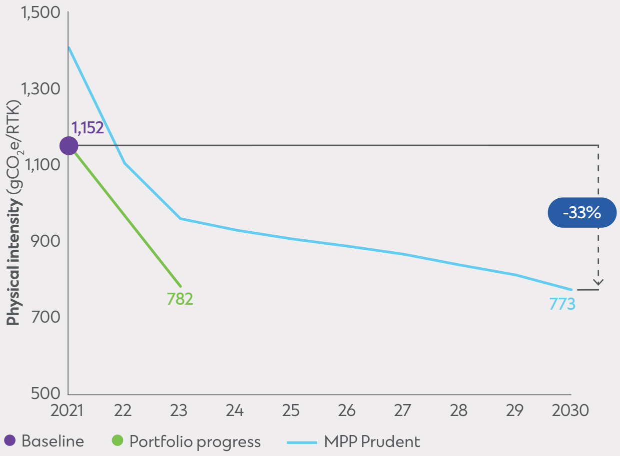
The aviation sector accounts for 2 per cent of global energy-related emissions per IEA WEO, 2024.

The majority of emissions arise from the burning of aviation fuels.

Approach to achieving net zero targets

- Encouraging our clients to scale up the production and use of sustainable aviation fuels to reduce emissions
- Encourage the transition of the global fleet to the most fuel-efficient (new technology) aircraft

Baseline target and portfolio progress 2021 to 2030



Progress in the year

Aviation sector emissions were reported for the first time in 2021. Following this, the Group's aircraft operating leasing business and a select portfolio of the lending business was sold during 2023. Due to this structural change in the Group's portfolio emissions profile, reporting of the aviation sector was paused awaiting final sale.

During 2024, reporting has been resumed. The target for the sector has been updated, in line with the industry's Pegasus Guidelines launched in 2023 and based on the revised MPP Prudent scenario. Since the 2021 baseline, the emissions intensity of the Group has decreased 32 per cent from 1,152 tCO_2e/RTK to 782 tCO_2e/RTK primarily as a result of the aircraft portfolio sales which removed older less-efficient aircraft from the Group's portfolio.

The Group's emissions intensity is on track to be in line with the MPP Prudent scenario by 2030 given the majority of the portfolio funding new technology aircraft with improved fuel efficiency when compared with the current global market fleet.

On track

Cement

Balance in scope	Interim target	Performance versus baseline
$0.6bn	0.52 tCO_2/tonne cement	-8%

Sector background

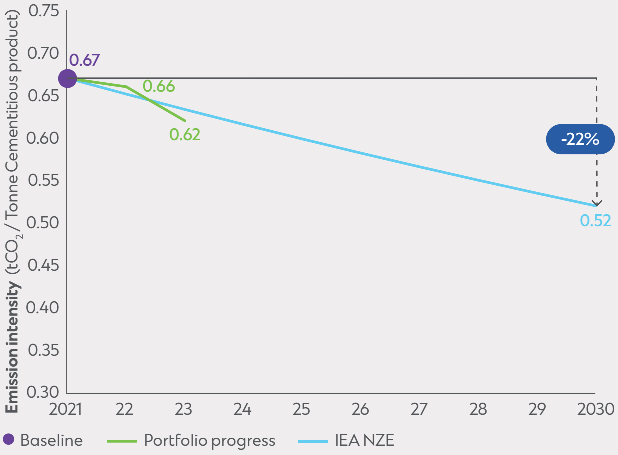
The cement sector contributes approximately 6 per cent towards global energy-related emissions per IEA WEO, 2024.

The primary source of the emissions occurs during the production process where a chemical reaction takes place between limestone and heat.

Approach to achieving net zero targets

- Improving energy efficiency of plants
- Encourage clients to use alternative fuels such as waste and biomass in the production process
- Use of clinker substitutes
- Financing of electric kiln technologies

Baseline target and portfolio progress 2021 to 2030



Progress in the year

The cement portfolio intensity has dropped from 0.66 tCO_2/tonnes cement to 0.62 tCO_2/tonnes cement, a decrease of 6 per cent year-on-year.

This is driven by increased lending to clients, with lower production intensities seen from our clients as they improve on their energy efficiency of their plants in order to meet their targets.

In addition to this, the Group has also increased our exposure to lower-intensity clients, which has resulted in the portfolio average emissions reducing as well.

Commercial real estate

Balance in scope	Interim target	Performance versus baseline
$5.0bn	19 –39 $kgCO_2e$/sq.m	-21%

Sector background

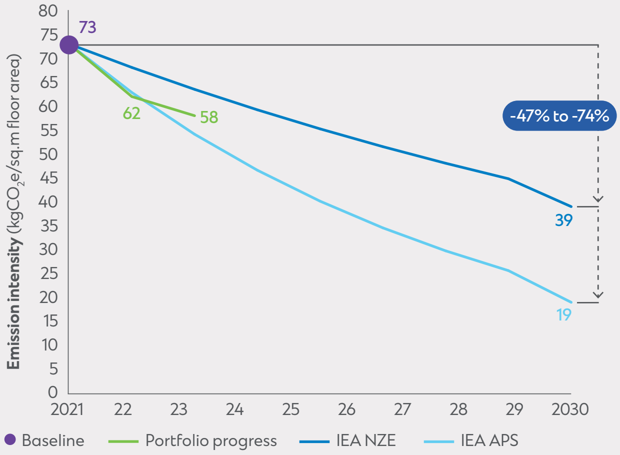
The commercial real estate sector contributed 2 per cent towards global energy- related emissions per IEA WEO, 2024.

Emissions primarily arise from the operation of the building and to a lesser extent embodied emissions related to its construction.

Approach to achieving net zero targets

- The decarbonisation of the power grids which supply the commercial buildings financed.
- Encourage fuel switch from fossil fuels to heat pumps or direct electricity
- Lending to retrofitting existing building stock to improve operational efficiency by installing better insulation, low-energy appliances, efficient cooling and on-site battery and thermal storage
- Power purchase agreement of renewable electricity from the local grid

Baseline target and portfolio progress 2021 to 2030



Progress in the year

The commercial real estate portfolio intensity has decreased 6 per cent from 62 $kgCO_2e$/sq.m to 58 $kgCO_2e$/sq.m year-on-year.

The reduction is predominantly driven by decreases in the electricity grid intensities in the markets where funded properties are located. This follows our belief that energy decarbonisation, which we are actively persuing through our power target, has positive downstream impacts on other sectors.

In addition to this, there has been some change in the location mix of our portfolio as a whole, with an increase in exposure to buildings located in European countries which have lower-intensity electricity grids, and a relative decrease in exposure to higher-intensity locations in ASEAN markets.

We continue to work with our clients to finance new and energy efficient buildings, but also with power companies in their energy supply decarbonisation, which in turn benefits the commercial real estate portfolio intensity.

On track

Oil and gas

Balance in scope	Interim target	Performance versus baseline	
\$6.4bn	9.3 $MtCO_2e$	-28%	On track

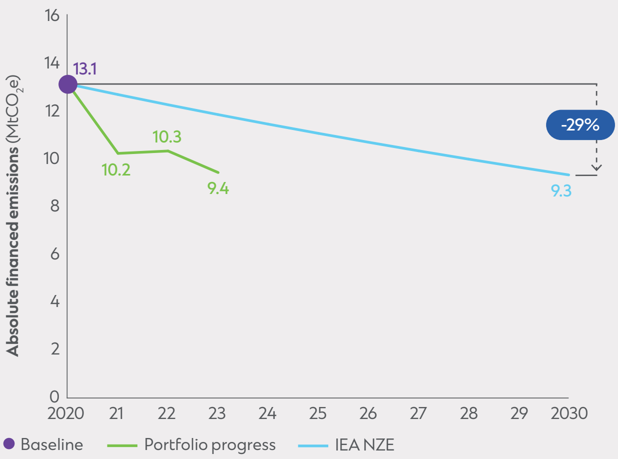
Sector background

The oil and gas sector's production emissions (i.e., operations) account for approximately 15 per cent (IEA Emissions from Oil and Gas Operations in Net Zero Transitions[1]) of global energy-related emissions, respectively.

Approach to achieving net zero targets

- Reducing Scope 1 and 2 production-based emissions through improvements in operational efficiency, reducing methane leakages, venting and flaring
- Encouraging investment in CCUS
- Encourage and funding our clients' evolution to greater gas business, including liquid natural gas (LNG) terminals and renewables portfolios to supplement their existing oil business.

Baseline target and portfolio progress 2020 to 2030



Progress in the year

The oil and gas portfolio emissions have decreased 9 per cent year-on-year from 10.3 $MtCO_2e$ to 9.4 $MtCO_2e$. The portfolio exposure also decreased by 9 per cent from the prior year, driving down absolute emissions in the sector.

This has also been driven by a decrease in short-term trade funding and greater lending to lower carbon intensive clients and technologies such as standalone LNG facilities.

We are encouraged to see improved methane abatement practices from our clients, continued investment in renewable portfolios and carbon capture technologies being brought forward for funding which we are increasingly providing.

Power

Balance in scope	Interim target	Performance versus baseline	
\$5.2bn	0.17 – 0.28 tCO_2/MWh	-17%	On track

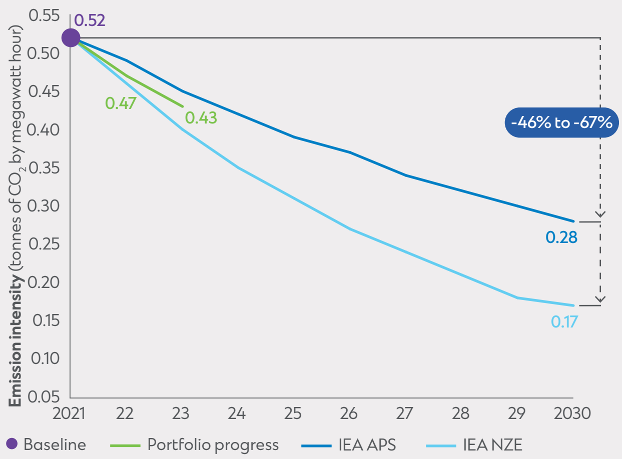
Sector background

The electricity and heat sector contributed 40 per cent towards global GHG emissions per IEA WEO, 2024. It is projected that global electricity demand will continue to rise especially in emerging markets and developing economies.

Approach to achieving net zero targets

- Mobilising lending towards renewable energy and other low carbon power plant projects
- Encouraging our clients to invest in renewable energy sources to diversify their generation mix
- Participating in JETPs to encourage our clients to decarbonise their power supplies
- Funding coal phase out in line with the IEA NZE pathway

Baseline target and portfolio progress 2021 to 2030



Progress in the year

The power portfolio intensity is down 9 per cent year-on-year from 0.47 tCO_2/MWh to 0.43 tCO_2/MWh with an increase in exposure of 6 per cent.

Significant movements in portfolio intensity included:

- Decreases in thermal coal power generation in the book due to reducing exposures to coal power generation sources as balances mature in line with contractual maturities and as mandated by our Position Statements on thermal coal
- Increased lending to renewables projects and lower intensity gas projects which continue to make up a greater proportion of the financed power portfolio
- Increases in lending to counterparties that had higher percentages of nuclear and renewable generation

There is further a strong pipeline of lower-intensity gas, power plants and renewables projects due to start operations in the future that are currently being funded.

1 Oil and gas sector operational emissions contribution to global energy-related emission per the IEA's 'Emissions from oil and gas operations in Net Zero Transitions' publication released in 2023

On track

Sustainability review

Shipping

Balance in scope	Interim target	Performance versus baseline	
$4.6bn	0% delta	-4%	●

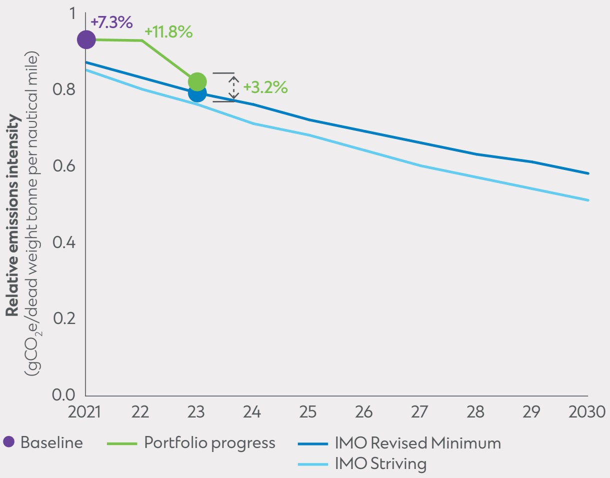
Sector background

Shipping is key to facilitating global trade. The sector contributes 2 per cent of global energy-related emissions per IEA WEO, 2024. The sectoral emissions predominantly arise from the combustion of fuel in ships' engines.

Approach to achieving net zero targets

- Engaging clients to invest in low carbon alternative fuels and carbon capture technology to eventually achieve net zero emissions
- Financing new and more fuel-efficient ships
- Providing transition finance for dual fuel ships
- Holding clients accountable for efficient emission practices such as sailing at eco speed

Baseline target and portfolio progress 2021 to 2030



Progress in the year

During the year the alignment delta for the shipping sector improved significantly from 11.8 per cent to 3.2 per cent against the revised minimum scenario bringing the Group closer to its 0 per cent alignment delta target by 2030.

Improvements in our alignment delta were positively impacted by the introduction of the CII regulation during 2023. CII is an operational efficiency measure which requires ships to report their carbon efficiency with an associated rating of A to E. Vessels require a rating of C- or better to avoid potential disincentives.

Decarbonisation is the next frontier for pricing in shipping finance. Margins are no longer driven by risk versus reward, but also by balancing climate alignment of both the company and the asset into the equation.

The Group continues to finance both dual fuel and newer ships that are more energy efficient, with a focus on our clients setting credible transition plans with ambitious targets.

Looking ahead, we are keen to observe the impact of the EU Emissions Trading System (ETS) coming into effect in 2024, especially for our clients who actively engage in European trade and see how a carbon tax mechanism translates into next year's Poseidon reporting.

Steel

Balance in scope	Interim target	Performance versus baseline	
$0.5bn	1.4–1.6 tCO_2/tonne steel	-9%	●

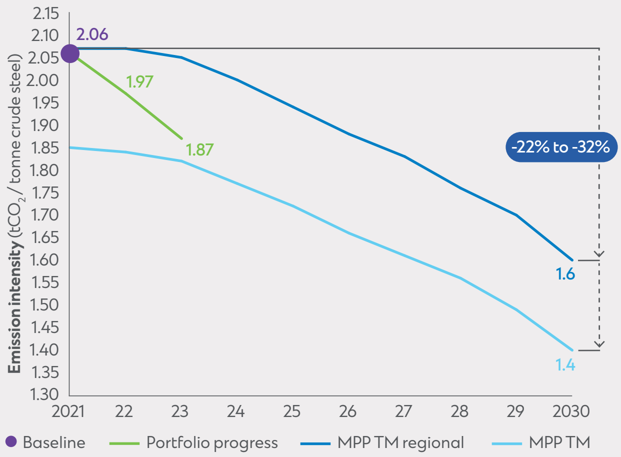
Sector background

Steel is a critical material. It is essential to the functioning of the global economy, from the production of the world's vehicles and household appliances to buildings and infrastructure. As such, the steel sector is the largest source of industrial emissions and accounts for roughly 7 per cent of global emissions per IEA WEO, 2024.

Approach to achieving net zero targets

- Increasing client renewable electricity usage for electric arc furnace production
- Increased scrap steel uptake through trade finance or use of proceeds finance
- Increased scrap collection and processing in local economies
- Increased operational efficiencies to existing Blast Furnaces and Basic Oxygen Furnaces (BF-BOF)

Baseline target and portfolio progress 2021 to 2030



Progress in the year

The steel sector emission intensities for the Group's portfolio have reduced by 5 per cent year-on-year from 1.97 tCO_2/tonnes steel to 1.87 tCO_2/tonnes steel. This was driven by increasing lending to clients utilising scrap steel, as opposed to those utilising iron ore in blast furnaces.

We further noted and are actively pursuing funding an increased uptake of scrap steel use from some of our primary steel producers, which will reduce their production intensities. This is due to more steel output produced using electricity rather than the burning of coal and gas to steel from iron ore.

The Group has also collected better information for the portfolio with fewer proxy-based emissions reported resulting in a better portfolio intensity.

● On track

Thermal Coal Mining

Balance in scope	Interim target	Performance versus baseline	
\$0.03bn	0.5 $MtCO_2e$	-64%	On track

Sector background

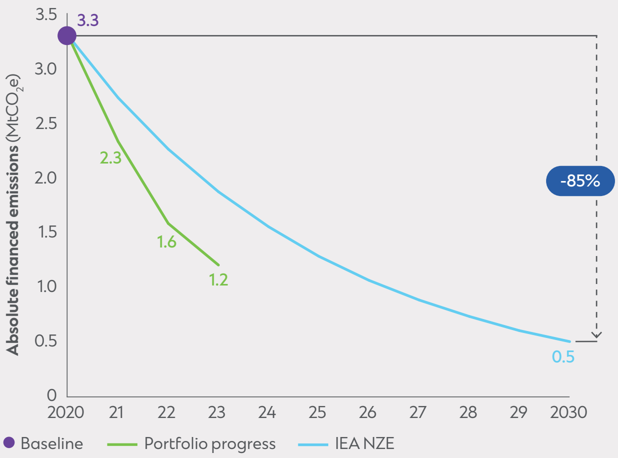
The burning of coal is one of the most significant driving factors in climate change. To reflect this, the Group has a thermal coal Position Statement prohibiting the provision of financial services to certain clients dependent on thermal coal.

Emissions arise as Scope 1 and 2 emissions for coal producers (from energy used in the mining process) as well as Scope 3 emissions from end-of-use products, being the burning of coal in upstream processes.

Approach to achieving net zero targets

- Rundown of thermal coal exposures in line with contractual commitments
- Offboarding of clients in line with the Group's thermal coal Position Statement
- Participating in our JETPs to encourage our clients to decarbonise their power supplies

Baseline target and portfolio progress 2020 to 2030



Progress in the year

Thermal coal absolute emissions have decreased by 25 per cent from 1.6 $MtCO_2e$ to 1.2 $MtCO_2e$.

This was due to the portfolio continuing to be paid down in line with maturities, with no new loans issued during the period due to the Group's Thermal Coal Position Statement, which does not allow lending to counterparties that are 80 per cent thermal coal revenue reliant.

Please see the Group's Position Statements for further details at **sc.com/positionstatements**

Residential Mortgages

Balance in scope	Interim target	Performance versus baseline	
\$68.4bn	29-32 $kgCO_2e$/sq.m	-4%	On track

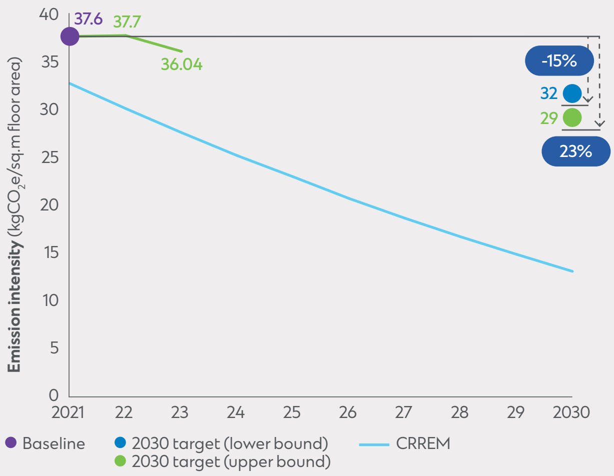
Sector background

Residential housing contributed 5 per cent towards global emissions per IEA WEO, 2024. The residential housing sector emissions are primarily from two sources: the operation of the building and embodied emissions (which are emissions related to its construction).

Approach to achieving net zero targets

- Increase lending to clients to improve energy efficiency through retrofitting and improvement of insulation, ventilation, and energy management
- Collecting specific unit or building emissions data within the portfolio, which reduces the need to use proxy data and increases emission accuracy
- Engaging with clients to decarbonise their electricity supply; for instance, through the direct purchase of green electricity or green certificates

Baseline target and portfolio progress 2021 to 2030



Progress in the year

During the year, the Group measured its 2023 progress of GHG emissions from the four main residential mortgage portfolios, namely Hong Kong, South Korea, Singapore and Taiwan, accounting for approximately 88 per cent of the Group's exposure. A physical intensity of $kgCO_2e$/sq.m is the metric used to measure the portfolio's progress. While we have set a single Group-level target, the very nature of the residential real estate market means all decarbonisation actions will take place at the local level. Achieving our target is dependent on actions by local governments and power companies decarbonising power generation. The target range has been set at the more ambitious end of the public commitments made by governments and power companies in the countries where the Group operates. These targets have been benchmarked to, and currently sit above, the global CRREM pathway to 2030. The portfolio intensity has decreased 4 per cent as we start to see the emission intensity of power grids in these regions beginning to decrease in line with our expectations.

On track

Facilitated emissions

Sector[1]	Interim 2030 target	Weighting	2023 $MtCO_2e$	2022 $MtCO_2e$	Baseline $MtCO_2e$	Baseline year	Target set year	% change cumulative to baseline
Oil and gas	2.94 $MtCO_2e$ (26.9%)	100% weighting factor[2]	1.76^	3.01	4.02^	2021	2024	-56%
		33% weighting factor[2]	0.58	0.99	1.33			

Values noted with a caret symbol (^) are subject to independent limited assurance by EY. The report is available at **sc.com/sustainabilitylibrary**

Sector	Emission approach	Scenario	Value chain	Scope of emissions	2023 PCAF score	2022 PCAF score	In scope exposure coverage
Oil and gas	Absolute emissions	IEA NZE	Upstream, midstream and downstream	1, 2	2.9[3]	2.6[3]	92%
				3	3.0[4]	3.0[4]	

Oil and gas

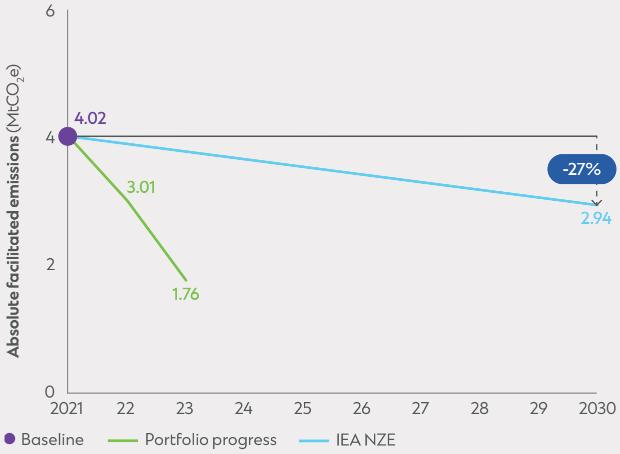
Value facilitated[5]	Interim target
$0.77bn	2.94 $MtCO_2e$

Progress in the year

During the year, a baseline and target were measured for the oil and gas sector. A reduction target of 26.9 per cent from a 2021 baseline was set based on the IEA NZE scenario in line with financed emissions.

Emissions associated with facilitation trended down between 2021 to 2023 as bond underwriting volumes were low due to COVID and higher corresponding interest rates.

Baseline target and portfolio progress 2021 to 2030



1 The metric and target are based on the rolling 3 year average due to the cyclical nature of bond underwriting in the market
2 Emissions have been disclosed on a 100 per cent and 33 per cent weighting
3 PCAF score for Scope 1 and 2 emissions
4 PCAF score for Scope 3 emissions
5 Value facilitated is equal to the Group's share of the Bond notional per the league table where we act as a bookrunner on the deal. Facilitated value shown for the 2023 financial year

Climate risk

An environmental (such as climate), social or governance event, or change in condition, if it occurs, could result in actual or potential financial loss or non-financial detriments to the Group. As such, Climate Risk is identified as a material risk for the Group, which is integrated across relevant Principal Risk Types (PRTs) and is managed via the Environmental, Social, Governance and Reputational (ESGR) Risk policy framework. The Group is exposed to Climate Risk through our clients, own operations, vendors, and from the industries and markets in which we operate in.

We manage Climate Risk according to the characteristics of the impacted PRTs. Risk Framework Owners for the impacted PRTs are responsible for embedding Climate Risk requirements within their respective risk types.

Our Climate Risk Appetite Statement is approved annually by the Board and supported by Board Risk Appetite metrics (BRAMs) and Management Team Limits (MTL) across impacted risk types.

In 2024, we have continued to embed Climate Risk into existing risk management frameworks and processes. We have also published our Transition Plan, which articulates how we plan to manage Climate Risk by aiming to deliver on our commitments to reach net zero emissions in our financed emissions by 2050, and in our Scope 1 and 2 emissions by 2025.

Time horizons used to assess the likelihood and impact of climate-related risks and opportunities

The time horizons that we use to identify, assess and manage our identified climate-related risks and opportunities are as follows:

Short-term	**0–2 years**	• Our short-term time horizon aligns with our aim: – To be net zero in our Scope 1 and 2 emissions by 2025 – To scale annual sustainable finance income to at least $1 billion by 2025 • In line with the Group's operational net zero target, we set year-on-year improvement targets for our footprint markets. Climate Risk is considered as part of our formal annual corporate strategy and financial planning process.
Medium-term	**2–5 years**	• Our medium-term time horizon aligns with our interim 2030 targets set for our 12 highest-emitting sectors and our commitment to mobilise $300 billion of sustainable finance by 2030. • Our strategic and financial planning constitutes action plans that intend to enable us to align to our net zero targets. We also use scenario analysis to consider how risks and opportunities may evolve under different situations in the medium-term.
Long-term	**5+ years**	• Our long-term time horizon aligns with our aspiration to achieve net zero in our financed emissions by 2050. • For climate scenario analysis, we run 30-year scenarios for both physical risk and transition risk, with some elements of our physical risk scenario analysis extending to 2100. • Transition risk as our clients move to lower emitting revenues by virtue of legislation is considered with reference to client transition pathways and manifests over a longer term than the maturity of the loan book up to 2050.

We consider physical and transitional climate-related risk impacts in relation to our Wealth & Retail Banking and Corporate & Investment Banking client segments, as well as in our own operations. Please refer to page 21 for further information relating to our client segment risks, and page 264 for risks identified in our own operations.

+ For further information on how we deal with Climate Risk, please refer to the Risk review on **pages 256 to 269**

For our approach to managing Climate Risk through transition planning, refer to our Transition Plan at **sc.com/transition-plan**

For our TCFD disclosures, refer to the TCFD reporting index within the Strategic report on **pages 43 to 44**

Nature

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

In 2024, we published our inaugural Nature Position Statement outlining our approach to nature across our business, our clients, operations and supply chains. We seek to contribute to the GBF 2030 mission of halting and reversing nature loss by: (1) continuing to integrate nature in decision-making within our business (target 14); (2) publishing nature-related disclosures in alignment with TNFD recommendations from 2026 onwards (target 15); and (3) shifting financial flows toward nature- positive outcomes and contributing to mobilising funding for nature and delivery of the GBF (target 19). We are members of a wide range of industry platforms working to increase industry awareness of the relevance of nature considerations to financial decision-making.

Our progress on nature

The initiatives below represent the key highlights of the work undertaken in 2024 in relation to nature.

Mobilising finance for nature-positive outcomes	• Closed the Group's first debt conversion for nature project with The Government of The Bahamas, unlocking $124 million in savings for marine conservation. The savings will support The Bahamas in effectively managing its extensive network of marine protected areas (MPAs), complete a national Mangrove Management Plan, and develop and implement a Marine Spatial Plan. We were the sole arranger, underwriter and liability manager. • Expanded the Group's 2024 GSPF to include additional nature-related activities informed by the GBF. • Published our latest sustainability research, 'Towards a sustainable ocean: where there's a will, there's a wave', highlighting opportunities for financing the nature-positive transition of the blue economy. • Refer to the work done by our Nature Finance Innovation Hub on page 68 for more information.
Understanding the materiality of nature loss on the Group's activities	• Established a Nature Risk working group, comprising of cross-functional teams, to advance our Nature Risk analysis, leveraging our climate risk data to support more in-depth analysis of potentially material sectors and assess our financed assets exposure to nature impacts and dependencies. • Undergoing assessment of the materiality of our own operations' impacts and dependencies on nature. • Exploring ways to minimise the environmental impact of our operations by reducing energy, GHG emissions, water usage and non-hazardous waste generated in our operations (refer to page 77 for details). • Set out the expectations of our suppliers to reduce waste from their operations, through our Supplier Charter including managing environmental concerns in their own supply chains, and protecting the environment and conserving natural resources, in compliance with all applicable environmental laws and regulations. • Conducted an internal research project to better understand the Group's potential exposure to the proceeds of illegal deforestation and how the risk of illegal deforestation may manifest in our clients' supply chains.
Supporting collective action to address nature loss and ecosystem decline	• Engaged with market initiatives and financial regulators to advance the nature finance ecosystem. This includes our memberships in the UN Environment Programme Finance Initiative and Principles for Responsible Banking, Singapore Sustainable Finance Association Natural Capital and Biodiversity Workstream, African Natural Capital Alliance, Green Finance Institute's TNFD UK Consultation Group, WEF Biodiversity Credit Initiative, and the Global Islamic Finance Program. • Specific focus on advancing the sustainable blue economy through continued engagement with the Ocean Risk and Resilience Action Alliance, the UN Global Compact Ocean Investment Protocol Steering Committee and the WWF Seafood Finance Working Group. • Contributed to nature finance related white papers from World Economic Forum[1], Climate Financial Risk Forum[2], Cambridge Institute for Sustainability Leadership[3], and the Institute of International Finance[4].
Building internal capacity	• Provided nature-related training to the Culture and Sustainability Board Committee as well as to internal functions, i.e. Climate Risk Analysts, Environmental and Social Risk Management (ESRM), ESGR and WRB. • Expanded existing Nature Risk capability, with the hire of a Nature Risk Lead to further embed nature into our risk policies, procedures, frameworks, and disclosures (refer to page 68 for details); and to inform client nature-positive transition opportunities.

1 'Nature Finance and Biodiversity Credits: A Private Sector Roadmap to Finance and Act on Nature', World Economic Forum, October 2024
2 'Nature-related risk: Handbook for financial institutions', Climate Financial Risk Forum, October 2024
3 'Scaling Finance for Nature: Barrier Breakdown', Cambridge Institute for Sustainability Leadership, October 2024
4 'Responding to Nature-related Risks and Opportunities', Institute of International Finance

For a full list of our memberships and engagements visit **sc.com/sustainabilitystakeholders**
Our Supplier Charter can be viewed at **sc.com/suppliercharter**
Our Position Statements are available at **sc.com/positionstatements**
Read our blue economy research paper at **sc.com/blue-economy**
More information about the debt conversion for nature for the Bahamas is available at **sc.com/debt-conversion**

Social impact

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

We approach social impact from two angles concurrently:

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

The combination of these efforts underscores our holistic approach to creating long-term value for our clients, colleagues and communities. By integrating both commercial and philanthropic aspirations to support our sustainability work and our Stands, we aim to accelerate our progress and amplify positive social impact such as women's empowerment and financial inclusion.

Our commercial activities: investment in social finance

We seek to partner with our clients and communities to mobilise social capital. Last year, we deepened our focus on mobilising social finance by appointing the Group's first Head of Social Sustainability.

Empowering women-owned businesses

Women are key drivers of economic and social progress, yet they continue to face significant challenges that often limit their full participation in the global economy. These challenges include systemic barriers such as unequal access to education, limited access to finance and financial resources, and entrenched discriminatory social norms.

As part of our business, we provide women and women-owned businesses with the financing they need. A cornerstone of our commitment is our SC Women's International Network (SC WIN) banking proposition, a unique offering designed exclusively for women-owned businesses, that offers tailored financial solutions, expert advisory services, and access to a global network of like-minded business leaders. Since its first launch in 2022, SC WIN has expanded its reach and is now live in seven markets, namely India, Kenya, Malaysia, Singapore, Hong Kong, Vietnam and Pakistan. SC Win has extended more than $300 million of financing to women-owned businesses since its first launch in November 2022.

To further our support, we launched a partnership with We Connect International, an organisation focused on helping women-run companies to get into global supply chains. Despite corporate commitments, less than 1 per cent of all global procurement goes to women-owned companies, and this number hasn't changed in decades[1]. Through our partnership, we aim to support women-owned companies with the access to finance that they need to compete for large global contracts. By bringing together our global trade bank with our SC WIN offerings, we aim to support women-owned business with both the short-term working capital solutions and the long-term financing options that they need.

This year, we became the first global bank to sign the WE Finance Code under the Women Entrepreneur Finance Initiative across all of our banking centres. As signatories, we aim to sex-disaggregate our own lending, and intend to work throughout the ecosystem to share knowledge with our peers.

Supporting micro lending

We recognise the pivotal role of microlending in fostering economic inclusion and sustainable development. Microlending plays a vital role across our footprint in supporting underserved communities and creating opportunities for growth. Since 2006, we have financed microfinance partners in India, Bangladesh, Philippines, Nepal, Pakistan, Kenya, Uganda, Tanzania and Nigeria. In 2024, we supported more than $725 million lending to microfinance institutions, enabling over 1.2 million borrowers to access loans. These loans support a wide range of needs, from building small businesses to covering education costs or managing unexpected emergencies.

Our philanthropic activities: investment in community impact

Our philanthropic approach aims to help bridge the often-significant gap that prevents young people from accessing commercial products and services. Through community partnerships, client partnerships and employee volunteering, we aim to contribute towards more inclusive economies and increased equitable prosperity. Central to this effort is our global youth economic empowerment initiative, Futuremakers by Standard Chartered, which aims to help disadvantaged young people, especially young women, access economic opportunities through employability and entrepreneurship support. From 2019 to 2024, through Futuremakers, we supported more than 53,000 young people to access decent jobs and enabled more than 35,000 jobs through supported microbusinesses.

We continue to deepen and scale our impact, working with leading NGO partners to deliver longer-term programmes. Between 2024 and 2030, we aim to provide $120 million in Futuremakers with the intent to enable and support 140,000 decent jobs[2], including 70,000 jobs accessed by young female participants[3] and 70,000 jobs created through supported microbusinesses[4].

1 'Procurement's strategic value: Why gender-responsive procurement makes business sense.' UN Women, 2022
2 Decent jobs/employment comprises formal employment and self-employment. 'Decent' aligns with the ILO definition, but in recognition of the challenges in many markets to satisfy every criteria for 'decent', our Futuremakers initiative counts those participants who have met minimum wage plus at least two additional ILO criteria
3 Young female participants remain in decent employment six months post intervention
4 Direct jobs comprise paid employment opportunities (direct employees, active associates, contractors, support/gig workers, and the entrepreneurs themselves) directly created by the supported microbusinesses. These may be part-time or full-time, with each job accounted for as a single unit. This KPI will be based on actual data collated from project alumni over the seven year period, robust estimates based on empirical research, and ex-post project evaluations.

In 2024, we have enabled and supported 20,675 decent jobs[1] and contributed $18.4 million to Futuremakers, including donations from the Group and fundraising of $2.2 million from our employees and partners.

Creating an inclusive ecosystem for decent work

Almost 60 per cent of young people not in employment, education or training (NEET) are in the Group's markets, with young women twice as likely as young men to be NEET[2]. Our Futuremakers employability programmes prioritise these disadvantaged groups, especially women and people with disabilities, supporting them to gain the skills and networks to access decent jobs.

This year, with the Standard Chartered Foundation, we have launched three-year employability programmes with strategic NGO partners, including the launch of the sports-based Goal Accelerator programme in five markets – Malaysia, Mauritius, Pakistan, Sri Lanka and the UK, in partnership with Women Win. The programme aims to empower over 1,700 young women with the life-skills, confidence and leadership capabilities to enable them to access employment, generate a decent income and become economically resilient.

To improve employability for people with disabilities via Futuremakers, we established a disability inclusion roadmap with Sightsavers, one of our strategic NGO partners, to test innovative models in Ghana, Kenya, Pakistan, Tanzania, Uganda, and Zambia. This initial roadmap will provide insights to guide us in facilitating disability inclusion in all our programmes.

Through these and other investments, in 2024, over 24,000 participants (58 per cent women and 9 per cent people with disabilities) have established an employment plan, a key early milestone in their employability journey.

In some of our markets, we support community healthcare, climate, education and agricultural livelihood projects. In 2024, for example, we supported eye health, WASHE (water, sanitation and hygiene education), education and youth employability projects in India, including the opening of the fourth academy to promote primary eye care and train women to become optometrists.

Unlocking the potential of microbusinesses

Research by the International Finance Corporation suggests that there is a $173 billion financing gap for female microbusinesses in lower and middle-income countries[3]. Our Futuremakers entrepreneurship programmes support young entrepreneurs, mainly women, to achieve business growth, build green and social microbusinesses, and create much needed jobs in their communities.

Through the Futuremakers Women in Tech accelerator, we enabled female microentrepreneurs in Africa, the Middle East and the US to acquire the skills, resources, and networks they need to start and grow their businesses. We have committed $600,000 as part of a catalytic financing fund to support eight high-potential tech-enabled businesses run by our Women in Tech alumni.

In 2024, with the Standard Chartered Foundation, we have launched three-year entrepreneurship programmes with our strategic NGO partners and supported more than 14,000 microbusinesses to establish a business growth plan, a key milestone in their entrepreneurship journey.

Measuring broader societal impact

To better understand the broader impact of our Futuremakers investments, we have developed a refreshed approach to impact measurement that builds on the direct outcomes of our programmes to quantify the broader contribution to society. Using the model, and applying the results achieved in 2024, we found that more than 110,000 lives are estimated to have been impacted by Futuremakers. We anticipate that the insights from this analysis should enable us to optimise how we allocate Futuremakers resources to enhance impact potential, as well as extend our learnings to our peers and partners.

Promoting skills-based volunteering

We have also sought to scale the impact of volunteering by strengthening skills-based volunteering. In 2024, 53 per cent of colleagues volunteered to support various philanthropic causes and 114,276 hours were contributed to skills-based volunteering which ranged from provision of financial education to local schools to coaching and mentoring Futuremakers participants. In 2025, we aim to further embed skills-based volunteering opportunities into Futuremakers, leveraging our colleagues' unique skill sets to further deepen our community impact.

Charitable giving

	2024 $million	2023 $ million	2022 $million
Cash contributions	47.9	31.2	23.7
Employee time (non-cash item)	25.7	28.7	17.5
Gifts in-kind (non-cash item)[4]	0.5	0.4	0.3
Management costs	5.2	5.4	5.0
Total (direct contributions by Group)	**79.3**	**65.7**	**46.5**
Leverage[5]	2.7	2.9	4.8
Total (including leverage)	**82.0**	**68.6**	**51.3**
Percentage of prior year operating profit (PYOP)	1.6	1.6	1.5

1 The data includes 7,425 young female participants in decent employment, where participants remain in decent employment six months post intervention, and 13,250 direct jobs enabled by supported microbusinesses
2 'Global Employment Trends for Youth 2022: Investing in transforming futures for your people.' Geneva: ILO, 2022
3 'MSME Finance Gap Report', International Finance Corporation, 2017
4 Gifts in-kind: In-kind contributions of products, property or services valued at the cost to the Group
5 Leverage: fundraising from employees and partners benefitting the community

Managing Environmental and Social Risk

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

Our cross-sector Environmental and Social Risk Management (ESRM) Framework helps us apply international standards and best practices across all our markets. In the frontline, our ESRM team within the CSO organisation oversees the management of environmental and social risks associated with our client relationships.

For further information please refer to our ESRM Framework at **sc.com/esriskframework**

Our approach is embedded into our credit approval process and supports us to work with our stakeholders to identify, manage, mitigate and monitor the potential impacts that stem from our financing decisions.

Our Position Statements, approved by the GRRRC, outline the cross-sector and sector-specific criteria we apply to assess whether to provide financial services to our clients.

We use these statements – which draw on International Finance Corporation Performance Standards, the Equator Principles and global best practice – to assess environmental and social risk related to our financing.

Position Statements

Cross-sector Position Statements

Climate Change	Human Rights	Nature

Sector-specific Position Statements

Agribusiness	Chemicals and Manufacturing	Extractive Industries
Infrastructure and Transport	Power Generation	Thermal Coal

Prohibited Activities

We reviewed 1,449 clients and 747 transactions that presented potential for elevated environmental and social risk in 2024. If we find a material environmental and social issue, we take steps to proactively engage the client to mitigate identified risks and impacts, and support and guide our clients to improve their environmental and social performance over time.

However, for clients who do not meet our Position Statement criteria, we may look to withdraw financial services and exit the relationship if we cannot work with them to align over an agreed time frame.

In 2024, we completed the review and update of our Human Rights Position Statement.

During the year, we evolved our approach to Nature Risk assessment. This included a loan book analysis to identify nature-related impacts and dependencies at sector, country and financial services levels. The Group's cross-sector Nature Position Statement provides a consolidated view of our approach to managing Nature Risk across our business, operations and supply chain. Further information can be found on page 90 of this report.

Read more about our Position Statements at **sc.com/positionstatements**

Our list of Prohibited Activities can be found at **sc.com/prohibitedactivities**

Our reporting against the Equator Principles can be found at **sc.com/equatorprinciples** and in our ESG data pack at **sc.com/esg-data-pack**

Respecting human rights

We are committed to respecting human rights across our business. We recognise that the global nature of our business may expose us to the risk of modern slavery and human trafficking in our operations, supply chain and client relationships and we are committed to managing and mitigating these risks. Our Modern Slavery Statement details our approach and actions to manage modern slavery risks across our value chain.

+ Read our Modern Slavery Statement at **sc.com/modernslavery**

Our Position Statement on Human Rights is a key part of our ESRM framework and was developed following engagement with a range of internal and external stakeholders, including expert practitioners and civil society organisations. Like our cross-sector Position Statements, the Human Rights Position Statement applies to our clients, suppliers and employees and is regularly reviewed to ensure it addresses emerging risks and issues.

Due diligence is a central part of our approach in assessing and managing risks associated with the provision of financial services to our clients. We approach this due diligence in accordance with our ESRM and Financial Crime Compliance (FCC) frameworks.

+ Read more about our ESRM Framework and Position Statements at **sc.com/positionstatements**

We will not enter into relationships with suppliers involved in human trafficking, modern slavery or forced labour. Suppliers that are identified as presenting higher risks of modern slavery are subject to due diligence. Our Supplier Charter sets out the principles for the behavioural standard that Standard Chartered expects from its suppliers, and those within a supplier's sphere of influence that assist them in performing their obligations to us.

+ Read our Supplier Charter at **sc.com/suppliercharter**

Our Fair Pay Charter sets out the principles by which we seek to deliver fair and competitive remuneration to all employees. We use these principles to guide reward and performance decision-making globally, including how we set, structure and deliver remuneration.

+ Further information on our alignment to the Fair Pay Charter can be found on **page 144** of this Annual Report and in our 2024 Diversity, Equality and Inclusion Report available at **sc.com/diversityfairpayreport**

Integrity, conduct and ethics

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

Managing Conduct Risk is critical to delivering positive outcomes for our clients, markets and stakeholders and fundamental to achieving our brand promise, here for good. Conduct Risk may arise anywhere in the Group at any time. The Group therefore expects all employees to be responsible for managing Conduct Risk given it is a transversal risk, which means it impacts every aspect of the Group’s operations.

Our Group Conduct Risk Management Standard sets minimum standards for the management of Conduct Risk across our operations.

The Group employs a risk-based, three lines of defence approach to Conduct Risk Management, where oversight, governance and controls are proportionate to our assessment of the risk. We set target conduct outcomes that the Group aspires to deliver for clients, external stakeholders, employees, and the environment.

Code of Conduct and Ethics

The Code of Conduct and Ethics (the Code) remains the primary tool through which we communicate our conduct expectations. It is aligned with our Stands, strengthening the link between ethics, culture, conduct and the Group’s strategy. The Code is intended to be more than a guidance document: rather, it is a code to live by, designed to guide colleagues through how to live our valued behaviours on a day-to-day basis, whatever their business, function, region or role. To guide us in living conduct of the highest standards, the Code was shaped around 10 conduct outcomes we all strive to deliver, and connects these to our culture, behaviour, and ethics. The revamped Code e-learning was launched in April 2024. In June 2024, we celebrated Global Conduct Week. The event was about celebrating good conduct and seeing our Code in action.

+ Download our Code of Conduct and Ethics at **sc.com/codeofconductandethics** and visit **sc.com/speakingup** to find more about how our Speaking Up programme works

To reinforce our shared commitment to the highest possible standards of conduct, each year we ask our colleagues to reconsider what the Code means to them through a refresher e-learning, and to reaffirm their commitment. In 2024, 99.9 per cent of our colleagues completed the mandatory training and affirmation (99.8 per cent in 2023).

Colleagues who are overdue without a valid reason are subject to a 25 per cent reduction in their annual variable compensation for the year they failed to attest.

99.9%

of employees affirmed recommitment to our Code annually

Speaking Up

Our Speaking Up Programme provides a safe, independent and confidential way to report whistleblowing concerns. It is aimed at helping to build and maintain a strong ethical culture, with integrity, trust, and transparency.

The early disclosure of concerns reduces the risk of financial and reputational loss caused by misconduct. We encourage colleagues, contractors, clients, suppliers and members of the public to raise concerns through the Speaking Up channels.

These channels enable whistleblowing concerns to be raised in various ways, such as via email, a web portal, a telephone hotline (where available), or by speaking to someone in their line management, who may or may not be their usual People Leader (available for employees only). When a concern is raised, our Shared Investigative Services team will determine whether the matter is a Speaking Up disclosure or if it is an out-of-scope disclosure.

Throughout 2024, we hosted a series of awareness campaigns to ensure that we continue to create an environment where everyone feels secure and empowered to speak up. The Global Conduct Week was held from 24 to 28 June, themed ‘A Code to live by’, to celebrate good conduct, reinforce our valued behaviours and promote the importance of ethics, trust and integrity. All interactive panels were aimed to encourage colleagues to think about how their decisions and individual actions on a daily basis can aggregate to a much wider impact on outcomes for our clients, customers and other stakeholders.

We marked the World Whistleblowers Day as part of the Conduct Week, where a panel discussion was held with the Group Independent Non-Executive Director and Whistleblowing Champion. Colleagues were reminded about the Speaking Up channels and the key pillars of our Speaking Up Programme, namely: anonymity, confidentiality and no victimisation.

+ Visit our Speaking Up programme’s website **sc.com/speakingup**

The Speaking Up Programme continues to be utilised across all countries, businesses and functions, and our 2024 My Voice survey found that there continued to be a high degree of confidence in the Programme. 87 per cent of employees felt comfortable raising concerns through the Speaking Up channels (88 per cent in 2023). Each year, the Board reviews a Speaking Up report, which provides an overview of the effectiveness of the Group Speaking Up Programme. For the period July 2023 to June 2024 there was a 1 per cent increase in disclosures volume compared to the prior 12 months. There was a 1 per cent decrease in the proportion of employees who opted to remain anonymous when reporting disclosures.

87%

of employees in our My Voice survey felt comfortable raising concerns through Speaking Up channels

Fighting financial crime

Access to the financial system helps transform lives around the world, helping to reduce poverty and spur economic development. But the financial system is also used by those involved in some of today's most damaging crimes – from human trafficking to terrorism, corruption, and the drug trade. Our ambition is to help tackle these crimes by making the financial system a hostile environment for criminals and terrorists. We have no appetite for breaches in laws and regulations related to financial crime.

Our Compliance, Financial Crime and Conduct Risk (CFCR) team sets our Financial Crime Risk management framework. We seek to protect our clients and communities against money laundering (AML), terrorist financing, sanctions, fraud, and other risks, by applying core controls such as client due-diligence, screening and monitoring, and strengthening our people's understanding as to how to identify, manage and mitigate such risks. In addition, anti-bribery, and corruption (ABC) controls aim to prevent colleagues, or third parties working on our behalf, from engaging in bribery or corruption.

Our mission doesn't stop at our door. We're teaming up with banks, governments, and regulators around the world to raise the bar across the industry. Throughout 2024, we actively participated in industry groups, including the Wolfsberg Group of global banks, Madison Group and UK Finance. We also launched a number of financial crime transformation initiatives focused on technology and process capability. The identification and analysis of criminal networks utilising various money laundering typologies; for example, money mules and shell companies, continues to be a focus, with the proactive use of data to support early detection and prevention.

Our public–private partnerships are aimed at producing new insights about various criminal typologies and advances in how we collectively combat financial crime in an increasing number of jurisdictions, including Singapore, Hong Kong, South Africa, India, the UK, USA and UAE.

Sanctions on Russia remain a significant area of focus. In 2024, the attention has been on multilateral and multiagency measures to prevent evasion or circumvention of sanctions and export controls on Russia.

For those in high-risk roles and functions, we delivered additional training across all financial crime areas, including in-depth awareness on Russia sanctions, ABC training for targeted roles, training on tax evasion risks, trade AML, financial crime risks in fintech and digital assets, and money laundering risks concerned with money mules and shell companies. We also delivered a new targeted training module covering ESG and ABC risk, 'Managing Proliferation Financing Risk and Country AML Handbook'. In addition, masterclasses and forums were held to deepen understanding.

This was further supported by our Group-wide financial crime awareness campaign, 'The Whole Story', which aimed to raise employee awareness of the real-life impact of financial crime. The theme for 2024 was 'Staying one step ahead in the fight against financial crime'. It emphasised the need to continuously reinvigorate and recharge the fight against financial crime through staying abreast of new technologies, and building partnerships with government bodies, regulators, and our peers to strengthen our collective defences.

In 2024, no legal cases concluded in which allegations of corruption had been made against the Group or its employees.

We have invested significantly to ensure our employees are properly equipped to combat financial crime. In 2024, 99.8 per cent of colleagues and governance body members completed financial crime mandatory e-learnings which cover topics such as ABC, AML including terrorist financing, sanctions, tax evasion and fraud topics (Asia: 99.8 per cent, AME: 99.9 per cent, EA: 99.9 per cent, governance body members: 100 per cent). This compares with 99.9 per cent in 2023.

99.8%

of colleagues and governance members completed financial crime mandatory e-learnings[1].

1 Governance body members represent Bill Winters and Diego De Giorgi. Colleagues represent permanent employees of the Group as well as fixed-term workers employed by the Group for a fixed period.

Responsible lending and fair treatment of retail customers in our Wealth & Retail Banking (WRB) segment

The Board of Directors provides oversight of the Group's treatment of WRB retail customers through its reporting and committee structures. The relevant governance forum or Risk Committee is required to challenge the business for any new or material product proposals prior to the commencement of the product approval process, and there are periodic governance forums to monitor customer complaints and collections effectiveness.

Escalations may be taken to the WRB Risk Committee chaired by the WRB Chief Risk Officer or the Group Risk Committee chaired by the Group Chief Risk Officer, and ultimately to the Group's Board and Board Risk Committee.

Complaints management

Formal avenues are established for WRB customers to lodge complaints. A complaints-handling process has been put in place to enable the proper receipt, acknowledgement and independent and effective handling of complaints, which are to be resolved and notified to customers within a reasonable turnaround time without compromising the quality of the review.

Global key complaints insights, trends and root causes are provided to the WRB Risk Committee. Examples of key metrics that are used to track and manage complaints across WRB markets include: total number of complaints received in the period split by type and root cause, including sub-categories such as potentially inappropriate sales, proven mis-selling or fraud, and percentage of complaints resolved within the pre-determined turnaround time.

Collections

Second line of defense oversight and governance of WRB retail collections are performed by the WRB Risk function, with regular reviews of performance metrics and complaints-handling data. Across the Group, while the approach may vary across markets in line with local regulations, programmes to assist retail banking borrowers in financial distress are handled by the Collections teams.

The Group's credit policies outline the expectations on the Group's Collections teams, which include the following:

- Providing a fair and reasonable treatment regarding any allowed concession or waiver
- Aligning calling and visitation hours to local regulations and practices
- Having all customer interactions with the Collections teams, complaints and feedback monitored and regularly reviewed
- Offering temporary or permanent modifications to loan terms when required

All Collections employees responsible for dealing with customers in financial distress are required to be trained prior to commencement of collection activities, and in particular, are required to understand the Group's Code of Conduct and Ethics. Existing employees also undergo regular training in dealing with customers who are undergoing financial hardship, and communications guidance is regularly updated to reflect common circumstances encountered in our markets. Where external collections agencies are utilised, these agencies undergo assessment and due diligence in accordance with Group sourcing standards and their staff must undertake the same training as the Group's internal Collections teams.

Loan modifications

Loan modification options that may be offered to our customers in accordance with local regulations and the Group's internal credit policies, which take into account the most recently available information on the customer's income, expenditures and circumstances. Collections staff managing these arrangements are trained to discuss options thoroughly with customers in order that any restructured payments, if agreed, are affordable.

Sustainability governance

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

Board oversight of sustainability and climate-related risks and opportunities

The Board is responsible for the long-term success of the Group and its strategy. Embedding sustainability across our business is a key strategic priority for the Group, and ultimate responsibility for this sits with the Board. Oversight is exercised through the appointment of supporting committees which consider sustainability- and climate-related risks and opportunities when reviewing and guiding strategic decisions. Through these sub-committees the Board has oversight of the progress against the Group's external commitments, Sustainability Aspirations and delivery against key sustainability priorities including sustainable finance, Position Statements, human rights and community engagement Throughout 2024, Board activities have included reviewing and guiding strategic decisions on our approach to reach net zero financed emissions by 2050. Since 2019, the Board has approved a Climate Risk Appetite Statement annually to reflect our aim to measure and manage the financial and non-financial risks arising from climate change and to reduce emissions related to the Group's own activities, including those associated with providing financial services to clients, in line with the Paris Agreement. Further, to reflect the combined Climate Risk and Reputational and Sustainability Risk, a combined Risk Appetite Statement will be in effect for a comprehensive coverage in 2025.

Management-level governance

Supporting the Board in its strategic decisions is the Group Management Team (GMT) and its supporting committees. Each member of the GMT is responsible for strategically driving sustainability considerations within their geography, business segment or function in line with our net zero roadmap. The GMT committees hold the ultimate decision-making authority over all material sustainability initiatives and can direct actions as necessary for areas of improvement to ensure their effective implementation. This includes ensuring the effective management of Climate Risk and the net zero roadmap in support of the Group's strategy, as well as overseeing Risk Appetite metrics.

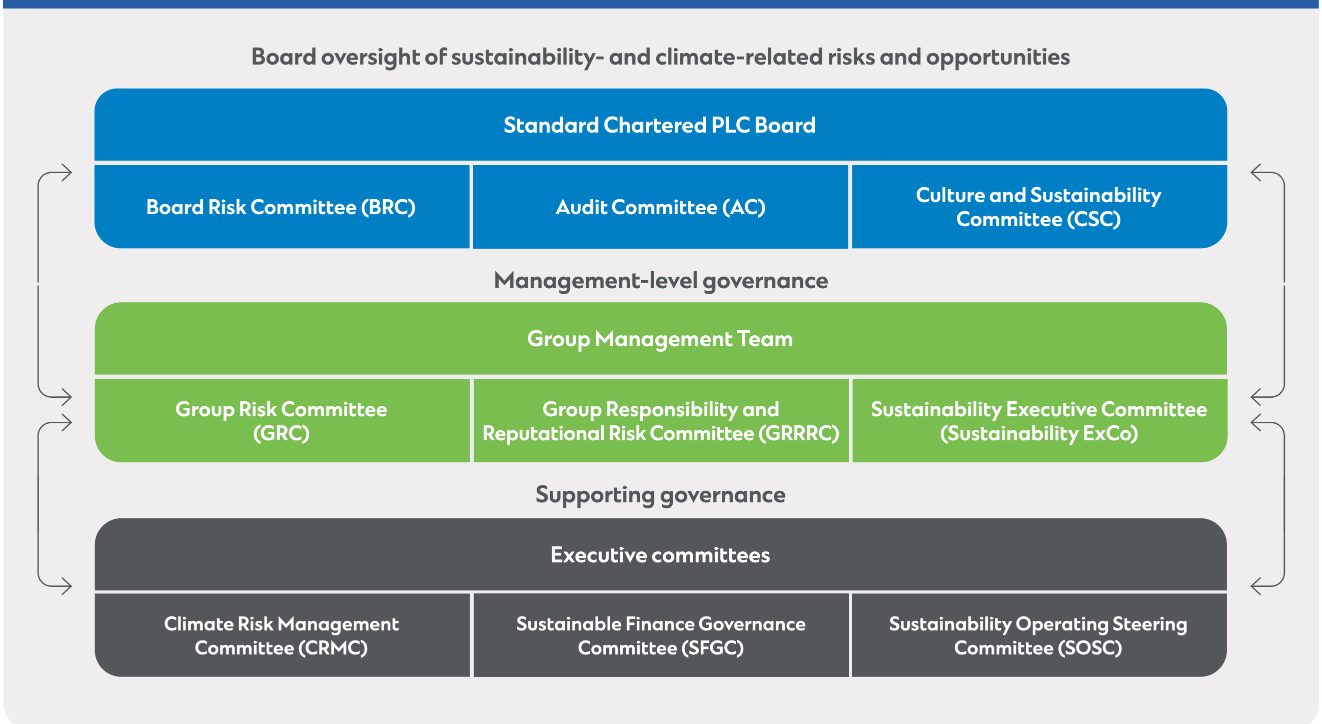
The responsibility for the Group's risk management approach and overall second line of defence for Climate Risk sits with the GCRO as the appropriate Senior Management Function under the Senior Managers Regime. The GCRO is supported by the Global Head, Enterprise Risk Management, who has day-to-day oversight responsibility for Climate Risk.

+ The structure of the Group's Board and Management Team can be found on **pages 105 to 112**

Supporting governance

The oversight and management of sustainability- and climate-related risks and opportunities are an integral part of our business management, involving several executive committees. These committees operate under their terms of reference, delineating responsibilities, decision-making process, authority and the escalation route for any material issues. Additionally, a number of teams across our business, risk and functional areas are either dedicated to, or spend a proportion of their time, working on sustainability- and climate-related activities. We are also expanding governance and risk management at the regional, country and segment levels to better identify and manage climate-related risks and opportunities.

Structural overview of Standard Chartered PLC's sustainability- and climate-related governance



Governance committees and steering groups

Several committees and steering groups support the Group's Board and Management Team on the management and monitoring of sustainability and climate-related risks and opportunities, and associated impacts on our business and for our key stakeholders.

Governance body	Chair	Agenda frequency and inputs	Roles and responsibilities	Topics covered in 2024
Standard Chartered PLC Board	Group Chairman	Annual Strategy Review 2024 Annual Sustainability Strategy Update Climate Risk updates delivered through the Group CRO report	• Oversight of the Group's sustainability strategy, with input from the Culture and Sustainability Committee	• Considered the core role of sustainability as part of the annual strategy discussion as it is more deeply embedded across the business • Approved Climate Risk Appetite Statement and Board-level Risk Appetite metrics • Endorsed the 2025 sustainability priorities • Received an update on the Group's sustainability strategy, including progress against the four sustainability strategic pillars, the Group's scorecard metrics and public sustainability commitments • Approved the 2023 Modern Slavery Statement, detailing the steps taken to manage the risk of modern slavery in the business and its supply chain • Received updates on ESG Risk through the Group CRO reports
Board Risk Committee (BRC)	Independent Non-Executive Director	Climate Risk updates are provided to BRC in Group CRO reports six times a year. Additionally, one standalone update on ESGR Risk provided in December 2024.	• Provide oversight of the Group's key risks on behalf of the Board and is the primary risk committee at Board level that oversees Climate Risk • Consider the Group's Risk Appetite and make recommendations to the Board on the Climate Risk Appetite Statement • Assess risk types (including Climate Risk) and the effectiveness of risk management frameworks and policies • Provide oversight and challenge the design and execution of climate-related Group-wide enterprise stress tests mandated by a regulator	• Reviewed, discussed and challenged: (i) a combined update on the Group's progress on embedding ESGR risks (including climate and greenwashing related risks) within our client businesses and own operations; (ii) integration of ESGR Risk into corporate planning and business strategy; (iii) development of the Group's internal modelling and stress testing capabilities; and (iv) key focus areas for 2025. • Reviewed Climate Risk Information Report quarterly • Monitored adherence to RA metrics
Audit Committee (AC)	Independent Non-Executive Director	Updated annually in Q4 and more frequently if any material disclosures are made outside of the Group's Annual Report	• Responsible for oversight of the Group's financial and non-financial reporting, internal controls, audit and whistleblowing systems and controls	• Reviewed changes to the climate and greenhouse gas emissions-related quantitative disclosures to be reported in this Annual Report, and the key controls around those quantitative disclosures
Culture and Sustainability Committee (CSC)	Independent Non-Executive Director	Four times in 2024	• Review the Group's overall Sustainability Strategy • Review progress against the Group's external commitments, Sustainability Aspirations and delivery against key sustainability priorities • Monitor the implementation and delivery of the Group's public commitment to net zero emissions by 2050 • Monitor emerging sustainability issues that require Board-level oversight and/or external stakeholder engagement • Monitor progress against the ESG Ratings Strategy Roadmap • Review sustainability measures included in the Group annual and/or long-term incentive plan (LTIP) scorecards	• Reviewed and discussed the Group's Sustainability Strategy • Reviewed progress on the Group's net zero roadmap • Discussed and endorsed the approach to baseline and target the agriculture sector • Received nature-related training • Reviewed and endorsed the Group's Transition Plan • Discussed and endorsed the oil and gas facilitated emissions target • Considered a progress update on the Group's Sustainability Aspirations and endorsed four new KPIs • Reviewed, challenged and endorsed the proposed changes to the Human Rights Position Statement (HRPS) • Monitored the Group's performance on the prioritised external ratings agencies

Governance body	Chair	Agenda frequency and inputs	Roles and responsibilities	Topics covered in 2024
Group Risk Committee (GRC)	Group Chief Risk Officer (GCRO)[1]	Climate Risk updates were provided to GRC in Group CRO report 11 times during 2024. Additionally, three ad hoc meetings	• Oversee the effective implementation of the Enterprise Risk Management Framework ("ERMF") for the Group, including the delegation of any part of its authorities to appropriate individuals or properly constituted committees below the GRC • Review Risk Appetite (RA) for all Principal Risk Types (PRT) including Climate Risk across the Group, to ensure that this is within the approved Board RA and Management Team (MT) limits	• Received updates on RA, portfolio risks, recent NGO activity and regulatory updates via Group CRO Report • Received an update on Reputational and Sustainability Risk materiality assessment, Environmental and Social Risk Assessments and ESGR Risk by PRT as part of the Group Risk Information Report • Received an update on RA MT Limit and Board RA metrics and monitored adherence to these
Group Responsibility and Reputational Risk Committee (GRRRC)	GCRO[1]	Fourteen times in 2024	• Oversee and approve Position Statements including sector-specific and cross-sector statements including Climate Risk • Oversee reputational and sustainability-related RA metrics • Provide visibility of potentially very high or high ESGR matter escalations to the Board Risk Committee as relevant • Make decisions on clients and transactions which are assessed as High or Very-High based on the Group's Reputational Risk Materiality Assessment Matrix	Reviewed and approved: • Exposure to clients that do not comply with enhanced environmental and social criteria • Transactions where Position Statement criteria are not fully met • Transactions with high or very high Reputational Risk with climate change factors and decisions on whether to decline transactions or not • The process for net zero portfolio steering and governance, including: (i) evaluating clients' transition plans; (ii) refreshed financed emissions data for clients in sectors where the Group has set net zero targets; and (iii) ongoing approach to net zero portfolio management. • Updates for cross-sector and sector-specific Position Statements
Sustainability Executive Committee (Sustainability ExCo)	Chief Sustainability Officer (CSO)	Five times in 2024	• Hold ultimate decision-making authority over all material sustainability initiatives as delegated by the Group Management Team • Direct actions as necessary for areas of improvement to ensure the effective implementation of sustainability initiatives • Review findings and escalations from delegated committees (including but not limited to the Sustainability Operating Steering Committee) • Oversee the net zero programme	Reviewed and approved: • New net zero sector target for agriculture and facilitated emissions target for the most material sector, oil and gas • Announcement of a forward methane commitment • Approval of the Group's Sustainability Aspirations • Group's Transition Plan • Group's prioritised ESG ratings Discussed: • The Group's NGO engagements • Early coal decommissioning approach • Lifting Participation LTIP metrics

1 Following Tracey McDermott's retirement as Group Head, Conduct, Financial Crime and Compliance at the end of 2024, Group Chief Risk Officer, Sadia Ricke, assumed overall Group Management Team oversight for the CFCR function in January 2025, and succeeded Tracey McDermott as Chair of the GRRRC. See page 112 for more detail on the Management Team

Governance body	Chair	Agenda frequency and inputs	Roles and responsibilities	Topics covered in 2024
Climate Risk Management Committee (CRMC)	Global Head, Enterprise Risk Management	Seven times in 2024	• Oversee the effective implementation of the Group's Climate Risk workplan, including relevant regulatory requirements. • Provide challenge and recommend Climate Risk-related Enterprise Stress Test results • Review, challenge and provide feedback on external disclosures such as Climate Risk-related financial disclosures, including those set out by the TCFD • Monitor and challenge the Climate Risk and net zero profile of the Group within Risk Appetite • Approval of methodology changes to the net zero baselining and associated targets for existing sectors • Review and approval of any new net zero sector target	Drove delivery of: • Climate-related Group-wide stress testing and management scenario analysis • Progress associated with integrating Climate Risk across all impacted risk types • Climate Risk-related external disclosures, including those discussed in this report • Regulatory feedback and supervision • Climate-related management information and Risk Appetite metrics • Approach to delivering training and upskilling staff on Climate Risk across the Group • Oversight on the development, ownership, as well as the results of Climate Risk models in scope • Oversight of progress towards 2030 targets for automotive manufacturing, steel and agriculture sectors
Sustainable Finance Governance Committee (SFGC)	Head, Global Sustainability Engagement and Disclosures	At least six times a year	• Provide leadership, governance and oversight in delivering the Group's sustainable finance offerings • Review and endorse sustainable finance products • Guide the Group in identifying opportunities in sustainable finance and managing the greenwashing risks relating to sustainable finance	Reviewed and approved: • Sustainable finance products including sustainable cash products, sustainable trade finance products and sustainable finance wealth and retail products • Green and sustainable finance transactions including transactions with climate-related key performance indicators • The Group's GSPF, encompassing a range of climate finance activities • The Group's TFF outlining our approach to defining transition activities • The Group's approach to pureplay clients which align to the Group's GSPF and TFF
Sustainability Operating Steering Committee (SOSC)	Head Strategic Initiatives, Sustainable Finance	Monthly (minimum eight per year)	• Central forum where all strategic priorities related to sustainability are consolidated, prioritised and agreed upon • Oversee and monitor milestones and deliverables of sustainability initiatives • Ensure sustainability investment budget is centrally prioritised and allocated to business' and functions' quarterly performance reviews • Be a forum for escalation and decision-making	• Enforced accountability and fostered collaboration across the Group to operationalise the Group's net zero plan requirements and the broader sustainability agenda • Advanced the pan-bank data and digital strategy and capabilities to embed sustainability into the client and deal lifecycle • Provided updates on advancement within the Group's Innovation Hubs

Visit our Committees website to view the terms of reference for our five board committees **sc.com/committees**

Incentive structure

Variable remuneration is based on measurable performance criteria linked to the Group's strategy, including our sustainability-related goals and targets, which is overseen by the Culture and Sustainability and Remuneration Committees.

Annual incentive

The Group scorecard, which contains financial and strategic measures, is a key input in determining the Group's variable remuneration pool. Sustainability-related measures were included in the 2024 Group scorecard and continue to be included in the 2025 Group scorecard related to:

Sustainability-related measures continue to be included in the 2025 Group scorecard related to:

- Growing sustainable finance income in our Corporate & Investment Banking network and social lending in Wealth & Retail Banking.
- Net zero decarbonisation: reducing our financed emissions for key sectors in line with our risk appetite.
- Reducing Scope 1 and 2 emissions in line with our operational net zero by 2025 target.

Long-term incentive plan (LTIP)

LTIP awards are granted to members of the Group Management Team and may also be granted to other employees in the Group. Sustainability measures continue to be included in the 2025-27 LTIP, streamlined to focus on our net zero pathway as follows:

Sustainability continues to be included in the 2025-27 LTIP streamlined to focus on our net zero pathway as follows:

- Accelerating zero: progress towards our 2030 sustainable finance mobilisation target in each of the three performance years.
- Net zero decarbonisation: reducing our financed emissions for key sectors being assessed on annual year-on-year emission reductions.

Further details can be found in the Directors' remuneration report on **pages 143-181**

Key individuals or teams with climate-related objectives which impact variable remuneration

In addition to the Group scorecard and LTIP performance measures, dedicated climate and sustainability-related objectives apply across functional and regional scorecards including the Risk function, and individual objectives add a further link between sustainability outcomes and reward.

Individual or team	Objectives/performance linkage
Group Management Team (MT)	Members of the Group MT are eligible for an annual incentive based on the outcome of our Group scorecard and an LTIP award which both include sustainability-related measures. Further details can be found on pages 143 to 181 of this Annual Report.
Group Chief Risk Officer (CRO)	The GCRO is responsible for the overall second line of defence for Climate Risk as the appropriate Senior Management Function under the Senior Managers Regime. The GCRO is supported by the Global Head, Enterprise Risk Management, who has day-to-day oversight responsibility for Climate Risk.
Chief Sustainability Officer (CSO)	The CSO is responsible for setting and driving the Group's sustainability strategy, including delivering on the Group's public sustainability commitments. The CSO organisation houses the Group's sustainability strategy, net zero delivery, strategic initiatives, Innovation Hubs and environmental and social risk management (ESRM) teams. Performance measures for the CSO include progress against the delivery of the Group's net zero roadmap and sustainable finance targets.
Global Head of Supply Chain Management	The Global Head of Supply Chain Management is responsible for ensuring and overseeing the delivery of supply chain emissions reductions and climate-related objectives and plans in partnership with contract owners across the Group. This includes baselining our supply chain emissions related to products and services, supply chain emissions disclosures, and the implementation of plans to reduce supply chain-related emissions and managing climate risks in partnership with our suppliers.
Global Head of Corporate Real Estate Services (CRES)	The Global Head of CRES is responsible for delivering on our aim to reach net zero emissions in our Scope 1 and Scope 2 emissions by 2025.
All employees	Selected sustainability-related targets are incorporated into our annual Group scorecard which determines annual incentives for the majority of our employees.

Directors' Report

Encouraging girls to Play On

We teamed up with Liverpool Football Club coaches in 2024 to deliver our bespoke 'Play On: Train the Trainer' curriculum to local coaches in South Africa and Kenya, with more than 6,300 girls estimated to have taken part.

It's part of our joint five-year initiative with LFC to keep girls in sport because of the life skills it teaches.

LFC Women's players also featured in a series of social videos highlighting the importance of mentors in encouraging girls to play sport, helping girls to believe in themselves and thrive both on and off the field.

Read more at **sc.com/playon**

Group Chairman's governance overview

"Governance is about doing the right things, at the right times, and being vigilant."

Before I began to write what is my final corporate governance report to you as Chairman, I took some time to look back across my reports and reflect on our journey.

In 2016, my first report set out a few aims for my stewardship of the Group. Some of these related to its governance and included my commitment to make the Group more resilient to external shocks, to ensure excellent governance and the highest ethical standards.

Governance is about doing the right things, at the right times and being vigilant. Many of my subsequent reports referred to navigating the geopolitical environment, tackling financial crime and managing increasing cyber threats. While those categories might have remained the same, the underlying threats continue to evolve rapidly.

We monitored them closely, inviting internal and external experts to discuss their opinions and predictions with the Board at specially arranged sessions throughout my tenure. The speakers included some of the world's most eminent economists, central bankers, regulators, politicians, business leaders and technology experts. The Management Team are invited to many of these events and the outcomes helped improve the resilience of the Group and shape our strategy.

In 2018, the dynamism of geopolitics was such that the Group established an International Advisory Council (IAC) made of experts drawn from a number of disciplines from around the World. The IAC meets regularly to share their views on world developments and their potential impacts on the Group. It is currently chaired by Robert Zoellick, the former President of the World Bank and remains as important to our strategic thinking today as it was at its inception.

Early in my tenure, sustainability featured regularly on Board agendas. In 2018, the Group committed to cease new funding for coal fired power stations. By 2021, the rapidly increasing focus on sustainability, and climate in particular, saw the establishment of a Board committee which included sustainability as a key part of its remit. This year, I was very proud that the Group announced that it had completed its final position statement on the 12 highest carbon emitting sectors. In preparing these statements, we have made some difficult choices to promote a just transition for all our communities. You can read more about this in the Culture and Sustainability Committee report on pages 134 to 136.

Occasionally, I am asked how a Board of 12 or so people are able to oversee an organisation as complex, dynamic and with the geographic spread of Standard Chartered. Of course, we cannot expect our Board to have expertise in every market or issue faced by the Group but nevertheless recognise our duty to provide oversight of the whole business and constructive challenge to Management. Where we have needed an additional specific area of expertise for a sustained period, we have appointed Board advisers. Paul Khoo, a former head of Interpol, advised the Board for many years on the Group's approach to financial crime. Sir Iain Lobban, a former head of GCHQ, has advised the Board on the Management's strategy for dealing with cyber security threats for a number of years and continues to do so. On other occasions, directors attend technical training sessions and meetings are arranged with individual directors to take them through areas and issues they may not have encountered before.

Now turning to this year, the Board visited Shanghai, Mumbai and Nairobi to get a better understanding on the ground of the significant potential in these dynamic markets. In addition, many directors made individual trips to visit the business in a number of other markets. Each visit presented opportunities for directors to engage with our colleagues, clients, suppliers, regulators and other stakeholders. We enjoyed every moment and are grateful for the warmth of the receptions we received and time of everyone we met.

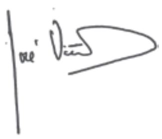
The Board has focused heavily on the preparation of a new Remuneration Policy, which will be put to shareholders at the AGM. We have engaged extensively with our investors and other stakeholders and I am very grateful for their time and advice. You will be able to read much more about this in our Directors' remuneration report on page 143 to 173..

I was very sorry to say goodbye to David Conner, who retired from the Board after completing his nine-year term in December 2024. David is the last of the non-executives who were in place when I arrived, and I want to thank him for his many significant contributions during our shared journey. We welcomed Lincoln Leong to the Board in November 2024 and I am pleased to report that he is settling in well and already proving a valuable addition.

We completed our board and committee reviews, which recognised a number of achievements and areas for improvement. You can read more about these and a range of other topics in the rest of this report.

You have an exceptional Board who work exceptionally hard for you. The Board has made an exceptional choice in choosing Maria as my successor and I have every confidence that it will flourish under her leadership.

I am proud of what we have achieved over the past nine years and thank you for your consistent support during my tenure. I look forward to the Board helping the Group to continue to deliver long-term value to shareholders and other stakeholders.



Dr José Viñals
Group Chairman

21 February 2025

Board of Directors

Committee key

- A Audit Committee
- Ri Board Risk Committee
- S Culture and Sustainability Committee
- N Governance and Nomination Committee
- R Remuneration Committee
- Denotes Committee Chair

Dr José Viñals (70)
Group Chairman

Appointed October 2016 and Group Chairman in December 2016. José was appointed to the Court of Standard Chartered Bank in April 2019.

Nationality: Spanish
Based in the UK

Skills and experience José has substantial experience in the international regulatory arena and an exceptional understanding of the economic, financial and political dynamics of our markets and of global trade.

Career Until 2016, José was the Financial Counsellor and the Director of the Monetary and Capital Markets Department at the International Monetary Fund (IMF). He was the IMF's chief spokesperson on financial matters, including global financial stability. During his tenure, José was a member of the Plenary and Steering Committee of the Financial Stability Board. Prior to the IMF, José began his career as an economist and as a member of the faculty at Stanford University, before going to the Central Bank of Spain, where he was the Deputy Governor. He is a past President of the International Monetary Conference. José has held many other board and advisory positions, including chair of Spain's Deposit Guarantee Fund, chair of the International Relations Committee at the European Central Bank, member of the Economic and Financial Committee of the European Union, and chair of the Working Group on Institutional Investors at the Bank for International Settlements.

External appointments José is Co-Chair of the United Nations' Alliance of Global Investors for Sustainable Development. He is a board member of the Institute of International Finance and a member of the board of directors of the Bretton Woods Committee. He is also a member of the Leadership Council of TheCityUK, a member of the Business Advisory Group to the Director General of the World Trade Organization, a member of the World Economic Forum's Community of Chairpersons and a board member of the Social Progress Imperative.

Committees

N

Bill Winters (63)
Group Chief Executive

Appointed June 2015. Bill was also appointed to the Court of Standard Chartered Bank in June 2015.

Nationality: US/British
Based in the UK

Skills and experience Bill is a career banker with significant frontline global banking experience and a proven track record of leadership and financial success.

Career Bill began his career with JP Morgan, where he went on to become one of its top five executives and later Co-Chief Executive Officer at the investment bank from 2004 until 2009. Bill was invited to be a committee member of the UK Independent Commission on Banking to recommend ways to improve competition and financial stability in banking. Subsequently, he served as an adviser to the UK Parliamentary Commission on Banking Standards and was asked by the Court of the Bank of England to complete an independent review of the Bank of England's liquidity operations. In 2011, Bill founded Renshaw Bay, an alternative asset management firm, where he was Chairman and CEO. He stepped down on appointment to the Standard Chartered PLC Board. Bill was previously a non-executive director of Pension Insurance Corporation plc and RIT Capital Partners plc. He received a CBE in 2013.

External appointments Bill is an independent non-executive director of Novartis International AG, an Advisory Group Member of the Integrity Council for Voluntary Carbon Markets and a Board Advisor to the International Rescue Committee.

Diego De Giorgi (54)
Group Chief Financial Officer

Appointed January 2024. Diego was also appointed to the Court of Standard Chartered Bank in January 2024.

Nationality: Italian
Based in the UK

Skills and experience Diego has more than three decades of experience in the global financial services sector, working with clients across the UK, Europe, the US, Asia, the Middle East and Africa.

Career Diego spent 18 years at Goldman Sachs, with leadership roles in the Equity Capital Markets Group and the Financial Institutions Group before becoming the Chief Operating Officer for the Global Investment Banking division. Following this, he moved to Bank of America Merrill Lynch, where he spent six years, rising to Head of Global Investment Banking. He served as a non-executive director at UniCredit and a member of their Compensation Committee in 2020 and 2021. From 2021, Diego was the Co-Chief Executive of Pegasus Europe, Europe's largest-ever special purpose acquisition company, which was focused on the financial services sector and was listed on Euronext Amsterdam.

External appointments Diego sits on the Board of the MIB Trieste School of Management.

Maria Ramos (65)
Senior Independent Director

Appointed January 2021. Maria was also appointed to the Court of Standard Chartered Bank in January 2021. She was appointed as Senior Independent Director in September 2022.

Nationality: South African
Based in South Africa

Skills and experience Maria has extensive CEO, banking, commercial, financial, policy and international experience. As announced on 4 February 2025, Maria will be appointed as Group Chair, subject to regulatory approval, following the AGM on 8 May 2025.

Career Maria served as Chief Executive Officer of ABSA Group Limited (previously Barclays Africa Group), a diversified financial services group serving 12 African markets, from 2009 to 2019. Before joining ABSA, Maria was the Group Chief Executive of Transnet Ltd, the state-owned freight transport and logistics service provider, for five years. Maria served for seven years as Director General of South Africa's National Treasury (formerly the Department of Finance). Maria has served on a number of international boards, including Sanlam Ltd, Remgro Ltd, and SABMiller plc, and more recently was Chair of AngloGold Ashanti PLC until 2024 and a non-executive director of the Saudi British Bank and Public Investment Corporation Limited until December 2020.

External appointments Maria is a non-executive director of Compagnie Financière Richemont SA from which she will retire after 13 years on 31 March 2025. She is also a member of the Group of Thirty, sits on the International Advisory Board of the Blavatnik School of Government at Oxford University and on the Wits Foundation Board of Governors.

As announced on 4 February 2025, Maria will be appointed as Group Chair of Standard Chartered PLC following the 2025 AGM on 8 May 2025.

Committees
Ri A R N

Shirish Apte (72)
Independent Non-Executive Director

Appointed May 2022. Shirish was appointed to the Court of Standard Chartered Bank in January 2023.

Nationality: British
Based in Singapore

Skills and experience Shirish has extensive corporate, investment banking, risk management, commercial and retail banking experience. He has a deep understanding of financial services, notably across the Asia Pacific, Middle East, Africa, and Central and Eastern European regions.

Career Shirish spent over 30 years with Citigroup, where he focused on corporate and investment banking, and managed commercial and retail banking businesses at country and regional level. He has strong risk experience and was a Senior Credit Officer and a Senior Securities Officer at Citigroup. Shirish was Co-CEO for Citi's Europe, Middle East and Africa business from 2008 to 2009, and Regional CEO Asia Pacific from 2009 to 2011. He was Chairman of Asia Pacific Banking from 2012 until his retirement in 2014. He was on the Executive and Operating Committees of Citigroup from 2008 to 2014. From June 2014 until October 2022, he was an independent non-executive director at the Commonwealth Bank of Australia.

External appointments Shirish is an independent non-executive director at Singapore Life Pte Ltd and Hillhouse Investments and an independent non-executive director of Keppel Corporation Limited, where he is a member of its Audit and Board Risk Committees.

Committees
R A Ri N

Phil Rivett (69)
Independent Non-Executive Director

Appointed May 2020. Phil was also appointed to the Court of Standard Chartered Bank in May 2020.

Nationality: British
Based in the UK

Skills and experience Phil has significant professional accountancy and audit experience, specifically focused in the financial services sector.

Career Phil joined PricewaterhouseCoopers (PwC) in 1976, becoming a Partner in 1986. He spent more than 30 years at PwC and was lead relationship Partner for several FTSE 100 companies, including several international banks and financial services institutions. He also has substantial international experience, having worked with banks across the Middle East and Asia, in particular China. He became Leader of PwC's Financial Services Assurance practice in 2007 and was appointed Chairman of its Global Financial Services Group in 2011.

Phil has sat on a number of global financial services industry groups, producing guidelines for best practice in governance, financial reporting and risk management.

External appointments Phil is an independent non-executive director and Chair of the Audit Committee at Nationwide Building Society.

Committees
A Ri N

Dr Linda Yueh, CBE (53)
Independent Non-Executive Director

Appointed January 2023. Linda was also appointed to the Court of Standard Chartered Bank in January 2023.

Nationality: US/British
Based in the UK

Skills and experience Linda is a renowned economist and financial broadcaster with a diverse range of skills and experience across financial services, technology, not-for-profit and business-to-business service sectors.

Career Linda has held various academic and advisory roles after starting her career as a corporate lawyer. Linda was Economics Editor at Bloomberg News from 2010 to 2012 and Chief Business Correspondent for the BBC between 2013 and 2015. She was a Visiting Professor at LSE IDEAS at the London School of Economics and Political Science from 2019 to 2022 and served on the Independent Review Panel on Ring-Fencing and Proprietary Trading for HM Treasury. Linda held non-executive directorships with Scottish Mortgage Investment Trust Plc, London & Partners Ltd and JPMorgan Asia Growth & Income Plc. She was Senior Independent Director of Fidelity China Special Situations Plc. Linda was awarded a CBE for Services to Economics in the New Year Honours List of 2023. Linda was a Trustee of the Coutts Foundation and Adviser to the UK Board of Trade.

External appointments Linda is a Fellow at St Edmund Hall, Oxford University, and Adjunct Professor of Economics at London Business School. She is an independent non-executive director of Rentokil Initial Plc and Segro Plc, Chair of the Baillie Gifford The Schiehallion Fund Ltd, an investment company listed on the Specialist Fund Segment of the London Stock Exchange Main Market, Chair of the Royal Commonwealth Society, Trustee of the Fidelity UK and International Foundations, and an Associate Fellow at Chatham House. Linda is a Member of the UK Soft Power Council, co-chaired by the UK Foreign and Culture Secretaries.

Committees
S R N

Jackie Hunt (56)
Independent Non-Executive Director

Appointed October 2022. Jackie was also appointed to the Court of Standard Chartered Bank in October 2022.

Nationality: British
Based in the UK

Skills and experience Jackie is a chartered accountant and has spent most of her career within financial services. She brings significant UK and international financial services experience, including asset management, insurance, regulatory and accounting knowledge.

Career Jackie has held several senior management positions at companies including Aviva, Hibernian Group, Norwich Union Insurance, PwC and RSA Insurance. From 2016 until 2021, she was a member of the Allianz SE management board. Jackie was an executive director of Prudential plc and CEO of Prudential UK, Europe and Africa. She was Group Chief Financial Officer of Standard Life plc from 2010 to 2013, where she helped transform the life insurer into a diverse savings, pensions and asset management business. Jackie was previously the Senior Independent Director of National Express Group PLC, a non-executive director of TheCityUK and the Deputy Chair of the FCA Practitioner Panel. She was also an independent non-executive director of Man Group PLC, Rothesay Life PLC and OneWeb Holdings Limited.

External appointments Jackie is an independent non-executive director of Willis Towers Watson plc.

Committees
A Ri R

Robin Lawther, CBE (63)
Independent Non-Executive Director

Appointed July 2022.

Nationality: US/British
Based in the UK

Skills and experience Robin brings extensive international banking experience in global markets and financial institutions. In addition to a broad understanding of commercial banking, she has specialist knowledge in investment banking, mergers and acquisitions, and capital raising.

Career Robin spent over 25 years at JP Morgan Chase in several senior executive positions. She has valuable executive and non-executive experience across global markets and has considerable understanding of regulatory and governance issues. From 2019 to 2021, she served as a non-executive director on the board of M&G plc. In January 2014, Robin joined Shareholder Executive, which later became UK Government Investments (UKGI), as a non-executive board member until completing her term in May 2022. She received a CBE for services to finance and diversity in the Queen's Birthday Honours 2020. From 2014 to 2023, she served as an independent non-executive director of Nordea Bank Abp.

External appointments Robin is an independent board member of Ashurst LLP and a member of the global advisory board at Aon PLC.

Committees
Ri S R

David Tang (70)
Independent Non-Executive Director

Appointed June 2019.

Nationality: US
Based in China

Skills and experience David has a deep understanding and experience of emerging technologies in the context of some of our key markets, most notably Mainland China.

Career David has more than 30 years of international and Chinese operational experience in the technology and venture capital industries, covering venture investments, sales, marketing, business development, research and development and manufacturing. From 1989 to 2004, David held a number of senior positions in Apple, Digital Equipment Corp and 3Com based in China and across the Asia Pacific region. From 2004 to 2010, David held various positions in Nokia, including Corporate Vice President, Chairman of Nokia Telecommunications Ltd and Vice Chairman of Nokia (China) Investment Co. Ltd. He went on to become Corporate Senior Vice President and Regional President of Advanced Micro Devices (AMD), Greater China, before joining NGP Capital (Nokia Growth Partners) in Beijing as Managing Director and Partner in 2013, a position he held until June 2021. David was a non-executive director of Kingsoft Corporation, a leading Chinese software and internet services company listed on the Hong Kong Stock Exchange.

External appointments David joined Kaiyun Energy (previously Kaiyun Motors) in June 2021 as Chief Value Officer. David is also a non-executive director of JOYY Inc., the Chinese live-streaming social media platform listed on the Nasdaq Stock Market. He is also an adviser to NGP Capital.

Committees
R S

Diane Jurgens (62)
Independent Non-Executive Director

Appointed Diane was appointed as an independent non-executive director of Standard Chartered PLC in March 2024. Diane was also appointed to the Court of Standard Chartered Bank in March 2024.

Nationality: US
Based in the US

Skills and experience Diane has significant expertise in driving technology, product development and innovation to transform business operations across the mass media and entertainment, mining, automotive and aerospace sectors.

Career From 2020 to 2023, Diane was Executive Vice President and Chief Information Officer at The Walt Disney Company, where she oversaw Disney's global enterprise technology organisation. Between 2015 and 2020, Diane was Chief Technology Officer of the multinational mining and metals company BHP, where, largely based in Singapore, she was responsible for leading capital program delivery, technology operations, cyber security, data privacy, and research and development. Between 2012 and 2015, Diane was President and Managing Director of an American and Chinese joint venture, Shanghai Onstar Telematics, and was based in Shanghai. Prior to that, Diane held numerous senior executive positions at General Motors including several global roles across many of the Group's key markets.

External appointments Diane is a Dean's Advisory Board Member on the University of Washington College of Engineering and a non-executive director of the World 50 Group.

Committees
S Ri

Lincoln Leong (64)
Independent Non-Executive Director

Appointed: November 2024. Lincoln was also appointed to the Court of Standard Chartered Bank in November 2024.

Nationality: Canadian/Chinese (HK)
Based in Hong Kong

Skills and experience Lincoln is a Chartered Accountant with experience in general management, investment management and investment banking, including a wealth of executive and non-executive board experience across a range of industries and markets, particularly in the Hong Kong market.

Career Lincoln spent over 15 years at MTR Corporation Limited in a range of executive roles, becoming its Chief Executive Officer from 2015 to 2019. Prior to this he held a number of senior roles within private equity and investment banking including as a partner at Capital Z Asia Limited, Senior Vice President of Investment Banking at Lehman Brothers Asia Ltd and Director of, followed by Head of Corporate Finance at Schroders Asia Ltd. Lincoln started his career as an accountant at PriceWaterhouse (now PricewaterhouseCoopers) in London and subsequently joined PriceWaterhouse in Vancouver. He was previously a non-executive director of Jardine Strategic Holdings Limited and Mandarin Oriental International Limited, and an independent non-executive director of Link Asset Management Limited (manager of the listed Link Real Estate Investment Trust) and SUNeVision Holdings Ltd.

External appointments Lincoln is an independent non-executive director of Standard Chartered Bank (Hong Kong) Limited. He is also a non-executive director of the Hong Kong listed company China Resources Land Limited, a non-executive director of Hongkong Land Holdings Limited and holds a number of roles on the boards of not-for-profit companies including The Community Chest of Hong Kong, Hong Kong Management Association and Hong Kong Housing Society.

Committees A

Adrian de Souza (54)
Group Company Secretary

Appointed Adrian was appointed Group Company Secretary in May 2022.

Nationality: British
Based in the UK

Skills and experience Adrian has extensive experience as Company Secretary and General Counsel to FTSE 100 and FTSE 250 companies.

Career Adrian qualified as a lawyer in 1997. Prior to joining Standard Chartered, he was General Counsel for Vivo Energy PLC, a FTSE 250 pan-African fuel retailer, where he was responsible for the Company Secretarial, Governance, Ethics, Compliance and Forensic Investigations functions, and was a member of the group's Executive Committee. After working in private practice at international law firms Hogan Lovells and Clifford Chance, Adrian served as General Counsel and Company Secretary at IQSA Group (a Goldman Sachs private equity business), Company Secretary at Barclays Bank UK PLC, General Counsel and Company Secretary of the FTSE 100 company, Land Securities Group PLC, where he was a member of the Group's Executive Committee, and Head of Legal at SABMiller PLC, Europe.

As announced on 21 December 2023, Andy Halford stepped down from the Board on 2 January 2024. As announced on 16 February 2024, Gay Huey Evans stepped down from the Board with effect from 29 February 2024 and Carlson Tong stepped down on 9 May 2024. As announced on 11 December 2024, David Conner stepped down from the Board with effect from 30 December 2024.

With the exception of the Governance and Nomination Committee (where the Group Chairman is its Chair), all of the Board committees are composed of independent non-executive directors (INEDs). The roles of the Group Chairman and Group Chief Executive are distinct from one another and are clearly defined in detailed role descriptions which can be viewed at **sc.com/roledescriptions**

Management Team

Bill Winters (63)
Group Chief Executive

Diego De Giorgi (54)
Group Chief Financial Officer

Alvaro Garrido (55)
Interim Group Chief Information Officer

Nationality: Spanish
Based in Singapore

Alvaro was appointed as interim Group Chief Information Officer on 5 September 2024, having joined the Group in May 2022. Prior to joining Standard Chartered, he served as Group Chief Security Officer and Group Chief Information Security Officer at Banco Bilbao Vizcaya Argentaria in Spain, and previously held senior roles across Asia, Europe, the Middle East and the Americas including at Nordea, where he served as the Group CIO; British American Tobacco as Global Head of Technology Services; Roche Pharmaceuticals as Head of IT Engineering; and Sun Microsystems.

External appointments None

Roberto Hoornweg (56)
Global Co-Head, Corporate & Investment Banking

Nationality: Italian/Dutch
Based in UAE

Roberto was appointed Global Co-Head, Corporate & Investment Banking in April 2024. He also has responsibility for our Europe, Americas, Middle East and Africa markets. Prior to his current role, he was Global Head of Financial Markets from January 2017. Before joining Standard Chartered, he was a partner at Brevan Howard leading the Liquid Portfolio Strategies funds business. Previously, he spent three years at UBS Investment Bank in London leading the global Securities Distribution business and then co-heading the global Fixed Income, Currencies and Commodities division. Roberto spent 17 years at Morgan Stanley where he held various senior roles in fixed income derivatives, led the global Emerging Markets Fixed Income & FX business, and was latterly Head of Global Interest Rates, Credit and Currencies.

External appointments None

Judy Hsu (61)
CEO, Wealth & Retail Banking

Nationality: Canadian
Based in Hong Kong

Judy was appointed CEO, Wealth and Retail Banking (WRB) in January 2021 and in November 2024 she also took on responsibility for Greater China and North Asia markets. She has been a member of the Group Management Team since 2018 and is also the Chairperson of Trust Bank Singapore Limited. Prior to her most recent appointment, Judy was Regional CEO, ASEAN & South Asia, a position she held from June 2018. Judy was the country CEO for Standard Chartered Singapore from 2015 to 2018. She joined Standard Chartered in December 2009 as the Global Head of Wealth Management and led the strategic advancement of the Bank's wealth management business. Prior to this, Judy spent 18 years at Citibank, where she held various leadership roles in its Consumer Banking business in Asia.

External appointments Judy is a non-executive and independent director of CapitaLand Limited.

Mary Huen (57)
CEO, Hong Kong and Greater China & North Asia

Nationality:
Chinese
Based in Hong Kong

Mary was appointed Chief Executive Officer (CEO) for Hong Kong and Greater China & North Asia in August 2024. She is an executive director of Standard Chartered Bank (Hong Kong) Limited (SCBHK) and chairs the Board of Standard Chartered Bank (Taiwan) Limited. She has over 30 years of experience in business management and banking services. Mary was the Regional Head of Retail Banking, Greater China & North Asia, before being appointed CEO for Hong Kong in March 2017, and took on an expanded role as Cluster CEO for Hong Kong, Taiwan and Macau in January 2021.

External appointments Mary is the Chairperson of the Hong Kong Association of Banks, Vice President of the Council of the Hong Kong Institute of Bankers, and a Council Member of the Hong Kong Treasury Markets Association. She is also a member of the Hong Kong Monetary Authority's Banking Advisory Committee, the Hong Kong Monetary Authority's Currency Board Sub-Committee of its Exchange Fund Advisory Committee, and the Hong Kong Academy of Finance. Mary serves the broader Hong Kong community as a representative of Hong Kong, China to the Asia-Pacific Economic Cooperation Business Advisory Council, a Council Member of the Hong Kong Management Association, a Council Member of the Hong Kong Trade Development Council and member of its Belt and Road & Greater Bay Area Committee, the Aviation Development and Three-runway System Advisory Committee, and the Human Resources Planning Commission. Mary also holds Board positions in the Hong Kong Hospital Authority and the Hong Kong Tourism Board.

Benjamin Hung (60)
President, International

Nationality:
Canadian
Based in Hong Kong

Ben was appointed Standard Chartered's President, International in April 2024. He sits on the Board of SCBHK and is the Chairperson of both Standard Chartered Bank (China) Limited and Standard Chartered Bank (Singapore) Limited. Ben joined Standard Chartered in 1992 and has held a number of senior management positions spanning corporate, commercial and retail banking. Prior to his current role, he was CEO, Asia, overseeing the Bank's presence in 21 Asian markets. He was previously Regional CEO for Greater China & North Asia and CEO for the Bank's Retail Banking and Wealth Management businesses globally.

External appointments Ben is Chairman of the Board of Directors of the Hong Kong Financial Services Development Council. He is a member of the Hong Kong Chief Executive's Council of Advisers, the Exchange Fund Advisory Committee and the General Committee of the Hong Kong General Chamber of Commerce, and a Board member of the West Kowloon Cultural District Authority Board. He is the Co-Chair of B20's Trade and Investment Taskforce. He also serves as an economic adviser at the International Consultative Conference on the Future Economic Development of Guangdong Province, Mainland China.

Tanuj Kapilashrami (47)
Chief Strategy & Talent Officer

Nationality:
British
Based in the UK

Tanuj was appointed Chief Strategy & Talent Officer in April 2024, and heads Corporate Strategy, Group-wide Transformation and Corporate Functions (HR, Brand & Marketing, Corporate Affairs, Supply Chain Management and Corporate Real Estate & Services). Before taking on this role, Tanuj was the Group Head, Human Resources since 2019, and joined the Bank as Group Head, Talent, Learning & Culture in 2017.

Tanuj has over two decades of experience in the global financial services sector, and prior to Standard Chartered, she built her career at HSBC in a range of country, regional and global leadership roles across multiple markets, including Hong Kong, Singapore, Dubai, India, and London.

External appointments Tanuj is a Non-Executive Director of the Board for Sainsbury's PLC and is a member of their Nomination and Remuneration Committees. She is also an Associate Non-Executive Director of the Board of NHS England, advising the NHS on its workforce transformation agenda. In addition, Tanuj is a member of the Asia House Board of Trustees (an independent think tank driving engagement between Asia, the Middle East and Europe) and is on the Board of Vault22 (an integrated digital wealth, health and lifestyle solutions start-up).

Sunil Kaushal (59)
Global Co-Head, Corporate & Investment Banking

Nationality:
Singaporean
Based in Singapore

Sunil was appointed Global Co-Head, Corporate & Investment Banking in April 2024. In addition, he has responsibility for our ASEAN and South Asia markets. Sunil has over 37 years of banking experience in diverse markets. Prior to his current appointment, he held the role of Regional CEO Africa and Middle East (AME) at the Bank from October 2015. Sunil has been with Standard Chartered for over 27 years and has held senior roles across the Bank. Before joining Standard Chartered in 1998, Sunil held various banking positions at a number of leading international financial institutions.

External appointments Sunil is the Chairman of Furaha Finserve Uganda Limited, an SC Ventures company.

Alex Manson (55)
CEO, SC Ventures

Nationality:
French
Based in Singapore

Alex is the CEO of SC Ventures, which he set up in 2018. He joined Standard Chartered in 2012 initially as Group Head, Wholesale Banking Geographies, and later served as Global Head, Transaction Banking. Alex set up SC Ventures as a unit of Standard Chartered to promote innovation, invest in disruptive technology and build new ventures to explore alternative business models in the financial sector. This resulted in 35+ new ventures, and 20 minority investments in technology partners, across the three themes of Digital Banking & Lifestyle, Trade & Supply Chains and Digital Assets, enabled by artificial intelligence (AI), Web3/Blockchain, ESG and Quantum. He has also created an ecosystem of partners and investors, and laid the foundation for a culture of innovation via intrapreneurship.

Prior to Standard Chartered, Alex was at Deutsche Bank for 12 years, where he held roles including Global Head of Lending and Corporate Banking Coverage and prior to that Head Global Banking (IBD) Coverage APAC.

He started his banking career at Credit Suisse, where he held roles in the Securitization Group, and prior to that Derivatives & Structured Products.

External appointments Alex serves on several boards for our ventures and portfolio companies.

Sadia Ricke (54)
Group Chief Risk Officer, Director of Standard Chartered Bank

Nationality:
French
Based in the UK

Sadia joined the Bank in February 2023. She is Group Chief Risk Officer (GCRO), and a Director of the Court of Standard Chartered Bank. In addition, in January 2025 she assumed overall Group Management Team oversight for the Compliance, Financial Crime & Conduct Risk (CFCR) and Legal and Corporate Secretariat global functions, in addition to managing risk across all Principal Risk Types. Sadia joined the Bank from Société Générale, where she started in 1994 in the Financial Institutions Credit department. Sadia gained more than 13 years of structured finance experience in the Natural Resources and Energy Finance division, where she was Co-Deputy Head, a position she held until 2010 before becoming Head of Credit Risk for SG CIB in Paris. In 2014 Sadia relocated to Hong Kong to take on the role of Head of Global Finance for Asia Pacific. She was appointed Group Country Head and Head of Coverage and Investment Banking for the UK in 2017. Sadia became Deputy Chief Risk Officer in 2019 and then GCRO in 2021.

External appointments Sadia is Chair of the International Financial Risk Institute Foundation.

Darrell Ryman (56)
Interim Group Chief Operating Officer

Nationality:
Australian
Based in Hong Kong

Darrell was appointed as interim Group Chief Operating Officer on 5 September 2024. Darrell joined the Group in March 2023 as Chief Technology Officer for Asia and was subsequently appointed as Global Head of Global Business Services and Central Operations in April 2024. Prior to joining the Group, Darrell held CIO roles at AXA covering the UK, Ireland, Hong Kong, Macau and the Greater Bay Area and served on the Board of AXA Technology Services, and held business, technology and Board roles at Avanade in Mainland China, Hong Kong, Australia and Japan.

External appointments Darrell is a director of Hong Kong Interbank Clearing Limited.

Corporate governance

Standard Chartered PLC	**The Board** The Board is responsible for the governance, strategic direction and performance of the Group and the delivery of sustainable value within a framework of prudent and effective controls to which the Group's culture is aligned. The Board is responsible for the Group's engagement with key stakeholders and for considering their views and interests during Board discussions and decision-making. It is responsible for overseeing the Group's conduct and affairs and for promoting its long-term sustainable success. Under its Terms of Reference, the Board has direct responsibility for certain matters, including approval of the Group's long-term objectives, purpose, valued behaviours, culture and commercial strategy. In other areas, it delegates responsibilities to its committees in order to ensure effective independent oversight and scrutiny of those matters and receives reports from them at Board meetings. **Key governance roles** **Board Chairman** Our Group Chairman, José Viñals, is responsible for leading the Board, ensuring its effectiveness and, together with the Group Chief Executive, developing and embedding the Group's culture. The Chairman promotes high standards of integrity and governance across the Group and ensures effective communication and understanding between the Board, management, shareholders and other stakeholders. **Senior Independent Director** Our Senior Independent Director, Maria Ramos, provides a sounding board for the Group Chairman. Her role includes serving as an intermediary for the other directors where necessary and undertaking the performance evaluation of the Chairman. Maria is available to shareholders if they have concerns that the Chairman, Chief Executive or other executive directors are not able to resolve or for which the normal channels would be inappropriate. She can be contacted via the Group Company Secretary at 1 Basinghall Avenue, London EC2V 5DD.
Audit Committee	The Audit Committee is responsible for oversight and review of matters relating to financial reporting, the Group's internal controls, including internal financial controls, and the work undertaken by the Compliance, Financial Crime & Conduct Risk function, Group Internal Audit (GIA) and the Group's Statutory Auditor, Ernst & Young LLP (EY). Read more on **page 123**
Board Risk Committee	The Board Risk Committee is responsible for oversight and review of the Group's Risk Appetite Statement, the appropriateness and effectiveness of the Group's risk management systems and the principal risks, including Climate Risk, to the Group's business. Furthermore, it considers the implications of material regulatory change proposals and due diligence on material acquisitions and disposals. Read more on **page 129**
Culture and Sustainability Committee	The Culture and Sustainability Committee (CSC) is responsible for oversight and review of the Group's culture and sustainability priorities. Read more on **page 134**
Governance and Nomination Committee	The Governance and Nomination Committee is responsible for oversight and review of Board and executive succession, overall Board effectiveness and corporate governance issues across the Group. Read more on **page 137**
Remuneration Committee	The Remuneration Committee is responsible for oversight and review of remuneration, share plans and other incentives. Read more on **page 143**

With the exception of the Governance and Nomination Committee (where the Group Chairman is its Chair), all of the Board committees are composed of independent non-executive directors (INEDs).

Group Chief Executive	The Board delegates authority for the operational management of the Group's business to the Group Chief Executive for further delegation by him in respect of matters that are necessary for the effective day-to-day running and management of the business. The Board holds the Group Chief Executive accountable in discharging his delegated responsibilities.
Management Team	The Management Team comprises the Group Chief Executive and the Group Chief Financial Officer, client segment CEOs and our global function heads. It has responsibility for the day-to-day management of the Group and for executing its strategy. Read more on **page 110**

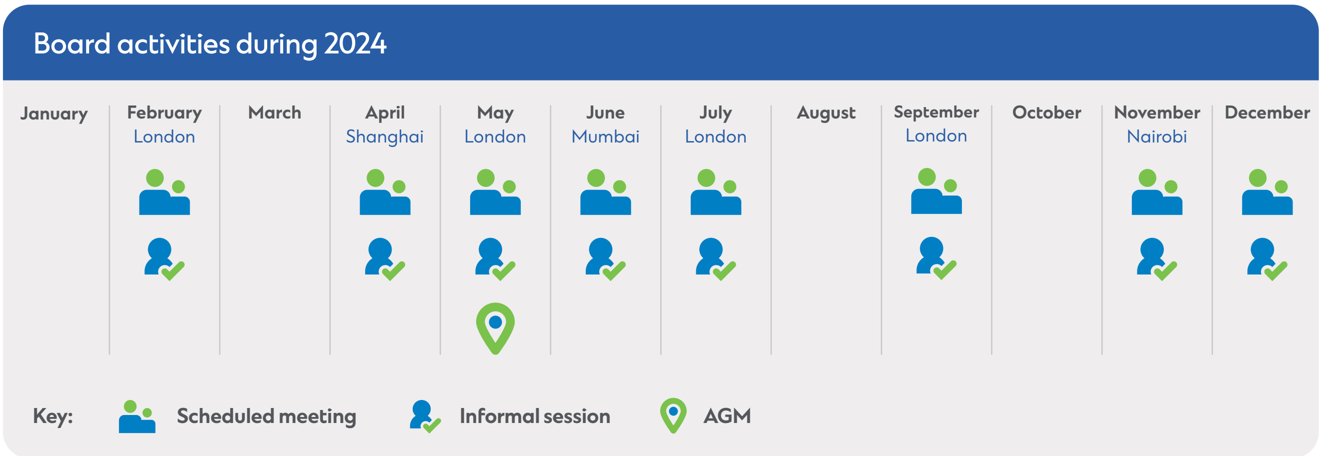
Terms of Reference for the Board and each committee are in place to provide clarity over where responsibility for decision-making lies. These are reviewed annually against industry best practice, corporate governance provisions and guidance, and relevant regulatory rules. Our Terms of Reference are available on our website at **sc.com/ourpeople**

The biographies of each director are set out on **pages 105 to 109**. The roles of the Group Chairman and Group Chief Executive are distinct from one another and are clearly defined in detailed role descriptions which can be viewed at **sc.com/roledescriptions**

Corporate Governance Compliance Statement

The directors are pleased to confirm that the Company continued to comply with the UK Corporate Governance Code 2018 (UK Code) and the Hong Kong Corporate Governance Code contained in Appendix C1 of the Hong Kong Listing Rules (HK Code) for the whole of the year under review. In this report, which constitutes our corporate governance report, we share insights into how governance operates within the Group and how we have applied the principles set out in the UK Code and HK Code. Copies of the UK Code and the HK Code can be found at frc.org.uk and hkex.com.hk respectively.

The Group confirms that it has adopted a code of conduct regarding directors' securities transactions by directors on terms no less exacting than required by Appendix C3 of the Hong Kong Listing Rules. Having made specific enquires of all directors, the Group confirms that all directors have complied with the required standards of the adopted code of conduct.



Attendance at Board meetings in 2024

	Attendance	
	AGM	Scheduled
José Viñals (Group Chairman)	Y	8/8
Bill Winters (Group Chief Executive)	Y	8/8
Diego De Giorgi (Group Chief Financial Officer)	Y	8/8
David Conner	Y	8/8
Gay Huey Evans, CBE	Y	1/1
Phil Rivett	Y	8/8
David Tang	Y	8/8
Shirish Apte	Y	8/8
Robin Lawther, CBE	Y	8/8
Jackie Hunt	Y	8/8
Linda Yueh, CBE	Y	8/8
Carlson Tong	Y	3/3
Diane Jurgens	Y	7/7
Lincoln Leong	n/a	2/2

INEDs who stepped down in 2024

Gay Huey Evans (29 Feb)
Carlson Tong (9 May)
David Conner (30 December)

INEDs who joined in 2024

Diane Jurgens (1 March)
Lincoln Leong (2 November)

Our Board meetings

The Board is committed to maintaining a comprehensive schedule of meetings and a forward agenda to ensure its time is used most effectively and efficiently. The Group Chairman holds INED-only meetings ahead of each scheduled Board meeting, which provides the opportunity for discussion on key agenda items and other matters without the executive directors and management present.

Sir Iain Lobban, as independent adviser to the Board and its committees on cyber security and cyber threat management, attended relevant items at Board and Committee meetings to provide an independent and current view on the Group's progress in this area.

Our stakeholders

Relationships with our key stakeholders were considered extensively during Board and Committee meetings and in decision-making, and in the individual and collective engagements that took place throughout the year.

See Stakeholder engagement on **page 121** and Section 172 statement on **page 35**.

Stakeholders

- Clients
- Investors
- Employees
- Suppliers
- Regulators and governments
- Society

Board matters

Board discussion and activities in 2024

Strategy

- Reviewed the Group's strategy over two days at a Board and senior management offsite meeting, discussing progress against the strategic priorities, the pivot to focus on cross-border and Affluent banking, and execution challenges. The Board concluded that management is executing the strategy well and that it remains appropriate
- Reviewed and approved the 2025–2029 Corporate Plan as a basis for preparation of the 2025 budget, receiving a report from the GCRO on the alignment of the plan to the Group's Enterprise Risk Management Framework (ERMF), and the Group Risk Appetite Statement
- Reviewed and scrutinised the strategic and operational performance of the business across client segments, product groups and regions, which included details of their priorities, progress, opportunities and response to current events
- This included deep dives into the following areas:
  - Affluent and Private Banking
  - Innovation and SC Ventures
  - Use of AI
  - Blue Sky session
  - China, India and Africa and the Kenya business.
- Received and discussed regular corporate development updates.
- Reviewed and discussed the Group's sustainability strategy.
- Reviewed and discussed the progress and evolution of the Group's Technology & Operations strategy.
- Reviewed and discussed the Global Business Services strategy.
- Approved exploring the potential sale of a small number of businesses to boost investment in the Group's Affluent franchise (Wealth & Retail Banking (WRB) businesses in Botswana, Uganda and Zambia).

Spotlight:
Decision to explore exit of three WRB businesses in Africa

Stakeholders:

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

Spotlight:
Strategic focus

Stakeholders:

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

Risk management

- Received and discussed briefings from management on information and cyber-security (ICS) matters, and noted the successful delivery of the ICS strategic plan, transitioning ICS Risk to a steady state.
- Reviewed work on projects to replace and upgrade data centres in Asia.
- Received and discussed China data sovereignty risks .
- Reviewed and discussed risk reports from the GCRO.
- Reviewed the findings from the Bank of England's (BoE) second resolvability assessment.
- Engaged with the Prudential Regulation Authority (PRA) on the findings of its 2024 Periodic Summary Meeting Letter.
- Assessed progress in continuing to strengthen the Group's risk culture.
- Approved the Group's Risk Appetite for 2025 which included a consideration of principal risks.
- Approved the Group's insurance coverage for 2024/2025
- Approved material changes to the ERMF.

Board discussion and activities in 2024 continued

Financials and performance

- Monitored the Group's financial performance.
- Approved the 2023 full-year and 2024 half-year results.
- Monitored and assessed the strength of the Group's capital and liquidity positions.
- Provided oversight and monitored implementation of the Fit for Growth (FFG) programme.
- Considered the Group's approach to capital management and returns and approved the 2023 final dividend, 2024 interim dividend, and two share buyback programmes.
- Received half-yearly updates on, and discussed, the Group's major investment programmes in 2024.
- Reviewed changes to the Group's segment and country financial reporting.
- Received half-yearly updates on, and discussed, investor relations matters.
- Reviewed the 2024 Group and Management Team Scorecard.

Spotlight: Share buyback

During 2024, the Board approved two dividend payments, and announced buybacks of ordinary shares totalling $2.5 billion. The Board noted the importance of approving distributions and other capital management activities within an appropriately prudent framework. Assurance was also sought from management regarding the protection of the Group's capital position and its ability to execute planned investment activities for future growth. With the successful completion of our 2024 buybacks, in addition to total dividends for 2024 of 37 cents per ordinary share and a new $1.5 billion buyback announced today, we are well on our way to our $8 billion three-year cumulative shareholder distributions target.

Stakeholders

People, culture and values

- Approved the Group's UK and Australia Modern Slavery Statements.
- Discussed progress made against the Group's people strategy.
- Considered the work completed to deliver on the Group's culture aspiration and received insights on the Group's culture from the global employee engagement survey, My Voice.
- Received updates on the progression and evolution of the Management Team's and senior management's succession plans following a number of recent appointments.
- Reviewed the Board Diversity Policy and concluded that no changes were required.
- Reviewed an annual report update on the operation and effectiveness of the Group's Speaking Up programme for 2023-2024.

External environment

- Discussed the macroeconomic and geo-political headwinds and tailwinds in the global economy, including an assessment of the impact on the key drivers of the Group's financial performance.
- Received internal and external briefings and input across a range of subjects, including:
  - Global context and the role of the global bank
  - The power and impact of technology in banking
  - Global geopolitical outlook
  - The Middle East and the impact of the Israel-Gaza-Hezbollah conflict
  - Regulatory developments and updates.

Governance

- Monitored developments and trends in corporate governance and the impact of changes to the UK and Hong Kong Listing Rules in order to ensure the Company's governance structures remain compliant.
- Received reports at each scheduled meeting from the Board committee chairs on key areas of focus for the committees and quarterly updates from SCBHK and its Audit and Board Risk committees.
- Undertook training on directors' duties and the governance landscape.
- Approved the appointment of two new independent non-executive directors, Diane Jurgens and Lincoln Leong, to the Board, as well as changes to the membership of the Board's committees.
- Discussed and reviewed the independence, performance and annual re-election of the non-executive directors.
- Approved the re-appointment of the independent adviser to the Board on cyber security and cyber threats.
- Authorised potential conflicts of interest relating to directors' external appointments.
- Discussed the observations and themes arising from the 2024 internally facilitated Board and committees' effectiveness review ahead of approving the 2025 Action Plan.
- Reviewed and, where appropriate, approved updates to the Terms of Reference for each Board committee ensuring that they reflected best practice and relevant rules.
- Further developed meaningful linkages between the Board and its subsidiaries at chair, board and committee level (see page 122).

Board training and development

Director induction

Upon joining the Board, our directors undertake a comprehensive tailored induction programme.

Diane Jurgens

Diane Jurgens was appointed as an INED and member of the CSC on 1 March 2024. She undertook a formal induction plan consisting of a combination of meetings with existing Board members, business and function heads and external counsel, receiving tailored training sessions on our businesses and topics including Directors' Duties, Governance Requirements, Strategy, Risk, Finance and Banking, and a deep dive into topics relevant to her membership of the CSC. Diane received training on the obligations applicable to directors of Hong Kong-listed companies on 14 February 2024 as required by Rule 3.09D of the Hong Kong Listing Rules, and has confirmed that she understands those obligations. Diane joined the Board Risk Committee later in the year and is undertaking an induction programme for that. She also visited some key markets on the overseas Board trips to Shanghai and Beijing in April, to Mumbai in June and to Nairobi in November, as well as undertaking a trip to Silicon Valley with the Group's Management Team and a visit to Singapore where she met with senior management. Diane also attended a financial services conference in New York, where she met members of our US senior management team.

Lincoln Leong

Lincoln Leong was appointed as an INED in November 2024. Lincoln is undertaking an induction programme consisting of a combination of meetings with existing Board members, business and function heads and external counsel, receiving tailored training sessions on our businesses and topics including Directors' Duties, Governance Requirements, Strategy, Risk, Finance and Cyber/artificial intelligence and a deep dive into topics relevant to his membership of the Audit Committee. Lincoln received training on the obligations applicable to directors of Hong Kong-listed companies on 2 October 2024 as required by Rule 3.09D of the Hong Kong Listing Rules, and has confirmed that he understands those obligations.

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

Ongoing training

Ongoing development plans ensure that directors lead with confidence and integrity and promote the Group's culture, purpose and values. Mandatory learning and training are also important elements of directors' fitness and propriety assessments as required under the UK Senior Managers and Certification Regime. During the year, all directors received a combination of mandatory learning, briefings, presentations from guest speakers and papers on a wide range of topics to ensure that they are well informed and that the Board remains highly effective. The table below gives further examples of directors' training in 2024.

2024 director training overview

	Sustainability Position Statements	Artificial Intelligence	Geopolitical Outlook: 2024 elections and their likely impact on the evolving global order	Audit and Corporate Governance (ACG) Socialisation	Recovery and Resolvability Board simulation exercise	Blue Sky Session	Model Risk Management	Directors' duties and regulatory updates
José Viñals	✓	✓	✓	✓	✓	✓	✓	✓
Bill Winters	✔	✓	✓	✓	✓	✓	✔	✓
Diego De Giorgi[1]	✔	✓	✓	✓	✓	✓	✔	✓
Shirish Apte	✓	✓	✓	✓	✓	✓	✓	✓
David Conner[2]	✓	✓	✓	✓	✓	✓	✓	✓
Jackie Hunt	✔	✓	✓	✓	✓	✓	✓	✓
Diane Jurgens[3]	n/a	✓	✓	✔	✓	✓	✓	✓
Robin Lawther	✓	✓	✓	✔	✓	✓	✓	✓
Maria Ramos	✓	✓	✓	✓	✓	✓	✓	✓
Phil Rivett	✓	✓	✓	✓	✓	✓	✓	✓
Carlson Tong[4]	✔	✓	✓	✔	n/a	n/a	n/a	n/a
David Tang	✓	✓	✓	✓	✓	✓	✓	✓
Linda Yueh	✓	✓	✓	✓	✓	✓	✓	✓
Lincoln Leong[5]	n/a	n/a	n/a	n/a	n/a	n/a	✓	✓

1 Diego de Giorgi joined the Board on 3 January 2024
2 David Conner stepped down from the Board on 30 December 2024
3 Diane Jurgens joined the Board on 1 March 2024
4 Carlson Tong stepped down from the Board on 9 May 2024
5 Lincoln Leong joined the Board on 2 November 2024

✓ Director attended the session

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

Directors' report

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

Committee training

Members of the Board committees also received training relevant to their respective committees. In 2024, the Board Risk Committee received training on topics including the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP), and Traded Risk. The Audit Committee received training on the proposed approach to material controls under the UK Code and a deep dive into sanctions. The CSC received training on nature and biodiversity.

Individual performance

The Group Chairman led the performance review of individual director performance for 2024. These one-to-one sessions considered:

- their performance against core competencies, including their challenge and conduct in meetings and the Board's expectation of directors
- their time commitment to the Group, including (where relevant) the potential impact of any outside interests
- their ongoing development and training needs
- the Board's composition and refreshment
- their level of engagement across the Group.

These performance reviews are used as the basis for recommending the re-election of directors by shareholders at the AGM and to assist the Group Chairman with his own assessment of the Board's effectiveness. In addition, the Group Chairman has responsibility for assessing annually the fitness and propriety of the Company's INEDs and the Group Chief Executive Officer under the UK Senior Managers and Certification Regime. These assessments were carried out in respect of each INED and the Group Chief Executive and no issues in relation to fitness and propriety were identified. The Group Chief Executive carried out a similar assessment for the Group Chief Financial Officer, also with no issues identified.

Group Chairman's performance

Maria Ramos, as Senior Independent Director, reviewed José Viñals' performance as Group Chairman, meeting with each director separately to take their feedback. Consolidated feedback was shared with him.

Time commitment

Our INEDs commit sufficient time in discharging their responsibilities as directors of Standard Chartered. In general, we estimate that each INED spent well in excess of their expected time commitments on Board-related duties.

Access to independent advice

All of the directors have access to the advice of the Group Company Secretary, who provides support to the Board and is responsible for advising the Board on governance matters. Directors also have access to independent professional advice at the Group's expense where they judge it necessary to discharge their responsibilities as directors.

Board effectiveness

2024 Internal Board performance review process

1. The review took the form of an in-depth conversation between the Group Company Secretary and each of the Board members. The discussions explored some of the themes from the previous year's review as well as probing the Board's and committees' performance through the year and how it could be further enhanced.
2. Results were compiled into a detailed report.
3. This report was shared with the Group Chairman and the Governance and Nomination Committee.
4. Key findings and recommendations were presented to the Board and an Action Plan for 2025 was approved. Details of key observations and the Action Plan are set out below.
5. Observations on committee effectiveness were shared with the relevant committee chairs and action plans for 2025 agreed. Details of key observations and committee action plans are set out in each committee report.

Progress against the 2024 Action Plan

The 2024 Action Plan set out a number of actions to be achieved following the internally facilitated Board evaluation conducted in 2023. The 2024 Action Plan was regularly reviewed during the year and good progress had been made against many of the actions as evidenced by this year's internally facilitated Board effectiveness review.

Key observations from the 2024 internal effectiveness review

- The Board was very satisfied with its performance in a challenging year, during which it monitored potential geopolitical shifts. It also oversaw the induction of a number of new directors and the selection of a new Chair in addition to its principle role of overseeing the business.
- Directors felt the Board remained effective in setting and progressing its priorities, with the focus on the principle drivers of the share price having a positive effect.
- There was an improved focus on strategy in Board agendas. Papers had improved in terms of their focus and length, though there was still further to go.
- Stakeholder engagement continued to be effective. Directors had many opportunities to meet with clients, employees, shareholders, other investors and regulators, much of which was focussed around market visits to China, India and Kenya. However directors felt that the Board could have more opportunities to meet clients and would like to see more agenda time devoted to customers and competitor analysis.
- Directors had the right mix of talent and functioned well together, with the Chairman continuing to be highly regarded and effective.
- The Board had received insights from external and internal speakers on a range of business, geopolitical, economic, technology and sustainability topics.

2025 Action Plan

- Continue to improve the focus of agendas towards strategic items, while ensuring oversight of the control environment remains robust and continues to meet evolving challenges.
- Continue to improve the focus of Board papers to clearly set out key issues and include relevant assumptions for challenge.
- Reduce duplication between the Board and Committees, while ensuring the Board remains abreast of key issues withing the remit of the Committees.
- Increase the time devoted at meetings to customers, competitor analysis and oversight of the Group's transformation plans.

Director independence

The Governance and Nomination Committee reviews the independence of each of the non-executive directors, taking into account any circumstances likely to impair, or which could impair, their independence. Recommendations are then made to the Board for further consideration. In determining the independence of a non-executive director, the Board considers each individual against, but not limited to, the criteria set out in the UK Code and the Hong Kong Listing Rules. The Board considers all of the non-executive directors to be independent of Standard Chartered, and has concluded that there are no relationships or circumstances likely to impair any individual non-executive director's judgement.

External directorships and other business interests

Board members hold external directorships and other outside business interests, details of which are set out in their biographies on pages 105 to 109. We recognise the significant benefits that broader boardroom and other commercial, advisory and charitable activity provides.

However, we closely monitor the nature and quantity of external directorships our directors hold, in order to satisfy ourselves that any additional appointments will not adversely impact their time commitment to their role at Standard Chartered, and to ensure that all of our Board members remain compliant with the PRA directorship requirements, as well as shareholder guidance on 'overboarding'.

Our established internal processes ensure that directors do not undertake any new external appointments without first receiving formal approval of the Board. The Board has delegated authority to make such approvals to the Group Chairman, with the exception of his own appointments. Potential conflicts of interest are considered before any approval is given and, if any are identified, appropriate undertakings are sought and safeguards put in place.

Before committing to an additional appointment, directors confirm the existence of any potential or actual conflicts that the role will not breach their limit as set out by the PRA, and provide the necessary assurance that the appointment will not adversely impact their ability to continue to fulfil their role as a director of the Company. All directors continue to hold no more than four non-executive directorships (or one executive directorship alongside two non-executive directorships) permitted under the General Organisational Requirements Part of the PRA Rulebook.

Board engagement with our stakeholders

Consideration of our stakeholders' views is important not only to Board decision-making, but also to the Board's consideration of our purpose, values and strategy. During the year, directors engaged collectively and individually with stakeholders. Informal and formal meetings with stakeholders across our markets help to provide INEDs with a comprehensive understanding of their views and the impact of the Group's activities.

Clients and suppliers

Maintaining productive and sustainable relationships with our clients is a key priority. Throughout 2024, directors travelled within our footprint for meetings with clients in order to understand their developing needs. This year the Board visited e-commerce, technology and AI clients in Beijing and fintech clients and suppliers in Shanghai, and held events for clients in Mumbai, Shanghai and Nairobi.

Employees

The Board places great importance on workforce engagement at all levels as a way of ensuring that the voice of colleagues is heard and reflected in decision-making. It maintains a two-way dialogue through market-led engagements that enable the Board to listen to and better understand the lived experience of our colleagues across a range of markets, which is important to the Board in overseeing, supporting and, where necessary, challenging management in implementing its people strategy.

The Board continues to adopt an alternative workforce engagement method as set out in the UK Code. Our enhanced model, which saw its first full year of operation in 2024, is designed to improve how Board members gather and share feedback obtained from colleagues who come from a cross section of the business, and use that to provide additional assurance for information received from employee surveys and other employee feedback tools. In 2024, the Board formally met colleagues in various markets, including Shanghai, Mumbai and Nairobi, in specially arranged sessions.

Employees continued

Ahead of these, directors were briefed on the individual market, including local trends provided by the annual employee engagement survey (My Voice) and other relevant data points offered by local and regional management teams. Feedback from these sessions was subsequently shared with the CSC and other stakeholders, where appropriate. Through these sessions directors were able to appreciate the challenges, successes, concerns and opportunities shared by colleagues in each of the markets.

In addition to this enhanced model, the Group has a comprehensive employee listening programme, through which the Board has an opportunity to understand diverse employee perspectives. These tools include the annual employee engagement survey, a continuous listening programme, lifecycle surveys and diagnostic research on specific areas of focus, such as flexible working and performance management.

Details on all of our employee engagement can be found on **page 188**.

The Board is also informed about the operation and themes of issues raised under the Group's Whistleblowing programme.

For more details on Speaking Up, please refer to **page 95**.

Regulators and governments

The Board, either collectively or individually, engaged with relevant policy-makers and regulators in several jurisdictions across our global footprint, including for example: the UK, EU, China, Singapore and India. Topics of discussion included changes in the regulatory landscape for financial services, developments in new regulation in such areas as digital assets and sustainable finance, and the issue of fragmenting rule sets across the global context.

Investors

During the year, we maintained a comprehensive programme of engagement, including with investor advisory bodies and credit rating agencies, and provided updates on progress made to transform our business to deliver improved returns.

The Group Chairman and other Board directors had direct contact with investors and advisory voting bodies during the year, and received regular updates from the Investor Relations and Group Secretariat teams, including reports on market developments. The Group Chairman, leads engagement with shareholders and hosted the 2024 AGM alongside fellow Board members, in addition to a large number of bilateral meetings with investors.

Investors continued

In November 2024 the Group Chairman hosted a Stewardship Event alongside the chairs of all the Board committees. The Group Chairman provided an update regarding the Group's strategy, including with respect to sustainability, and the Board committee chairs provided updates on the work of their committees during the year. This was followed by a presentation on Cybersecurity at Standard Chartered and a Q&A session.

Bill Winters and Diego De Giorgi were the primary spokespeople for the Group in 2024 and engaged extensively with existing and potential investors during individual or group meetings and conferences. Judy Hsu, CEO, WRB, Standard Chartered PLC, hosted a virtual Affluent investor seminar, providing an overview of the Affluent business as well as insights on the strategy and propositions to grow the business further.

The Chair of the Remuneration Committee led an investor consultation on proposals for the new Remuneration Policy being put to shareholders at the coming AGM. More details on this are included within the Remuneration Report.

The AGM, held this year on 10 May 2024, is the Board's key opportunity for engagement with retail shareholders, enabling discussion of the Group's recent performance and strategic priorities. Questions received from shareholders covered a diverse range of topics, including the Group's strategy, client transition plans, biodiversity, the China market and sustainable finance. All Board-proposed resolutions were passed. We remain very grateful for the support of our shareholders.

Society

The Board places great importance in understanding, and considering the needs of, the communities and environment in which we do business. Directors took the opportunity during a Board trip to Beijing to participate in a youth career mentoring workshop with university students. In Shanghai, Board members met entrepreneurs who were beneficiaries of our community projects: Social Enterprise Support Project and Women in Entrepreneurship, the Bank's signature Futuremakers programmes in China. In Mumbai, directors visited a Standard Chartered Futuremakers-supported training facility for persons with disabilities, which provides training in core employability skills such as digital literacy, digital problem solving, soft skills and career readiness, and engaged with the students of the programmes. In Nairobi we held a 'mentor's den' for Futuremakers participants and their alumni with members of the Board and the Group Management Team.

Our subsidiaries

In 2024, the Group Chairman and INEDs engaged with the Group's subsidiaries through a number of forums.

The Group Chairman attended a meeting of the Hong Kong board. He also attended the annual Audit, Board Risk and Remuneration Committee chairs' calls with subsidiaries, and engaged actively with subsidiary chairs and INEDs on market visits.

On an annual basis, the Chairs of the SCBHK and Standard Chartered Bank (Singapore) Limited (SCBSL) Audit Committees observe SC PLC/SC Bank Audit Committee meetings, and the Chair of the Audit Committee attends SCBHK and SCBSL Audit Committee meetings and provides an overview of SC PLC/SC Bank Audit Committee key areas of focus. In March (after the announcement of full-year results), the Audit Committee Chair hosts an annual global call with subsidiary Audit Committee members, where attendees listen to the priorities of the SC PLC/SC Bank Audit Committees and are encouraged to ask questions. As part of the annual performance and effectiveness review of EY, subsidiary Audit Committee Chairs are invited to comment on the effectiveness of our Statutory Auditor via a structured questionnaire. During overseas Board visits, the Audit Committee Chair and other members meet with local Audit Committee Chairs, Heads of GIA and EY Partners.

The Board Risk Committee Chair hosts an annual videoconference with chairs of the subsidiary board risk committees. This year, items discussed during the call included: priorities and focus for the Board Risk Committee during 2024, the external environment and the GRCO's priorities. The risk committee chairs of SCBHK and SCBSL joined one Group Board Risk Committee meeting and the Board Risk Committee Chair attended one SCBHK Risk Committee meeting.

The Remuneration Committee Chair held a videoconference attended by the subsidiary remuneration committee chairs and the chairs of subsidiary boards that have remuneration responsibilities. The call was also attended by the Group Chairman, other members of the Group Remuneration Committee and executives from Human Resources, and Reward and the Corporate Secretariat. The call fostered knowledge sharing and best practice between the Group Remuneration Committee and the subsidiary remuneration committees and raised awareness of the priorities felt by the wider workforce in our markets. Topics that were discussed included: changes to the discretionary incentive approach for 2024; key messages; salary considerations; the removal of the 2:1 bonus cap; the 2025 Directors' Remuneration Policy; and the Bank's employee recognition platform, Appreciate.

Further detail on how the Group engaged with stakeholders more generally can be found on **page 35 to 41**.

Audit Committee

"In addition to the items you would expect the Committee to have reviewed, we have focused on the implementation of the UK Audit and Corporate Governance reforms; and the impact of an ever changing and challenging external environment on our investments and key controls, processes and procedures."

Committee composition and attendance

		Ad hoc
Phil Rivett	8/8	1/1
Shirish Apte	8/8	1/1
David Conner[1]	8/8	1/1
Jackie Hunt	8/8	1/1
Lincoln Leong[2]	1/1	n/a
Maria Ramos[3]	8/8	0/1
Carlson Tong[4]	4/4	1/1

1 David Conner stepped down from the Committee on 30 December 2024
2 Lincoln Leong joined the Committee on 2 November 2024
3 Maria Ramos did not attend one ad hoc meeting due to a prior business commitment, however she received the papers and provided feedback
4 Carlson Tong stepped down from the Committee on 9 May 2024

As part of, and in addition to most scheduled Committee meetings, the Committee held private members-only meetings.

The Committee also met with the Group's Statutory Auditor, EY, and the Group Head, Internal Audit, without management being present.

The Committee members have detailed and relevant experience and bring an independent mindset to their role.

Additional attendees

The Group Chairman; Group Chief Executive; Group Chief Financial Officer; GCRO; Group Head, Internal Audit; Group Head, Conduct, Financial Crime & Compliance (CFCC); Group Head, Central Finance; representatives from Group Finance; Group Statutory Auditor; and the Group Company Secretary also attended Committee meetings.

Purpose and responsibilities

The Committee is responsible for oversight and advice to the Board on matters relating to financial, non-financial and narrative reporting. Its role is to review, on behalf of the Board, the Group's internal controls, including internal financial controls. The Committee exercises oversight of the work undertaken by the internal CFCR (previously CFCC) and GIA functions and EY. The Committee Chair reports to the Board on the Committee's key areas of focus following each meeting.

The Board is satisfied that Phil Rivett has recent and relevant financial experience. Phil is a chartered accountant with more than 40 years' experience of professional accountancy and audit focused on banks and insurance companies. He led the audits of a number of leading banks during his career as senior audit partner of PricewaterhouseCoopers. He is also chair of the audit committee for Nationwide Building Society.

The Committee has written Terms of Reference that can be viewed at **sc.com/termsofreference**

I am pleased to present the report of the Audit Committee for 2024 and share with you the highlights of our work:

- Monitoring the Group's ongoing implementation of UK ACG reforms, including the work underway on process and controls mapping, testing and quality assurance, training, tooling and business readiness.
- Applying scrutiny and challenge of credit impairments, key accounting issues, significant accounting estimates and judgements made by management to ensure that they are appropriate and clearly communicated in the Group's public disclosures. Cognisant of the challenging external environment, we placed particular focus on the Group's investment in China Bohai Bank (Bohai), and the Group's exposures to commercial real estate (CRE) in Mainland China, Hong Kong and more broadly. The Committee reviewed carrying values of loans and advances to commercial and consumer/retail customers and the related overlays. Focus was placed on the Group's use of alternative performance measures (APMs), which the Committee reviewed and challenged. We reviewed and discussed management's review of capitalised software intangibles, including testing performed and planned process improvements.
- Paying close attention to Data Risk management, overseeing the work underway to manage risk buy-down and drive end-to-end alignment across our businesses and functions.
- In conjunction with the Board and Board Risk Committee, Financial Crime Risk remained a key priority with increased Money Laundering Reporting Officer reporting throughout the year. Deeper discussions were held into topical matters covering the Group's approach to managing sanctions-related risks; and how to manage Financial Crime Compliance (FCC) in an evolving risk landscape. All Board members were invited to join these discussions.
- Remaining focused on the Group's approach to managing Conduct Risk, to ensure that this continues to embed in our businesses and functions, in an evolving risk landscape.
- Reviewing the annual Board report on Consumer Duty, considering the benefits of the UK rules and how the good practices can be leveraged in our markets for the benefit of our customers.

Phil Rivett
Chair of the Audit Committee

Activities during the year	
Financial reporting	• Satisfied itself that the Group's accounting policies and practices are appropriate. • Reviewed the clarity and completeness of the disclosures made within the published financial statements, and considered, satisfied itself and recommended to the Board that the processes and procedures in place ensure that the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy, and the business risks it faces. • Monitored the integrity of the Group's published financial statements, such as half-year and quarterly reports, and formal announcements relating to the Group's financial performance, reviewing the significant financial judgements, estimates and accounting issues. • Considered the forthcoming UK ACG reforms and discussed how the Group will implement the new proposals. In particular, the Committee probed the alignment between the scope of management's proposals and that of the external financial audit; the management of third-party controls; assurance that may be required; and the importance of thorough documentation. • Significant accounting judgements considered during 2024 are shown below. • The Committee can confirm that the key judgements and significant issues reported are consistent with the disclosures of key estimation uncertainties and critical judgements, as set out in Note 1 starting on page 295.

Key area	Action taken
Impairment of loans and advances	• Reviewed and challenged, on a quarterly basis, reports detailing the composition and credit quality of the loan book, concentrations of risk and provisioning levels, and the key judgements made in applying the Group Impairment Provisioning Policy. • Assessed the expected credit loss (ECL) model output, reviewed, considered and challenged judgmental post model adjustments and management overlays in both the wholesale and retail portfolios on a quarterly basis that were required to estimate ECL. • Reviewed and discussed updates highlighting expected losses in the Mainland China and Hong Kong CRE sector and sovereign downgrades. In respect of high-risk credit grade exposures, received briefings on business plans, including remedial actions and management assessment of the recoveries and collateral available.
Carrying value of investments in associates and subsidiary undertakings	• Reviewed and discussed management's value in use assessment on the Group's investment in its associate Bohai, as well as the associate accounting analysis, and management's impairment assessment of investments in subsidiary undertakings.
Valuation of financial instruments held at fair value	• Received reports and updates at each reporting period detailing the key processes undertaken to produce and validate valuations of financial instruments, including any changes in methodology from prior years and significant valuation judgements. • Received regular updates on the level of unsold positions in the syndication's portfolio and the valuation of these positions and plans for sell down. • Reviewed credit valuation adjustments, debit valuation adjustments, funding valuation adjustments and own credit adjustments, and considered the explanation and rationale for any significant movements.

Other areas of focus	
Goodwill impairment	• Reviewed the carrying value of goodwill by reviewing management's annual assessment of goodwill impairment, covering key assumptions (including forecast discount rate and significant changes from the previous year), headroom availability and sensitivities to possible changes in key assumptions and related disclosures.
Capitalisation of software intangibles	• Received and discussed updates on management's review of capitalised software intangibles. • Received results of management's testing and coverage. • Reviewed management's assessment of impairment and planned improvements to processes to capture evidence supporting capitalisation and related controls.
Disposals of businesses in the Africa and Middle East (AME) region	• Reviewed and challenged the accounting treatment and impact of the disposals of the businesses in the AME region.
Restructuring costs	• Reviewed and considered, on a quarterly basis, income statement charges and credits classified as restructuring.
Taxation	• Considered a paper setting out the key drivers and volatility of the Group's underlying effective tax rate (ETR) and the Group's key tax risks and judgements. The Committee considered the elements that impact the Group's tax rate and efforts to manage the Group's ETR. • Approved the updated UK Tax Strategy for the year ending 31 December 2024. • Approved country-by-country reporting for the year ended 31 December 2023.
Provisions for legal and regulatory matters	• Received and discussed updates on major disputes and significant regulatory government investigations facing the Group. • Reviewed management's judgements on the level of provisions and the adequacy of disclosure.

Other areas of focus	
Other accounting estimates and judgements	• Received and considered management updates containing other significant accounting judgements (including with regard to Korea Equity Linked Securities, hyperinflation and other significant foreign exchange revaluations).
Going concern assessment and viability statement	• Reviewed management's process, assessment and conclusions with respect to the Group's going concern assessment and viability statement, including forward-looking Corporate Plan cash flows, results of various stress tests that explore the resilience of the Group to shocks to its balance sheet and business model, principal and emerging risks, liquidity and capital positions, and key assumptions. • Ensured that the going concern assessment and viability statement are consistent with the Group's Strategic report and other risk disclosures. + Further details can be found on **pages 45 and 297**
Fair, balanced and understandable	• Considered, satisfied itself and recommended to the Board that the processes and procedures in place ensure that the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy, and the business risks it faces.
Examples of deeper discussions into specific topics	• **UK ACG reforms implementation:** Considered the impact of legislative and regulatory developments and implications for the Group. The Committee discussed the benefits for the Group more broadly on work underway to strengthen processes, controls and assurance. Regular reports were received from management through Committee meetings and informal interactive sessions focused on internal controls over financial reporting and wider reporting (including key information in the Annual Report) and the Group's definition of material controls, which continues to be worked through. These interactive sessions were opened up to all Board members. ACG reporting to the Committee and informal sessions will continue to be a key focus in 2025 , including addressing the aspects of disclosures, ongoing process and declarations and ensuring all internal frameworks and processes are in place for the 1 January 2026 legislative go-live date. EY also reported to the Committee on their observations in relation to the programme, in the context of their external audit. • **EY specialist partner topical overviews:** Received a presentation from EY specialist partners on the assurance work performed by EY on sustainability reporting and how the Group is positioned in relation to peers. Further presentations were provided on ACG market perspective and ways to innovate audit work, including current and future tools that are and could be deployed. • **Strategic Regulatory Reporting Programme:** Confirmed support for the establishment of a dedicated Strategic Regulatory Reporting Programme to improve and strengthen all aspects of regulatory reports, with regular progress updates provided to the Committee. • **Aspire programme:** Discussed an update on the Group's Aspire programme (a programme launched to deliver a modern technology system and data landscape for financial management and reporting) to ensure that the expected deliverables remain on track, and how this interlinks with ACG and FFG programmes. • **Internal financial controls:** Received and discussed a paper setting out the approach taken to safeguard the production of the Group's financial books and records. • **APMs:** Reviewed and discussed two papers on the Group's principles in defining and use of APMs. The treatment of costs from FFG proposals on APMs were also considered. • **New financial reporting and planning:** Reviewed and supported the changes to the basis of segment/country/cluster reporting for internal and external purposes. • **Finance resourcing:** Reviewed and discussed a paper providing assurance that the Accounting, Financial and Regulatory Reporting function is adequately and appropriately resourced, in light of continued implementation of additional controls under ACG reforms, FFG and the deployment of the Aspire programme. • **Data Risk management:** Received and discussed papers outlining the progress being made to manage and reduce Data Risk exposure, cognisant of the pervasive nature of data quality and rapidly evolving regulatory landscape. Towards the end of the year, a detailed discussion was held on the Group's refreshed Data Strategy, covering all dimensions of Data Risk, and the status of the forward-looking delivery roadmap. This will continue to be an area of focus for 2025 and beyond. • **FCA UK Consumer Duty:** Reviewed the annual Board report on Consumer Duty and discussed the benefits experienced as a result of UK Consumer Duty requirements; whether these benefits and good practices can be leveraged in our markets; and the importance of reaching out to clients to check that products remain the right ones during their lifecycle.

Other areas of focus	
Group Statutory Auditor, EY	• Reviewed and discussed the risks identified by EY's audit planning, as well as EY's planned audit strategy in response to those risks. Phil Rivett attended EY's audit planning meeting for the Group. • Satisfied itself that EY has allocated sufficient and suitably experienced resources to address these risks and reviewed the findings from the audit work undertaken. • Sought and received assurance that no undue pressure has been asserted on the level of audit fees, to ensure that audit work can be conducted effectively and independently. • Conducted an annual review of the performance, effectiveness and independence of EY. Input was received from Committee members, chairs of subsidiary audit committees, the Group Management Team, cluster/country chief financial officers, members of the Group Finance Leadership Team and GIA senior leadership. The results of these inputs were discussed by the Committee. Overall, it was concluded that EY is considered to be effective, objective and independent in its role as the Group's Statutory Auditor. The Committee recommended to the Board that the re-appointment of EY as the Group's Statutory Auditor for a further year be recommended to shareholders at the 2025 AGM. • EY provided effective challenge to management's assumptions as set out in their report on pages 276 to 286 and demonstrated professional scepticism in their audit results reports and interim review reports to the Committee and through discussions at Committee meetings. • Received and discussed a paper setting out EY's control themes and observations from the 31 December 2023 year-end audit, as well as an update on these matters later in the year. • Received EY's private Written Auditor Reporting to the PRA for the year ended 31 December 2023 and reviewed and discussed EY's approach to Written Auditor Reporting for the year ended 31 December 2024. Updates from management were also provided. • Received reports from EY and management regarding EY's FCA Client Assets audit of Standard Chartered Bank. The Committee met privately with EY at the end of certain Committee meetings, without management being present. Phil Rivett met regularly with the EY partners leading the Group's audit during the course of the year. The Company complies with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Process and Audit Committee Responsibilities) Order 2014. As a UK public interest entity, the Group is required to tender the audit every 10 years and rotate the auditor every 20 years. As the Committee remains satisfied with EY's performance, the Group has no current intention of tendering for an alternative external auditor to commence before the end of the current required 10-year period. Any tender would be in respect of 2030 onwards, and would likely occur in 2027, in order to allow sufficient time to plan for a transition. At the conclusion of the 2024 audit, EY will have been the Group's Statutory Auditor for five years. The lead engagement partner up to 2024 was David Canning-Jones, who has a background of auditing banks and understands the markets in which the Group operates. Following completion of the audit for the year ending 31 December 2024, Micha Missakian, an EY senior audit partner who is also experienced in auditing global banking institutions, will assume the role of the lead audit engagement partner. A thorough shadowing process has taken place between the two lead partners. The Company's last audit tender was in 2017, following which EY was appointed as the Group's Statutory Auditor for the financial year ended 31 December 2020. EY was re-appointed as the Group's Statutory Auditor for the financial year ended 31 December 2024 at the 2024 AGM.
Non-audit services	• The Group spent $13 million on non-audit services provided by EY (including audit-related assurance services such as quarterly and half-year reviews and regulatory reporting). Details of fees for audit and non-audit services can be found in note 38 to the financial statements. Further details of the Group's approach to non-audit services can be found on pages 190 and 191.
Audit Committee Minimum Standard	• Considered the Audit Committees and External Audit Minimum Standard published by the Financial Reporting Council in May 2023 and is satisfied that the Committee met the relevant requirements. Investors were given the opportunity to discuss the scope of the external audit with the Audit Committee Chair at the Group Chairman's Stewardship Event in November 2024.
Internal controls	• Discussed reports from GIA that provide GIA's view on the system of internal controls across all risk types, business and country functions, including summary highlights of the most significant matters identified by GIA and areas of thematic interest that have arisen as part of the audits and warrant the Committee's attention. On a periodic basis, GIA reports on any overdue remediation of findings. The Board Risk Committee and the CSC discussed separate reports from the Group Head, Internal Audit on GIA's appraisal of controls across key risks, subject to each committee's oversight. + Further details on internal controls can be found on **pages 187 to 188**

Other areas of focus	
Group Internal Audit (GIA)	GIA's primary role is to help the Board and senior management protect the assets, reputation and sustainability of the Group through independent, risk-based, timely and objective assurance, advice, insight and foresight. Given this role, Phil Rivett held regular monthly meetings with the Group Head, Internal Audit and met regularly with members of his senior management team to ensure that he had visibility of their work and key emerging issues. The Group Head, Internal Audit also met privately with the Committee. The Committee: • Assessed the role and effectiveness of the GIA function and reviewed and monitored GIA's progress against the 2024 Audit Plan; and the review and monitoring of audit themes, trends and significant issues. Significant changes to the Audit Plan were also discussed and approved by the Committee. • Reviewed and approved GIA's 2025 Audit Plan, resourcing and budget, and was satisfied that these were appropriate. • Reviewed and approved the refreshed GIA Charter. • Received and discussed reports from the Global Head, Audit Quality Assurance on the Quality Assurance function's view of the quality of GIA's audit work, including trends observed and notable outcomes and opinions. • Scrutinised any long-overdue issues raised by GIA and requested management develop risk reduction plans for items with long closure periods to be monitored by GIA. • Reviewed GIA's functional strategy, including GIA's mission, vision and priorities. The Committee is satisfied with the independence and objectivity of the GIA function. • In early 2024, the Committee commissioned Deloitte to perform an independent External Quality Assurance review of GIA, as required every five years. The Committee was pleased to note the report's conclusions that GIA generally conformed with industry standards and requirements in key markets and is an independent and effective function. This view is supported by GIA's self-assessment, internal quality assurance results and positive feedback from regulators in 2024. Improvement actions identified from internal and external reviews are in progress and are regularly reported to the Committee. • The Committee also conducted a performance assessment of GIA for 2024. The Committee was satisfied with GIA's performance against its objectives agreed with Phil Rivett at the beginning of this year, and with GIA's position and value in the organisation and its impact, effectiveness and efficiency.
CFCR (with effect from 1 January 2025 – formerly CFCC)	In 2024, the Committee was updated on and discussed: • regulators' supervisory focus areas, regulatory updates and forward-looking themes • the status of the Group's core college regulatory relationships and enforcement matters • topical compliance risks and issues • reports from the Group Money Laundering Reporting Officer on the operation and effectiveness of the Group's systems and controls for combating money laundering in accordance with regulatory requirements • Group initiatives to uplift the management of Conduct Risk including the enhanced Code of Conduct and Ethics • the Conduct Risk Management Standard • the function's operating model. The Committee also held two deep dive discussions into topical financial conduct risk (FCR) matters: • The first deep dive discussion covered the Group's sanctions programme, the types of risks to which the Group is exposed through our various products, businesses, and clients and our approach to risk management, the effectiveness of our controls, the Group's perspective and assessment of emerging risks and the evolving nature of sanctions. • The second, facilitated by an external speaker from K2 Integrity, focused on how to manage FCC in an evolving risk landscape, the types of FCC risks confronting the Group, lessons learned from recent applicable case studies, FCC cultural and programmatic risks, and FCC regulatory and geopolitical risks. K2 Integrity provided a report setting out reflections and recommendations, which the Committee will continue to discuss in 2025, alongside Group Money Laundering Reporting Officer reports. Both discussions were opened up to all Board members and informed our thinking and understanding of these important topics. Phil Rivett met regularly throughout the year with the former Group Head, CFCC ,and the current Group Head, CFCR.
Speaking Up	The Committee reviewed and discussed an annual report on the operation and effectiveness of Speaking Up, the Group's confidential whistleblowing programme. The report provided the Committee with assurance of the Group's ongoing compliance with the PRA and the FCA's Whistleblowing Rules. Once reviewed and discussed by the Committee, this report was submitted to the Board. In 2024, the Committee Chair received updates on Speaking Up outside of formal Committee meetings, and regularly met with senior management from our Conduct and Compliance teams.

Other areas of focus	
Interaction with regulators	• Phil Rivett attended a trilateral meeting with EY and the PRA and also met with the PRA in his capacity as Audit Committee Chair.
Linkages with subsidiary audit committees	• In 2024, Phil Rivett attended an audit committee meeting of each of SCBHK and SCBSL. The audit committee chairs of SCBHK and SCBSL attended one Standard Chartered PLC Audit Committee meeting. This practice will continue in 2025 to reinforce these important linkages. • Phil Rivett hosted an annual videoconference with the chairs of subsidiary audit committees and INEDs in March 2024. Please refer to **page 122** on linkages between the Committee and chairs of subsidiary audit committees.

Committee effectiveness in 2024

The 2024 Board and Committees' effectiveness review was conducted internally, facilitated by the Group Company Secretary, and in accordance with the UK Code.

Progress against last year's Action Plan

The Action Plan set out a number of actions arising from the internally facilitated effectiveness review conducted in 2023. The 2024 Action Plan was regularly reviewed during the year and good progress has been made against the actions.

Key observations from the 2024 internal effectiveness review

The composition of the Committee and its areas of focus during the year have been stable in 2024, allowing the review to focus more on the dynamics of the Committee including interactions with advisors and management. Feedback on the Committee's functioning and effectiveness was positive and specifically highlighted the following:

- The Committee's composition and dynamics were rated highly, with the Committee benefitting from the members' wide range of skills and experience, and the Chair's collegiate working style. This will need to be reviewed in 2025, following the retirement of two Committee members in 2024.
- Contributions from management, GIA and EY were rated highly, with Committee members praising all for their availability and willingness to discuss topics; give briefings outside of meetings; and for their strong, pro-active engagement with the Committee.
- Good progress was made on the key topics of Data Risk management and ACG reforms and will continue to be key areas of focus for the Committee in 2025.

2025 Action Plan

The 2025 Action Plan for the Committee reflects suggestions from the review and continues to build on the solid progress made last year:

- Continue to monitor the performance of EY, including the transition to the new lead partner.
- Work closely with the Board Risk Committee to monitor progress with the implementation of the ACG reforms.
- In conjunction with the Governance and Nomination Committee, consider the composition of the Committee to ensure it maintains the required skills.

Board Risk Committee

"We have been cognisant of geopolitical and other changes that might occur across the world and have the potential to impact every corner of our business. The Committee has worked closely with management to monitor and mitigate existing and emerging risks; and to take advantage of the new opportunities that have arisen to better serve our clients and communities."

Committee Composition and Attendance

		Ad hoc
Maria Ramos	6/6	3/3
Shirish Apte	6/6	3/3
David Conner[1]	6/6	3/3
Gay Huey Evans, CBE[2]	1/1	n/a
Robin Lawther, CBE	6/6	3/3
Phil Rivett	6/6	3/3
David Tang[3]	6/6	3/3
Carlson Tong[4]	2/3	1/1

1 David Conner stepped down from the Committee on 30 December 2024.
2 Gay Huey Evans stepped down from the Committee on 29 February 2024.
3 David Tang stepped down from the Committee on 1 January 2025.
4 Carlson Tong stepped down from the Committee on 9 May 2024. Carlson did not attend one meeting due to a prior business commitment.

Note: Jackie Hunt and Diane Jurgens joined the Committee on 1 January 2025.

As part of, and in addition to scheduled Committee meetings, the Committee held private members-only meetings.

The Committee's membership comprises INEDs who have a deep and broad experience of banking and the risk factors affecting the Group, including geopolitical, economic, IT, Financial Crime and general business risks.

Additional attendees

The Group Chairman; Group Chief Executive; Group Chief Financial Officer; GCRO; Group Head of Enterprise Risk Management; Group Treasurer; Group Head, Conduct, Financial Crime & Compliance; Group Head, Internal Audit; the Group's Statutory Auditor and the Group Company Secretary also attended Committee meetings. Sir Iain Lobban, our cyber adviser to the Board, regularly attended discussions on ICS Risk and technology-related matters. EY attended most Committee meetings in 2024.

Purpose and responsibilities

The Committee is responsible for exercising oversight, on behalf of the Board, of the key risks of the Group. It reviews the Group's Risk Appetite Statement and ERMF and makes recommendations to the Board. The Committee Chair reports to the Board on the Committee's key areas of focus following each meeting.

+ The Committee has written Terms of Reference that can be viewed at **sc.com/termsofreference**

I am pleased to present the report of the Board Risk Committee for 2024 and share with you the highlights of our work:

- Remaining abreast of the impacts of geopolitical and sovereign risks, together with those arising from the election super-cycle on our business.
- Continuing to embed robust governance and best practice for ICS Risk across our footprint, cognisant of the rapidly evolving risk landscape.
- Overseeing operational and technology risks, including our substantial technology simplification programmes.
- Paying close attention to transformational change management programmes with strategic importance for the Group and organisational change more broadly.
- Regularly monitoring financial risk concentrations and reviewing stress testing to ensure we understand and mitigate any vulnerabilities in our portfolio.
- Testing and improving our recovery and resolution capabilities.
- Monitoring the key risks and opportunities arising from our FFG objectives to ensure the continued efficacy of our risk and control environment.
- In conjunction with the Board and Audit Committee, continuing to monitor Financial Crime Risk, which is becoming more prevalent and needs careful protection against for the Group, our clients and stakeholders more broadly.

Maria Ramos

Maria Ramos
Chair
Board Risk Committee

Activities during the year

Key matters	
Geopolitical and sovereign risks	• Received regular reports on the potential implications for the Group from global conflicts, and any potential impacts to the Group from the decoupling of China and the US. Ensured the Committee remains well informed of, and forward-looking to, the evolving geopolitical risk environment. • The 2024 election super-cycle led to a number of discussions, whereby we considered a wide range of potential policy changes and their implications for the Group, including impacts for our clients, markets, colleagues and regulators, which present both risks and opportunities.
Operational, Technology and Cyber Risk	• Reviewed and discussed reports on the risk environment, including the progress of key transformational change management and technology simplification programmes, scrutinising the overall risk assessments, resources, capabilities and delivery against milestones. • Discussed reports on data centre resilience and updates on the Group's cloud strategy, with input and representation from the three lines of defence. • Reviewed and discussed the replacement of our core banking applications and data centres. • Monitored progress made on the ICS Strategic Plan, including regular review of ICS Risk Appetite and risks that could impact delivery of the strategic plan. • Monitored the overall ICS Risk Profile, including review of the Chief Information Security Officer Control Indicators report, as well as any areas of concern highlighted. • Received regular external perspective from Sir Iain Lobban, our cyber adviser to the Board, along with representation from the three lines of defence. • Conducted deep dive sessions into Third Party Security Risk Management and Insider Risk. • Paid particular attention to systems, people, governance and embedding best practice across our footprint, to ensure that resources are maximised, facilitating a culture of continuous discovery and development.
Recovery and resolution planning	• Continued to oversee how the Group tested and improved its resolution capabilities in line with the Bank of England's (BoE) Resolvability Assessment Framework. This year, we conducted a number of subsidiary board simulation exercises for our Korea, Singapore and China boards; and tested our recovery and resolution planning capabilities in the UK. • Continued to oversee work to improve the Group's wind-down capabilities, including its operational execution, and work to comply with the PRA's Trading activity wind down requirements. • Reviewed and discussed the Group's Resolvability Public Disclosure and regulatory feedback from the BoE and PRA.

Other areas of focus	
Risk Appetite	• Reviewed, challenged and approved at half year changes to the Group's Risk Appetite and Board metrics. • Reviewed, challenged and recommended to the Board changes to the Group's Risk Appetite Board metrics. • Challenged whether the Risk Appetite appropriately sets boundaries for each Principal Risk Type (PRT). • Reviewed and discussed the Risk Appetite affordability assessment against a range of stress scenarios, concluding that the proposed Risk Appetite remains affordable. • Monitored actual exposures throughout the year relative to Risk Appetite limits using Board Risk Information reports. Further details of the Group's Risk Appetite are set out on **page 28**
Enterprise Risk Management Framework (ERMF)	• Reviewed proposed material changes to the ERMF, following the 2024 annual review, and recommended these changes to the Board for approval. • Assessed the approach and key outcomes of the 2024 annual effectiveness review of the ERMF. Affirmation was received from the GCRO that the Group's risk management and internal control framework is materially effective, and identified areas for improvement were highlighted for management and the Committee's attention. • Received reports on the Group's PRTs at all scheduled meetings and also conducted deeper discussions on topics outlined on page 28. Further details of the **ERMF** are set out on **pages 196 to 200** and further details on **PRTs**, including the definitions of each, are set out on **page 28**

Other areas of focus	
Model Risk	• Discussed the extension of the existing Model Risk Management (MRM) framework and annual controls attestation, as part of requirements set by PRA relating to MRM for banks (SS1/23). • Received updates on the Group Model Risk profile, Risk Appetite and the progress of Model Risk strategic initiatives, and discussed material risks. • Received training on Model Risk, which was opened up to all Board members.
Treasury Risk	• Received reports from the Group Treasurer at each scheduled meeting covering: market conditions and developments; funding, liquidity and interest rate risks, balance sheet movements and forecast, capital and leverage, including the estimated impact of Basel 3.1, recovery and resolution planning including the Group's Resolvability Assessment, and applicable regulatory updates. • Considered and discussed the Group's capital and liquidity position, along with the evolving regulatory environment, in the context of regulatory submissions. • Reviewed, discussed and challenged papers on Interest Rate Risk in the banking book, the Treasury Hold to Collect securities portfolio, the Group's ICAAP and the Group's ILAAP.
Stress testing	• Provided oversight, challenge and, where required, approval for: – the Group's ICAAP submission, including scenarios analysis, stress test outcomes and reverse stress test results – the Group's ILAAP submission, including the scenario analysis and stress test results – the updated Group Recovery Plan, including stress tests results. • Reviewed, discussed and challenged the outcomes and key findings of stress tests, particularly management's assumptions and the quality of information provided, to monitor resilience. For further detail on the Committee's work on stress testing see **pages 197 to 198** The Committee's work on Resolvability is set out on **page 203**
Credit Risk	• Received and discussed updates on Credit Risk, with China-related impairments being a key area of focus, cognisant of the work of the Audit Committee. These discussions were further enhanced through deep dives into various countries, sovereigns, industries and business/client segments.
Traded Risk	• Received and discussed reports on developments and changes in the risk profile of Treasury and Financial Markets and resilience of the Financial Markets business. • Discussed a report on the CIB Fair Value portfolio, which included an update on the strategy and risk infrastructure for financial institution clients. • Received training on Traded Risk, which was opened up to all Board members.
Regulatory	• Received regular updates from the three lines of defence, which provided the Committee with oversight of the Group's progress on the following areas: – Recovery and Resolution Planning – Resolvability Assessment – Trading Activity Wind-Down – Operational Resilience, including approval of the Operational Resilience Group Self-Assessment submitted to the UK regulators; and material changes to the Group's Important Business Services and Impact Tolerance Statements – BCBS 239 Self-Assessment and Roadmap, and the status of the Group's compliance with BCBS 239. • Discussed key communications received from the PRA and FCA • Discussed the coverage of 2024 regulatory priorities and the Group's approach to maintaining ongoing engagement and interaction with regulators.
Internal controls for key risks	• Discussed reports from the Group Head, Internal Audit which provided summaries of GIA's appraisal of controls across key risks, subject to the Committee's oversight, together with the key risk issues identified by GIA's work and management actions put in place to address the findings. • Reviewed the annual Risk and Control Self-Assessment, noting the embedded process and forward focus of sustainability. Areas of elevated residual risk were discussed in the context of the overall risk profile. Further details on internal controls are set out on **pages 187 to 188**

Other areas of focus	
Remuneration as a risk management tool	• Considered advice provided by the GCRO to the Remuneration Committee concerning the risk factors to be taken into account by the Remuneration Committee in determining the outturns for incentives for the Group Chief Executive and other colleagues. Such advice assists the Remuneration Committee in its assessment as to whether the Group's remuneration policy, practices and procedures are consistent with and promote sound and effective risk management, and do not encourage risk-taking that exceeds the level of tolerated risk of the Group. Further details concerning the Group's approach to using remuneration as a risk management tool is set out in the **Directors' remuneration report** on **pages 143 to 174**
Examples of deeper discussions into specific topics	• **CIB and WRB Risk reviews:** Received and discussed papers covering the WRB and CIB portfolios and, in particular, areas of focus such as change management, unsecured digital lending partnerships and Private Equity financing activities. Financial Crime and ICS risks in the context of these businesses and markets were focused on to fully understand how these risks, which are becoming more prevalent and sophisticated, are being managed and mitigated. • **Credit and Portfolio Management (CPM):** Considered the review of the CPM mandate, assets and liabilities optimisation. • **Embedding Change Management Lessons Learned across the CIB Change Portfolio:** Discussed the programme of continuous improvement being undertaken and leveraging lessons learned from change initiatives. • **Third Party Risk:** Reviewed deeper analysis on third party arrangements, key milestones and overall risk assessment. • **Environment, Social, Governance and Reputational (ESGR) Risk:** Discussed a paper setting out the Group's approach to managing ESGR Risk, including key areas of focus. • **Safety and Security Risk:** Received and discussed an update on safety and security issues over the past 12 months. • **Credit Risk review:** Discussed reports including progress made and key themes and insights from the 2024 reviews, and the review plan for 2025. • **SC Ventures Risk and Governance:** Received an update on the risk posture, governance structures and control environment of the SC Ventures business unit. • **Digital Assets Risk:** Received an update on the key risks associated with the Group's current and planned digital assets activities.
Interaction with regulators	• Maria Ramos attended meetings with the PRA in 2024.
Linkages with subsidiary risk committees	• In 2024, Maria Ramos attended a risk committee meeting of SCBHK. The risk committee chairs of SCBHK and SCBSL attended one Board Risk Committee meeting. This practice will continue in 2025 to reinforce these important linkages. • Maria Ramos hosted an annual videoconference with the chairs of subsidiary board risk committees and INEDs in July 2024. Please refer to **page 122** on linkages between the Committee and chairs of subsidiary board risk committees

Committee effectiveness in 2024

The 2024 Board and Committees' effectiveness review was conducted internally, facilitated by the Group Company Secretary, and in accordance with the UK Code.

Progress against last year's Action Plan

The Action Plan set out a number of actions arising from the internally facilitated effectiveness review conducted in 2023. The 2024 Action Plan was regularly reviewed during the year and good progress has been made against the actions.

Key observations from the 2024 internal effectiveness review

This year's review came in an exceptionally busy year for the Committee, which considered a number of wide-ranging risks. The Chair was commended for her stewardship of the Committee, working closely with management to select appropriate topics for discussion. The feedback on the Committee's functioning highlighted the following:

- There has been a significant improvement in the quality of papers, which has facilitated much better discussions in meetings. The length and timely circulation of papers will remain a focus.
- The GCRO and the Risk Function were highly rated, with good engagement and an open relationship with the Chair and other Committee members.
- The Committee's oversight of the risks facing the business was highly rated and both the Committee and management were viewed to be good at horizon scanning for emerging risks.

2025 Action Plan

The 2025 Action Plan for the Committee reflects suggestions from the review and continues to build on the platform from last year:

- Consider increasing the meeting time for the Committee, and refocus agendas away from risks which are now in appetite to emerging ones.
- Continue to monitor the length, focus and timeliness of papers, particularly focusing on executive summaries and consistently setting out the interconnectivity of risks, where relevant.
- Continue to review and minimise the duplication of topics being reviewed from multiple perspectives by Board Committees and the Board.
- Schedule training on ICS, FCR, MRM, the Board Risk Appetite on Data Risk, Climate and Treasury matters.

Risk information provided to the Committee

The Committee is authorised to seek any information that will allow the Committee to fulfil its governance mandate relating to risks to which the Group is exposed, and alert senior management when risk reports do not meet its requirements. The Committee receives regular reports on risk management and tracks a wide range of risk metrics through a Board Risk Information report. This report provides an overview of the Group's risk profile against the Group's Risk Appetite Statement. The GCRO's report covers the macroeconomic environment, geopolitical outlook, material events and disclosures, and ongoing risks. Coverage of PRTs and regulatory matters are also included in this report.

Interaction with management

Senior management has attended Committee meetings for deeper discussion of agenda items. The Committee Chair also meets individually with senior leaders of the Risk Function.

Interaction with the Group Chief Risk Officer

The Committee Chair meets regularly with the GCRO and senior leaders in the Risk Function. Senior managers are held accountable for risk issues and report to the Committee, where matters are reported by the GCRO.

Committee links with other Board committees

The Committee interacts closely with other Board Committees where the remit of these other Committees clearly covers risk-related matters. For example, the Audit Committee reviews the Group's internal financial controls and has oversight of regulatory compliance and Data Risk. The Remuneration Committee receives advice from the Committee regarding risk and control matters to be taken into account for remuneration decisions. The CSC has oversight of culture and sustainability-related matters. The interaction assists the Committee in ensuring that it is well informed on discussions held, and the close collaboration of the Committee Chairs helps to ensure that there are no gaps and any potential for unnecessary duplication is avoided.

Resources

The Committee has sought and received assurance that the Risk function is adequately resourced to perform its remit effectively.

Disclosures

The Committee has reviewed the risk disclosures in the Annual Report and the Half-Year Report and has also reviewed the disclosures regarding the work of the Committee.

Culture and Sustainability Committee

"The Committee has been busy overseeing the Group's net zero journey against an ever-changing external environment, reviewing progress against the Group's Stands and monitoring the Group's culture aspiration."

Committee composition and attendance

Dr Linda Yueh CBE	4/4
Jackie Hunt[1]	3/3
Diane Jurgens[2]	3/3
Robin Lawther CBE	4/4
David Tang	4/4

1 Jackie Hunt stepped down from the Committee on 8 December 2024
2 Diane Jurgens joined the Committee on 1 March 2024

Additional attendees

The Group Chairman; Group Chief Executive; Chief Strategy and Talent Officer; Chief Sustainability Officer and Group Company Secretary also attended Committee meetings in 2024.

Purpose and responsibilities

The Committee is responsible for overseeing the Group's culture and sustainability priorities. The Committee Chair reports to the Board on the Committee's key areas of focus following each meeting.

+ The Committee has written Terms of Reference that can be viewed at **sc.com/termsofreference**

I am pleased to present the report of the Culture and Sustainability Committee for 2024 and share with you the highlights of our work:

- Oversaw good progress against the Group's net zero roadmap. The Committee endorsed the baseline and target for the agriculture sector which has been published in the Sustainability Review on page 82. This completes the Group's target setting of the 12 highest carbon-emitting sectors. Agriculture is a notoriously difficult sector in which to set a target and we are conscious of the dichotomy between driving goals towards net zero while also ensuring our communities benefit from a just transition. In the context of agriculture, we aim to strike a balance between reducing carbon emissions while also protecting food security and the living standards of farmers.
- Reviewed the proposal for a refreshed Culture Dashboard which will be operationalised in 2025, taking into account the Committee's feedback. The purpose of the dashboard is to provide a comprehensive overview of cultural change by reporting on several key metrics that allow us to monitor the progress of our culture journey and aid local decision-making to drive further progress.
- Received a training session on Nature, an important area of focus for the Committee. I'm delighted to see the progress we are making in this area, particularly through our early adoption of the Taskforce on Nature-related Financial Disclosures, which reflects our commitment to advancing our work with Nature.

I am extremely proud of the awards that the CSO Organisation have been awarded this year, including Sustainability Team of the Year from the Airlines Economics Sustainability Awards for our contribution to the Pegasus Principles for the Aviation sector and a series of 30+ awards from The Asset Triple A Sustainable Finance Awards.

Dr Linda Yueh
Chair
Culture and Sustainability Committee

Activities during the year

Key matters	
Sustainability and ESG	• Oversaw progress on the Group's net zero roadmap, including the commitment for our Scope 1 and 2 emissions to be net zero by 2025, and progress towards meeting the Group's financed emissions interim targets for high-emitting sectors by 2030. • Reviewed and discussed the Group's Sustainability Strategy and recommended the 2025 sustainability strategic priorities to the Board. • Reviewed and endorsed the Group's Transition Plan, challenging the CSO Organisation to detail how they have translated our net zero commitments into an actionable plan and satisfied itself that there is sufficient resource across the Group to implement the commitments being made. • Discussed and endorsed the approach to baseline and target the agriculture sector on Implied Temperature Rating, which had been chosen as it considered the social element of ESG by avoiding carbon targets on specific crops and smaller farms, which could endanger food security. • Discussed and endorsed the oil and gas facilitated emissions target. • Considered a progress update on the Group's Sustainability Aspirations and endorsed four new key performance indicators (KPIs) following the achievement of six KPIs in 2024. • Reviewed, challenged and endorsed the proposed changes to the Human Rights Position Statement, expressing concern for the increasing issues faced globally in tackling infringements of human rights. • Monitored the Group's performance against assessments produced by our prioritised external ratings agencies. • Received training on Nature, which was opened up to all Board members.
Our Stands (Accelerating Zero, Lifting Participation and Resetting Globalisation)	• Reviewed and discussed the year-end assessment on the achievement of the Stands, and endorsed the proposed sustainability and Stands measures for inclusion in the Group's remuneration, ahead of approval by the Remuneration Committee. • Discussed the Lifting Participation Stand, which had been refocused to reflect the reviews of operations in markets within the WRB business. On the community impact component of this Stand, the Committee discussed Futuremakers and how to maximise the impact of the programme. • Discussed the complexities of setting metrics for the Resetting Globalisation Stand and offered suggestions which were considered by management. The updates were subsequently endorsed by the Committee. • Continued to monitor the Accelerating Zero Stand through the work outlined in the Sustainability section above.
Culture, Diversity and Inclusion (D&I) and Board workforce engagement	• Received an update on the ongoing work to deliver on the Group's culture aspiration of a 'One Bank culture of ambition, action and accountability that puts our clients at the heart of all we do'. Our valued behaviours continue to be the practical way we will manifest our aspirational culture. The Committee commended the work ongoing to strive for further building leadership capability and encouraged the team to accelerate the leadership training programme. • Discussed and gave guidance on the Culture Dashboard, which had been reviewed to ensure that it met the needs of the Group's culture agenda and will be relaunched in 2025. • Monitored progress against the diversity and inclusion strategy during a period of organisational change and discussed the high-impact actions to achieve targeted outcomes. These include: developing a diverse talent pipeline to improve leadership representation, sponsorship skills building for our leaders to foster positive career progression and refreshing the Employee Resource Group approach to enhance colleague experience. • Received a report from GIA on its activities and opinions with respect to culture and sustainability, and commended GIA for introducing cultural trends into audits as it represents an innovative method of assessing the Group's culture. • Received the annual employee engagement survey (My Voice) and probed the results to understand what was driving the scores and challenged the team on areas for improvement. • Received an update on the Board Workforce Engagement programme, which included the key themes from the three formal events which took place in China, India and Kenya as part of the market visits, and a summary of reflections from directors and the colleagues who participated.

Committee effectiveness in 2024

The 2024 Board and Committees' effectiveness review was conducted internally, facilitated by the Group Company Secretary, and in accordance with the UK Code.

Progress against last year's Action Plan

The Action Plan set out a number of actions arising from the internally facilitated effectiveness review conducted in 2023. The 2024 Action Plan was regularly reviewed during the year and good progress has been made against the actions.

Key observations from the 2024 internal effectiveness review

This was a year of change for the Committee, as it transitioned its focus towards driving the Group's sustainability ambitions. The feedback on the Committee's functioning and effectiveness highlighted the following:

- Good progress was being made on the repositioning of the Committee and improvements had been made in the fluency of meetings.
- Contributions from the Sustainability team were rated highly, with good progress made across the Group's net zero ambitions.
- The quality of papers had improved during the course of the year and were now rated to be of a good standard, but would benefit from being more concise.

2025 Action Plan

The 2025 Action Plan for the Committee reflects suggestions from the review and continues to build on the solid progress made last year:

- The Committee will continue to refine its objectives in order to complete its repositioning during 2025.
- Continue to focus on ensuring papers are concise, focus on key points and that the level of detail in presentations is calibrated.

Governance and Nomination Committee

"In another busy year for the Committee, we have scoured the market to secure the best non-executive talent to help your Board meet the business and governance challenges the Group will face in a constantly changing world."

Committee composition and attendance

José Viñals	4/4
Shirish Apte	4/4
Linda Yueh	4/4
Maria Ramos	4/4
Phil Rivett	4/4

The Group Chief Executive, Chief Strategy and Talent Officer and Group Company Secretary also attended Committee meetings in 2024.

Purpose and responsibilities

The Committee has responsibility for advising the Board and committees on their composition, appointments and succession. The Committee also monitors and advises on the impact of changes to corporate governance affecting the whole Group. The Committee Chair reports to the Board on the Committee's key areas of focus following each meeting.

The Committee has written Terms of Reference that can be viewed at **sc.com/termsofreference**

I am pleased to present the report of the Governance and Nomination Committee for 2024 and share with you the highlights of our work:

- Overseeing comprehensive search processes that led to the appointments of Diane Jurgens and Lincoln Leong to our Board.
- Meeting our Board gender and ethnicity diversity targets.
- Continuing to focus on our skills matrix in our succession planning, ensuring our Board and Management Team maintains its rich diversity of skills, experience and backgrounds.
- Undertaking a detailed review of governance across our subsidiaries, following structural changes in the Group aimed at moving the focus of management towards business sectors and away from the regional clusters.

Dr José Viñals
Chair
Governance and Nomination Committee

Board composition as at 31 December 2024

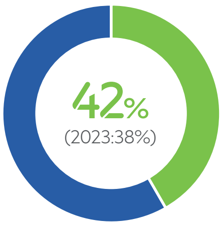
We are pleased to report that as at 31 December 2024 our Board met the diversity targets set out in UK Listing Rules. Board diversity data is collected by way of self-identification. Directors and members of the Management Team were presented with the prescribed disclosure categories and asked to respond based on their self-identification.

Gender and ethnic diversity

Board gender diversity

Women
5

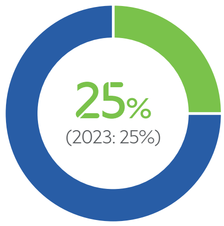
Men
7



Number of senior of positions (CEO, CFO, SID and Chair)

Women
1

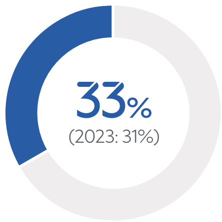
Men
3



Board ethnic diversity

White
8

Ethnic minority background
4



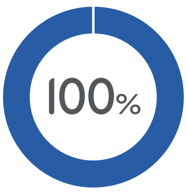
	Number of Board members	Percentage of the Board (%)	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management*	Percentage of executive management* (%)
Men	7	58	3	7	54
Women	5	42	1	6	46

	Number of Board members	Percentage of the Board (%)	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management*	Percentage of executive management* (%)
White British or other White (including minority-White groups)	8	67	4	5	38
Mixed/multiple ethnic groups	0	0	0	0	0
Asian/ Asian British	4	33	0	6	46
Black/African/Caribbean/Black British	0	0	0	1	8
Other ethnic group	0	0	0	0	0
Not specified/prefer not to say	0	0	0	1	8

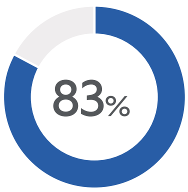
* Includes our Management Team as at 31 December 2024, plus the Group Company Secretary, but excludes interim members.
Information is as at 31 December 2024.

Experience

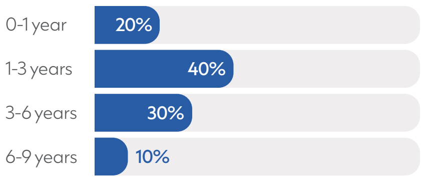
International experience



Representation from our markets



INED tenure (including Chair)



Activities during the year

Key matters	
Board and senior talent succession planning	• Considered a range of potential future INED candidates, in order to maintain the necessary range of skills, experience, knowledge and perspectives on the Board, taking into account the length of tenure of the INEDs, and the importance of regularly refreshing the Board membership. Russell Reynolds[1] were engaged throughout the year to assist with the search. • In view of the departure of Carlson Tong, engaged Russell Reynolds to perform a search of candidates with experience and connections in the Hong Kong market culminating in the appointment of Lincoln Leong as an INED. • Discussed management's executive talent approach and approved the Group Management Team and Group Chief Executive Officer succession plans for the Group.

1 Russell Reynolds also provides senior resourcing to the Group. The Company is not aware of any ongoing business relationship between Russell Reynolds and the Company's directors

Other areas of focus	
Succession planning	• Reviewed succession plans for the committee chair roles and identified appropriate individuals with the necessary skills and attributes to provide emergency cover as required.
Board and Committees effectiveness review	• Oversaw the Board and committees' effectiveness review (see page 119), and monitored progress against the 2024 Action Plan, which addressed the key observations from the 2023 effectiveness review. • Discussed observations and recommendations arising from this review and recommended to the Board the 2025 Action Plan.
Independent cyber security adviser	• Recommended the extension of Sir Iain Lobban's appointment as the independent cyber security adviser to the Board and concluded that his advice remained invaluable, with his role expanding to encompass advice on our exploitation of data from 2025.
External interests and directors' independence	• Conducted a review of the directors' existing and previously authorised potential and actual situational conflicts of interest and concluded that there were no circumstances which would necessitate any of these authorisations being revoked or amended. • Noted directors' other directorships and business interests taken on during the year in the context of time commitment, over-boarding and the regulatory and shareholder limits on directorships as well as other regulatory requirements in this area. • Reviewed the independence of each of the non-executive directors, taking into account any circumstances with a reasonable prospect of impairing their independence, and found that each of the INEDs continued to be independent.
Subsidiary governance	• Received updates from the Group Heads of CIB and WRB, and from the Group's International President, who have management responsibility for the Group's subsidiaries, on the Group's approach to subsidiary governance. This included a look at our compliance with existing corporate governance rules across the Group and horizon scanning for changes across our markets.
Terms of Reference	• Conducted a review of the Committee's Terms of Reference, taking into account applicable rules and best practice in the UK and Hong Kong. Minor amendments were made, principally to align with the 2024 UK Corporate Governance Code.
Committee composition	• Reviewed our skills matrix and made changes to committee composition.

Succession planning and Board appointments

The Committee considers the likely technical skills required for the Board in the context of the development and execution of the Group's strategy. This drives the Committee's succession planning approach. The Committee also keeps under review the Group's succession plans in relation to executive directors and senior management, whereby internal successors are assessed and developed alongside identifying external candidates where required. The directors have power under the Company's articles of association to appoint new directors. Newly appointed directors retire at the AGM following appointment and are eligible for election. As required by the UK Code, all directors are subject to annual re-election by shareholders subject to continued satisfactory performance based upon their annual assessment. Non-executive directors are appointed for an initial period of one year and subject to (re)election by shareholders at AGMs, in line with the UK Code.

Implementation of our Board Diversity Policy

The Committee conducted its annual review of our Board Diversity Policy (the Policy) in 2024. No changes were made to the Policy. Although the Policy does not contain specifications or targets for committee membership, the Policy provides for a diverse Board with a wide range of skills and perspectives which its members bring to our Board committees.

Progress against Board Diversity Policy objectives

We set out below our progress against our Board Diversity Policy as at 31 December 2024. Information on the Group's wider diversity and inclusion strategy, including gender balance across the Group and targets for ethnic representation, can be found on pages 40 to 41. A copy of the full Board Diversity Policy can be viewed at **sc.com/boarddiversitypolicy** and further details on the Group's approach to diversity and inclusion can be viewed at **sc.com/diversity-and-inclusion**.

Increasing the representation of women on the Board with an aim to have a minimum of 40 per cent female representation	Following changes during the year, female representation on the board increased to 42 per cent at year end.
Adopting an ethnicity aspiration of a minimum of 30 per cent from an ethnic minority background	Representation from ethnic minority backgrounds has increased to 33 per cent at the end of 2024.
Ensuring that our Board reflects the diverse markets in which we operate	The Board has members either based in or who are nationals of many of the regions in which we operate, including the UK, EU, North America, Asia and Africa. Many of the INEDs have additional experience of having worked and lived in many of the Group's other markets. We continue to prioritise board representation from our key markets.
Ensuring that the Board is comprised of a good balance of skills, experience, knowledge, perspective and varied backgrounds	The Committee has continued to focus on ensuring that the Board has the right combination of experience, skills and attributes required both immediately and in the medium to longer term. The appointment of Diane Jurgens brings experience in using technology to transform business in some of our key markets, and Lincoln Leong brings deep experience of the Hong Kong market.
Ensuring that we consider the Group's aspirations in relation to disability, sexual orientation, gender identity and gender expression	We remain committed to all aspects of diversity in our succession process.
Only engaging search firms who are signed up to the Voluntary Code of Conduct for Executive Search Firms	In 2024 we worked with Russell Reynolds, who has signed up to the Voluntary Code and is committed to supporting our ambitions to ensure diversity on our Board.
Reporting annually on the diversity of the executive pipeline as well as the diversity of the Board, including progress being made on reaching the Board's gender and ethnicity aspirations	We continue to improve our reporting of Board and senior talent succession planning as well as reporting on the importance of a diverse Board.

Committee effectiveness in 2024

The 2024 Board and Committees' effectiveness review was conducted internally, facilitated by the Group Company Secretary, and in accordance with the UK Code.

Progress against last year's Action Plan

The Action Plan set out a number of actions arising from the internally facilitated effectiveness review conducted in 2023. The 2024 Action Plan was regularly reviewed during the year and good progress has been made against the actions.

Key observations from the 2024 internal effectiveness review

Feedback on the Committee's functioning and effectiveness was positive and specifically highlighted the following:

- The Committee had a good focus on diversity. The Board had met its aspiration for gender and ethnic diversity but would need to work hard to maintain the improvement.
- The Committee had devoted a significant amount of time to Board succession planning, with considerable success in terms of the calibre of candidates and appointees it was able to attract.
- In a year with a number of corporate governance rule changes proposed and introduced by regulators in relation to the Group's listings in London and Hong Kong, the Committee was pleased with its oversight and plans for implementation of the changes, with responsibilities shared with the Board and other Committees.

2025 Action Plan

The 2025 Action Plan for the Committee reflects suggestions from the review and continues to build on the progress made last year:

- Increase the focus of the Committee and the Board on succession plans for the Management Team with particular emphasis on increasing the number of internal candidates who are identified and prepared for positions.
- Conduct a detailed review of the Board's skills matrix to reflect changes in the geo-political and business environment across our footprint and review Board composition in that light.
- Review and consider succession planning for other boards around the group.

Appointing a new Group Chair of Standard Chartered PLC

With José Viñals' nine-year term as Group Chairman due to expire in October 2025, the Board commenced a global search for his successor in late 2023, which led to the appointment of Maria Ramos as Group Chair Designate to succeed José.

Early stages of the process

- Members of the Board were invited to express an interest in putting themselves forward for the role, with Maria accepting that invitation
- Maria would typically have led the search in her capacity as the Company's Senior Independent Director, however, given her interest in the role a Selection Panel was constituted to lead the process instead. The Selection Panel was comprised of non-executive directors and was chaired by Phil Rivett, a member of the Governance and Nomination Committee
- A draft role specification was agreed by the Selection Panel
- Several leading international search firms were invited to pitch for the mandate, following which Spencer Stuart* was appointed to support the process
- The Selection Panel, with input from the Executive Directors, agreed the final role specification. They were careful to ensure this supported the Group's strategic priorities and included the skills, experience and knowledge as well as the personal attributes required for the role.

Long-list

- A diverse global list of candidates was presented by Spencer Stuart and was discussed extensively. Spencer Stuart was then asked to gather additional information on some of the candidates to ensure suitability
- A refined shortlist of potential external candidates was then agreed by the Selection Panel, and they were approached by Spencer Stuart.

Short-list

- The shortlisted candidates met with Spencer Stuart and Phil Rivett initially, to explain to them more about the role, our expectations and to gauge their appetite and suitability
- Members of the Selection Panel, together with the Executive Directors then interviewed the remaining candidates and measured them against the agreed role specification
- Spencer Stuart produced reports on each of the final candidates, containing detailed assessments and referencing.

Final Stages

- The feedback was then documented and discussed at a meeting of the Selection Panel and Executive Directors. A recommendation was then made to the Board
- The Board, excluding Maria, then met and discussed Maria's candidacy which was unanimously endorsed, subject to a number of regulatory and other external approvals. Their decision was based on their experience of working with her, Spencer Stuart's report and the interviews with her which demonstrated:
  - a deep knowledge and understanding of the Group and the banking industry, as a former bank chief executive
  - considerable international non-executive and Chair experience as well as a firm understanding of the key governance issues
  - integrity, professional reputation, competency, breadth of knowledge and qualification to take on the role
  - strong commercial, governmental, financial and policy experience
  - broad international experience, strong international network and experience of operating across emerging markets.

Announcement

Progress against the outstanding approvals were sufficiently advanced for the Board to be sufficiently confident to announce her conditional appointment on 4 February 2025.

* Spencer Stuart is a signatory of the Voluntary Code of Conduct for Executive Search Firms. They also provide leadership advisory and senior executive search and assessment services to the HR function within the Standard Chartered Group.

Maria Ramos

Throughout the selection process, as highlighted above, Maria demonstrated her extensive experience as a leader in both the public and private sector and as a banker. She has strong international exposure, and a particularly good understanding of emerging and developing markets. An economist by training, Maria played a pivotal role in South Africa's post-apartheid economic and public finance reform as Director-General of the National Treasury from 1995-2003. She was appointed Chief Executive of Transnet Ltd, the state-owned freight transport and logistics service provider in 2004-2009 during which time Transnet underwent a significant financial, cultural and operational turnaround. Maria went on to serve as Group CEO of Absa for ten years from 2009-2019, where she navigated the global financial crisis, expanded Absa into a pan-African financial services provider with a footprint across 12 African markets and managed its transition following Barclays' divestment of its controlling stake. Maria retired from her executive career in 2019 and has gone on to serve as an independent non-executive director of several boards, including internationally listed companies, and advisory groups (more details on those roles can be found on page 106). Most recently, Maria served as Chair of AngloGold Ashanti Limited (2020-2024), a leading global mining company, where she provided strategic leadership and oversight of a major and complex corporate restructuring of the company.

Directors' remuneration report

"Rebalancing director remuneration to strengthen the alignment between pay and performance, and to incentivise outperformance"

I am pleased to present the directors' remuneration report for the year ended 31 December 2024. This report provides an overview of the Remuneration Committee's work and decision-making in determining the remuneration for executive directors and the wider workforce. The current directors' remuneration policy operated throughout 2024 as intended, incentivising performance linked to the Group's strategy and aligning with shareholder interests.

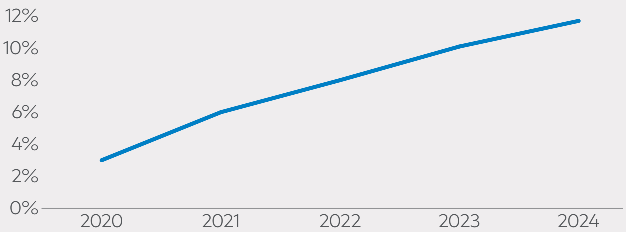
The report also sets out details of the new directors' remuneration policy for the period 2025-2027, which will be put to a shareholder vote at the AGM in May 2025.

The decisions taken by the Committee were based on careful consideration of a broad range of factors including performance across the Group, the economic environment in our markets, and the need for fair and appropriate reward for our workforce.

Key sections

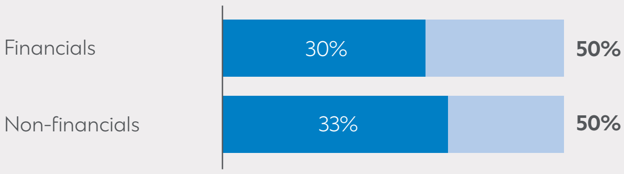
Our performance in 2024

RoTE performance



The Group has built upon the significant progress made over the past two years to deliver very strong performance in 2024, including a significant (160bps) year-on-year increase in return on tangible equity (RoTE) to 11.7 per cent (on an underlying basis). Underlying profit before tax is up 21 per cent at constant currency (ccy) on last year. These positive results reflect strong execution of our strategy, combining differentiated cross-border capabilities with leading wealth management expertise, and a focus on sustainability across our businesses.

Group scorecard



No Committee discretion was used to amend the formulaic scorecard outcome.

63% Group scorecard outcome

The Group scorecard, was 63 per cent. Of this, 30 per cent (out of a possible 50 per cent) related to financial performance including: underlying income up 13 per cent year-on-year; exceeding our sustainable finance revenue and sales targets; the increase in RoTE; and achievement of our costs targets. The remaining 33 per cent (out of a possible 50 per cent) related to the achievement of non-financial goals, including strong client satisfaction performance and delivery against sustainability and productivity targets.

See **pages 157 and 158** for more information

Financial KPIs

Profit before tax	Common Equity Tier 1 ratio	Return on tangible equity	Total shareholder return
$6,811m	14.2%	11.7%	47.5%
↑ 21% (underlying basis)	↑ 19bps	↑ 160bps (underlying basis)	2023: 9.4%

Summary of 2024 remuneration decisions

- Group performance has been very strong across both financial and non-financial metrics and the Committee has taken decisions on remuneration that reflect this performance and the delivery against our targets.
- Discretionary incentives are $1,690 million for 2024, up 7 per cent on 2023, reflecting Group performance and affordability, with average global salary increases of 2.5 per cent for 2025.
- Annual incentives for executive directors, Bill Winters, Group Chief Executive (CEO) and Diego De Giorgi, Group Chief Financial Officer (GCFO), assessed at 66% of the maximum, are £1,461,874 and £958,320 respectively.
- Projected performance outcome of 88 per cent for the 2022-24 long-term incentive plan (LTIP) awards.
- The 2024 single total figure of remuneration is £10,655,707 for the CEO and £2,769,259 for the GCFO.
- Reward for all Group employees, including the executive directors, continues to be aligned to the Group's strategic priorities, through the annual and long-term incentive scorecards.

Group-wide remuneration

2024 discretionary annual incentives

In determining an appropriate incentive pool, the Committee considers the Group scorecard outcome alongside additional factors, such as the external environment, market competitiveness and overall affordability. The Committee also considers risk, control and conduct matters, including ongoing investigations and matters raised by regulators.

Following its review of these factors, the Committee set an annual incentive pool of $1,690 million, an increase of 7 per cent on 2023.

Discretionary incentive pool

Incentive pool ($m)	% change (reported)	% change (same store basis)
1,690	7	9

Group-wide initiatives

Our Fair Pay Charter continues to guide the design and delivery of reward. In 2024, we saw the benefits of initiatives launched in line with the Charter, with more than 2,000 parents using our refreshed global parental leave policy, the expansion of our menopause support, an enhanced global Employee Assistance Programme and the introduction of local benefits such as emergency care and neurodiversity support.

We have further embedded continuous feedback, coaching and open two-way performance feedback and increased individual performance differentiation in variable pay outcomes.

During 2024, we also introduced Appreciate, our global recognition platform through which colleagues can celebrate one another's achievements and recognise their efforts to live our valued behaviours by awarding points, which are redeemable against gifts. Around 700,000 recognitions have been made since launch.

Our 2024 Diversity, Equality and Inclusion Impact Report gives further detail on our Fair Pay Charter and also includes our diversity pay gap disclosures and analysis, with detail on the actions we are taking to increase gender and ethnicity representation across the Group.

Our Diversity, Equality and Inclusion Impact Report can be found here: **sc.com/fairpayreport**

2025 salaries

The average global salary increase for 2025 is 2.5 per cent. As in previous years, increases will be principally focused towards junior employees and areas of strategic importance. For those individuals receiving an increase, the average is circa 7 per cent with higher than average increases in South Asia and Africa reflecting ongoing cost–of–living challenges.

Executive director remuneration in 2024

Annual incentives for executive directors

Annual incentives for Bill and Diego are based predominantly on the Group scorecard with an additional element for personal performance.

The Committee approved the following annual incentive outcomes for 2024, taking account of individual performance assessments, for Bill and Diego. The Committee is satisfied that these are appropriate given the very strong Group performance in 2024 and the significant personal contributions from Bill and Diego.

	2024 annual incentive (£)	% of maximum	Year-on-year change (%)
Bill Winters	**1,461,874**	66	0
Diego De Giorgi	**958,320**	66	–

See **pages 157 to 160** for further details

2022–24 LTIP awards

The 2022–24 LTIP awards are due to start vesting in March 2025 with a projected performance outcome of 88 per cent, based on RoTE of 11.7 per cent, relative total shareholder return (TSR) ranking above upper quartile, and above target performance against sustainability and other strategic measures. As usual, the final relative TSR outcome will be assessed three years from the date of award, in March 2025. The values delivered by this projected outcome are based on the three-month average share price to 31 December 2024 and are included in the single total figure of remuneration for Bill. Diego did not participate in this award.

	Award share price (£)	Valuation share price (£)	2022-24 LTIP projected outcome (£)
Bill Winters	4.876	9.197	**6,125,761**

The Committee reviewed the assessments that resulted in the outcome for 2024, and are satisfied that it reflects the positive performance over the three year period. In addition, the Committee considered the grant price against that of the previous year's award, and against the average share price in the period leading up to the grant date. The price difference was not significant and, therefore, the Committee concluded there was no windfall gain.

See **pages 161 and 162** for further details

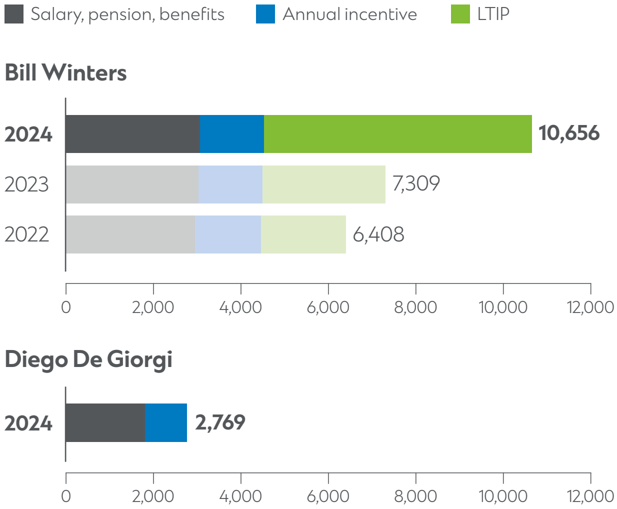
Single total figure of remuneration for 2024

The 2024 annual incentive and projected 2022-24 LTIP performance outcome results in a 2024 single figure for Bill of £10,655,707 and for Diego of £2,769,259. For Bill, the 2024 single figure represents a year-on-year increase of 46 per cent. Fixed pay for Bill was unchanged from 2023 and the annual incentive of £1,461,874 was flat on 2023. The increase in the single figure was driven principally by the 2022-24 LTIP outcome, reflecting the Group's consistent, strong performance over the last three years and the significant increase in our share price over recent months.

See **page 156** for further details

Bill's 2022-24 LTIP award will vest, pro rata, over the next five years, with a further one-year retention period following each vest, further reinforcing alignment of remuneration outcomes with shareholder interests and the Group's long-term performance.

2024 single total figure of remuneration (£000)



2025 Directors' remuneration policy

- The new policy represents the most significant change for many years and, as such, we engaged extensively and transparently with our major shareholders throughout the review. Their feedback and support has been crucial in informing our new policy.
- The removal of the regulatory cap on variable pay for banks gives us the opportunity to rebalance total remuneration from fixed pay towards performance–linked variable remuneration, incentivising outperformance and reinforcing the alignment between executive director reward and shareholder experience.
- Executive director salaries are being significantly reduced, by 40 per cent for the CEO and 33 per cent for the GCFO.
- The maximum total remuneration opportunity, if 100 per cent performance outcome is achieved for both the annual incentive and LTIP, is £13.1 million for the CEO and £7.7 million for the GCFO.
- A larger proportion of total remuneration (circa 85 per cent at the maximum) is delivered in performance-linked incentives, with a greater weighting to the share price-linked LTIP.
- Annual incentive and LTIP performance scorecards have been simplified with increased emphasis on financial measures.
- Shareholding requirements will be increased to 500 per cent of salary for the CEO and 400 per cent of salary for the GCFO.

The Committee is seeking shareholder approval for a new three-year directors' remuneration policy. Our policy over the past decade has had to comply with the regulatory variable pay cap for banks that was introduced by the European Union and retained in UK legislation post Brexit. The variable pay cap, which was in place from 2014 to 2023, limited variable remuneration to 200 per cent of fixed pay for employees – including executive directors – identified as material risk takers.

The Committee welcomes the removal of the variable pay cap, which had the unintended consequence of increasing fixed pay and reducing performance-linked variable pay. The removal of the cap gives us the opportunity to develop a new approach for executive directors, and the applicable wider workforce, with a greater proportion of total remuneration awarded in performance-based incentives that aligns with shareholder interests, and are competitive with policies of our global banking peer group.

In arriving at our proposed directors' remuneration policy, we consulted with approximately 60 per cent of our share register, proxy advisers such as Institutional Shareholder Services, The Investment Association and Glass Lewis, and with other important stakeholders, including the PRA and FCA.

We began our consultation earlier than usual in 2024 to give us the opportunity to test our initial thinking with key shareholders and the proxy advisers and have held 40 separate consultation meetings since then. We received valuable input including support for the principle of rebalancing total remuneration towards performance-linked variable remuneration, and a preference for scorecards that are simple, transparent and weighted towards financial metrics. This feedback helped to shape the proposed policy, which we reviewed again with key shareholders and proxy advisers in late 2024 and early 2025.

In addition, our shareholders and the proxy advisers emphasised the importance of explaining our thinking behind the decisions we have made, and we have endeavoured to do that as clearly as possible in this report.

Reducing fixed pay significantly and increasing performance-linked variable pay opportunity

In reviewing our approach for rebalancing total remuneration, and setting an appropriate new maximum opportunity, we considered what Bill's maximum pay opportunity would be if we removed the share element of his salary (which was introduced as a response to the cap) and replaced it with variable pay. We did this calculation in the same way as we converted variable pay to fixed pay when the cap was introduced in 2014.

2014 context

In 2014, to comply with the cap while also recognising the guaranteed nature of fixed pay versus performance linked and 'at risk' variable remuneration, we reduced the variable pay opportunity for executives by £3 for every £1 increase in fixed pay.

For Bill, removing the share element of his current fixed pay and applying the same swap ratio for variable to fixed pay would result in a total remuneration at maximum opportunity of £11.1 million.

In addition, the Committee carefully considered the evolution of executive directors' pay opportunity since the introduction of the cap in 2014. Over the 10-year period since Bill's appointment in 2015, his total fixed pay and, therefore, his maximum and target (50 per cent performance outcome) total remuneration opportunities have increased by less than 0.5 per cent. This has resulted in:

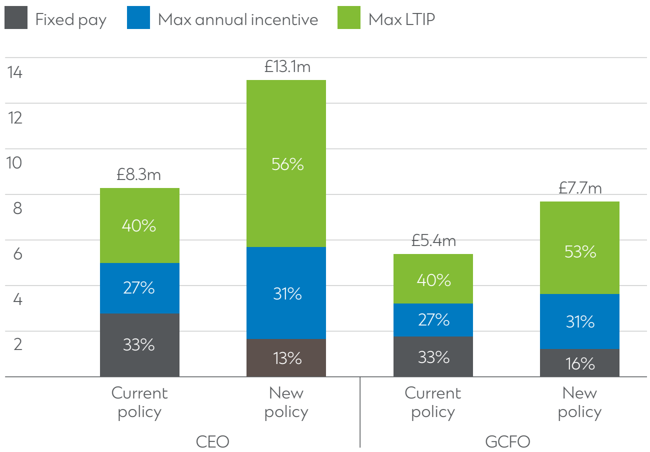
- An erosion in the competitiveness of CEO remuneration versus companies which were not subject to the cap. The average increase in maximum earning opportunity for FTSE 100 CEOs over the past 10 years is in the region of 20 per cent, and at target opportunity the average increase is above 30 per cent.
- Increased internal pay compression, where the pay of senior employees below executive level, for whom we have had more flexibility to increase fixed pay and, therefore, maximum opportunity, is reaching levels similar to or above the pay of the executive directors.

To address these issues, the Committee is proposing a maximum opportunity of £13.1 million for Bill and £7.7 million for Diego, with the incentive element increased to provide an appropriate mix between fixed (13 per cent for Bill and 16 per cent for Diego at maximum opportunity) and performance-linked, variable remuneration (87 per cent for Bill and 84 per cent for Diego).

The maximum opportunities for Bill and Diego will only be realised if performance outcomes of 100 per cent are achieved for both the annual incentive and LTIP scorecards. The Committee has consistently set stretching targets, and has been very diligent in assessing performance as evidenced by historical scorecard outcomes. Equally, we have set stretching targets in the 2025 scorecards including setting the level for the maximum RoTE outcome in the LTIP scorecard at 14.5 per cent. On this basis, we believe that the policy will incentivise the delivery of significant returns for shareholders, and reward our executive directors appropriately if this is achieved, thereby linking incentive remuneration with improved shareholder outcomes. See pages 171 (annual incentive) and 172 (LTIP) for full scorecard details.

Additionally, the variable remuneration is weighted towards long-term incentives which are awarded in shares, start vesting after a three-year performance period, and remain subject to malus and clawback in line with remuneration regulations, currently up to ten years from the grant date.

Current and new directors' maximum remuneration opportunity, showing reduced fixed pay and increased incentive opportunity (£m)



Peer group benchmarking

As part of the policy review, the Committee also considered the total remuneration proposed against a peer group of global and regional banks and the FTSE 30.

The peer banks selected are from the UK, Asia, Europe and the USA with business activities and a geographical footprint similar to Standard Chartered, and with whom we may compete for executive talent. The peer group was established by scoring candidate peers against four criteria: geography, business, market cap and headcount.

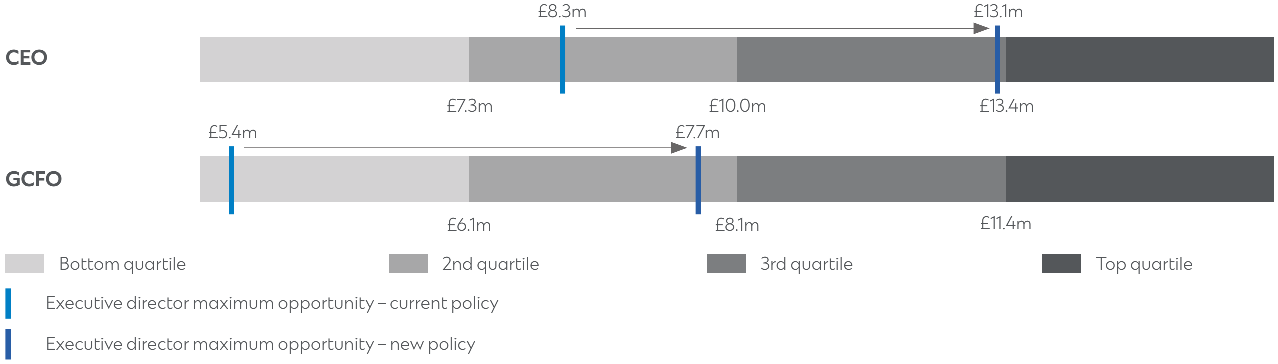
The group includes two US banks – JPMorgan Chase and Citi – which we believe is appropriate based on our criteria. In particular, the US is a significant location for the recruitment of senior executives. Both of our current executive directors have worked at US banks earlier in their careers and we have recruited several US non-executive directors. However, recognising the debate regarding the differential in US versus UK pay levels, for these banks we used a direct report of the Group CEO for the remuneration benchmark, in recognition that this would be a more appropriate match in terms of potential recruitment.

While there is no perfect peer across the criteria tested, the robust scoring methodology that we applied gives us confidence that we have selected an appropriate group of peers. The banks included in our remuneration peer group are detailed below:

Remuneration peer group

- Barclays
- Citi (Head of Markets)
- DBS
- Deutsche Bank
- HSBC
- JPMorgan Chase (Co-CEO Commercial and Investment Bank)
- Lloyds Banking Group
- OCBC
- Société Générale
- UBS
- United Overseas Bank

For Bill and Diego, current and new maximum remuneration opportunities against our peer group are shown below:



Peer group data is based on 2023 outcomes and availability of data

For Bill, total remuneration opportunity under the new policy is positioned towards the upper quartile of our remuneration peer group for target and maximum performance outcomes (based on currently available compensation information for our peers) and positioned towards the upper quartile against FTSE 30 companies. For Diego, total remuneration under the new policy is positioned around the median of our remuneration peer group and around the upper quartile against FTSE 30 companies.

The Committee recognises that, while the proposed maximum opportunities for executive directors are within the peer group range, the proposal for Bill is in the top half of the range. We believe that this is appropriate for the Bank at this time to incentivise the delivery of sustainably higher returns and, supported by the stretching performance targets we have set, deliver appropriate and competitive performance–linked reward.

Simplifying our scorecards and focusing on financial measures

We appreciate that the significantly higher variable incentive opportunity for executive directors needs to be accompanied by an increased focus on financial performance measures – ensuring a strong link between executive director pay and shareholder returns. We have also taken note of shareholder feedback for making scorecard metrics simple, transparent and measurable. To that end, financial metrics now constitute 60 per cent of the annual scorecard metrics (versus 50 per cent previously), and 80 per cent of the LTIP scorecard (versus 60 per cent previously). The LTIP scorecard metrics comprise 40 per cent each for RoTE and relative TSR, and 20 per cent for sustainability measures.

Flexibility to disapply time proration on vesting LTIP awards

The Committee recognises that the standard practice in the UK is to prorate in-flight LTIP awards for time served during the performance period when an executive director retires.

However, the Committee has decided to retain the provision that allows it to consider the disapplication of time proration for in-flight LTIP awards, only for Bill, on his retirement. The Committee believes it is appropriate to retain this flexibility for Bill as, during his tenure as CEO, he has overseen a very substantial transformation of the Bank. This major overhaul has created the environment for the Bank, and its shareholders, to benefit from current and future strategies.

We acknowledge the feedback received from our shareholders and the proxy advisers that the use of this flexibility is not standard practice. The Committee's default position is that LTIP pro-ration for time served will apply unless there is strong evidence of tangible and sustained improvement in the performance of Standard Chartered prior to Bill's retirement. In addition:

- Bill will need to be designated as an 'Eligible Leaver' under our share plan rules, which includes requirements such as not taking on another executive role for a competitor, for the provision to be considered.
- Any LTIP awards that are retained on retirement will continue to be deferred in accordance with applicable deferral rules and will remain subject to malus and clawback provisions.

A majority of our shareholders, with whom we discussed this provision, were comfortable that the Committee retain this flexibility for Bill in the context of the significant transformation he has overseen, and indicated that they would judge the decision of the Committee if the provision was used. Should the Committee decide to use this discretion, the circumstances and deliberations around its decision will be fully disclosed in the applicable directors' remuneration report.

Increased shareholding requirements

The shareholding requirements in place for executive directors are based on a percentage of salary and, therefore, with the reduction in salaries these requirements need to be revised.

Considering our other proposals, and reflecting the increase in variable pay opportunity, we are proposing new shareholding requirements of 500 per cent of the new salary for Bill and 400 per cent of the new salary for Diego. This represents an increase in GBP terms of 19 per cent for Bill and 33 per cent for Diego and positions the requirements at the upper quartile of the FTSE 30.

PRA and FCA consultation on remuneration regulations

The Committee notes the current consultation on certain aspects of the remuneration regulations, including reducing the length of deferral and the removal of post-vest retention periods currently applicable to share awards along with reintroducing the option to pay dividend equivalents on deferred share awards.

We have designed the policy to be flexible enough to respond to any changes without significant restructuring.

Executive directors' remuneration in 2025

Subject to the approval of the new directors' remuneration policy, the table below summaries how the policy will be implemented in 2025. Full details of the new policy are set out on pages 164 to 169.

New directors' remuneration policy – implementation in 2025

Fixed remuneration	Bill	Diego
Salary	£1,500,000	£1,100,000
Benefits	A range of core benefits, aligned with UK workforce	
Pension	10% of salary	
	£150,000	£110,000
Variable remuneration		
Increased annual incentive opportunity based on **a simplified scorecard**	Maximum: **270%** of salary	Maximum: **220%** of salary
	Financial measures – 60% Strategic measures – 30% Personal performance – 10%	
Increased long-term incentive opportunity based on **a simplified scorecard**	Maximum: **490%** of salary	Maximum: **370%** of salary
	Financial measures: Return on tangible equity 40%; Relative total shareholder return 40% Non-financial measures: Sustainability 20%	
The outcomes of both the annual and long-term incentive plans are **subject to a risk and control modifier**		
Increased shareholder requirements	**500%** of salary	**400%** of salary

2025 salaries

Subject to approval of the directors' remuneration policy in May 2025, salaries will be reduced by 40 per cent for Bill and by 33 per cent for Diego, effective from 1 April 2025.

2025–27 LTIP awards to be granted in May 2025

The Committee will grant 2025-27 LTIP awards to the executive directors following the AGM on 8 May 2025.

Subject to the approval of the new directors' remuneration policy, and considering the very strong 2024 Group performance, the Committee has approved LTIP awards for the period of 2025-27 as follows:

	2025–27 LTIP award (£)	% of salary
Bill Winters	7,350,000	490%
Diego De Giorgi	4,070,000	370%

The LTIP awards are dependent on our simplified and re-focused performance measures and targets by the end of a three-year performance period.

To reflect the increased long-term remuneration opportunity, the RoTE performance range has been increased, and for these awards will be 11.5 per cent for a threshold outcome up to 14.5 per cent for a maximum outcome. TSR will continue to have a performance range of threshold for relative median ranking up to a maximum outcome for upper quartile ranking. The sustainability targets are focused on our net zero pathway and are quantitative in nature. The outcome of the awards is also subject to a risk and control modifier to be assessed based on input from the Group Board Risk Committee to ensure the performance has been delivered with appropriate risk and control management.

See **pages 172 and 173** for further details

In conclusion, the Committee believes that the 2024 outcomes are appropriate in the context of the very strong performance delivered in 2024. The proposed directors' remuneration policy, which will apply from 2025, subject to shareholder approval, delivers on the critical need to have a reward policy in place which enables the Board to attract, retain and motivate our executive directors. We ask that our shareholders support the policy on the basis that it:

- Gives a significantly higher weighting to performance-linked variable pay which will incentivise and appropriately reward outperformance at this important growth phase for the Bank.
- Reinforces the alignment of executive director reward and shareholder experience with a greater proportion of pay that is directly linked to Group performance and the share price, and outcomes based on scorecards that are focused on financial return measures and linked to our strategic aims.
- Provides a competitive maximum opportunity, that is within the market range, and better aligned with remuneration structures in markets where we compete for talent, enhancing our ability to attract and retain executives.
- Mitigates internal pay compression pressure.

In the rest of this report, we present the disclosures required by regulations, as well as additional information to explain how remuneration for our executives aligns with our strategy, shareholder interests and wider workforce pay. In making remuneration decisions for 2024 and beyond, we have also been mindful of the experience of our wider stakeholder group.

I would like to thank my fellow Committee members for the work they have put into the Committee in 2024 and our shareholders for the valuable insights that they provided during a very productive round of engagement in recent months.

Shirish Apte
Chair of the Remuneration Committee

(All disclosures in the directors' remuneration report are unaudited unless otherwise stated. Disclosures marked as audited should be considered audited in the context of the financial statements as a whole.)

How to use this report

Within the directors' remuneration report we have used colour coding to denote different elements of remuneration, as follows:

Salary, pension, benefits (fixed remuneration)

Annual incentive

LTIP

We have also used the following icons for ease of navigation through this section and to show alignment between remuneration and the strategic objectives of the Group.

Investors
Risk management
Ways of Working
Clients
Employees
Innovation
Sustainability
Lifting Participation
Resetting Globalisation
Accelerating Zero
People and culture

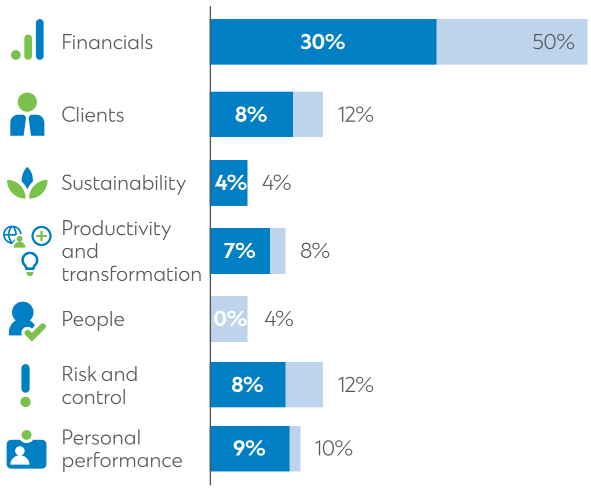
Remuneration at a glance

How does executive director remuneration link to Group strategy?

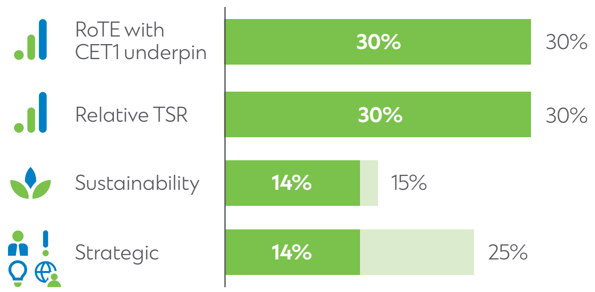
		As measured by	2024 Annual incentive	2022-24 LTIP
Financial KPIs Further details can be found on **pages 157 and 161**	Income	Financial results	✓	
	Costs		✓	
	Return on tangible equity		✓	✓
	Common Equity Tier 1 ratio			✓
	Relative total shareholder return			✓
Strategic priorities Further details can be found on **page 18**	Network business	Achievement against objectives	✓	✓
	Affluent client business		✓	✓
	Digital Ventures		✓	
	Mass Retail business		✓	✓
	Sustainability		✓	✓
Critical enablers Further details can be found on **page 20**	People and culture		✓	✓
	Ways of working		✓	✓
	Innovation			✓

How did we determine executive director variable remuneration outcomes in 2024?

2024 annual incentive



2022-24 LTIP



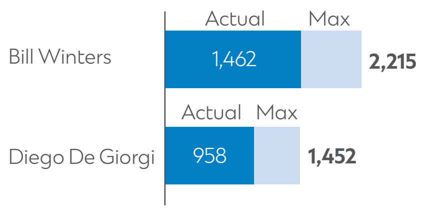
2024 annual incentive outcome **66%**

88% 2022–24 LTIP projected outcome

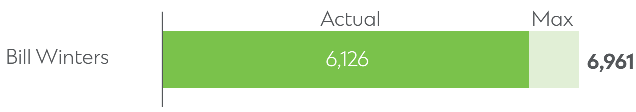
Following the detailed performance assessment of measures and proof points, the Committee considered the performance outcomes of both scorecards to be appropriate and consistent with Group performance.

How do executive directors' remuneration outcomes compare with the maximum opportunity?

2024 annual incentive (£000)

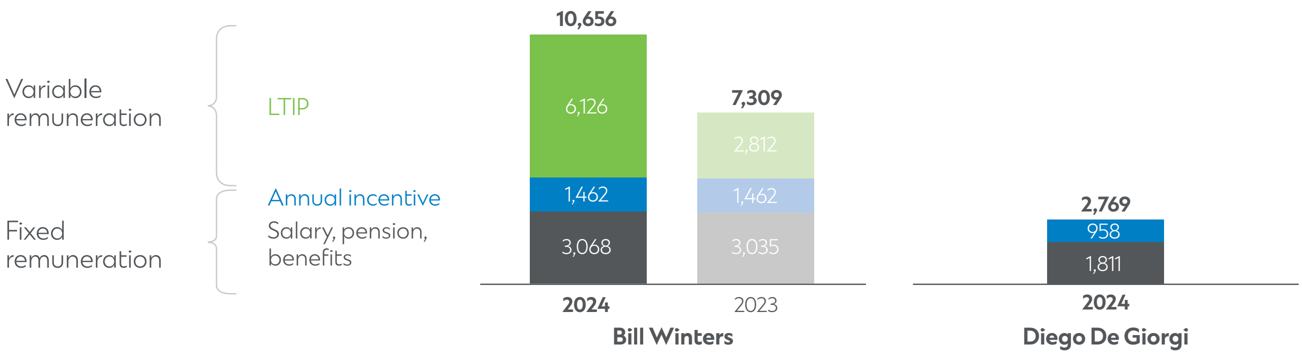


2022-24 LTIP projected outcome (£000)[1]



1 The values of the projected outcome and maximum opportunity are calculated using a three-month average share price to 31 December 2024.

How we paid our executive directors in 2024 (single total figure of remuneration) £000



How the CEO's remuneration is delivered over time[1]

	Awarded for 2024 £000	Delivery method	Structure and timing of payment
Salary	£2,517	CEO: 50% cash	**Cash** (2024)
		CEO: 50% shares	**Shares** Released in equal amounts between 2025 and 2029
Pension	£252	100% cash	**Cash** (2024)
Annual incentive[2]	£1,462	50% cash	**Cash** (2025)
		50% shares	**Shares** (2026)
LTIP[2,3]	£7,350	100% shares	Forward looking performance measured over 2025 to 2027; **Shares** Delivered in equal amounts between 2028 and 2032 (subject to 12-month retention post vest)

2024 2025 2026 2027 2028 2029 2030 2031 2032

1 The diagram shows how Bill's remuneration is released over time, with the final component of pay granted in 2024 being released in 2032. Diego's pay awarded for 2024 will release over the same period.

2 Variable remuneration, including annual incentive and LTIP, is subject to clawback for up to 10 years from grant.

3 To be awarded in consideration of Group performance in 2024, under the new directors' remuneration policy, subject to approval at the AGM in May 2025.

Alignment of executive remuneration with shareholder experience

As shown in the illustration above, a significant proportion of executive director remuneration is delivered in shares, creating a strong alignment of interests between executive directors and shareholders.

Under the new directors' remuneration policy, the rebalance towards performance-linked, variable remuneration will further increase the proportion of remuneration that is delivered in shares to, at maximum performance, around 70 per cent of total remuneration for both executive directors.

Executive directors will be required to maintain significant personal share holdings of 500 per cent of salary for the CEO and 400 per cent of salary for the GCFO.

Appropriateness of executive directors' remuneration

We maintain a consistent remuneration approach for all employees, in line with our Fair Pay Charter. Remuneration for executive directors is reviewed annually against internal and external measures to ensure appropriate levels, aligned with the approach for other employees. During 2024, as part of the development of the directors' remuneration policy, fixed and variable remuneration were reviewed against a peer group of international banks to ensure the new policy would be appropriately competitive. See pages 146 and 147 for full details of the benchmarking process.

Remuneration alignment

Alignment with...

Our culture

Our performance and reward framework supports us in embedding a high–performance culture and aligns with our principle that colleagues should share in the success of the Group.

- Remuneration decisions are guided by our Fair Pay Charter.

See our **2024 Diversity, Equality and Inclusion Impact Report** for further details on our Fair Pay Charter **sc.com/fairpayreport**

- The wider workforce and our executive directors participate in continuous performance management and feedback to ensure that performance is discussed and assessed throughout the year.
- Employee performance is assessed based on what is achieved and how it is achieved in line with our valued behaviours. Our remuneration structure and policies ensure that behaviours consistent with these values are appropriately recognised and rewarded.
- Our LTIP is subject to an assessment to ensure appropriate levels of conduct have been demonstrated to meet our conduct gateway requirement.

Our strategy

Remuneration decisions made across the Group, including for our executive directors, align with our strategic priorities and our Stands, including our commitment to sustainable social and economic development.

- Performance measures in our Group and LTIP scorecards are designed to drive achievement of the financial and strategic goals that will deliver long-term sustainable value for our stakeholders.
- Sustainability is a key consideration for setting and measuring financial and strategic targets.
- If scorecard outcomes are not consistent with progress against our strategic commitments, the Committee has the discretion to make adjustments.

See **page 150** for further details on how our incentive plans are aligned to our strategy

Our approach to risk and control

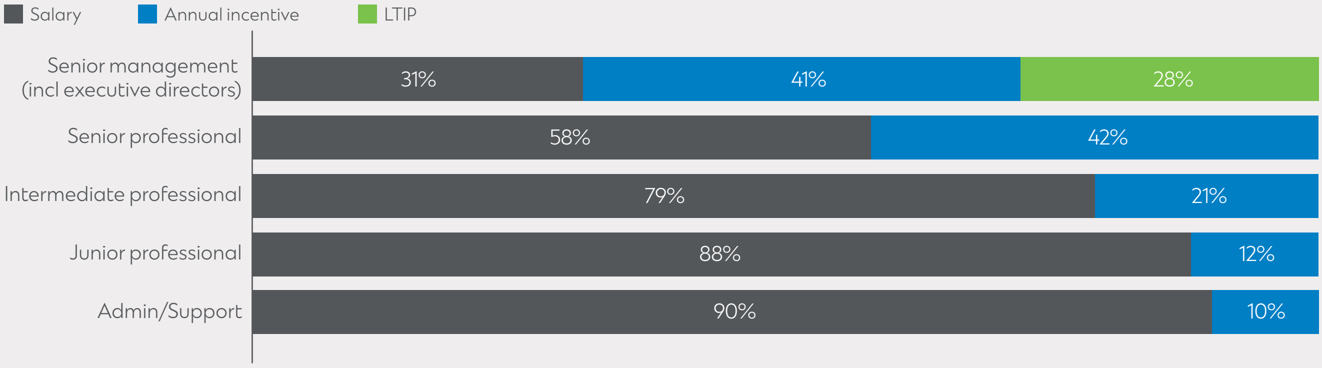
The determination of our remuneration policy and outcomes align with the Group's risk and control framework.

- The Group has a robust formal process for reviewing risk and control matters and reflecting these in remuneration outcomes at both an individual and collective level.
- The most significant risk and control matters are escalated for oversight by the Remuneration Committee and, at year-end, these are reviewed to determine any impact to Group incentives.
- Long-term sustainable performance is supported through the ability to make adjustments to variable remuneration for risk, control and conduct behaviours, the deferral of variable remuneration, and the ability to apply malus and clawback where appropriate.
- Incentives for employees engaged in Audit, Risk and Compliance functions are set independently of the businesses they oversee.

See **page 180** for further details

Performance aligned remuneration

The balance between fixed and variable remuneration is geared to provide a greater proportion of fixed remuneration for more junior employees to give more financial security. In comparison, for more senior employees, including the executive directors, the variable remuneration opportunity is larger, reflecting their ability to influence the Group's performance.



How does our directors' remuneration policy address other key features set out in the UK Corporate Governance Code?

Proportionality

- In line with our commitment to pay for performance, a significant proportion of executive director pay is delivered through incentives based on performance metrics aligned with our strategy. Our new directors' remuneration policy further enhances this with an increased proportion of performance-linked variable pay.
- The Committee sets robust and stretching targets to ensure there is a clear link between Group performance and executive director awards.
- Executive directors' interests are further aligned with shareholders' long-term interests through the deferred release of annual incentives and LTIP awards.
- Malus and clawback provisions apply for up to 10 years from grant, in alignment with remuneration regulations for senior management. No malus or clawback provisions were used during 2024.
- Shareholding requirements are in place for executive directors, requiring them to build and maintain a significant shareholding in Company shares while in employment and for a period of two years from stepping down as a director. Bill currently exceeds his respective shareholding requirements and Diego is continuing to build up his requirement.

Predictability

- The range of possible rewards to individual executive directors is set out in the scenario charts on page 170, where we also demonstrate the impact of a 50 per cent share price appreciation over the three-year performance period of the LTIP.
- In addition to maximum award levels specified in our current and new remuneration policies, the value of incentive awards will vary depending on achievement against specified performance targets and the share price at the time of delivery for the significant part of reward which is delivered in shares.

Simplicity and clarity

- Simplicity is a key driver for the structure of our executive pay, subject to adherence to regulatory requirements arising from operating as a UK–regulated bank.
- Our remuneration structure comprises straightforward and well-understood components. The purpose, structure, alignment with strategy and consistency with arrangements for the wider workforce are clearly set out in the remuneration policy.

See **pages 164 and 169** for further details

- We set and report our performance-related measures, targets and outcomes in a clear and balanced way.

How is our executive director remuneration aligned to stakeholder experience?

- Remuneration outcomes reflect key financial and non-financial performance delivered in the year. Sixty per cent of the 2025 executive director annual incentive scorecard and 80 per cent of the 2025–27 LTIP award will be based on financial performance.
- Variable remuneration awards are based on stretching targets which are subject to robust assessment, as evidenced by historical outcomes.
- A significant portion of executive remuneration is paid in shares, and shareholding requirements apply.
- Post-employment shareholding requirements further reinforce the importance of sustainable long-term performance.
- The Committee Chair regularly engages with shareholders on remuneration matters.

- The same remuneration principles apply to executives and employees, including consistent benefit and pension provision by location.

See **pages 164 and 169** for further details

- Incentives for executive directors are based on a set of measures that strongly align with those used to determine discretionary incentives across the Group.
- Measures to improve the overall employee experience across the Group by creating a better work environment for our employees are included in the Group scorecard.

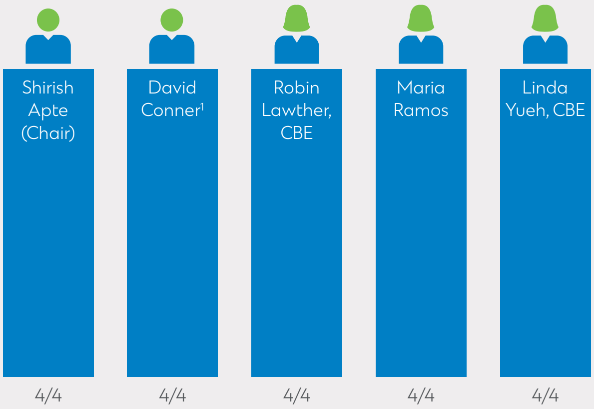
- The Committee Chair regularly meets with our lead regulators to discuss our remuneration approach and outcomes.
- Remuneration outcomes take into account risk, control and conduct considerations.
- Pay structures are aligned to relevant best practice, including the application of deferrals and malus/clawback.

- Sustainability measures used within the Group scorecard and LTIP are aligned to our Sustainability Aspirations, reflecting our commitment to sustainable social and economic development.
- The Committee tracks gender and ethnicity pay gaps, and actively monitors the actions being taken to close them.

- Remuneration outcomes reflect performance delivered including client-related performance objectives (e.g., improved client satisfaction).

Committee at a glance

Committee composition



1 David Conner stepped down from the Committee on 30 December 2024.

Who else attended Committee meetings in 2024?

The Group Chairman; Group Chief Executive; Group Chief Financial Officer; GCRO; Chief Strategy & Talent Officer; Global Head, Performance, Reward and Benefits; Group Head, Conduct, Financial Crime and Compliance; Group Company Secretary; Chair of the Audit Committee; Group Head, Internal Audit.

See **pages 106 to 108** for biographical details of the Committee members

The Committee held one additional ad-hoc meeting in 2024, attended by four out of the five members. Linda Yueh did not attend this meeting due to a prior business commitment. However, she received the papers and provided feedback.

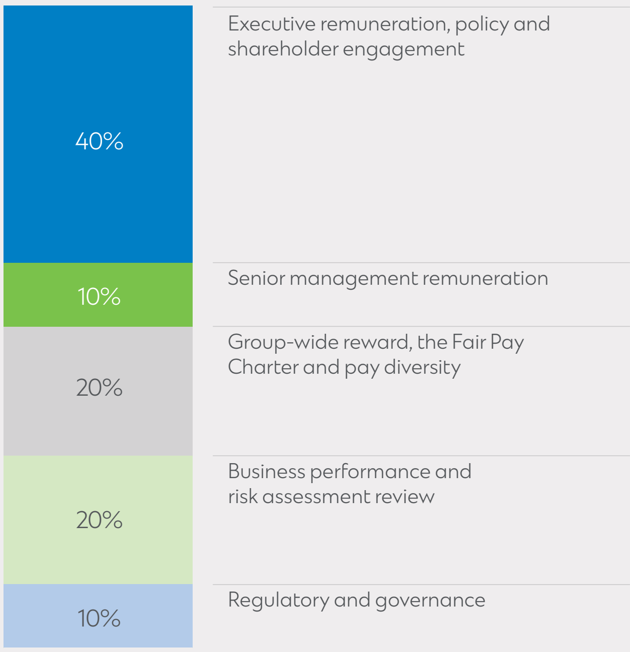
What are the main responsibilities of the Committee?

The Committee is responsible for setting the principles, parameters and governance framework for the Group's remuneration policy and overseeing its implementation. This includes:

- Determining the framework and policies for the remuneration of the Group Chairman, the executive directors and other senior management considering our Fair Pay Charter, wider workforce remuneration and alignment with culture and conduct.
- Overseeing the alignment of reward, culture, the strategic priorities and our Stands.
- Approving the Group discretionary remuneration pool, taking into account all aspects of performance.
- Overseeing the Fair Pay Charter.

The Committee has written Terms of Reference that can be viewed at **sc.com/termsofreference**

How did the Committee spend their time during their 2024 meetings?



Committee focus during 2024

The Committee Chair continues to engage with shareholders to seek views and feedback on key decisions the Committee takes each year. In 2024, shareholders were consulted extensively on the development of the new directors' remuneration policy scheduled to be put to shareholders for approval at the 2025 AGM.

Read more on **pages 145 to 147**

How did our shareholders vote?

	For	Against	Withheld
Advisory vote on the 2023 remuneration report at 2024 AGM[1]	**484,724,890** 95.3%	**23,766,538** 4.7%	1,611,326
Binding vote to approve the 2022 directors' remuneration policy at 2022 AGM	**404,531,068** 68.8%	**183,344,607** 31.2%	24,340,637

1 If withheld votes are considered as part of the overall voting outcome distribution, 95.02 per cent of votes would have been 'For' the resolution.

What advice does the Committee receive?

PwC was re-appointed as the Committee's remuneration adviser in 2021. The Committee conducts a detailed review of potential advisers every three or four years.

PwC is a signatory to the voluntary remuneration consulting Code of Conduct. It provides other services to the Group including assurance, advisory, consultancy and tax advice. The Committee is satisfied the advice received was objective and independent and that no potential or actual conflict arose. The total fees paid to PwC (partly a fixed fee and partly on a time and materials basis) was GBP142,410, which includes advice to the Committee relating to executive directors' remuneration and regulatory matters.

The GCFO and Group Chief Risk Officer regularly update the Committee on finance and risk matters and the Committee also receives input from the Board Risk Committee, Culture and Sustainability Committee, and Chair of the Board Audit Committee on relevant matters.

The Committee manages conflicts of interest when receiving views from senior individuals on remuneration proposals and no individual is involved in deciding their own pay.

How effective was the Committee in 2024?

The 2024 Board and Committee's effectiveness review was conducted internally, facilitated by the Group Company Secretary, and in accordance with the UK Code.

In a year dominated by the Committee's review of the new directors' remuneration policy and consultation with investors and shareholder bodies, the feedback on the Committee's functioning and effectiveness was positive and specifically highlighted the following:

- The Committee's oversight of the policy was highly rated, and the Chair was commended for leading an extensive consultation.
- Meetings are well run, and presenters convey detailed information concisely.
- Papers are of high quality and contributions from the Group Reward Team were highly rated.

Action plan

The 2024 action plan set out a number of actions arising from the internally facilitated effectiveness review conducted in 2023. The action plan was regularly reviewed during the year and good progress has been made against the actions, with all of them being completed.

The 2025 action plan for the Committee reflects suggestions from the 2024 review and continues to build on the solid progress made last year:

- Continue to focus on pay for performance across the Group. If approved by shareholders.
- Ensure the new Policy continues to align with the Group's strategy.
- Consider better leveraging the Investor Relations Team to solicit more shareholder views.
- Improve the oversight of remuneration communications to ensure more consistent messages.

How does the Committee understand the views of our workforce?

87%

of colleagues responded to the Group's engagement survey, My Voice, which seeks to understand colleague sentiment in respect of performance management, the process of giving and receiving feedback and reward.

The Committee recognises the importance of seeking feedback from colleagues on remuneration matters to inform decision-making. The Culture and Sustainability Committee (CSC) is responsible for the Group's workforce engagement programme and provides colleague feedback to the Remuneration Committee to inform remuneration decision-making. The Committee is also provided with the views of employees through updates from the annual My Voice and Performance & Reward surveys.

The Board engages with and listens to the views of employees. In 2024, the Board met with colleagues in various markets in specially arranged sessions where directors were able to appreciate the challenges, successes, concerns and opportunities shared by colleagues in each of the markets.

See our Culture and Sustainability Committee report on **pages 134 to 136** and our Stakeholder section on **pages 38 to 41** for further information on our workforce engagement framework

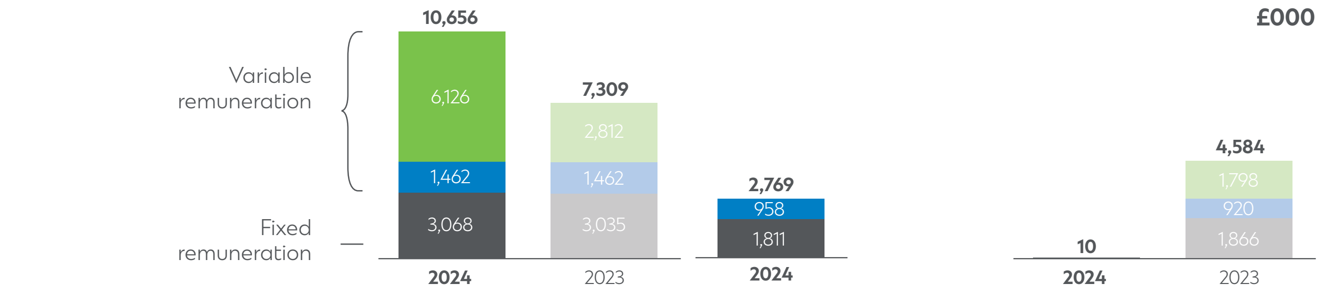
Directors' remuneration in 2024 (audited)

This section, which is subject to an advisory vote at the 2025 AGM, outlines the 2024 executive director remuneration delivered under the 2022 shareholder-approved remuneration policy and the 2024 fees for the Group Chairman and INEDs.

Our current directors' remuneration policy is set out in full on pages 159 to 164 of the 2021 Annual Report and on our website at **sc.com**

The following table sets out the 2024 single total figure of remuneration for the CEO and GCFO showing a year-on-year increase of 46 per cent for the CEO, reflecting the Group's consistent, strong performance over the last three years and the significant increase in our share price over recent months.

Single total figure of remuneration £000



£000	Bill Winters 2024	Bill Winters 2023	Diego De Giorgi[1] 2024	Diego De Giorgi[1] 2023	Andy Halford[2] 2024	Andy Halford[2] 2023
Salary	**2,517**	2,496	**1,641**	–	**9**	1,596
Pension	**252**	251	**109**	–	**0.9**	160
Benefits	**299**	288	**61**	–	**0.5**	110
Total fixed remuneration	**3,068**	3,035	**1,811**	–	**10**	1,866
Annual incentive award	**1,462**	1,462	**958**	–	–	920
LTIP outcome						
Value based on performance	**3,248**	2,104	**–**	–	**–**	1,345
Value based on share price growth	**2,878**	708	**–**	–	**–**	453
Total variable remuneration	**7,588**	4,274	**958**	–	**–**	2,718
Single total figure of remuneration	**10,656**	7,309	**2,769**	–	**10**	4,584

1 Diego was appointed to the Board and as GCFO on 3 January 2024. The remuneration shown for 2024 is in respect of his services as GCFO during the year

2 Andy Halford stepped down from the Board on 2 January 2024. The remuneration shown for 2024 is in respect of his services as GCFO during the year

Notes to the single total figure of remuneration table

Benefits	• Bill receives a contribution towards his annual tax preparation due to the complexity of his tax affairs, partly due to Group business travel requirements. • Bill has the use of a car and driver. This is a role-based provision given the executive role and the associated security and privacy requirements. • 2024 figures above relate to the 2023/24 UK tax year and the 2023 figures relate to the 2022/23 UK tax year.
Annual incentive award	• Received in respect of 2024 and 2023.
Outcome of LTIP award	• For 2024, projected outcome values of the 2022-24 LTIP awards vesting, awarded in 2022. • For 2023, the final outcomes of the 2021-23 LTIP awards were lower than the projected values disclosed in last year's report and have been restated. At that time, the projected performance outcome was 66 per cent. When the relative TSR performance was assessed in March 2024, the actual outcome was 57 per cent with a share price of £6.551, resulting in a lower outcome.

Andy Halford

Andy Halford stepped down from the Board on 2 January 2024, after which he continued as a Senior Adviser, working on strategic projects for the Group, until retiring on 31 August 2024. During this time, Andy continued to receive his salary and benefits until his retirement. As an eligible leaver, Andy retained his existing LTIP awards which are subject to the achievement of performance measures and which have been prorated up to the date of his retirement on 31 August 2024. Based on the projected outcome of 88 per cent, 378,400 shares are expected to vest in March 2025. The estimated value of this outcome is £3,479,956 based on the three-month average share price to 31 December 2024 of £9.197.

Payments to former directors

There were no payments or pension contributions made to, or in respect of, past directors in the year in excess of the minimum threshold of £50,000, set for this purpose.

Annual incentive awards for the executive directors

Annual incentive awards for executive directors are based on the assessment of the Group scorecard and personal performance, in line with the current remuneration policy. For Bill and Diego, the Committee considered the Group scorecard outcome, individual performance, and risk, control, and conduct-related matters and determined that the scorecard outcome appropriately reflects performance in 2024. The Committee also determined that both directors exhibited appropriate levels of conduct and met the gateway requirement to be eligible for an incentive.

The annual incentive outcomes for Bill and Diego are summarised below:

Executive director scorecard outcomes

Measure	Weighting	Bill Winters outcome	Diego De Giorgi outcome
Financial	50%	30%	30%
Strategic	40%	27%	27%
Personal performance	10%	9%	9%
Total	**100%**	**66%**	**66%**
Maximum annual incentive opportunity (£000)		2,215	1,452
Annual incentive outcome (£000)		**1,462**	**958**

Assessment of the 2024 scorecard – financial measures

Measure	Weighting	Threshold (0%)	Maximum (100%)	Achievement	Outcome
Income[1] ($)	9%	18.3bn	19.9bn	19.7bn	**8%**
CIB Sustainable Finance Income[2] ($)	3%	864m	936m	1.0bn	**3%**
Costs ($)	8%	12.1bn	11.2bn	11.7bn	**4%**
RoTE[3] with a CET1[4] underpin of the higher of 13% or the minimum regulatory requirement	30%	10.1%	12.4%	11.7% CET1 of 14.2%	**15%**

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

2 CCIB name changed to CIB in 2024

3 Underlying RoTE represents the ratio of the current year's underlying profit attributable to ordinary shareholders plus fair value on other comprehensive income equity movement relating to Ventures segment to the weighted average tangible equity, being ordinary shareholders' equity less the intangible assets for the reporting period. Underlying RoTE normally excludes material regulatory fines and certain other adjustments but, for remuneration purposes, this would be subject to review by the Committee

4 The CET1 underpin was set at the higher of 13 per cent or the minimum regulatory level as at 31 December 2024. In addition, the Committee has the discretion to take into account at the end of the performance period any changes in regulatory capital and risk-weighted asset requirements that might have been announced and implemented after the start of the performance period

Assessment of the 2024 scorecard – strategic measures

Clients (Network, Affluent, Mass)

Target

- Improve client satisfaction and client experience ratings
- Deliver cross border income growth in CIB
- Deliver network growth in qualified clients across Affluent activity
- Mass market retail growth through new-to-bank personal customers
- Grow value of Ventures

Assessment

- Client satisfaction ratings were exceptional, with strong WRB Net Promoter and CIB Client Engagement results.
- Increased CIB cross border income to $7.3 billion (versus $6.9 billion in 2023).
- Affluent income growth outperformed ($293 million versus $213 million in 2023) driven by a focus on our International Clients strategy.
- Mass market retail growth from over 1.8 million new Partnership active clients and new affluent sign-ups.
- Ventures value grew, driven by Mox and Trust new customers and Ventures institutional clients.

Weighting – 12%

Outcome – 9%

Sustainability

Target

- Meeting key milestones through building infrastructure relating to client, transaction and central data for delivering on our net zero ambition.
- Reducing our financed emissions for key sectors in line with our risk appetite and based on interim 2030 sectoral targets.
- Reducing Scope 1 and 2 emissions in line with our operational net zero target by 2025.

Assessment

- Achieved all milestones set for 2024.
- Total financed emissions are tracking well below our risk appetite across all key sectors (Oil & Gas, Power, Automobile Manufactures, and Steel).
- Reduction in Scope 1 and 2 emissions are tracking to exceed targets with the completion of major key projects reducing carbon emissions globally.

Weighting – 4%

Outcome – 4%

Productivity and transformation

Target	Assessment
• Grow proportion of digitally initiated transactions and digital sales adoption. • Transformational Change: percentage of transformation change programmes on track. • Productivity: Increase Operating Profit less Credit Impairment per FTE.	• Increased CIB digital volumes from Mobile and Trade, improved client satisfaction score on Straight2Bank and higher WRB mobile adoption. • Exceeded transformational change target with over 81% of programmes on track (versus target of 70%). • Operating Profit less Credit Impairment per FTE increased, mainly driven by higher underlying Profit Before Tax.
Weighting – 8%	Outcome – 6%

People and culture

Target	Assessment
• Improve employee engagement as evidenced in our annual My Voice survey. • Improve senior female representation to support reaching 35% by 2025. • Improve our 'culture of inclusion' score (internal index).	• There was no improvement on the employee engagement and 'culture of inclusion' scores in the 2024 My Voice survey. This was against a benchmark of all-time high scores achieved in 2023. Employee experience continues to be positive, with most scores remaining higher than 2022 levels. • Senior female representation is above threshold but below target for 2024.
Weighting – 4%	Outcome – targets not achieved

Risk and controls

Target	Assessment
• Non-financial risk reduction. • Self-identification of audit issues.	• There was a strong outcome for non-financial risk reduction, achieving 124% of target in 2024. • Targets set for self-identification of audit issues were not met.
Weighting – 12%	Outcome – 8%

Assessment of the 2024 scorecard – personal performance

The Committee considers areas of responsibility together with progress against key objectives for the year and personal contribution to the Group scorecard outcome. This element focuses on measures that reflect real personal impact, such as transformation of processes and improving the culture within the Bank. Key achievements against Bill's and Diego's personal objectives are summarised in the tables on the next pages.

Bill Winters

2024 has been another very strong year for Bill during which his drive, strategic vision and relentless execution led the Group to achieve the strongest set of results we have published in recent years. Bill maintained an intense focus on delivery against a strategy that has been further sharpened with the implementation of our Fit for Growth initiative and organisational design changes to drive transformation. He has promoted the interests of the Bank through extensive internal and external engagement, devoting significant time to key stakeholders including clients, investors, regulators and colleagues. Our positive financial and strategic results are increasingly being recognised in our share price, reflecting the markets' appreciation of the foundations laid over his tenure and the greatly improved outlook for the Group. This trend is reinforced by our achievement of 11.7 per cent RoTE for 2024, the highest since Bill's appointment in 2015. These results are a testament to Bill's strong and effective leadership.

Financial performance and risk and controls

- Further progress towards an efficient and more profitable Bank while maintaining focus on risk and control.

- Bill implemented significant positive transformation through the elimination of regional structures and streamlining management layers, reducing friction and allowing us to operate more efficiently.
- The transformation agenda continues to progress under Bill's leadership, with a strong focus on communicating the importance of, and the benefits from, the transformation.
  - In our annual My Voice all-employee survey, nearly 90% of colleagues felt we were adapting our ways of working to deliver the strategy.
  - 85% of colleagues indicated they are clear on the desired outcomes and benefits of our Fit for Growth programme.
  - We have identified and are funding over 140 initiatives for simplifying, standardising and digitising operations, with the aim of generating more than $1.5 billion of sustainable saves.
- Bill has overseen significant enhancements to the Group's Technology & Operations control framework to ensure the security of our digital portfolio, and ensured momentum was maintained following the departure of the Group Chief Technology, Operations and Transformation Officer during the year.
- Bill continues to personally champion the sustainability agenda both for the Bank and the industry more widely, and the Bank has continued to be recognised as an industry leader.
  - Bill is a member of the GFANZ Principals Group, a founding member of the World Bank Private Sector Investment Lab, and sits on the Distinguished Advisory Group of the Integrity Council for Voluntary Carbon Markets and the board of Climate Impact X (CIX). The Bank contributed to the UK Transition Finance Market Review.
  - We achieved first place in Climate X's assessment of the world's largest commercial banks climate adaptation maturity.

Innovation

- Further promote our culture of innovation and maximise synergies between the main bank and our SC Ventures.

- Bill has continued to champion and role-model an innovation mindset across the Group, including targeted training for the Management Team. Over 330 ideas from 14 Innovation Challenges were launched in 2024, and over 300 employees have been upskilled in innovation techniques.
- Bill is a leading advocate for our Ventures business, which complements the services offered by the traditional bank by addressing the digital banking and lifestyle needs of retail clients, with a portfolio of fast growing banks (Mox, Trust), banking-as-a-service (Audax), digital retail onboarding (Appro), and financial planning and wealth management (Vault22). Good progress also made in partnership with CIB, in building institutional grade digital assets with capabilities from issuance to settlement products, and in developing distinct business models to support trade and supply chains (e.g., Olea).
- We have seen increasing client demand and validation for these solutions and are receiving industry recognition.
  - Trust, founded in 2022, is the fourth largest retail bank in Singapore by customer size, Appro won the grand prize at the Fintech World Cup during Dubai FinTech Summit and Audax was named amongst the 20 Hottest Startups of 2024 by Singapore Business Review.
- In 2024, Bill added the CEO of SC Ventures to the Management Team to reinforce the strong connections between our businesses, functions and ventures.

People and culture

- Continue to build a high performance environment and embed the culture of excellence.

- Bill has led the Group through major senior management transitions in 2024, including the successful onboarding of Diego De Giorgi as GCFO, and Roberto Hoornweg and Sunil Kaushal as co-heads of CIB.
- Bill also oversaw the departure of Management Team members and expanded the responsibilities of others, increasing resilience, and creating opportunities for growth and a stronger pipeline for succession.
- There has been continued focus on building and embedding a culture of excellence across the Group with an emphasise on high-performance, feedback, recognition and a focus on clear differentiation in pay outcomes to reflect performance.
- Bill has instilled a high level of energy and positivity into the organisation which can be challenging in a year of substantial change. He encouraged colleagues to align their focus to the delivery of the clear strategic priorities we have set.
  - In our annual My Voice survey, nearly 90% of colleagues indicated that they understand the Bank's strategy and believe it will enable us to be more competitive.

Weighting – 10%	Outcome – 9%

Diego De Giorgi

Diego has demonstrated strong leadership in his first year as Group CFO, bringing energy, a fresh perspective and a desire for change and improvement for the Bank and his own function. Diego has quickly built his influence within the Group and has developed strong relationships with external stakeholders, including investors. He has helped shape the focus for the Management Team in 2024 with a convincing narrative, supported by rigorous analysis.

Goal	Assessment
Financial	
• Financial performance: contribute to the delivery of Group financial performance and operating leverage. • Finance function performance: partner with and support business in the execution of the Group's strategy.	• Diego has played a pivotal role in driving strategic initiatives in CIB and WRB, leveraging his operational experience, with a focus on delivering sustainably higher returns. • Our equity story has been simplified, with a clear narrative on our differentiated capabilities, and Diego has forged strong links with our investors, and increasingly the media, to communicate this story. • He has ensured the Group maintained a strong cost discipline and delivered positive jaws for the year. • Diego has played a key role in driving closer collaboration between the finance function and the business on balance sheet optimisation and RWA efficiency, resulting in further increased capital velocity, benefitting both our RoTE and our ability to return capital to our shareholders. • He has been pivotal in driving timely and high quality management information to support execution of our strategy and allocation of resources to the most RoTE accretive opportunities.
Productivity and transformation	
• Transformation and simplification: lead implementation of strategic change initiatives across the Group.	• Diego has played a key role in starting up the Fit for Growth programme, and mobilising Group-wide efforts to simplify, standardise and digitise key elements of the Bank. He has driven the execution of a set of initiatives identified to deliver efficiency saves, with the finance function playing a key role in tracking and monitoring progress. • Diego has ensured the finance function plays a pivotal role in providing healthy challenge and steering of our investment spend.
Risk and controls	
• Process and controls: continue to progress on major multi-year programs and address regulatory requirements.	• Diego has focused intensely on simplifying processes within the finance function, enhancing the end-to-end governance model and data quality to ensure our risk and control environment is managed effectively. • Diego has implemented several new initiatives, such as balance sheet optimisation and targeted business reviews. • He has maintained open and transparent relationships with regulators and kept them abreast of our progress on short- and medium-term regulatory priorities.
Weighting – 10%	Outcome – 9%

LTIP awards

The LTIP values included in the single total figure of remuneration for 2024 are based on the awards that will be subject to final performance testing in March 2025. These awards were granted in 2022 with a face value of 120 per cent of fixed pay, to incentivise the achievement of the Group's priorities over the three-year period 2022 to 2024. The awards are share-based and are subject to the performance targets set out below which were set when the awards were granted and have not been adjusted since.

A conduct gateway requirement must be met before any awards vest. The Committee concluded that Bill exhibited appropriate conduct during the performance period and, therefore, the conduct gateway was met. Diego did not participate in this award.

RoTE performance of 11.7 per cent was achieved, resulting in a 30 per cent outcome and relative TSR is projected to be ranked above upper quartile resulting in a projected outcome of 30 per cent. The Committee considered performance against the sustainability and strategic proof points set out in the table below and determined that an outcome of 28 per cent was appropriate. Based on these assessments, the total projected performance outcome is 88 per cent. The final relative TSR performance will be assessed in March 2025 and any change to the overall outcome will be reported in the 2025 directors' remuneration report.

The awards will vest pro rata over 2025 to 2029 and the shares will be subject to a 12-month retention period post-vesting. Malus and clawback provisions apply.

2022-24 LTIP projected outcome for Bill Winters

	Award share price (£)	Projected outcome	Valuation share price (£)	2022-24 LTIP projected outcome (£000)
Bill Winters	4.876	88%	9.197	**6,126**

See **page 156** for the value attributable to share price growth in the single total figure of remuneration

Projected performance outcome

Measure	Weighting	Minimum performance (25% outcome)	Maximum performance (100% outcome)	Assessment of achievement	Outcome status	Projected outcome
RoTE[1] in 2024 plus CET1[2] underpin of the higher of 13% or the minimum regulatory requirement	30%	7%	11%	RoTE 11.7% and CET1 14.2%	Confirmed	**30%**
Relative TSR performance against peer group	30%	Median	Upper quartile	Currently estimated above upper quartile	Projected	**30%**
Sustainability	15%	Targets set for sustainability measures linked to the business strategy		Above target performance achieved	Confirmed	**14%**
Other strategic measures	25%	Targets set for strategic measures linked to the business strategy		Above target performance achieved	Confirmed	**14%**
Total 2022-24 LTIP awards projected outcomes						**88%**

1 Underlying RoTE represents the ratio of the current year's underlying profit attributable to ordinary shareholders plus fair value on other comprehensive income equity movement relating to Ventures segment to the weighted average tangible equity, being ordinary shareholders' equity less the intangible assets for the reporting period. Underlying RoTE normally excludes material regulatory fines and certain other adjustments but, for remuneration purposes, this would be subject to review by the Committee

2 The CET1 underpin was set at the higher of 13 per cent or the minimum regulatory level at 31 December 2024. In addition, the Committee has the discretion to take into account at the end of the performance period any changes in regulatory capital and risk-weighted asset requirements that might have been announced and implemented after the start of the performance period

3 Final TSR performance will be assessed three years from the date of award, in March 2025

Assessment of non-financial measures

Sustainability

Proof point	Assessment
• Implement roadmap to achieve aim of net zero by 2050	• Partial vesting on the basis that 2022 targets were not fully achieved. Commitments were fully achieved in 2023 and 2024.
• Progress towards target of $300 billion in green and transition finance between 2021 and 2030 aligned with our Green and Sustainable Product Framework and Transition Finance Framework	• We have exceeded our target of mobilising $30 billion per year over the period and are on track to meet the 2030 commitment of $300 billion.
• Progress on goal for clients in carbon-intensive industries to have a strategy to transition their business in line with the Paris Agreement	• Financed emissions continue to decrease from baseline and remain under risk appetite limits within four of the most carbon intensive sectors: Oil & Gas; Power; Steel; Auto.

Responsible company

Proof point	Assessment
• Lift participation of small businesses through increasing access to financial services • Support companies to improve working and environmental standards	• We have made progress against our goals to lift the participation of female entrepreneurs and SMEs, and to support companies to improve working and environmental standards. • However, we have not achieved the targets originally set in 2022 and, as such, have not allocated any vesting for these measures.

Clients (Network, Affluent, Mass and Ventures)

Proof point	Assessment
• Improve client satisfaction rating evidenced in surveys and internal benchmarks	• Strong performance across all three years based on strengthening of CIB engagement and experience scores and WRB net promoter score.
• Deliver growth in affluent wealth client activity and increase the number of active personal clients	• Partial outcome based on strong performance in Affluent Network growth for 2024 and 2023, following weaker performance in 2022, which was adversely impacted by COVID lockdowns, the Russia-Ukraine war and aggressive FED rate hikes.
• Deliver network income growth in Corporate, Commercial & Institutional Banking (now CIB)	• Strong cross border income performance across all three years driven by higher underlying growth.
• Grow value of Digital Ventures	• Partial outcome based on exceeding targets in 2024 and 2023, driven by Mox and Trust new to bank customers, and SCV Institutional Clients growth (2024 only), following weaker performance in 2022, which was adversely impacted by market volatility and delays to ventures launches.

Enablers (Innovation, new ways of working and people)

Proof point	Assessment
• Increase senior female representation to 34 per cent	• Female representation was 33.1% in 2024, 32.5% in 2023, and 32.1% in 2022, versus a starting point of 30.7% at the end of 2021. • However, we only achieved our annual target in 2022 resulting in partial vesting.
• Improve employee engagement	• Employee net promoter score targets exceeded in all three years. The final target of 17.4 for 2024 was exceeded two years early, in 2022, and remained above target throughout the period, reaching a high of 25.6 in 2023.
• Increase our culture of inclusion score (internal index)	• The My Voice 2024 inclusion score was 82.1% versus a target of 84.6% • While the position has improved from the 2021 baseline of 80.1%, we did not achieve our annual targets and we have not allocated any vesting for the measure.
• Improve employee perception of innovation	• The My Voice score for this measure was 73% for 2024, which has been broadly flat since 2022. • However, this is below the baseline of 76% in 2021 and we did not achieve our annual targets. As such, we have not allocated any vesting for the measure.

Responsibility and controls

Proof point	Assessment
• Improve effectiveness of risk and control governance	• We achieved or exceeded our non-financial risk reduction targets in 2023 and 2024, but only partially achieved targets in 2022. • Partial vesting given Audit self-identified issues are below the target threshold in 2024.
• Successfully deliver milestones within the information and cyber security risk management plan	• We have continued to reduce our Cyber Risk profile over the period, including the delivery of the Information and Cyber Security strategic plan, with all objectives achieved.

Windfall gains

When making LTIP awards the Committee reviews the proposed size of the award and considers the change in share price in the period leading up to the award compared with the share price when awards were made in the previous year. A significant fall in share price will increase the overall number of shares being awarded, and the Committee considers this, being mindful of the potential for a 'windfall gain'. For awards made in 2022 the Committee reviewed the change in share price compared with the previous year and, being comfortable that the change was negligible, at (0.5) per cent, determined not to adjust the size of the awards.

The Committee further reviews any increase in share price at the end of the performance period, when awards are due to begin vesting, and considers if any adjustment should be made where an increase in share price is not reflective of a corresponding improvement in underlying financial performance. To date no adjustments have been made.

Service contracts for executive directors

Copies of the executive directors' service contracts are available for inspection at the Group's registered office. These contracts have rolling 12-month and 6-month notice periods for Bill and Diego respectively and the dates of the executive directors' current service contracts are shown below. Bill's contract was updated effective 1 January 2020 to reflect the changes made following the implementation of the 2019 remuneration policy and the change to pension contributions.

Executive directors are permitted to hold non-executive directorship positions in other organisations. Where such appointments are agreed with the Board, the executive directors may retain any fees payable for their services. Bill served as a non-executive director for Novartis International AG and received fees for the period covered by this report as set out below.

	Date of Standard Chartered employment contract	Details of any non-executive directorship	Fees retained for any non-executive directorship (local currency)
Bill Winters	1 January 2020	Novartis International AG	CHF360,000
Diego De Giorgi	1 September 2023	–	–

Single figure of remuneration for the Chairman and INEDs (audited)

The Chairman and INEDs were paid in monthly instalments during the year. The INEDs are required to hold shares with a nominal value of $1,000. The table below shows the fees and benefits received by the Chairman and INEDs in 2024 and 2023. The INEDs' 2024 benefit figures are in respect of the 2023/24 tax year and the 2023 benefit figures are in respect of the 2022/23 tax year to provide consistency with the reporting of similar benefits in previous years and with those received by executive directors.

	Fees £000		Benefits £000[1]		Total £000		Shares beneficially held as at 31 December[2]
	2024	2023	**2024**	2023	**2024**	2023	**2024**
Group Chairman							
José Viñals	**1,293**	1,293	**57**	69	**1,350**	1,362	**45,000**
Current INEDs							
Shirish Apte	**292**	287	**1**	0	**293**	287	**2,000**
David Conner[3]	**254**	250	**1**	1	**255**	251	**10,000**
Gay Huey Evans, CBE[4]	**26**	150	**0**	0	**26**	150	**2,615**
Jackie Hunt	**188**	185	**0**	3	**188**	188	**2,000**
Diane Jurgens[5]	**125**	–	**0**	–	**125**	–	**8,888**
Robin Lawther, CBE	**230**	225	**0**	0	**230**	225	**2,000**
Maria Ramos	**337**	332	**1**	0	**338**	332	**2,000**
Phil Rivett	**252**	247	**0**	0	**252**	247	**2,128**
David Tang	**190**	185	**1**	1	**191**	186	**2,000**
Carlson Tong[6]	**70**	190	**0**	0	**70**	190	**2,000**
Linda Yueh, CBE	**242**	219	**10**	0	**252**	219	**2,000**
Lincoln Leong[7]	**43**	–	**0**	–	**43**	–	**13,369**

1 The costs of benefits (and any associated tax costs) are paid by the Group

2 The beneficial interests of Chairman and INEDs, and connected persons in the shares of the Company are set out above. These directors do not have any non-beneficial interests in the Company's shares. None of these directors used shares as collateral for any loans. No director had either: (i) an interest in the Company's preference shares or loan stocks of any subsidiary or associated undertaking of the Group; or (ii) any corporate interests in the Company's ordinary shares. All figures are as of 31 December 2024 or on the retirement of a director unless otherwise stated

3 David Conner's fee includes his role on the Combined US Operations Risk Committee. David stepped down from the Board on 30 December 2024

4 Gay Huey Evans stepped down from the Board on 29 February 2024 and we are no longer tracking her shareholding. Her reported fee for 2024 of £26,000 is in respect of the period of 1 January 2024 to 29 February 2024

5 Diane Jurgens was appointed to the Board on 1 March 2024 and Lincoln Leong was appointed to the Board on 2 November 2024

6 Carlson Tong stepped down from the Board on 9 May 2024 and we are no longer tracking his shareholding. His reported fee for 2024 of £70,000 is in respect of the period of 1 January 2024 to 9 May 2024

7 Lincoln Leong's fee includes his role as an independent non-executive director of Standard Chartered Bank (Hong Kong) Limited

INEDs' letters of appointment

The INEDs have letters of appointment, which are available for inspection at the Group's registered office. INEDs are appointed for a period of one year, unless terminated by either party with three months' notice.

Details of the INEDs' appointments are set out on **pages 106 to 108**

Directors' remuneration policy

This section sets out our new directors' remuneration policy in full, which will be put forward to shareholders for a binding vote at the 2025 AGM. If approved, the policy will apply from 8 May 2025. The current policy was approved at the AGM held on 4 May 2022 and has applied from that date.

See **pages 165 to 169** for the full policy that shareholders will be asked to approve.

Summary of proposed executive directors' remuneration policy

Fixed remuneration	Current policy	Proposed changes in policy and why
Salary	Delivered part in cash paid monthly, and part in shares with 20 per cent released annually over the following five years.	**What:** Salaries will be significantly reduced and paid monthly in cash. **Why:** Remuneration is being rebalanced from fixed pay towards performance–linked variable remuneration to incentivise the delivery of sustainable higher returns, and enhance the alignment of executive pay with shareholder experience.
Pension	For directors who joined before 4 May 2022, an annual pension allowance or contribution of 10 per cent of salary is payable. For directors who joined after 4 May 2022, 10 per cent of the cash element of salary only will be payable.	**No change** **Why:** Pension will be calculated as 10 per cent of cash salary. The removal of salary shares, will automatically result in a reduction in the pension allowance for the Group CEO.
Benefits	A range of benefits are provided which support directors to carry out their duties effectively.	**No change** **Why:** Core benefits continue to be aligned with the wider workforce.

Variable remuneration	Current policy	Proposed changes in policy and why
Annual incentive	Maximum opportunity of 88 per cent of salary, awarded in 50 per cent cash and 50 per cent shares subject to holding requirements. Awards are determined by the Committee, based on the assessment of the annual incentive scorecard, which contains at least 50 per cent weighting in financial measures, and additional strategic and personal performance measures.	**What:** The maximum annual incentive opportunity will be 270 per cent of salary for the CEO and 220 per cent for the GCFO. The weighting of financial measures in the annual scorecard will be increased to at least 60 per cent. **Why:** Reflects the rebalancing of remuneration towards performance-linked, variable pay. Changes to the scorecard reflect shareholder feedback.
LTIP	Maximum opportunity of 132 per cent of salary, with awards granted annually and subject to performance measured over three years. Phased vesting over three to seven years and subject to a one year retention after each vest. Awards are determined by the Committee, based on the assessment of a scorecard, which contains at least 50 per cent weighting in financial measures, and additional strategic measures.	**What:** The maximum LTIP award opportunity will be 490 per cent of salary for the CEO and 370 per cent for the GCFO. The LTIP scorecard will contain financial measures of at least an 80 per cent weighting, with the remainder being based on sustainability measures. **Why:** Reflects the rebalancing of remuneration towards performance-linked, variable pay. Changes to the scorecard reflect shareholder feedback.

Other remuneration	Current policy	Proposed changes in policy and why
Shareholding requirements	Executive directors are required to hold a specified level of shares expressed as a percentage of salary. During the current policy the requirements have been 250 per cent of salary for the CEO and 200 per cent of salary for the GCFO. The requirement remains in place for two years following cessation of employment.	**What:** The shareholding requirement will increase to 500 per cent of salary for the CEO and 400 per cent of salary for the GCFO. The post-employment requirement will commence when an executive director steps down from the Board, and not when their employment ceases, if later. **Why:** The new shareholding requirement will exceed the maximum LTIP opportunity as a multiply of salary, further aligning interests of executive directors with shareholders. It is appropriate for the post-employment requirement to apply in the context of services as an executive director.

Other remuneration	Current policy	Proposed changes in policy and why
Leaver provisions	In-flight LTIP awards are prorated for time served during the performance period when an executive director retires. However, the Committee has the flexibility to disapply the proration of LTIP awards on retirement. A set of minimum criteria must be met before the Committee can consider the use of flexibility.	**What:** Prorating in-flight LTIP awards for time served remains the default approach. However, the option to disapply proration will be retained only to be considered on the retirement of Bill Winters from the role of CEO, after considering the circumstances at that time, including Group and individual performance, and any other relevant information. The minimum criteria have been removed. **Why:** The Committee consider it appropriate to retain this flexibility for Bill, after the very substantial transformation of the Bank that he has overseen during his tenure as CEO and the ongoing impact that Bill's achievements will have on the Bank. The minimum eligibility criteria have been removed to reflect feedback from some shareholders that they believed the disapplication of proration would automatically apply if these were met.

Proposed executive directors' remuneration full policy

The proposed executive directors' remuneration policy, to be effective from the date of the Group's AGM on 8 May 2025, for up to three years, is set out below. During the policy term, the Committee may make minor changes to align with regulatory, legal or tax changes, if necessary, without seeking shareholder approval.

The remuneration of the Group Chairman, executive directors, senior management and all colleagues was considered in the development of the new policy. Alignment with the wider workforce and with Group-wide remuneration arrangements was critical to the approach taken in the development of the new policy, which is designed to reflect the Group's purpose as well as following the principles of our Fair Pay Charter. During the review and development of the new policy, no individual participated in decisions that would impact the determination of their own remuneration.

Fixed remuneration

Salary	
Purpose and link to strategy	• To attract, retain, and develop high-calibre executive directors required to deliver the Group's strategic priorities. • Reflects the individuals' role, skills and experience, following the Group-wide principles which apply to all employees.
Operation	• Delivered in cash, paid monthly. • Reviewed annually in line with the wider workforce with any changes applying from April.
Maximum potential	• Increases may be made at the Committee's discretion to take account of circumstances such as: Increase in scope or responsibility; individual's development in role; salary increases across the Group; alignment to market-competitive levels.
Pension	
Purpose and link to strategy	• Forms part of a competitive remuneration package and supports executive directors' long-term retirement savings.
Operation	• Paid as a cash allowance and/or contribution to a defined contribution scheme. • Pension contributions may also be made in lieu of any waived salary or the cash amount of any annual incentive.
Maximum potential	• 10 per cent of salary.
Benefits	
Purpose and link to strategy	• A local market-competitive package to support executives carrying out their duties effectively.
Operation	• Benefits may include a cash benefits allowance, car and driver (or other car-related service), private medical insurance, long-term disability cover, life insurance, financial advice and tax preparation and tax return assistance. • Additional benefits may also be provided where an executive director is relocated or spends a substantial portion of their time in more than one jurisdiction for business purposes, including but not limited to, relocation, shipping and storage, housing allowance, education fees and tax and social security costs. • Other benefits may be offered if considered appropriate and reasonable by the Committee. • Executive directors are reimbursed for expenses, such as travel and subsistence, and any associated tax incurred in the performance of their duties. • Directors may be accompanied by their spouse or partner to meetings/events. In exceptional circumstances, the costs (and any associated tax) will be met by the Group.
Maximum potential	• Set at a level the Committee considers appropriate based on factors including the market and individual circumstances.

Variable remuneration

Annual incentive	
Purpose and link to strategy	• Incentivise performance linked to the Group's strategy and aligned to shareholder interests.
Operation	• Determined based on Group and individual performance over the preceding financial year. • Delivered as a combination of cash and shares subject to holding requirements. • The Committee may make amendments to accommodate future changes to remuneration regulations relating to deferrals and post-vest retention periods.
Maximum potential	• The annual incentive maximum that can be awarded is 270 per cent of salary for the CEO and 220 per cent of salary for the GCFO and can be any amount from zero to the maximum.
Performance measures	• Determined by the Committee based on an assessment of an annual scorecard containing financial, strategic and personal performance measures. Financial measures will comprise at least 60 per cent of the annual scorecard. • The targets, together with an assessment of performance against those targets, will be disclosed retrospectively. • The Committee will review the scorecard annually and may vary the measures, weightings and targets each year. • Discretion may be exercised by the Committee to ensure that the outcome is a fair and accurate reflection of business and individual performance (but it will not exceed the maximum opportunity). • The overall annual incentive outcome will be subject to a risk and control modifier, assessed over the year.

Long-term incentive plan (LTIP)	
Purpose and link to strategy	• Incentivise performance linked to the Group's strategy and aligned to shareholder interests.
Operation	• Granted annually with performance of the Group and of the individual considered in determining the award level. • Performance assessed over a forward-looking period of at least three years. • Delivered in shares which are subject to deferral and holding periods. • The Committee may make changes to accommodate future changes to remuneration regulations relating to deferrals and post-vest retention periods. • The number of shares awarded in respect of LTIP awards may take into account the current regulatory prohibition on dividend equivalents (calculated by reference to market consensus dividend yield) such that the overall value of the award is maintained.
Maximum potential	• The LTIP maximum that can be awarded is 490 per cent of salary for the CEO and 370 per cent of salary for the GCFO and can be any amount from zero to the maximum.
Performance measures	• May be a mix of financial measures and other long-term strategic measures. • Financial measures will comprise at least 80 per cent of the performance measures. Weightings and targets will be set in advance of each grant by the Committee and disclosed prospectively. Performance against those measures will be disclosed retrospectively. • For financial measures, the performance outcome will be assessed on a sliding-scale basis between threshold and maximum with no more than a 25 per cent outcome at threshold performance. • The overall outcome will be subject to a risk and control modifier, assessed over the performance period.

Annual incentive and LTIP operation

- Annual incentive awards will be made in cash and shares. LTIP awards will be granted as conditional share awards.
- Deferral and vesting of awards are structured so that they comply with prevailing remuneration regulations.
- The Committee can, in specified circumstances, apply malus or clawback to all or part of annual incentive and/or any LTIP awards. See page 180 for more details.
- On the occurrence of corporate events and other reorganisation events, the Committee may apply discretion to adjust the vesting and/or the number of shares underlying an award.

Shareholding requirements	
Purpose and link to strategy	• To align executive director and shareholder interests.
Operation	• Executive directors are expected to build and maintain a shareholding, within five years from the date of their appointment (or, from the date of any changes to the terms of the shareholding requirement, if later), with a value equivalent to: – CEO: 500 per cent of salary – GCFO: 400 per cent of salary • Shares that count towards the requirement are beneficially owned shares, vested share awards subject to a retention period and unvested share awards for which performance conditions have been satisfied (on a net-of-tax basis). • Executive directors will have a reasonable time period to build up to this requirement again if it is not met because of a significant share price depreciation. • If the requirement is not achieved within the specified time frame, the Committee will determine appropriate actions based on the circumstances that resulted in the requirement not being met.
Sharesave	
Purpose and link to strategy	• Provides an opportunity for all employees to invest voluntarily in the Group.
Operation	• An all-employee plan where participants (including executive directors) are able to open a savings contract to fund the exercise of an option over shares. • Savings per month of between £5 and £500. • The option price is set at a discount of up to 20 per cent of the share price at the date of invitation, or such other discount as may be determined by the Committee.
Legacy arrangements	
Purpose and link to strategy	• Honour existing commitments.
Operation	• Any previous commitments or arrangements entered into with current or former executive directors will be honoured, including remuneration arrangements entered into under the previously approved directors' remuneration policy.
External roles	
Purpose and link to strategy	• To encourage self-development and allow for the introduction of external insight and practice.
Operation	• Executive directors may accept appointments in other organisations subject to relevant Board approval. Executive directors are generally limited to one non-executive directorship in another listed company. Fees may be retained by the executive director.

Executive directors' policy on recruitment

The Committee's approach to recruitment is to attract diverse experience and expertise by paying competitive remuneration that reflects our international nature and enables us to attract and retain key talent from a global marketplace. The policy is summarised below.

Fixed remuneration	Operation
Salary	In line with policy
Pension	In line with policy
Benefits	In line with policy

Variable remuneration	Operation
Annual incentive	In line with policy
LTIP	In line with policy
Shareholding requirements	In line with policy
Buy-out awards	• The Committee may consider buying out forfeited remuneration or opportunities, and/or compensating for losses incurred as a result of joining the Group, subject to proof of forfeiture or loss. • Any award will be structured within the requirements of the applicable remuneration regulations and will be no more generous overall than the remuneration forfeited in terms of the existence of performance measures, value, timing and form of delivery. • The value of buy-out awards is not included within the maximum variable remuneration level where it relates to forfeited remuneration from a previous role or employer.
Legacy matters	• Where a senior executive is promoted to the Board, their existing contractual commitments agreed prior to their appointment may still be honoured in accordance with the terms of the relevant commitment, including vesting of any pre-existing deferred or long-term incentive awards.

Executive directors' policy on contracts and loss of office

Element	Operation
Notice period	• Maximum of 12 months' notice from the company and the executive director.
Payments in lieu of notice	• May be paid in lieu of notice if not required to remain in employment for the whole notice period.
Garden leave	• May be required to work and/or serve a period of garden leave during the notice period.
Compensation for loss of office in service contracts	• Dependent on an individual's contract but in any event no more than 12 months' salary, pension and benefits. • Payable quarterly and subject to mitigation if the executive director seeks alternative employment. • Not in addition to any payment in lieu of notice or if the individual remains in employment for the whole notice period. • In the event of a settlement agreement, the Committee may make payments it considers reasonable in settlement of potential legal claims, including potential entitlement to compensation in respect of statutory rights under employment protection legislation. • The Committee may also include in such payments, reasonable reimbursement of professional fees, such as legal fees and tax advice (and any associated tax), in connection with such arrangements. Career transition support may also be provided.

Treatment of variable remuneration on termination	
Operation	• Eligible leaver status will generally be given in cases such as death, disability, retirement, and redundancy. Discretion is applied as to awarding eligible leaver status in cases of mutual separation. • Eligible leavers (as determined by the Committee) may be eligible for variable remuneration although there is no automatic entitlement. • The Committee has discretion to reduce the entitlement of an eligible leaver in line with performance, contribution and the circumstances of the termination. • On a change of control, the amount is pro-rated for the period of service during the year. The Committee may alter the performance period, measures, and targets to ensure the performance measures remain relevant but challenging. The Committee has the discretion under the relevant plan rules to determine how eligible leaver status should be applied on termination. • For eligible leavers, deferred awards not subject to long-term performance measures vest in full over the original timescale and remain subject to the Group's clawback arrangements. The Committee has discretion to reduce the level of vesting. • Awards subject to long-term performance measures will vest, subject to those measures, on a pro rata basis (reflecting the proportion of the relevant financial performance period that the executive director has been employed) and remain subject to the Group's clawback arrangements. • The Committee has the flexibility to disapply proration for time served on the vesting of LTIP awards on the retirement of Bill Winters from the role of Group CEO, after considering the circumstances at that time including: the performance of the Group; Bill's personal performance; and any other relevant information. – If the flexibility is used, the Committee would provide a clear and full disclosure at the time and no LTIP award would be granted in the final year of employment. – There would be no additional payments in lieu of notice. – If Bill takes up a new role as an executive at a competitor, all unvested awards will lapse. Vesting may be subject to non-solicit and non-compete requirements. • Awards lapse for executive directors not designated eligible leavers. • On a change of control, the Committee may allow awards to continue or roll-over in agreement with the acquirer, taking into account the circumstances, and may alter the performance period, measures and targets to ensure the performance measures remain relevant.
Post-employment shareholding requirement	
Purpose and link to strategy	• To align executive directors' interests with the Group's long-term strategy and the interests of shareholders following employment.
Operation	• On stepping down as an executive director, individuals will be required to maintain the shareholding requirement for two years (or, if lower, the actual shareholding on departure). • After the executive director has stepped down, the shareholding requirement will be maintained through self-certification, to the extent it is not met via shares held within the Group's employee share plan and nominee accounts.

Notes to the remuneration policy for executive directors

Committee's judgement and discretion

The Committee has certain operational discretion that it may exercise when considering executive directors' remuneration, including but not limited to:

- Determining whether a leaver is an eligible leaver under the Group's share plans and treatment of remuneration arrangements.
- Amending LTIP performance measures following a corporate event to ensure a fair and consistent assessment of performance.
- Deciding whether to apply malus or clawback to an award.

Ability for the Committee to amend the policy for emerging and future regulatory requirements

The Committee retains the discretion to make reasonable and proportionate changes to the policy if they consider this appropriate to respond to changing legal or regulatory requirements or guidelines. This includes the ability to make administrative changes to benefit the operation of the policy and/or to implement such changes ahead of any formal effective date, ensuring timely compliance.

Where proposed changes are considered by the Committee to be material, the Group will engage with its major shareholders and any changes would be formally incorporated into the policy when it is next put to shareholders for approval.

Chair and independent non-executive directors' remuneration policy

Fees	
Purpose and link to strategy	• Attract a Chair and INEDs who, together with the Board as a whole, have a broad range of skills and experience to determine Group strategy and oversee its implementation.
Operation	• The INEDs are paid fees to chair or be a member of Board committees and for the Deputy Chair and Senior Independent Director roles. • Fees are set at a level which reflect the duties, time commitment and contribution expected from the Chair and INEDs, and are appropriately positioned against those in banks and other companies of a similar scale and complexity. • Fees are paid in cash or shares. Post-tax fees may be used to acquire shares. • The Chair and INED fees are reviewed periodically. The Board sets INED fees and the Committee sets the Chair's fees. The Chair and INEDs recuse themselves from any discussion on their fees. • INEDs may also receive fees as directors of subsidiaries of Standard Chartered PLC, to the extent permitted by regulation. • Overall aggregate base fees paid to the Chair and all INEDs will remain within the limit stated in the Articles of Association (currently £2 million per annum). • There are no recovery provisions or performance measures.
Benefits	
Purpose and link to strategy	• Appropriate benefits package to support the Chair and INEDs to carry out their duties effectively.
Operation	• The Chair is provided with benefits associated with the role, including a car and driver and private medical insurance, permanent health insurance and life insurance. Any tax costs associated with these benefits are paid by the Group. Any future Chair based outside of the UK may receive assistance with their relocation consistent with the support offered to individuals under the Group's international mobility policies. • The Chair and INEDs are reimbursed for expenses, such as travel and subsistence (and including any associated tax), incurred in the performance of their duties, and may receive tax preparation and tax return assistance. • In exceptional circumstances the Chair and INEDs may be accompanied by their spouse or partner to meetings or events. The costs (and any associated tax) are paid by the Group.

Approach on recruitment, service contracts and loss of office for Chair or INEDs

Service contracts and policy on payment for loss of office for the Chair and INEDs	
Fees and benefits	• In line with the Chair and INED remuneration policy
Service contracts and loss of office	• The Chair is provided a notice period of up to 12 months and is entitled to a payment in lieu of notice in respect of any unexpired part of the notice period at the point of termination. • INEDs are appointed for a period of one year unless terminated earlier by either party with three months' written notice. No entitlement to the payment of fees or provision of benefits continues beyond termination of the appointment and INEDs are not entitled to any payments for loss of office (other than entitlements under contract law, such as a payment in lieu of notice if notice is not served).

2025 policy implementation for directors

Remuneration for the executive directors in 2025 will be in line with our new directors' remuneration policy, subject to shareholder approval at the May 2025 AGM. Key elements include salary, pension, benefits, an annual incentive and an LTIP award.

See **pages 164 to 169** for full details

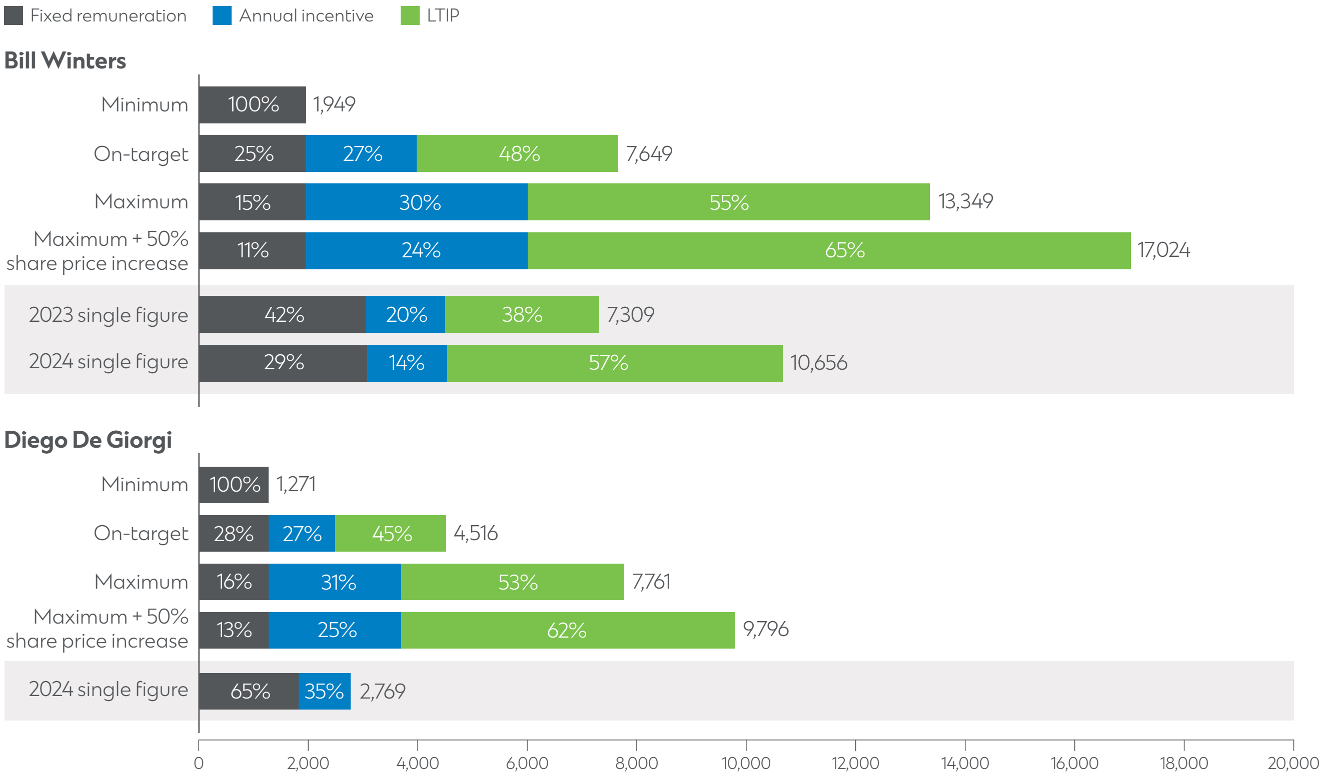
The Committee considered the executive directors' salaries as part of the overall review of the directors' remuneration policy. As explained on pages 145 to 147, total remuneration is being rebalanced from fixed pay towards performance-linked variable pay, and as such, salaries are being reduced by 40 per cent for Bill and by 33 per cent for Diego with effect from 1 April 2025 (subject to approval of the directors' remuneration policy in May 2025).

	Bill Winters			Diego De Giorgi		
£000	**2025**	2024	% change	**2025**	2024	% change
Salary	**1,500**	2,517	(40%)	**1,100**	1,650	(33%)
of which cash	**1,500**	1,258	19%	**1,100**	1,100	-
of which shares	**-**	1,259	(100%)	**-**	550	(100%)
Pension	**150**	252	(40%)	**110**	110	-
Total fixed pay	**1,650**	2,769	(40%)	**1,210**	1,760	(31%)

Illustration of application of 2025 remuneration policy

The charts below illustrate potential directors' remuneration outcomes based on our new policy. These illustrate four performance scenarios and the percentages in each bar show the remuneration provided by each pay element. 2024 single figures of remuneration for Bill and Diego and the 2023 single figure for Bill are also shown.

Executive director remuneration (£000)



	£000	Salary	Benefits	Pension	Total
Fixed remuneration Consists of salary and pension (as at 1 April 2025) and benefits (received in 2024)	**Bill Winters**	1,500	299	150	1,949
	Diego De Giorgi	1,100	61	110	1,271

				Bill Winters		Diego De Giorgi	
	Minimum	Target % outcome	Maximum % outcome	% of salary Target	% of salary Max	% of salary Target	% of salary Max
Annual incentive	No annual incentive is awarded	50%	100%	135%	270%	110%	220%
LTIP award	No LTIP award vests	50%	100%	245%	490%	185%	370%

2025 annual incentive scorecard

Our annual incentive scorecard reflects our strategic priorities. Targets are set annually by the Committee based on the Group's annual financial plans and strategic priorities. Targets and performance achieved will be disclosed retrospectively in the 2025 Annual Report due to commercial sensitivity.

Financial measures make up 60 per cent of the scorecard. The Committee assesses strategic and personal measures using a quantitative and qualitative framework. The overall outcome will be subject to a risk and control modifier, assessed over the year.

2025 scorecard – financial measures

Measure	Weighting	Target
Income[1]	20%	Targets to be disclosed retrospectively
Costs	20%	
RoTE[2] with a CET1[3] underpin of the higher of 13% or the minimum regulatory requirement	20%	

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

2 Underlying RoTE represents the ratio of the current year's underlying profit attributable to ordinary shareholders plus fair value on other comprehensive income equity movement relating to Ventures segment to the weighted average tangible equity, being ordinary shareholders' equity less the intangible assets for the reporting period. Underlying RoTE normally excludes material regulatory fines and certain other adjustments but, for remuneration purposes, this would be subject to review by the Committee

3 The CET1 underpin will be set at the higher of 13 per cent or the minimum regulatory level as at 31 December 2025. In addition, the Committee has the discretion to take into account at the end of the performance period any changes in regulatory capital and risk-weighted asset requirements that might have been announced and implemented after the start of the performance period

2025 scorecard – strategic measures

Clients (Network, Affluent)

Target

- Deliver cross-border income growth in CIB
- Grow Net New Money from new and existing Affluent clients

Weighting – 10%

Sustainability

Target

- Grow sustainable finance revenue
- Reduce emissions from our own operations (scope 1 and 2 emissions) to net zero by the end of 2025

Weighting – 10%

Productivity and transformation

Target

- Execute on our most critical transformation programmes
- Execute on our Fit For Growth objectives to simply, standardise, and digitise the Bank

Weighting – 5%

People and culture

Target

- Delivery of our commitment to have 35 per cent females in senior leadership positions, at a global level, by 2025[1]
- Improve our 'culture of inclusion' score (internal index)

Weighting – 5%

1 Subject to local legal requirements

2025 scorecard – personal performance measures

Bill – performance goals

Target

- Support and ensure a smooth transition of the Group Chair, and continue to develop the senior internal succession pool.
- Lead and support delivery of the strategy through relentless execution under a strong risk and controls framework, to produce higher and sustained profitable growth.
- Continue to advance internal transformation, ensuring the Bank progresses and delivers key change management initiatives, including Fit for Growth.
- Promote and develop an innovation culture throughout the Bank, including in products and services, increasing connectivity between Ventures and the rest of the Bank.
- Continue to develop and embed an ambitious, high performance culture, while retaining the best of the Bank's traditional culture.

Weighting – 10%

Diego – performance goals

Target

- **Strategic focus:** Deliver our sharpened focus on cross-border corporate and investment banking business and on wealth management for Affluent customers
- **Business performance:** Support business pursuit of sustainably higher returns and foster a high performance culture
- **Transformation and simplification:** Execute the Group transformation agenda while maintaining necessary cost discipline
- **Process and controls:** Lead implementation of Finance and Group-wide initiatives aimed at business needs and regulatory requirements

Weighting – 10%

LTIP awards for the executive directors to be granted in 2025

	Award as % of salary	Award value on grant (£)	Award value on vesting (£)
Bill Winters	490%	7,350,000	To be determined based on the level of performance achieved at the end of the three-year period against the performance measures and the future share price.
Diego De Giorgi	370%	4,070,000	

The RoTE target range for the awards is increased to 11.5 to 14.5 per cent, versus 10 to 13 per cent for the 2024-26 awards, reflecting the progress in RoTE achieved in 2024 and our 2026 target of approaching 13 per cent. The overall outcome will be subject to a risk and control modifier, assessed over the performance period.

Peer group for the relative TSR measure in the 2025-27 LTIP

The peer group of companies selected for the relative TSR performance calculation are those with generally comparable business activities, size or geographic spread to Standard Chartered or with which we compete for investor funds and talent. The peer group has been streamlined to reflect companies who we may compete with for investment, and now consists of 13 peers. Banco Santander, Bank of America, Bank of East Asia, KB Financial and Société Générale are no longer considered to be comparable peers as they have significantly different purpose, strategies and performance profiles. China Merchants Bank has been added to the peer group.

Relative TSR will be assessed over a calendar three-year period, changed from the current approach of three years from grant (typically in March). This will simplify the performance outcome process, with all performance measures being assessed over the same time period.

TSR is measured in GBP for each company and the data will be averaged over a three-month period at the start and end of the three-year measurement period which starts from the 1 January of the year of grant. The averaging period is being changed from one month to reduce the impact of share price volatility.

Barclays	Deutsche Bank	Oversea Chinese Banking Corporation
BNP Paribas	HSBC	Standard Bank
Citi	ICICI	UBS
China Merchants Bank	JPMorgan Chase	United Overseas Bank
DBS Group		

Financial measures for 2025-27 LTIP awards

Measure	Weighting	Minimum performance (25%)	Between minimum and maximum performance	Maximum performance (100%)
RoTE[1] in 2027 with a CET1[2] of the higher of 13% or the minimum Regulatory requirement	40%	11.5%	Straight-line assessment between minimum and maximum	14.5%
Relative TSR performance against peer group	40%	Median	Straight-line assessment between peer companies positioned immediately above and below the Group	Upper quartile

1 Underlying RoTE represents the ratio of the current year's underlying profit attributable to ordinary shareholders plus fair value on other comprehensive income equity movement relating to Ventures segment to the weighted average tangible equity, being ordinary shareholders' equity less the intangible assets for the reporting period. Underlying RoTE normally excludes material regulatory fines and certain other adjustments but, for remuneration purposes, this would be subject to review by the Committee

2 The CET1 underpin will be set at the higher of 13 per cent or the minimum regulatory level as of 31 December 2027. In addition, the Committee has the discretion to take into account at the end of the performance period any changes in regulatory capital and risk-weighted asset requirements that might have been announced and implemented after the start of the performance period, for example in relation to Basel IV

Non-financial measures for 2025-27 LTIP awards

Sustainability

- Progress towards our $300 billion sustainable finance mobilisation target.
- Net zero sector decarbonisation:
  - Monitoring of 12 net zero high carbon sectors, being assessed on annual year-on-year reductions. See pages 78 to 88 for further details.
  - Outcome based on the number of sectors reducing emissions intensity.

Weighting – 20%

INED fees

The Board regularly reviews the fee levels, considering market data and the duties, time commitment and contribution expected for the PLC Board and, where appropriate, subsidiary boards. Considering the increasing demands made of our INEDs, the Board determined an increase in INED basic fees of £3,000 to £118,000 to be appropriate. The revised fees are effective from 1 January 2025.

The Chairman and the INEDs are eligible for benefits in line with the directors' remuneration policy. Neither the Chairman or INEDs receive any performance-related remuneration.

Our Chair and independent non-executive directors' remuneration policy is on **page 169** of this report and on our website at **sc.com**

Role	Annual fee
Group Chairman[1]	**£1,293,000**
Senior Independent Director	**£45,000**
Independent Non-Executive Director	**£118,000**

Committee	Member fee	Chair fee
Audit, Board Risk, Remuneration	**£40,000**	**£80,000**
Culture and Sustainability	**£35,000**	**£70,000**
Governance and Nomination	**£17,000**	**Nil**

1 The Group Chairman receives a stand-alone fee which is inclusive of all services (including Board and Committee responsibilities). The Group does not currently utilise the role of Deputy Chairman and does not plan to do so

Additional remuneration disclosures

The following disclosures provide further information and context on executive director and wider workforce remuneration as required by the UK directors' remuneration report regulations and the Stock Exchange of Hong Kong.

The relationship between the remuneration of the Group CEO and all UK employees

Ratio of the total remuneration of the CEO to that of the UK lower quartile, median and upper quartile employees

		CEO	UK employee – £000			Pay ratio		
Year	Method	£000	P25	P50	P75	P25	P50	P75
2024	**A**	**10,656**	**113**	**164**	**247**	**94:1**	**65:1**	**43:1**
2023	A	7,309	110	162	247	66:1	45:1	30:1
2022	A	6,408	95	145	228	67:1	44:1	28:1
2021	A	4,740	92	139	215	52:1	34:1	22:1
2020	A	3,926	84	128	199	46:1	31:1	20:1
2019	A	5,360	83	128	212	65:1	42:1	25:1
2018	A	6,287	78	124	208	80:1	51:1	30:1
2017	A	4,683	76	121	203	61:1	39:1	23:1

The ratio will depend materially on yearly LTIP outcomes for the CEO, and accordingly may fluctuate. The Committee also discloses ratios using salary and salary plus annual incentive, as most UK employees do not typically receive LTIP awards.

Additional ratios of pay based on salary and salary plus annual incentive

	CEO	UK employee – £000			Pay ratio		
Salary	£000	P25	P50	P75	P25	P50	P75
2024	**2,517**	**85**	**116**	**156**	**30:1**	**22:1**	**16:1**
2023	2,496	78	103	149	32:1	24:1	17:1
2022	2,418	72	87	138	34:1	28:1	18:1
2021	2,370	68	100	136	35:1	24:1	17:1
2020	2,370	63	93	116	38:1	25:1	20:1
2019	2,353	65	90	128	36:1	26:1	18:1
2018	2,300	59	86	142	39:1	27:1	16:1
2017	2,300	55	81	124	42:1	28:1	19:1

	CEO	UK employee – £000			Pay ratio		
Salary plus annual incentive	£000	P25	P50	P75	P25	P50	P75
2024	**3,979**	**98**	**141**	**217**	**41:1**	**28:1**	**18:1**
2023	3,958	96	138	220	41:1	29:1	18:1
2022	3,917	84	123	202	47:1	32:1	19:1
2021	3,559	79	122	186	45:1	29:1	19:1
2020	2,756	74	104	175	37:1	26:1	16:1
2019	3,604	73	109	187	49:1	33:1	19:1
2018	3,691	72	105	183	52:1	35:1	20:1
2017	3,978	69	103	182	58:1	39:1	22:1

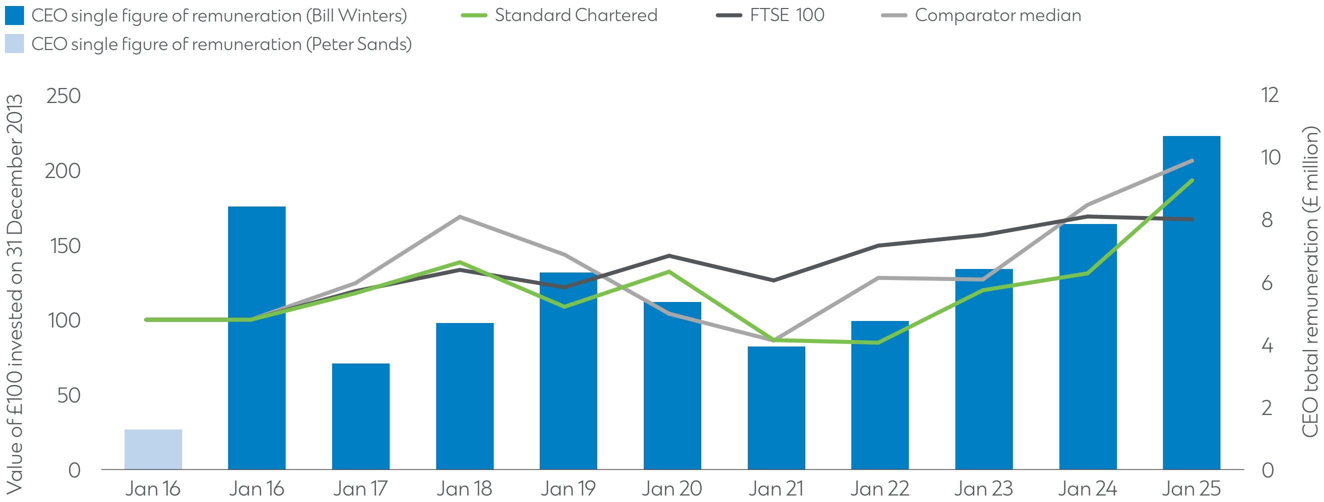
The 2024 total remuneration ratios have increased compared with previous years, driven principally by the 2022-24 LTIP projected outcome for the CEO, reflecting the Group's consistent, strong performance over the last three years and the significant increase in our share price over recent months.

CEO pay ratio methodology

- Pay ratios are calculated using Option A methodology, aligned with investor guidance.
- Employee pay data is based on FTE UK employees as of 31 December for the relevant year, excluding leavers, joiners, and transfers in/out of the UK during the year to ensure a like-for-like comparison. Total remuneration is calculated in line with the single figure methodology and insured benefits data is based on notional premiums. No other adjustments or assumptions have been made.
- CEO pay is the single figure of remuneration for 2024 and is restated for 2023 to reflect the final 2021-23 LTIP performance outcome assessed in March 2024. The 2024 ratio will be restated in the 2025 report to reflect the final 2022-24 LTIP performance outcome for eligible employees and the CEO.
- The Committee considered the data for the three individuals identified at the quartiles for 2024 and believes it fairly reflects UK employee pay. They were full-time employees and received remuneration in line with policy, without exceptional pay.
- Our LTIP links remuneration to the achievement of long-term strategy and reinforces alignment with shareholder interests. Participation is typically senior employees who directly influence the award's performance targets. The identified quartile employees are not LTIP participants.

Group performance versus the CEO's remuneration

The graph below shows the Group's TSR performance on a cumulative basis over the past 10 years alongside that of the FTSE 100 and peer banks. The graph also shows CEO remuneration based on the single figure over the 10 years ended 31 December 2024 for comparison. The FTSE 100 provides a broad comparison group against which shareholders may measure their relative returns.



The table below shows the single figure of total remuneration for the CEO since 2015 and the variable remuneration delivered as a percentage of maximum opportunity.

Salary	PS 2015	BW 2015	BW 2016	BW 2017	BW 2018	BW 2019	BW 2020	BW 2021	BW 2022	BW 2023	BW 2024
Single figure of total remuneration £000	1,290	8,399	3,392	4,683	6,287	5,360	3,926	4,740	6,408	7,309	**10,656**
Annual incentive as percentage of maximum opportunity	0%	0%	45%	76%	63%	55%	18.5%	57%	70%	66%	**66%**
Vesting of LTIP awards as a percentage of maximum[1]	0%	–	–	–	27%	38%	26%	23%	37%	57%	**88%**

1 The 2024 projected LTIP outcome of 88 per cent is subject to change until the final assessment of TSR performance in March 2025.

- Bill's single figure of total remuneration in 2015 includes his buyout award of £6.5 million to compensate for the forfeiture of share interests on joining from his previous employment
- The 2023 single figure for Bill has been restated based on the actual performance outcome and share price when the 2021-23 LTIP awards started vesting in March 2024.

Annual percentage change in remuneration of directors and UK employees

To comply with the Shareholder Rights Directive, we provide a comparison of the changes in remuneration of PLC Board directors against average full-time equivalent UK employee remuneration (using UK employees as of 31 December for the relevant year, excluding in-year joiners and international transfers). UK employee remuneration is calculated on a mean basis for consistency year-on-year. INEDs receive limited taxable benefits and small value changes may lead to year-on-year fluctuations.

	Salary % change					Taxable benefits % change					Annual incentive % change				
	2024	2023	2022	2021	2020	**2024**	2023	2022	2021	2020	**2024**	2023	2022	2021	2020
CEO Bill Winters	**0.8**	3.2	2.0	0.0	0.7	**3.9**	(3.0)	79.8	(26.5)	(2.9)	**0.0**	(2.5)	26.1	208.1	(69.2)
GCFO Diego De Giorgi	–	–	–	–	–	**–**	–	–	–	–	**–**	–	–	–	–
Andy Halford (former GCFO)	–	3.2	2.0	0.7	3.7	**–**	(17.0)	23.9	(5.6)	30.2	**–**	(2.6)	24.3	208.9	(68.2)
Workforce average FTE UK employee	**2.9**	10.4	3.3	3.1	3.8	**(1.2)**	2.2	(7.0)	(2.0)	2.9	**11.5**	0.8	14.3	38.2	(22.1)
Group Chairman José Viñals	**0.0**	3.4	0.0	0.0	0.0	**(17.5)**	53.2	170.2	(61.5)	(11.7)	Not applicable as these individuals are not eligible for annual incentive awards.				
Shirish Apte	**1.7**	–	–	–	–	**–**	–	–	–	–					
David Conner[1]	**1.6**	7.5	(8.8)	(6.7)	(0.6)	**0.0**	0.0	0.0	5.9	(57.5)					
Gay Huey Evans[1]	–	(3.2)	(22.5)	0.0	0.0	**–**	(100.0)	100.0	(100.0)	233.9					
Jackie Hunt	**1.5**	–	–	–	–	**–**	–	–	–	–					
Diane Jurgens[1]	–	–	–	–	–	**–**	–	–	–	–					
Robin Lawther	**2.2**	–	–	–	–	**–**	–	–	–	–					
Lincoln Leong[1]	–	–	–	–	–	**–**	–	–	–	–					
Maria Ramos[3]	**1.5**	38.8	25.9	–	–	**100.0**	0.0	0.0	–	–					
Phil Rivett	**2.0**	5.7	3.9	–	–	**0.0**	0.0	0.0	–	–					
David Tang	**2.7**	8.8	0.0	18.3	–	**55.3**	0.0	0.0	(82.3)	–					
Carlson Tong[1]	–	4.1	(11.0)	0.0	–	**–**	0.0	0.0	(100.0)	–					
Linda Yueh	**10.4**	–	–	–	–	**–**	–	–	–	–					

1 In 2024, Gay Huey Evans, Carlson Tong and David Conner stepped down from the Board on 29 February, 9 May and 30 December respectively. Diane Jurgens and Lincoln Leong were appointed to the Board on 1 March and 2 November 2024 respectively.

See **pages 156 and 163** for the CEO, GCFO, Group Chairman and INEDs data the changes relates to

Scheme interests awarded, exercised and lapsed during the year

Employees, including executive directors, are not permitted to engage in any personal investment strategies with regards to their Company shares, including hedging against the share price of Company shares. The main features of the outstanding shares and awards are summarised below:

Award[1,2]	Performance measures	Performance outcome (100%)	Accrues notional dividends?[1]	Delivery
2017–19 LTIP	33% RoE[3] 33% TSR 33% Strategic	38%	Yes	• Tranche 1: 50% • Tranches 2-5: 12.5%
2018–20 LTIP		26%	Yes	• 5 equal tranches
2019–21 LTIP	33% RoTE 33% TSR 33% Strategic	23%	No	• 5 equal tranches
2020–22 LTIP		37%	No	• 5 equal tranches
2021–23 LTIP	30% RoTE 30% TSR 15% Sustainability 25% Strategic	57%	No	• 5 equal tranches
2022–24 LTIP[4]		88%	No	• 5 equal tranches
2023–25 LTIP		To be assessed at the end of 2025	No	• 5 equal tranches
2024–26 LTIP	30% RoTE 30% TSR 25% Sustainability 15% Strategic	To be assessed at the end of 2026	No	• 5 equal tranches

1. Awards are delivered in five equal tranches.
2. 2017 – 19 LTIP award may receive dividend equivalent shares based on dividends declared between grant and vest. From 1 January 2017 remuneration regulations for European banks prohibited the award of dividend equivalent shares. Therefore, the number of shares awarded in respect of the LTIP awards granted after this date took into account the lack of dividend equivalents (calculated by reference to market consensus dividend yield) such that the overall value of the award was maintained.
3. Return on equity.
4. The performance outcome for the 2022-24 LTIP is a projected outcome. The final relative TSR outcome will be assessed in March 2025.

Scheme interests awarded during 2024

Awards were granted to Bill and Diego under the 2024 – 26 LTIP on 12 March 2024. Performance measures apply to 2024 – 26 LTIP awards.

	Type of interest awarded	Basis on which award is made	Number of shares[1]	Award face value (£)[2]	Award outcome achievable for minimum performance	Performance period end[3]
Bill Winters	LTIP – conditional rights	% of salary	616,378	4,068,095	25%	12 March 2027
Diego De Giorgi	LTIP – conditional rights	% of salary	404,062	2,666,809	25%	12 March 2027

1. The number of shares awarded in respect of the LTIP took account of the lack of dividend equivalents (calculated by reference to market consensus dividend yield) such that the overall market value of the award is maintained.
2. The award face value is calculated by multiplying the number of shares awarded by the share award price of £6.60.
3. Details of the LTIP performance measures can be found on page 179.

Change in interests during the period 1 January to 31 December 2024 (audited)

Bill Winters[1]

	Date of grant	Share award price (£)	As at 1 January	Awarded	Dividends awarded[2]	Vested[3,4]	Lapsed	As at 31 December	Performance period end	Vesting date
2017 – 19 LTIP	13 Mar 2017	7.450	45,049	–	6,127	51,176	–	**–**	13 Mar 2020	13 Mar 2024
2018 – 20 LTIP	9 Mar 2018	7.782	28,178	–	–	28,178	–	**–**	9 Mar 2021	9 Mar 2024
			28,179	–	–	–	–	**28,179**		9 Mar 2025
2019 – 21 LTIP	11 Mar 2019	6.105	30,604	–	–	30,604	–	**–**	11 Mar 2022	11 Mar 2024
			30,604	–	–	–	–	**30,604**		11 Mar 2025
			30,605	–	–	–	–	**30,605**		11 Mar 2026
2020 – 22 LTIP	9 Mar 2020	5.196	59,282	–	–	59,282	–	**–**	9 Mar 2023	9 Mar 2024
			59,282	–	–	–	–	**59,282**		9 Mar 2025
			59,282	–	–	–	–	**59,282**		9 Mar 2026
			59,282	–	–	–	–	**59,282**		9 Mar 2027
2021 – 23 LTIP	15 Mar 2021	4.901	150,621	–	–	85,853	64,768	**–**	15 Mar 2024	15 Mar 2024
			150,621	–	–	–	64,768	**85,853**		15 Mar 2025
			150,621	–	–	–	64,768	**85,853**		15 Mar 2026
			150,621	–	–	–	64,768	**85,853**		15 Mar 2027
			150,621	–	–	–	64,768	**85,853**		15 Mar 2028
2022 – 24 LTIP	14 Mar 2022	4.876	151,386	–	–	–	–	**151,386**	14 Mar 2025	14 Mar 2025
			151,386	–	–	–	–	**151,386**		14 Mar 2026
			151,386	–	–	–	–	**151,386**		14 Mar 2027
			151,386	–	–	–	–	**151,386**		14 Mar 2028
			151,388	–	–	–	–	**151,388**		14 Mar 2029
2023 – 25 LTIP	13 Mar 2023	7.398	101,209	–	–	–	–	**101,209**	13 Mar 2026	13 Mar 2026
			101,209	–	–	–	–	**101,209**		13 Mar 2027
			101,209	–	–	–	–	**101,209**		13 Mar 2028
			101,209	–	–	–	–	**101,209**		13 Mar 2029
			101,209	–	–	–	–	**101,209**		13 Mar 2030
2024 – 26 LTIP	12 Mar 2024	6.600	–	123,275	–	–	–	**123,275**	12 Mar 2027	12 Mar 2027
			–	123,275	–	–	–	**123,275**		12 Mar 2028
			–	123,275	–	–	–	**123,275**		12 Mar 2029
			–	123,275	–	–	–	**123,275**		12 Mar 2030
			–	123,278	–	–	–	**123,278**		12 Mar 2031

Diego De Giorgi[1]

	Date of grant	Share award price (£)	As at 1 January	Awarded	Dividends awarded[2]	Vested[3,4]	Lapsed	As at 31 December	Performance period end	Vesting date
2024 – 26 LTIP	12 Mar 2024	6.600	–	80,812	–	–	–	**80,812**	12 Mar 2027	12 Mar 2027
			–	80,812	–	–	–	**80,812**		12 Mar 2028
			–	80,812	–	–	–	**80,812**		12 Mar 2029
			–	80,812	–	–	–	**80,812**		12 Mar 2030
			–	80,814	–	–	–	**80,814**		12 Mar 2031

1 The unvested LTIP awards held by Bill and Diego are conditional rights. They do not have to pay for these awards. Shares are delivered on vesting or as soon as practicable thereafter.

2 Dividend equivalent shares may be awarded on vesting for awards granted prior to 1 January 2018. On 31 March 2020, Standard Chartered announced that in response to the request from the PRA and as a consequence of the unprecedented challenges facing the world due to the COVID-19 pandemic, the Board had decided to withdraw the recommendation to pay a final dividend for 2019. Dividend equivalent shares allocated to the 2017 – 19 awards vesting in 2024 did not include any shares relating to the cancelled dividend.

3 Shares (before tax) were delivered to Bill from the vesting element of LTIP awards. The closing share price on the day before the shares were delivered were as follows:

- 13 March 2024: Shares in respect of the 2017 – 19 LTIP. Previous day closing share price: £6.698
- 11 March 2024: Shares in respect of the 2018 – 20 LTIP, 2019-21 LTIP and 2020-22 LTIP. Previous day closing share price: £6.558
- 19 March 2024: Shares in respect of the 2021 – 23 LTIP. Previous day closing share price: £6.502.

4 The weighted average closing price for Bill's awards exercised during the period was £6.567.

As at 31 December 2024, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the Hong Kong Securities and Futures Ordinance, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

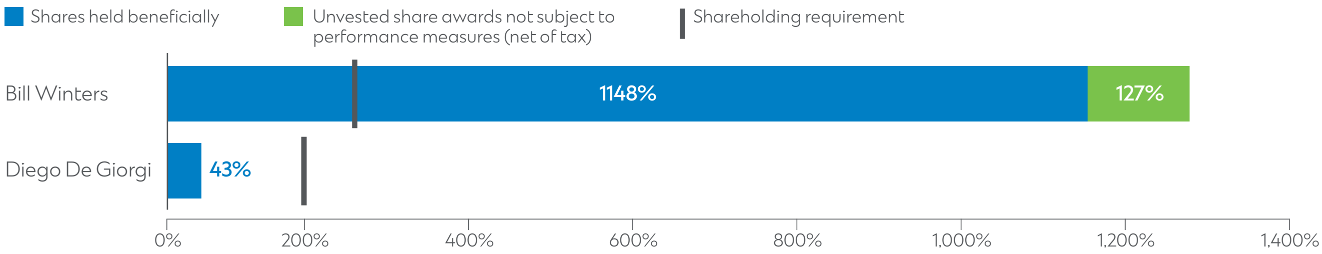
See **page 359** for details of share plan dilution limits

Executive directors' shareholdings and share interests including share awards (audited)

Shares that count towards the executive director shareholding requirements are beneficially owned shares, including shares subject to a retention period, and unvested share awards for which performance conditions have been satisfied (on a net of tax basis). As of 31 December 2024, Bill significantly exceeded his shareholding requirement and Diego is continuing to build up his requirement.

Andy Halford significantly exceeded his shareholding requirement when he retired from the Company on 31 August 2024. He is subject to a two year post-employment shareholding requirement of 200 per cent of his salary. His shareholding requirement will be monitored through self-certification, to the extent it is not met via shares held within the Group's employee share plans and nominee accounts.

Shares purchased voluntarily from his own funds are equivalent to 122 per cent of salary for Bill. No shares were purchased voluntarily in 2024. The following chart and table summarise the executive directors' shareholdings and share interests.



	Shares held beneficially[1,2,3]	Unvested share awards not subject to performance measures (net of tax)[4]	Total shares counting towards shareholding requirement	Shareholding requirement	Salary	**Value of shares counting towards shareholding requirement as a percentage of salary**	Unvested share awards subject to performance measures (before tax)
Bill Winters	2,922,955	323,640	3,246,595	250% salary	£2,517,000	**1,275%**	1,879,355
Diego De Giorgi	71,011	-	71,011	200% salary	£1,650,000	**43%**	404,062
				Post-employment shareholding requirement	Relevant salary		
Andy Halford[6]	764,715	232,172	996,887	200% salary	£1,609,000	**612%**	807,363

1 All figures are as of 31 December 2024 unless stated otherwise. The closing share price on 31 December 2024 was £9.886. No director had either: (i) an interest in Standard Chartered PLC's preference shares or loan stocks of any subsidiary or associated undertaking of the Group; or (ii) any corporate interested in Standard Chartered PLC's ordinary shares.

2 The beneficial interests of directors and connected persons in the ordinary shares of the Company are set out above. The executive directors do not have any non-beneficial interest in the Company's shares. Neither of the executive directors used ordinary shares as collateral for any loans.

3 The salary and shares held beneficially include shares awarded to deliver the executive directors' salary shares.

4 In March 2024, the final assessment of the 2021-23 LTIP award resulted in a 57 per cent outcome due to achievement against RoTE and strategic measures. This award is no longer subject to performance measures and is included here. The remaining 43 per cent of the award lapsed.

5 As Bill, Andy and Diego are UK taxpayers, it is assumed that no income tax or National insurance contributions will apply to Sharesave (as Sharesave is a UK tax qualified share plan) and 47 per cent tax will apply to other unvested share awards based on current rates (marginal combined PAYE rate of income tax at 45 per cent and employee National Insurance contributions at 2 per cent).

6 Under the current directors' remuneration policy, Andy Halford is required to maintain his 200 per cent of salary shareholding requirement for two years following his cessation of employment.

Historical LTIP awards

The current projected outcome for in-flight LTIP awards from the 2023 and 2024 performance years based on current performance as at 31 December 2024 is set out in the tables below.

Current position on the 2023 – 25 LTIP award: projected partial performance outcome

Measure	Weighting	Minimum (25%)	Maximum (100%)	2023 – 25 LTIP assessment as of 31 December 2024
RoTE[1] in 2025 with a CET1[2] underpin of the higher of 13% or the minimum regulatory requirement	30%	10%	12.5%	RoTE between threshold and maximum: indicative partial outcome
Relative TSR performance against peer group	30%	Median	Upper quartile	TSR positioned below the median: indicative zero outcome
Sustainability	15%	Targets set for sustainability measures linked to the business strategy		Performance tracking above target: indicative partial outcome
Other strategic measures	25%	Targets set for strategic measures linked to the business strategy		Performance tracking above target: indicative partial outcome

1 Underlying RoTE represents the ratio of the current year's underlying operating profit attributable to ordinary shareholders to the weighted average ordinary shareholders' equity less the average goodwill and intangibles for the reporting period. Underlying RoTE normally excludes regulatory fines and certain other adjustments but, for remuneration purposes, such adjustments are subject to review by the Committee.

2 The CET1 underpin will be set at the higher of 13 per cent or the minimum regulatory level as at 31 December 2025. In addition, the Committee has the discretion to take into account at the end of the performance period any changes in regulatory capital and risk-weighted asset requirements that might have been announced and implemented after the start of the performance period.

Current position on the 2024 – 26 LTIP award: projected partial performance outcome

Measure	Weighting	Minimum (25%)	Maximum (100%)	2024 – 26 LTIP assessment as of 31 December 2024
RoTE[1] in 2026 with a CET1[2] underpin of the higher of 13% or the minimum regulatory requirement	30%	10%	13%	RoTE above maximum: indicative full outcome
Relative TSR performance against peer group	30%	Median	Upper quartile	TSR positioned above upper quartile: indicative full outcome
Sustainability	25%	Targets set for sustainability measures linked to the business strategy		Performance tracking on target: indicative partial outcome
Other strategic measures	15%	Targets set for strategic measures linked to the business strategy		Performance tracking on target: indicative partial outcome

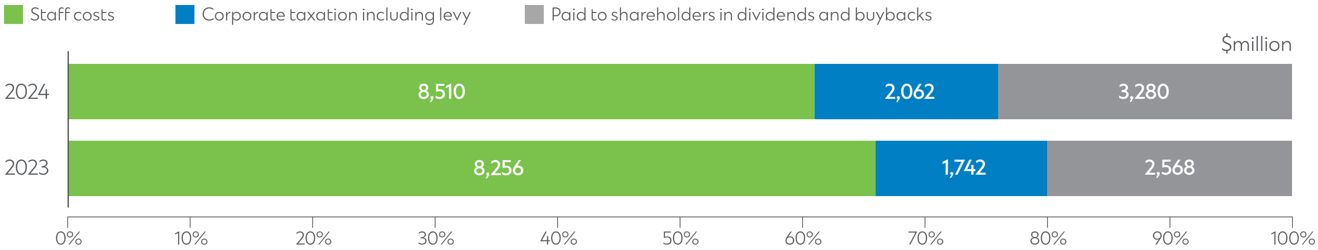
1 Underlying RoTE represents the ratio of the current year's underlying operating profit attributable to ordinary shareholders to the weighted average ordinary shareholders' equity less the average goodwill and intangibles for the reporting period. Underlying RoTE normally excludes regulatory fines and certain other adjustments but, for remuneration purposes, such adjustments are subject to review by the Committee.

2 The CET1 underpin will be set at the higher of 13 per cent or the minimum regulatory level as of 31 December 2026. In addition, the Committee has the discretion to take into account at the end of the performance period any changes in regulatory capital and risk-weighted asset requirements that might have been announced and implemented after the start of the performance period, for example in relation to Basel IV.

The Committee assesses the outcome value of LTIP awards on vesting and has the flexibility to adjust if the formulaic outcome is not considered to be an appropriate reflection of the performance achieved and to avoid windfall gains.

Allocation of the Group's earnings between stakeholders

When considering Group variable remuneration, the Committee takes account of shareholders' concerns about relative expenditure on pay and determines the allocation of earnings to expenditure on remuneration carefully and has approached this allocation in a disciplined way. The amount of corporate tax, including the bank levy, is included in the chart because it is a significant payment and illustrates the Group's contribution through the tax system.



Approach to risk adjustment

Risk adjustment	What and how?	When?
Collective adjustments	• At a collective level, the Group annual scorecard and LTIP performance criteria include risk and control measures. • In addition, the Committee carries out a detailed review of all risk, control and conduct matters including ongoing investigations and any matters raised by regulators, and may use its discretion to adjust remuneration to reflect matters not adequately captured by the scorecards.	• Material restatement of the Group's financials. • Significant failure in risk management. • Discovery of endemic problems in financial reporting. • Financial losses, due to a material breach of regulatory guidelines. • The exercise of regulatory or government action to recapitalise the Group following material financial losses.
Individual adjustments	• Individual risk adjustments to variable remuneration are considered based on the materiality of the issue. • At an individual level, risk adjustments can be applied through the reduction or forfeiture of the value of current year variable remuneration or the application of malus or clawback to unpaid or paid variable remuneration as appropriate, at the Committee's discretion.	• Deemed to have: (i) caused in full or in part a material loss for the Group as a result of reckless, negligent or wilful actions, or (ii) exhibited inappropriate behaviours, or (iii) applied a lack of appropriate supervision and due diligence. • The individual failed to meet appropriate standards of fitness and propriety.

+ Our Pillar 3 remuneration disclosures can be viewed in our 2024 Pillar 3 Report at **sc.com**

Remuneration of the five-highest paid individuals and the remuneration of senior management

In line with the requirements of The Stock Exchange of Hong Kong Limited, the following table sets out, on an aggregate basis, the annual remuneration of: (i) the five highest-paid employees; and (ii) senior management for the year ended 31 December 2024.

Components of remuneration	Five highest paid[1] $000	Senior management[2] $000
Salary, cash allowances and benefits in kind	15,630	35,053
Pension contributions	630	1,396
Variable remuneration awards paid or receivable	39,115	60,720
Payments made on appointment	–	99
Remuneration for loss of office (contractual or other)	–	2,982
Other	–	–
Total	**55,375**	**100,250**
Total HKD equivalent	**432,256**	**782,551**

1 The five highest paid individuals include Bill Winters.

2 Senior management comprises the executive directors and the members of the Group Management Team at any point during 2024.

Share award movements for the five highest-paid individuals for the year to 31 December 2024[1]

	LTIP[2]	Deferred shares[2]	Sharesave	Weighted average Sharesave exercise price (£)
Outstanding at 1 January 2024	2,923,473	2,617,126	2,126	4.23
Granted[3,4,5]	1,130,565	962,399	1,536	–
Lapsed	(409,611)	–	–	–
Vested/Exercised	(300,014)	(716,613)	–	–
Outstanding at 31 December 2024	**3,344,413**	**2,862,912**	**3,662**	**5.01**
Exercisable as at 31 December 2024	–	–	–	–
Range of exercise prices (£)	–	–	–	**4.23 – 6.10**

1 The five highest paid individuals include Bill Winters.

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

3 1,129,021 (LTIP) granted on 12 March 2024, 1,544 (LTIP) granted as a notional dividend on 1 March 2024. 961,552 (Deferred shares) granted on 11 March 2024, 624 (Deferred shares) granted as a notional dividend on 1 March 2024, 223 (Deferred shares) granted as a notional dividend on 8 August 2024. 1,536 (Sharesave) granted on 23 September 2024.

4 Deferred shares were granted at a share price of £6.558; LTIP shares were granted at a share price of £6.600, the closing price on the last trading day preceding the grant date. The vesting period for these awards ranges from 1 to 7 years.

5 For Sharesave granted in 2024 the exercise price is £6.10 per share, a 20% discount on the closing share price on 16 August 2024 of £7.624. The average of the closing prices over the five days prior to the invitation date of 19 August 2024 was £7.421.

See **page 177** for details of awards and options for Bill Winters

See **page 360** for a view of share awards and options for all employees

See **page 356** for details on the accounting standard adopted for share awards is IFRS2

The table below shows the emoluments of: (i) the five highest-paid employees; and (ii) senior management for the year ended 31 December 2024.

Remuneration band HKD	Remuneration band USD equivalent	Number of employees: Five highest paid	Number of employees: Senior management[1]
9,500,001 – 10,000,000	1,217,013 – 1,281,066	–	1
22,000,001 – 22,500,000	2,818,345 – 2,882,398	–	2
25,500,001 – 26,000,000	3,266,718 – 3,330,771	–	2
27,000,001 – 27,500,000	3,458,878 – 3,522,931	–	1
28,000,001 – 28,500,000	3,586,985 – 3,651,038	–	1
33,500,001 – 34,000,000	4,291,571 –4,355,624	–	1
37,000,001 – 37,500,000	4,739,944 – 4,803,997	–	1
40,000,001 – 40,500,000	5,124,264 – 5,188,317	–	1
42,500,001 – 43,000,000	5,444,530 – 5,508,583	–	1
43,000,001 – 43,500,000	5,508,584 – 5,572,636	–	1
54,500,001 – 55,000,000	6,981,809 –7,045,862	–	1
62,000,001 – 62,500,000	7,942,608 – 8,006,662	1	1
63,000,001 – 63,500,000	8,070,715 – 8,134,768	1	–
68,000,001 – 68,500,000	8,711,248 – 8,775,301	1	1
118,500,001 – 119,000,000	15,180,630 – 15,244,684	1	1
119,500,001 – 120,000,000	15,308,737 – 15,372,790	1	1
Total		**5**	**17**

1 Senior management comprises the executive directors and the members of the Group Management Team at any point during 2024.

Shirish Apte
Chair of the Remuneration Committee
21 February 2025

Other statutory and regulatory disclosures

This section sets out additional information required to be included in the Directors' report. Where set out elsewhere in the report, the information in the tables below is incorporated by reference. The Group operates in the UK and overseas through a number of subsidiaries, branches and offices. Information about the principal activities of the Group is set out in the Strategic report.

Disclosures required pursuant to Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008

Engagement with customers, suppliers and others	See pages 35 to 38 of the Strategic report
Engagement with employees	See pages 38 to 41 of the Strategic report in addition to page 188 of this Directors' report
Post balance sheet events	See Note 37 to the Financial statements
Directors' interests	See page 163 of the Directors' remuneration report. As at 14 February 2024, there had been no changes to those interests in relation to directors remaining in office at that date
Future developments in the Group's business	See the Strategic report
Debt and Equity capital	Notes 22 and 28 to the Financial statements in addition to pages 184 to 185 of this Directors' report
Loan capital	Notes 22 and 27 to the Financial statements
Share buyback	Note 28 to the Financial statements in addition to page 185 of this Directors' report
Financial instruments	See Risk review and Capital review on pages 193 and 270

The Group's 2024 financial statements have been prepared in accordance with the principles of the UK Finance Disclosure Code for Financial Reporting Disclosure.

Disclosures required under UK Listing Rule 6.6.1

UKLR 6.6.1 (11-12) (Waiver of dividends)	See Note 28 to the Financial Statements
UKLR 6.6.1 (1) (2) (3-10) (13)	N/A

Application of the principles of the UK Corporate Governance Code

Board leadership and company purpose	Section	Page
A – Promoting long-term sustainable success and value	Strategic report	2 - 46
	Board of Director	105 - 109
B – Purpose, value, strategy and alignment with culture	Who we are and what we do	2 - 3
	Our strategy	18
	Integrity, conduct and ethics	95 - 97
	Group Code of Conduct	190
C – Performance measures, controls and risk management	Key performance indicators	12 - 13
	Enterprise Risk Management Framework	196 - 200
D – Shareholder and other stakeholder engagement	Section 172 statement	35 - 41
E – Workforce policies and practices	Employment engagement and Employee policies	188
Division of Responsibilities		
F – Chair role and responsibilities	Our corporate governance	113
G – Board roles and responsibilities	Our corporate governance	113
H – Non-executive directors' role and capacity	Our corporate governance	113
	Board activities and attendance	114
	External appointments and independence	120
I – Board effectiveness and efficiency	Director training and development	117 - 118
	Board effectiveness	119 - 120
Composition, succession and evaluation		
J – Board appointments and succession plans	Governance and Nomination Committee report	137
K – Board skills, experience, knowledge and tenure	Board of Directors	105 - 109
L – Board evaluation of composition, diversity and effectiveness	Board effectiveness	119 - 120
	Individual performance	118

Application of the principles of the UK Corporate Governance Code continued

	Section	Page
Audit, risk and internal control		
M – Independence and effectiveness of internal and external audit functions, integrity of financial and narrative statements	Audit Committee report	123 - 128
	Non-audit services	190 - 191
N – Fair, balanced and understandable assessment of the Company's position and prospects	Audit Committee report	123 - 128
	Fair, Balanced and Understandable	125
O – Risk management and internal controls	Risk review	194 - 269
Remuneration		
P – Remuneration policies and practices	Remuneration Committee report	143 - 174
Q – Procedure for developing remuneration policy	Remuneration Committee Terms of Reference	
R – Independent judgement and discretion when authorising remuneration outcomes	Remuneration Committee Terms of Reference	

ESG Disclosures

Hong Kong Listing Rules Appendix C2	We comply with the requirements of the ESG Reporting Guide contained in Appendix C2 to The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. With respect to the KPIs noted in Part C: 'Comply or explain' provisions, the Group does not report on KPI A1.3 and KPI A1.6 related to the production and handling of hazardous waste; KPI A2.5 related to packaging materials used for finished products; KPI B6.1 total products recalled due to safety and health reasons; and KPI B6.4 product recall procedures. As an office-based financial services provider these issues were not deemed material. For further information related to Aspect B4 Labour Standards and B5 Supply Chain Management, please also refer to the Group's annual Modern Slavery Statement.
Task Force on Climate-related Financial Disclosures (TCFD)	In line with our 'comply or explain' obligation under the UK's FCA's Listing Rule 6.6.6R (8), we can confirm that we have made disclosures consistent with the TCFD recommendations as per Section C – Guidance for All Sectors and Section D – Supplemental Guidance for the Financial Sector: Banks of the 2021 TCFD Implementing Guidance in this Annual Report. Please refer to our TCFD reporting index on pages 43 to 44.
Aspect B4 Labour Standards and B5 Supply Chain Management	Refer also to the Group's annual Modern Slavery Statement (see below).
Non-financial and sustainability information statement	See page 42 of the Strategic report.
Modern slavery	The Group publishes a Modern Slavery Statement under the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018 for the financial year ending 31 December 2024. + See more via **sc.com/modernslavery**

Sustainable finance taxonomies

Standard Chartered continues to assess the applicability of sustainable finance taxonomies across the Group's footprint. Reporting has commenced in several markets in accordance with local sustainable finance taxonomy regulatory requirements.

The Group will continue to consider applicable taxonomy alignment in our business decisions, including at a client and transaction level, as well as more broadly at a sector strategy level. Given our footprint across Europe and the UK, Asia, Africa and the Middle East, we need to continually assess taxonomy alignment requirements based on information available from clients and through our due diligence processes.

Streamlined energy and carbon reporting

Environmental impact of our operations

We aim to minimise the environmental impact of our operations as part of our commitment to be a responsible company. We report on the actions we take to reduce energy and water usage and non-hazardous waste generated in our operations in the Sustainability review on page 77 and in the ESG Data Pack at **sc.com/sustainabilitylibrary**.

Our reporting methodology is based on 'The Greenhouse Gas (GHG) Protocol – A Corporate Accounting and Reporting Standard (Revised Edition)'. We have adopted the operational control approach to define our reporting boundary for GHG Scope 1 and 2 emissions. For Scope 3 financed and facilitated emissions, boundaries are noted for each high-emitting sector in the 'Our approach to measuring financed emissions' table in the Sustainability review on page 81.

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

Reporting period, boundary and scope

We report on sustainability and environmental, social and governance (ESG) matters throughout this Annual Report, in particular in the following sections: (i) Strategic report, Sustainability overview on pages 42 to 44; (ii) Sustainability review on pages 58 to 94; (iii) Risk review on pages 194 to 269; and (iv) in the Supplementary sustainability information section on pages 393 to 395.

The reporting period for Scope 1 and Scope 2 emissions and energy consumption is from 1 October 2023 to 30 September 2024. This allows sufficient time for independent third-party assurance to be completed prior to the publication of the Group's Annual Report. Accordingly, the operating income used in the GHG emissions and energy consumption data table below for associated environmental intensity metrics corresponds to the same time period, rather than the calendar year used in financial reporting. The reporting periods for other sustainability information in this Annual Report may differ and are set out on page 61.

As we aim to improve our emissions measurement and reporting year-on-year, we have included leased vehicle fleet emissions in our Scope 1 figures in 2024. Apart from that, there was no significant change in the boundary and scope of our Scope 1 and Scope 2 emissions reported in this Annual Report from that of Standard Chartered PLC Annual Report 2023, published on 23 February 2024.

Assurance

Our Scope 1 and 2 emissions are assured (limited level) by an independent company, Global Documentation, against the requirements of ISO 14064.

GHG emissions and energy consumption data

The Group has disclosed Scope 1 and Scope 2 GHG emissions and energy consumption data as required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

	Units	2024	2023	2022
Reporting coverage of data				
Annual operating income from 1 October to 30 September	$ million	**19,110**	17,414	15,863
Net internal area of occupied property	m^2	**850,817**	880,515	946,234
GHG emissions				
Scope 1 & 2:				
Scope 1 emissions [1]	tCO_2e	**7,696**	8,488	2,071
Scope 2 emissions (location-based)[2]	tCO_2e	**82,837**	85,741	89,410
Scope 2 emissions (market-based)[3]	tCO_2e	**17,272**	26,246	47,363
Scope 1 & 2 emissions (market-based)[3]	tCO_2e	**24,968**	34,734	49,434
Scope 1 & 2 emissions (UK and offshore area only)	tCO_2e	**–**	248	–
GHG emissions – Intensity:				
Total Scope 1 &2 emissions (market-based) intensity	tCO_2e/$ million	**1**	2	3
Environmental resource efficiency				
Energy				
Indirect non-renewable energy consumption	GWh	**125**	142	142
Indirect renewable energy consumption	GWh	**14**	16	24
Direct non-renewable energy consumption	GWh	**12**	13	10
Direct renewable energy consumption	GWh	**2**	2	1
Energy consumption	GWh	**154**	173	177
Energy consumption (UK and offshore area only)	GWh	**7**	6	6

1 As we aim to improve our emissions measurement and reporting year-on-year, we have included leased vehicle fleet emissions in our Scope 1 figures in 2024 (1,340 tCO_2e) and fugitive emissions since 2023. (3,877 tCO_2e in 2024 and 5,266 tCO_2e in 2023). 2022 data was not available for fugitive emissions

2 Location-based emissions have been restated for prior comparative periods. Emissions erroneously included renewable energy certificates and power purchase agreements. Other Scope 2 reductions outside clean power are attributed to footprint reduction and efficiency gains

3 Market-based emissions have decreased from 2022 to 2023 due to footprint reduction, efficiency gains and the purchase of additional energy attribution certificates by the Group

+ Further detail on our environment performance and the independent assurance report can be found in our ESG data pack at **sc.com/sustainabilitylibrary**; associated assumptions and methodologies in our reporting criteria document at **sc.com/environmentcriteria**

Share capital, constitution and shareholder rights

Share capital in issue

The issued ordinary share capital of the Company was reduced by a total of 239,528,930 over the course of 2024 This was due to the cancellation of ordinary shares as part of the Company's two share buyback programmes. No ordinary shares were issued during the year. The Company has one class of ordinary shares, which carries no rights to fixed income. On a show of hands, each member present has the right to one vote at our general meetings. On a poll, each member is entitled to one vote for every share held. The issued nominal value of the ordinary shares represents 83.2 per cent of the total issued nominal value of all share capital.

The remaining 16.8 per cent comprises preference shares, which have preferential rights to income and capital but which, in general, do not confer a right to attend and vote at our general meetings.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the Articles of Association and prevailing legislation. There are no specific restrictions on voting rights and the directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

Buyback

At the AGM held on 10 May 2024, our shareholders renewed the Company's authority to make market purchases of up to 261,582,895 ordinary shares, equivalent to approximately 10 per cent of issued ordinary shares as at 26 March 2024, and up to all of the issued preference share capital.

The authority to make market purchases up to 10 per cent of issued ordinary share capital (and, prior to the 2024 AGM, a similar authority granted in the previous year at the 2023 AGM) was used during the year through two buyback programmes announced in February and in July 2024. These were utilised as part of the Group's approach to dividend growth and capital returns. The first share buyback programme commenced on 27 February 2024 and ended on 25 June 2024. The second share buyback programme commenced on 1 August 2024 and ended on 30 January 2025. A total of 250,829,058 ordinary shares with a nominal value of $0.50 each were re-purchased under the two programmes for an approximate aggregate consideration paid of $2.5 billion. A monthly breakdown of the shares purchased during the period including the lowest and highest price paid per share is set out in Note 28 to the financial statements. All ordinary shares which were bought back were cancelled.

Articles of Association

The Articles of Association may be amended by special resolution of the shareholders.

Directors' powers

Subject to company law, the Articles of Association and the authority granted to directors in general meeting, the directors may exercise all the powers of the Company and may delegate authorities to committees.

The Company is granted authority to issue shares by the shareholders at its AGM. The size of the authorities granted depends on the purposes for which shares are to be issued and is within applicable legal and regulatory requirements.

Shareholder rights

Under the Companies Act 2006, shareholders holding 5 per cent or more of the paid-up share capital of the Company carrying the right of voting at general meetings of the Company are able to require the directors to hold a general meeting. Where such a request has been duly lodged with the Company, the directors are obliged to call a general meeting within 21 days of becoming subject to the request and must set a date for the meeting not more than 28 days from the date of the issue of the notice convening the meeting.

Under the Companies Act 2006, shareholders holding 5 per cent or more of the total voting rights at an AGM of the Company, or 100 shareholders entitled to vote at the AGM with an average of at least £100 paid-up share capital per shareholder, are entitled to require the Company to circulate a resolution intended to be moved at the Company's next AGM. Such a request must be made not later than six weeks before the AGM to which the request relates or, if later, the time notice is given of the AGM.

Sufficiency of public float

As at the date of this report, the Company has maintained the prescribed public float under the rules governing the listing of securities on The Stock Exchange of Hong Kong Limited (the Hong Kong Listing Rules), based on the information publicly available to the Company and within the knowledge of the directors.

Debenture issues and equity-linked agreements

During the financial year ended 31 December 2024, other than as disclosed in the Annual Report and Notes 22, 27 and 28 to the financial statements, the Company made no issuance of debentures (including debenture stock, bonds and any other debt securities). Details of the equity-linked agreements the Group entered into can be found in Note 28 to the financial statements.

Electronic communications

Our shareholders are encouraged to receive our corporate documents electronically. The annual and interim financial statements, Notice of AGM and any dividend circulars are all available electronically. If you do not already receive your corporate documents electronically and would like to do so in future, please contact our registrars at the address on page 396. Shareholders are also able to submit proxy votes or voting instructions online by visiting our registrar's website at **www.investorcentre.co.uk/eproxy**.

Annual General Meeting

Our 2025 AGM will be held at 11:00am (UK time) (6:00pm Hong Kong time) on 8 May 2025. Further details regarding the format, location and business to be transacted will be disclosed within the 2025 Notice of AGM. Our 2024 AGM was held on 10 May 2024 at 11:00am (UK time) (6:00pm Hong Kong time). Special business at the meeting included the approval of the power to allot ECAT1 Securities for cash without certain formalities, and an amendment to our articles to simplify the votes of ordinary shareholders so that each ordinary share confers one vote (previously ordinary shareholders were entitled to one vote for every four shares held).

Dividends

2024: paid interim dividend of 9.00 cents per ordinary share
(2023: paid interim dividend of 6.00 cents per ordinary share)
2024: proposed final dividend of 28 cents per ordinary share
(2023: paid final dividend of 21.00 cents per ordinary share)
2024: total dividend of 37 cents per ordinary share
(2023: total dividend, 27 cents per ordinary share)

Directors' independence, interests and conflicts

The Company has received from each of the INEDs an annual confirmation of independence pursuant to Rule 3.13 of the Hong Kong Listing Rules and still considers all of the non-executive directors to be independent.

Details of the directors' beneficial and non-beneficial interests in the ordinary shares of the Company as at 31 December 2024 are shown in the directors' remuneration report on page 163. As at 14 February, the latest practicable date before publication of this Annual Report, there had been no changes to those interests in relation to directors remaining in office at that date.

At no time during the year did any director hold a material interest in any contracts of significance (as defined in the Hong Kong Listing Rules) with the Company or any of its subsidiary undertakings. In accordance with the Companies Act 2006, we have established a process requiring directors to disclose proposed outside business interests before any are entered into. This enables prior assessment of any conflict or potential conflict of interest and any impact on time commitment. On behalf of the Board, the Governance and Nomination Committee reviews potential and existing conflicts of interest annually to consider if they continue to be conflicts of interest, and also to revisit the terms upon which they were authorised. The Board is satisfied that our processes in this respect continue to operate effectively.

The Company has granted indemnities to all of its directors on terms consistent with the applicable statutory provisions. Qualifying third-party indemnity provisions for the purposes of section 234 of the Companies Act 2006 were accordingly in force during the course of the financial year ended 31 December 2024 and remain in force at the date of this report. Qualifying pension scheme indemnity provisions (as defined by section 235 of the Companies Act 2006) were in force during the course of the financial year ended 31 December 2024 for the benefit of the UK's pension fund corporate trustee (Standard Chartered Trustees (UK) Limited), and remain in force at the date of this report.

Significant and related/connected party contracts and arrangements

The Company is not party to any significant agreements that would take effect, alter or terminate following a change of control of the Company. The Company does not have agreements with any director or employee that would provide compensation for loss of office or employment resulting from a takeover, except that provisions of the Company's share schemes and plans may cause awards granted to employees under such schemes and plans to vest on a takeover, subject to any regulatory or tax considerations that may prevent this.

Details of transactions with directors and officers and other related parties (within the meaning of IAS 24) are set out in Note 36 to the financial statements.

Transactions with Temasek

By virtue of its shareholding of over 10 per cent in the Company, Temasek and its associates are connected persons of the Company for the purpose of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (HKEx) (the HK Listing Rules).

The HK Listing Rules are intended to ensure that there is no favourable treatment to Temasek or its associates to the detriment of other shareholders in the Company. Unless transactions between the Group and Temasek or its associates are specifically exempt under the HK Listing Rules or are subject to a specific waiver, they may require a combination of announcements, reporting and independent shareholders' approval.

On 19 November 2024, the HKEx extended a waiver (the Waiver) it previously granted to the Company for the revenue banking transactions with Temasek which do not fall under the passive investor exemption (the Passive Investor Exemption) under Rules 14A.99 and 14A.100 of the HK Listing Rules. Under the Waiver, the HKEx agreed to waive the announcement requirement, the requirements to enter into written agreements and to set annual caps, and the annual report disclosure (including annual review) requirements under Chapter 14A of the HK Listing Rules for the three-year period ending 31 December 2027 on the conditions that:

a) The Company will disclose details of the Waiver (including nature of the revenue banking transactions with Temasek and reasons for the Waiver) in subsequent annual reports; and

b) The Company will continue to monitor the revenue banking transactions with Temasek during the three years ending 31 December 2027 to ensure that the 5 per cent threshold for the revenue ratio will not be exceeded.

The main reasons for seeking the Waiver were:

- The nature and terms of revenue banking transactions may vary and evolve over time and the transactions may be subject to the change in financial and capital markets outlook. As a result of that, having fixed-term written agreements would not be suitable to accommodate the various banking needs of the Company's customers (including Temasek).
- It would be impracticable to estimate and determine an annual cap on the revenue banking transactions with Temasek as the volume and aggregate value of each transaction are uncertain and unknown to the Company as a banking group due to multiple factors including market-driven factors.
- The revenues generated from revenue banking transactions were insignificant. Without a waiver from the HKEx or an applicable exemption, these transactions would be subject to various percentage ratio tests which cater for different types of connected transactions and as such may produce anomalous results.

For the year ended 31 December 2024, the Group provided Temasek with money market revenue transactions that were revenue transactions in nature.

As a result of the Passive Investor Exemption and the Waiver, the vast majority of the Company's transactions with Temasek and its associates fall outside of the connected transactions regime. However, non-revenue transactions with Temasek or any of its associates continue to be subject to monitoring for connected transaction issues.

The Company confirms that:

- the revenue banking transactions entered into with Temasek and its associates in 2024 were below the 5 per cent threshold for the revenue ratio test under the HK Listing Rules, and
- it will continue to monitor revenue banking transactions with Temasek during the three years ending 31 December 2027 to ensure that the 5 per cent threshold for the revenue ratio will not be exceeded.

The Company therefore satisfied the conditions of the Waiver.

Major shareholders

As at 31 December 2024, Temasek Holdings (Private) Limited (Temasek) is the only shareholder that has an interest of more than 10 per cent in the Company's issued ordinary share capital carrying a right to vote at any general meeting. Information provided to the Company pursuant to the FCA's Disclosure Guidance and Transparency Rules (DTRs) is published on a Regulatory Information Service and on the Company's website. As at 14 February, the latest practicable date before publication of this Annual Report, the Company has been notified of the following information, in accordance with DTR 5, from holders of notifiable interests in the Company's issued share capital. The information provided in the table below was correct at the date of notification; however, the date received may not have been within 2024. It should be noted that these holdings are likely to have changed since the Company was notified. However, notification of any change is not required until the next notifiable threshold is crossed.

Notifiable interests	Interest in ordinary shares (based on voting rights disclosed)	Percentage of capital disclosed	Nature of holding as per disclosure
Temasek Holdings (Private) Limited	447,461,831	17.00	Indirect
BlackRock Inc.	183,640,172	5.55	Indirect (5.01%) Securities Lending (0.39%) Contracts for Difference (0.14%)

Risk management and internal controls[1]

Risk management

The Board is responsible for maintaining and reviewing the effectiveness of the risk management system. An ongoing process for identifying, evaluating and managing the significant risks that we face is in place. The Board is satisfied that this process constitutes a robust assessment of all the principal risks, topical and emerging risks and integrated risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.

Key areas of risk on financial instruments for the directors included the impairment of loans and advances and valuation of financial instruments held at fair value. This risk assessment and management is explained further in the Audit Committee Key areas and Action taken on page 124.

The Risk review and Capital review on pages 194 and 269 sets out the principal risks, topical and emerging risks, our approach to risk management, including our risk management principles, an overview of our ERMF and the risk management and governance practices for each principal risk type. The Board-approved Risk Appetite Statement can be found on pages 28 and 198.

In accordance with Article 435(1)(e) of the Disclosure (CRR) Part of the PRA Rulebook, the Board Risk Committee, on behalf of the Board, has considered the adequacy of the risk management arrangements of the Group and has sought and received assurance that the risk management systems in place are adequate with regard to the Group's profile and strategy.

Internal controls

The Board is responsible for maintaining and reviewing the effectiveness of the internal control system. Its effectiveness is reviewed regularly by the Board, its committees, the Management Team and GIA.

For the year ended 31 December 2024, the Board Risk Committee has reviewed the effectiveness of the Group's system of internal control and discussed a report on the 2024 annual risk and control self-assessment. GIA represents the third line of defence and provides independent assurance of the effectiveness of management's control of business activities (the first line) and of the control processes maintained by the Risk Framework Owners and Policy Owners (the second line). The audit programme includes obtaining an understanding of the processes and systems under audit review, evaluating the design of controls, and testing the operating effectiveness and outcomes of key controls.

The work of GIA is focused on the areas of greatest risk as determined by a risk-based assessment methodology. The Board considers the internal control systems of the Company to be effective and adequate.

GIA reports regularly to the Audit Committee, the Group Chairman and the Group Chief Executive; and the Group Head, Internal Audit reports directly to the Chair of the Audit Committee and administratively to the Group Chief Executive. The findings of all adverse audits are reported to the Audit Committee, the Group Chairman and the Group Chief Executive where immediate corrective action is required.

The Board Risk Committee is responsible for exercising oversight, on behalf of the Board, of the key risks of the Group. It reviews the Group's Risk Appetite Statement and EMRF and makes recommendations to the Board. The Audit Committee is responsible for oversight and advice to the Board on matters relating to financial, non-financial and narrative reporting. The Committee's role is to review, on behalf of the Board, the Group's internal controls including internal financial controls. The Audit Committee receives and discusses a paper on the internal controls for financial books and records.

The risk management approach starting on page 196 describes the Group's risk management oversight committee structure.

Our business is conducted within a developed control framework, underpinned by policies and standards. These are designed to ensure the identification and management of risk, including Credit Risk, Traded Risk, Treasury Risk, Operational and Technology Risk, ICS Risk, Compliance Risk, Financial Crime Risk, ESG and reputational risk, as well as Model Risk. This framework incorporates the Group's internal controls on financial reporting. The Board has established a management structure that clearly defines roles, responsibilities and reporting lines.

Delegated authorities are documented and communicated. Executive risk committees regularly review the Group's risk profile. The performance of the Group's businesses is reported regularly to senior management and the Board. Performance trends and forecasts, as well as actual performance against budgets and prior periods, are monitored closely. Group financial information is prepared on the basis set out in Note 1 to the financial statements within the Statement of compliance and financial reporting is subject to the Group's control framework for reconciliation processes.

1 The Group's Risk Management Framework and System of Internal Control applies only to wholly controlled subsidiaries of the Group, and not to Associates, Joint Ventures or Structured Entities of the Group

Operational procedures and controls have been established to facilitate complete, accurate and timely processing of transactions and the safeguarding of assets. These controls include appropriate segregation of duties, the regular reconciliation of accounts and the valuation of assets and positions. In respect of handling inside information, we have applied controls to help ensure only those explicitly required receive inside information as well as controls regarding the onward dissemination of inside information. Controls are also in place to approve and review dealings in the Company's shares. Such systems and controls are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Safeguarding intellectual property rights

The Group has processes in place to manage the Group's trade mark rights and it respects third-party intellectual property rights.

Employee engagement

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

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

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

Across the organisation, regular team meetings with people leaders, one-to-one conversations and various management meetings provide an important platform for colleagues to discuss and clarify key issues. Regular performance conversations provide the opportunity to discuss how individuals, the team and the business area have contributed to our overall performance and how recognition and reward relate to this. The Group's senior leadership also regularly shares global, business, function, and market updates on performance, strategy, structural changes, HR programmes, community involvement and other campaigns. The Board also engages with and listens to the views of the workforce through several sources, including through interactive engagement sessions. More information can be found on page 121 in the Directors' report.

Employees past, present and future can follow our progress through the Group's LinkedIn network and Facebook page, as well as other social network channels including Instagram and X, which collectively have nearly 2.9 million followers.

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

Employment policies

We work hard to ensure our employees' wellbeing so that they can thrive at work and in their personal lives. Our Group minimum standards provide employees with a range of flexible working options, in relation to both location and working patterns. Employees are provided with at least 30 days' leave (through annual leave and public holidays), and new parents are provided a minimum of 20 calendar weeks' fully paid leave, irrespective of gender, relationship status or how a child comes to permanently join a family. These benefits are in excess of the International Labour Organization's (ILO) minimum standards.

We seek to maintain a meaningful relationship based on mutual trust and respect with various employee representative bodies (including unions and work councils). In our recognition and interactions, we are heavily influenced by the 1948 United Nations Universal Declaration of Human Rights, and several ILO conventions including the Right to Organise and Collective Bargaining Convention, 1949 (No. 98) and the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87). 13 per cent of employees, across 20 markets, have collective representation through unions or employee representative bodies. Working conditions and terms of employment of other employees are based on our Group and country policies, and in accordance with individual employment contracts issued by the Group.

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

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

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

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

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

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

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

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

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

Health, safety and wellbeing

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

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

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

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

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

The Group sponsors medical and healthcare services for all employees, except in markets where cover is provided through state-mandated healthcare, which represent less than 0.8 per cent of the Group's employees.

More details on how we support our colleagues' wellbeing are on **pages 39 and 188** of this report.

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

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

Group Code of Conduct

The Board has adopted a Group Code of Conduct and Ethics (the Code) relating to the lawful and ethical conduct of business and this is supported by the Group's valued behaviours. This has been communicated to all directors and employees, all of whom are expected to observe high standards of integrity and fair dealing in relation to customers, employees and regulators in the communities in which the Group operates. Directors and employees are asked to recommit to the Code annually, and 99.9 per cent have completed the 2024 recommitment. All Board members have recommitted to the Code.

Customers and products

Our five largest customers together accounted for 1.9 per cent of our total operating income in the year ended 31 December 2024.

We aim to design and offer products based on client needs to ensure fair client treatment and to support fair outcomes for clients. The Group has in place a risk framework, comprising policies, standards and controls to support these objectives in alignment with our Conduct Risk Management Approach. We ensure products sold are suitable for clients and comply with relevant laws and regulations. We also review our products on a periodic basis and refine them to keep them relevant to the changing needs of clients and to meet regulatory obligations.

We have processes and guidelines specific to each of our client industries, to promptly resolve Client complaints and understand and respond to client issues. For more information on our approach to product design, product pricing, treating customers fairly and protecting clients, and incentivising our frontline employees, see pages 35 to 36.

In 2024, the total number of client complaints in CIB was 1,585. In WRB, we received in total 201,901 client complaints (an average of 1.78 per 1,000 active clients per month).

Suppliers and our supply chain

In 2024, $4.7 billion was spent with 10,918 suppliers. Of this, 72.3 per cent of the total spend was in the Asia region, with 20.6 per cent in Europe and the Americas, and 7.1 per cent in Africa and the Middle East. Furthermore, 80 per cent of total spend in 2024 was with 389 suppliers. In 2024, our five largest suppliers together accounted for 14.47 per cent of total spend, with the largest ten amounting to 22.64 per cent of total spend.

Our purchases of goods and services are governed through a third-party risk management framework through which we aim to follow the highest standards in terms of selection of suppliers, due diligence and contract management. For information about how the Group engages with suppliers on environmental and social matters, please see our Supplier Charter and Supplier Diversity and Inclusion Standard.

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

Details of how we create value for our suppliers and other stakeholder groups can be found on **page 37**

Political donations

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

Research and development

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

Responsible AI

The Group has been actively embracing AI and digital innovation to stay competitive in the Banking, Financial Services and Insurance sector for a number of years. The approved AI use cases in the Bank are deployed in various domains such as customer engagement, operational efficiency, risk management, customer onboarding, employee engagement, management reporting and talent acquisition. Our Responsible AI governance has been established for a number of years and is led by a dedicated team within the Chief Data Office, who have been effectively managing the centralised governance of all AI use cases. Our approach aligns with leading industry standards, specifically the MAS FEAT and HKMA BDAI guidelines, which are benchmarks in the Banking regulator space. This alignment not only ensures our adherence to high ethical and regulatory guidelines but also positions us well for future industry developments. Our Audit Committee receives twice-yearly reports on Data Risk, which includes Responsible AI.

Auditor independence

Non-audit services

The Group's Non-Audit Services Policy (the Policy) is based on an overriding principle that, to avoid any actual or perceived conflicts of interest, the Group's auditors should only be used when there is evidence that there is no alternative in terms of quality and when there is no conflict with their duties as auditor. Each request for EY to provide non-audit services will be assessed on its own merits. However, the following types of non-audit services are likely to be permissible under the Policy:

- reviews of interim financial information and verification of interim profits – the Group would also extend this to work on investor circulars in most foreseeable circumstances
- extended audit or assurance work on financial information and/or financial or operational controls, where this work is closely linked to the audit engagement
- agreed-upon procedures on materials within or referenced in the Annual Report of the Group or an entity within the Group, and
- internal control review services.

The following are strictly prohibited under the Policy:

- bookkeeping, information technology and internal audit services
- corporate finance services, valuation services or litigation support
- tax or regulatory structuring proposals
- services where fees are paid on a contingent basis (in whole or in part), and
- consulting services that actively assist in running the business in place of management as opposed to providing or validating information, which management then utilises in the operation of the business.

To ensure that the Group will comply with a cap that limits fees on non-audit services provided by EY to under 70 per cent of the average Group audit fee from the previous three consecutive financial years (which applies from EY's fourth year of being the Group's external auditor), the Policy requires that annual non-audit service fees are lower than 70 per cent of the average annual Group audit fee for the last three years. The caps exclude audit related non-audit services and services carried out pursuant to law or regulation. For 2024, the 70 per cent fee cap ratio was 23 per cent. Details relating to EY's remuneration as the Group Statutory Auditor and the types of non-audit services provided by EY are given in Note 38 to the financial statements.

Information given to the auditor

Each director believes that there is no relevant information of which our Group Statutory Auditor is unaware. Each has taken all steps necessary as a director to be aware of any relevant audit information and to establish that the Group Statutory Auditor is made aware of any pertinent information. EY will be in attendance at the 2025 AGM. A resolution to re-appoint EY as auditor was passed at the Company's 2024 AGM. EY is a Public Interest Entity Auditor recognised in accordance with the Hong Kong Financial Reporting Council Ordinance.

By order of the Board

Adrian de Souza
Group Company Secretary

21 February 2025

Standard Chartered PLC
Registered No. 966425

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the Group and Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company financial statements for each financial year.

Under that law:

- the Group financial statements have been prepared in accordance with UK-adopted International Accounting Standards and International Financial Reporting Standards as adopted by the European Union
- the Company financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards 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.

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

In preparing each of the Group and Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable, relevant and reliable
- state whether they have been prepared in accordance with UK-adopted International Accounting Standards and International Financial Reporting Standards as adopted by the European Union
- assess the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

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

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, a Directors' Report, a Directors' Remuneration Report and a Corporate Governance Statement that comply with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

Responsibility statement of the directors in respect of the annual financial report

We confirm that to the best of our knowledge:

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

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

By order of the Board.

Diego De Giorgi
Group Chief Financial Officer
21 February 2025

Risk review and Capital review

Focusing on the cross-border needs of affluent clients

As a leading wealth manager across Asia, Africa and the Middle East, we connect affluent clients to cross-border opportunities in the world's most dynamic markets.

We're focused on serving the needs of internationally mobile, affluent Chinese and Indian clients, leveraging our wealth hubs in Hong Kong, Singapore, UAE and Jersey, supported by our team of multilingual relationship managers and specialists, who advise on cross-border wealth solutions to meet their international banking needs.

In October, we refreshed our affluent international banking proposition for Global Indian clients and opened new international centres in Mumbai and Chennai.

Learn more **sc.com/global-indian**

Risk review and Capital review

The following parts of the Risk review and Capital review form part of these financial statements and are audited by the external auditors:

a) Risk review: Disclosures marked as 'audited' from the start of Credit risk section (page 207) to the end of other principal risks in the same section (page 255); and

b) Capital review: Tables marked as 'audited' from the start of 'Capital base' to the end of 'Movement in total capital', excluding 'Total risk-weighted assets' (pages 271 and 272).

Enterprise Risk Management Framework

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

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

The Enterprise Risk Management Framework (ERMF) enables the Group to manage enterprise-wide risks, with the objective of maximising risk-adjusted returns while remaining within our Risk Appetite (RA). The ERMF is complemented by frameworks, policies and standards which are mainly aligned to the Principal Risk Types (PRTs), and is embedded across the Group, including its branches and subsidiaries.[1] It is reviewed and approved by the Board annually, with the latest version being effective from August 2024.

Risk culture

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

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

Further details on our Code of Conduct and Ethics can be found on **page 95**.

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

Strategic risk management

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

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

Roles and responsibilities

Senior Managers Regime[2]

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

The Risk function

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

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

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

Our Compliance, Financial Crime and Conduct Risk (CFCR) function,[3] works alongside the Risk function within the ERMF to deliver a unified second line of defence. Compliance Risk and Financial Crime Risk, as PRTs, fall under the scope of the CFCR's responsibilities.

Three lines of defence model

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

- Businesses and functions engaged in or supporting revenue generating activities that own and manage risks constitute the first line of defence.

1 The Group's ERMF and system of internal control applies only to wholly controlled subsidiaries of the Group, and not to associates, joint ventures or structured entities of the Group.

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

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

- Control functions, independent of the first line of defence, that provide oversight and challenge of risk management activities act as the second line of defence.
- Internal Audit acts as the third line of defence, providing independent assurance on the effectiveness of controls supporting the activities of the first and second lines of defence.

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

Risk identification and assessment

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

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

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

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

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

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

Risk Appetite and profile

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

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

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

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

Risk Appetite Statement

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

See the table on page 198 for the set of RA Statements.

Stress testing

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

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

Enterprise stress tests incorporate capital and liquidity adequacy stress tests, including recovery and resolution, as well as reverse stress tests.

Stress tests are performed at the Group, country, business, and portfolio level under a wide range of risks and at varying degrees of severity. Unless specifically set by the regulator, scenario design is a bespoke process that aims to explore risks that can adversely impact the Group.

The Board delegates approval of the Bank of England (BoE) stress test submissions to the Board Risk Committee (BRC), which reviews the recommendations from the GRC. Based on the stress test results, the Group Chief Financial Officer (GCFO) and GCRO can recommend strategic actions to the Board to ensure that the Group's strategy remains within RA.

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

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

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

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

Principal Risk Types

PRTs are those risks that are inherent in our strategy and business model and have been formally defined in the Group's ERMF. These risks are managed through distinct RTFs which are approved by the GCRO.

The PRTs and associated RA Statements are reviewed annually. The table below shows the Group's current PRTs, their definition and RA Statement.

Principal Risk Types	Definition	Risk Appetite Statement
Credit Risk	Potential for loss due to failure of a counterparty to meet its agreed obligations to pay the Group.	The Group manages its credit exposures following the principle of diversification across products, geographies, client segments and industry sectors.
Traded Risk	Potential for loss resulting from activities undertaken by the Group in financial markets.	The Group should control its financial markets activities to ensure that market and counterparty credit risk losses do not cause material damage to the Group's franchise.
Treasury Risk	Potential for insufficient capital, liquidity, or funding to support our operations, the risk of reductions in earnings or value from movements in interest rates impacting banking book items and the potential for losses from a shortfall in the Group's pension plans.	The Group should maintain sufficient capital, liquidity and funding to support its operations, and an interest rate profile ensuring that the reductions in earnings or value from movements in interest rates impacting banking book items does not cause material damage to the Group's franchise. In addition, the Group should ensure its pension plans are adequately funded.
Operational and Technology Risk	Potential for loss resulting from inadequate or failed internal processes, technology events, human error, or from the impact of external events (including legal risks).	The Group aims to control operational and technology risks to ensure that operational losses (financial or reputational), including any related to the conduct of business matters, do not cause material damage to the Group's franchise.
Information and Cyber Security (ICS) Risk	Risk to the Group's assets, operations, and individuals due to the potential for unauthorised access, use, disclosure, disruption, modification, or destruction of information assets and/or information systems.	The Group aims to mitigate and control ICS risks to ensure that incidents do not cause the Bank material harm, business disruption, financial loss or reputational damage – recognising that while incidents are unwanted, they cannot be entirely avoided.
Financial Crime Risk[4]	Potential for legal or regulatory penalties, material financial loss or reputational damage resulting from the failure to comply with applicable laws and regulations relating to international sanctions, anti-money laundering and anti-bribery and corruption, and fraud.	The Group has no appetite for breaches of laws and regulations related to Financial Crime, recognising that while incidents are unwanted, they cannot be entirely avoided.
Compliance Risk	Potential for penalties or loss to the Group or for an adverse impact to our clients, stakeholders or to the integrity of the markets we operate in through a failure on our part to comply with laws, or regulations.	The Group has no appetite for breaches of laws and regulations related to regulatory non-compliance; recognising that while incidents are unwanted, they cannot be entirely avoided.
Environmental, Social and Governance and Reputational (ESGR) Risk	Potential or actual adverse impact on the environment and/or society, the Group's financial performance, operations, or the Group's name, brand or standing, arising from environmental, social or governance factors, or as a result of the Group's actual or perceived actions or inactions.	The Group aims to measure and manage financial and non-financial risks arising from climate change, reduce emissions in line with our net zero strategy and protect the Group from material reputational damage by upholding responsible conduct and striving to do no significant environmental and social harm.
Model Risk	Potential loss that may occur because of decisions or the risk of misestimation that could be principally based on the output of models, due to errors in the development, implementation, or use of such models.	The Group has no appetite for material adverse implications arising from misuse of models or errors in the development or implementation of models; while accepting some model uncertainty.

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

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

ERMF effectiveness reviews

The GCRO is responsible for annually affirming the effectiveness of the ERMF to the BRC via an effectiveness review. This review is based on the principle of evidence-based self-assessments for all the RTFs and relevant policies. A top-down review and challenge of the results is conducted by the GCRO with all RFOs and an opinion on the internal control environment is provided by Internal Audit.

The ERMF effectiveness review measures year-on-year progress. The key outcomes of the 2024 review are:

- Continued focus on embedding the ERMF across the organisation.
- Financial risks continue to be effectively managed, and the Group is making good progress in embedding non-financial risk management.
- Self-assessments performed in branches and banking subsidiaries reflect the embeddedness of the ERMF. Country and cluster risk committees continue to play an active role in overseeing and managing risks across our footprint markets.

Ongoing effectiveness reviews allow for a structured approach to identify improvement opportunities and build plans to address them.

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

Executive and Board risk oversight

Overview

The corporate governance and committee structure helps the Group to conduct our business. The Board has ultimate responsibility for risk management and approves the ERMF based on the recommendation of the BRC, which also recommends the Group RA Statement for all PRTs and other risks. In addition to the BRC and Audit Committee, the Culture and Sustainability Committee oversees the Group's culture and key sustainability priorities.

See **page 113** for the Board and committee governance structure.

Group Risk Committee

The GRC, which derives its authority from the GCRO, is responsible for ensuring the effective management of risk throughout the Group in support of the Group's strategy. The GCRO chairs the GRC, whose members are drawn from the Group Management Team. The GRC oversees the effective implementation of the ERMF for the Group, including the delegation of any part of its authorities to appropriate individuals or sub-committees.

Group Risk Committee sub-committees	Chair	Roles and responsibilities
Group Non-Financial Risk Committee (GNFRC)	Global Head, Operational, Technology and Cyber Risk	Governs the in-scope non-financial risks throughout the Group in support of the ERMF and the Group's strategy.
Group Financial Crime Risk Committee (GFCRC)	Group Head, CFCR	Ensures that the Financial Crime Risk profile (excluding Fraud Risk and Secondary Reputational Risk arising from Financial Crime Risk) is managed within RA and policies.
Group Responsibility and Reputational Risk Committee (GRRRC)	GCRO	Ensures the effective management of Reputational and Sustainability Risk across the Group. This includes providing oversight of matters arising from clients, products, transactions and strategic coverage-related decisions and matters escalated by the respective RFOs.
International Financial Reporting Standards (IFRS) 9 Impairment Committee (IIC)	Co-chaired by the Global Head Enterprise Risk Management (ERM) and Group Head, Central Finance	Ensures the effective management of expected credit loss (ECL) computations, as well as stage allocation of financial assets for quarterly financial reporting.
Model Risk Committee (MRC)	Global Head, ERM	To support the Group strategy by ensuring the effective measurement and management of Model Risk in line with internal policies and model RA.
Investment Committee	Global Head of Stressed Assets Risk	Ensures the optimised wind-down of the Group's non-core direct investment activities in equities, quasi-equities (excluding mezzanine), funds and other alternative investments (excluding debt/debt-like instruments).
SC Ventures (SCV) Risk Committee	CRO, SCV who receives authority directly from the GCRO	Oversees the effective management of risk throughout SCV and the portfolio of controlled entities operating under SCV.
Climate Risk Management Committee (CRMC)	Global Head, ERM	Oversees the effective implementation of the Group's Climate Risk workplan, including relevant regulatory requirements. This includes embedding Climate Risk and net zero oversight across Group businesses, as part of the Group's commitment to manage Climate Risk related financial and non-financial risks.
Regulatory Interpretation Committee (RIC)	Co-chaired by the Global Head ERM and Group Head, Central Finance	Provides oversight of material regulatory interpretations for the Capital Requirements Regulation (as amended by UK legislation), the Prudential Regulatory Authority (PRA) rulebook and other relevant regulations impacting Group regulatory capital calculations and reporting. The areas and risk types in scope are credit risk, traded risk, operational risk, large exposures, leverage ratio and securitisation.

Group Risk Committee sub-committees	Chair	Roles and responsibilities
Digital Assets Risk Committee (DRC)	CRO, SC Ventures & Global Head, Digital Asset Risk	Oversees effective risk management of the Digital Assets (DA) Risk profile of the Group. This includes providing oversight and subject matter expertise of DA Risk matters across the PRTs.
Corporate & Investment Banking Financial Risk Committee (CIBFRC)	Co-Heads CRO CIB and CRO, ASEAN & South Asia	Ensures the effective management of financial risk throughout CIB in support of the Group's strategy.
Wealth & Retail Banking Risk Committee (WRBRC)	Chief Risk Officer, WRB & GCNA	Ensures the effective management of risk throughout WRB in support of the Group's strategy.
HK & GCNA Risk Committee (HK&GCNA RC)	CRO, Hong Kong & GCNA	These committees ensure the effective management of risk in the clusters in support of the Group's strategy.
SG & ASEAN Risk Committee (SG&ASEAN RC)	CRO, Singapore & ASEAN	
Standard Chartered Bank (SCB) India Country Risk Committee (CRC & CNFRC)	CRO, India & South Asia	
UK & Europe Risk Committee (UK & ERC)	CRO & Chief Credit Officer, Europe	
Americas Risk Committee (ARC)	CRO, Americas	
Middle East and Pakistan Risk Committee (MEPRC)	CRO & Regional CCO AME	
Africa Risk Committee	CRO & Regional CCO AME	

Group Asset and Liability Committee

The Group Asset and Liability Committee (GALCO) is chaired by the GCFO. Its members are drawn principally from the Management Team. GALCO is responsible for determining the Group's balance sheet strategy and ensuring that, in executing the Group's strategy, the Group operates within RA and regulatory requirements relating to capital, loss-absorbing capacity, liquidity, leverage, Interest Rate Risk in the Banking Book (IRRBB), Banking Book Basis Risk and Structural Foreign Exchange Risk. It also monitors the structural impact of decisions around sustainable finance, net zero and climate risk. GALCO is also responsible for ensuring that internal and external recovery planning requirements are met.

Principal risks

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

See **page 198** for the Group's current PRT definitions and Risk Appetite Statements.

Changes impacting PRTs in 2024

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

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

Credit Risk

Mitigation

Segment-specific policies are in place for Corporate & Investment Banking (CIB) and Wealth & Retail Banking (WRB) which set the principles that must be followed for the end-to-end credit process covering initiation, assessment, documentation, approval, monitoring and governance.

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

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

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

Monitoring

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

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

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

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

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

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

Credit rating and measurement

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

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

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

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

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

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

Credit Concentration Risk

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

For concentrations that are material at a Group level, breaches and potential breaches are monitored by the respective governance committees and reported to the GRC and BRC.

Credit impairment

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

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

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

Further details on sensitivity analysis of ECL under IFRS 9 can be found in the 'Risk profile' section on **pages 236 to 246**.

Underwriting

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

Traded Risk

Mitigation

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

Market Risk measurement

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

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

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

The Group applies two VaR methodologies:

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

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

An analysis of VaR results in 2024 is available in the 'Risk profile' section on **pages 247 to 249**.

Counterparty Credit Risk measurement

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

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

Monitoring

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

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

Treasury Risk

Mitigation

The Group develops policies to address material Treasury Risks and aims to maintain its risk profile within RA. In order to do this, metrics are set against Capital Risk, Liquidity and Funding Risk and IRRBB. Where appropriate, RA metrics are cascaded down to clusters and countries in the form of limits and management action triggers.

Capital Risk

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

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

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

Structural Foreign Exchange (FX) Risk

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

The Group contracts hedges to manage its structural FX position in accordance with the RA, and as a result the Group has taken net investment hedges to partially cover its exposure to certain non-US dollar currencies to mitigate the FX impact of such positions on its capital ratios.

Our structural foreign exchange exposures can be found on **page 249**.

Liquidity and Funding Risk

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

The risk management approach and RA are assessed annually through the Internal Liquidity Adequacy Assessment Process. A funding plan is also developed for efficient liquidity projections to ensure that the Group is adequately funded in the required currencies, to meet its obligations and client funding needs. The funding plan is part of the overall Corporate Plan process aligning to the capital requirements.

Further detail on Liquidity and Funding Risk can be found on **pages 250 to 253**.

Interest Rate Risk in the Banking Book

This risk arises from differences in the repricing profile, interest rate basis, and optionality of banking book assets, liabilities and off-balance sheet items. IRRBB represents an economic and commercial risk to the Group and its capital adequacy. The Group monitors IRRBB against the RA.

Further detail on IRRBB can be found on **page 254**.

Pension Risk

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

The Pension Risk is monitored against the RA and reported to the GRC. The RA metric is calculated as the total capital requirement (including both Pillar 1 and Pillar 2A capital) in respect of Pension Risk, expressed as a number of basis points of RWA.

Recovery and resolution planning

In line with PRA requirements, the Group maintains a Recovery Plan, which is a live document to be used by management in the event of stress in order to restore the Group to a stable and sustainable position. The Recovery Plan includes a set of recovery indicators, an escalation framework, and a set of management actions capable of being implemented during a stress. A Recovery Plan is also maintained within each major entity, and all Recovery Plans are subject to periodic fire-drill testing.

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

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

Monitoring

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

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

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

Operational and Technology Risk

Mitigation

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

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

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

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

Monitoring

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

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

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

Information and Cyber Security (ICS) Risk

Mitigation

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

Monitoring

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

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

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

The Group stress tests its cyber posture through extensive control testing and by executing offensive security testing exercises, including vulnerability testing, code reviews, penetration tests and Red Team attack simulation testing. This testing approach constantly stress tests the Group's defence and approach to cyber security. These show a wider picture of the Group's risk profile, leading to better visibility on potential 'in flight' risks. The Group also tracks remediation of security matters identified by external reviews, such as the BoE CBEST Threat Intelligence-Led Assessment and the Hong Kong Monetary Authority's (HKMA) Intelligence-led Cyber Attack Simulation Testing (iCAST).

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

Financial Crime Risk

Roles and responsibilities

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

Mitigation

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

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

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

Monitoring

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

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

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

Further details on how we manage financial crime can be found on **page 96**.

Compliance Risk

Roles and responsibilities

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

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

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

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

Mitigation

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

Monitoring

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

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

Environmental, Social and Governance and Reputational (ESGR) Risk

Mitigation

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

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

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

Monitoring

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

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

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

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

Model Risk

Mitigation

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

Model deficiencies identified through the development or validation process, or model performance issues identified through ongoing monitoring, are mitigated through respective model risk mitigants. Mitigants include model overlays as either post-model adjustments (PMAs) or management adjustments, model restrictions and potentially a model recalibration or redevelopment, all of which undergo independent review, challenge, and approval. PMAs are used to address observed deficiencies caused from within the model, by adjusting the model output either directly or indirectly (e.g. adjusting parameters). Where a PMA is applied as a mitigant for a model used in Pillar 1 or Pillar 2 calculations or models with material impact on financial accounting disclosures (e.g. IFRS 9), the independent review must be performed by Group Model Validation (GMV) with sign-off from the Model Approver prior to implementation. Management adjustments are used to address issues by applying management decisions without adjusting a direct modelling component.

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

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

Monitoring

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

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

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

Risk profile

Credit Risk (audited)

Basis of preparation

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

Loans and advances to customers and banks held at amortised cost in this 'Risk profile' section include reverse repurchase agreement balances held at amortised cost, per Note 16 Reverse repurchase and repurchase agreements including other similar secured lending and borrowing.

Credit Risk overview

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

Impairment model

IFRS 9 mandates an impairment model that requires the recognition of expected credit losses (ECL) on all financial debt instruments held at amortised cost, Fair Value through Other Comprehensive Income (FVOCI), undrawn loan commitments and financial guarantees.

Staging of financial instruments

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

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

Instruments will transfer to stage 2 and a lifetime ECL provision is recognised when there has been a significant change in the Credit Risk compared to what was expected at origination.

The framework used to determine a Significant Increase in Credit Risk (SICR) is set out below.

Stage 1
- 12-month ECL
- Performing

Stage 2
- Lifetime expected credit loss
- Performing but has exhibited SICR

Stage 3
- Credit-impaired
- Non-performing

IFRS 9 ECL principles and approaches

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

Title	Supplementary Information	Page
Approach for determining ECL	• IFRS 9 ECL methodology	236
	• Application of lifetime ECL	236
Key assumptions and judgements in determining ECL	• Incorporation of forward-looking information	238
	• Forecast of key macroeconomic variables underlying the ECL calculation and the impact of non-linearity	238
	• Impact of multiple economic scenarios	241
	• Judgemental adjustments and management overlays	241
	• Sensitivity of ECL calculation to macroeconomic variables	242
Significant increase in Credit risk (SICR)	• Quantitative and qualitative criteria	244
Assessment of credit-impaired financial assets	• Wealth and Retail Banking (WRB) clients	245
	• Corporate and Investment Banking (CIB) and Private Banking clients	245
	• Write-offs	245
Transfers between stages	• Movement in gross exposures and credit impairment	219
Modified financial assets	• Forborne and other modified loans	226
Governance of PMAs and application of expert credit judgement in respect of ECL	• IFRS 9 Impairment Committee	246

Summary of Credit Risk performance

Maximum exposure

The Group's on-balance sheet maximum exposure to Credit Risk increased by $25 billion to $823 billion (31 December 2023: $798 billion). Cash and balances at Central banks decreased by $6.5 billion to $63 billion (31 December 2023: $70 billion) due to reduced placements. Loans to banks held at amortised cost decreased by $1.4 billion to $44 billion (31 December 2023: $45 billion). Fair value through profit and loss increased by $27.8 billion to $172 billion (31 December 2023: $144 billion), largely due to increases in debt securities and reverse repos, but this was partially offset by a $16.7 billion reduction in debt securities not held at fair value through profit and loss. Loans and advances to customers decreased by $5.9 billion to $281 billion (31 December 2023: $287 billion), due to a reduction in mortgages in Korea, Singapore and Hong Kong, given continued headwinds, including foreign currency movements.

Loans and advances to customers in the CIB segment increased by $7.6 billion, mainly due to the execution of pipeline deals in Global Banking, but this was offset by a $7.4 billion decrease in Central and other items. Derivative financial instruments increased by $31 billion to $81 billion (31 December 2023: $50 billion). Off-balance sheet instruments increased by $16 billion to $273 billion (31 December 2023: $257 billion), due to an increase in financial guarantees and other equivalents, which was driven by new business.

Further details can be found in the 'Maximum exposure to Credit Risk' section on **page 209**; 'Credit quality by client segment' section on **page 212**.

Loans and advances

94 per cent (31 December 2023: 94 per cent) of the Group's gross loans and advances to customers remain in stage 1 at $269 billion (31 December 2023: $274 billion), reflecting our continued focus on high-quality origination. For WRB, stage 1 balances decreased by $6.5 billion to $117 billion (31 December 2023: $123 billion), of which $5.9 billion was mainly due to a reduction in the mortgage portfolios in Korea, Singapore and Hong Kong, mainly driven by slower booking momentum and higher attrition as a result of intense interest rate competition. For CIB, stage 1 balances increased by $8 billion to $129 billion (31 December 2023: $121 billion) mainly driven by the Energy, Financing, Insurance and Transport sectors. For Central and other items, stage 1 balances decreased by 6.3 billion to $22 billion (31 December 2023: $28 billion) due to a reduction in exposures to the Government sector, across a number of our markets.

Stage 2 loans and advances to customers decreased by $0.6 billion to $11 billion (31 December 2023: $11 billion). For WRB, stage 2 balances decreased by $0.4 billion to $1.9 billion (31 December 2023: $2.3 billion), due to decrease in the mortgage portfolio. For Central and other items, higher risk exposures decreased by $0.9 billion to $0.1 billion (31 December 2023: $1 billion), was due to the maturity of short-term loan exposures that were replaced with debt securities in Pakistan.

Stage 3 loans and advances decreased by $1 billion to $6.2 billion (31 December 2023: $7.2 billion) due to debt sales, repayments, write-offs and upgrades to Stage 2 loans in CIB. WRB stage 3 balances remained broadly stable at $1.6 billion (31 December 2023: $1.5 billion). For Central and other items, stage 3 balances decreased by $0.1 billion to $0.1 billion (31 December 2023: $0.2 billion).

Further details can be found in the 'Analysis of financial instruments by stage' section on **page 210**; 'Credit quality by client segment' section on **page 212**; 'Credit quality by industry' section on **page 230**.

Analysis of Stage 2

The key SICR driver which caused exposures to be classified as stage 2 remains an increase in probability of default (PD). The proportion of CIB exposures in stage 2 decreased due to a reduction in clients placed on non-purely precautionary early alert that have not breached PD thresholds. In WRB, the exposures in stage 2 loans with more than 30 days past due remained stable at $0.3 billion (31 December 2023: $0.3 billion). In Central and other items, the $0.5 billion decrease in CG12 balances to $1.5 billion (31 December 2023: $2 billion) was due to the maturity of short-term loan exposures that were replaced with debt securities in Pakistan. 'Others' category includes exposures where origination data is incomplete and the exposures are allocated into stage 2.

Further details can be found in the 'Credit quality by client segment' section in **page 212**; 'Analysis of stage 2 balances' section on **page 225.**

Credit impairment charges

The Group's ongoing credit impairment was a net charge of $547 million (31 December 2023: $508 million).

WRB contributed a net charge of $644 million (31 December 2023: $354 million), driven by a higher interest rate environment impacting repayments on credit cards and personal loans and to a few non-repeating ECL releases recorded in 2023. The increase in impairments was also due to the maturity and portfolio growth of digital partnerships in China and Indonesia, as well as a $21 million overlay arising from the settlement failure of two e-commerce platforms in Korea.

CIB contributed a net release of $106 million (31 December 2023: $123 million charge) due to a number of stage 3 releases and repayments.

Further details can be found in the 'Financial review' section on **page 51**; 'Credit impairment charge' section on **page 226**.

Commercial Real Estate (CRE)

The Group provides loans to CRE counterparties of which $8.8 billion is to counterparties in the CIB segment where the source of repayment is substantially derived from rental or sale of real estate and is secured by real estate collateral. The remaining CRE loans comprise working capital loans to real estate corporates, loans with non-property collateral, unsecured loans and loans to real estate entities of diversified conglomerates. The average LTV ratio of the performing book CRE portfolio has increased to 54 per cent (31 December 2023: 52 per cent). The proportion of loans with an LTV greater than 80 per cent has increased to 4 per cent (31 December 2023: 3 per cent).

China CRE

Total exposure to China CRE decreased by $0.6 billion to $2 billion (31 December 2023: $2.6 billion) mainly from exposure reductions. The proportion of credit impaired exposures increased to 70 per cent (31 December 2023: 58 per cent) due to repayments within the non-credit impaired portfolio. The overall provision coverage increased to 87 per cent (31 December 2023: 72 per cent), reflecting increased provision charges during the year. The proportion of the loan book rated as Higher Risk increased to 3 per cent (31 December 2023: 0.3 per cent) primarily due to downgrades during the year.

The Group continues to hold a judgemental management overlay, which decreased by $71 million to $70 million (31 December 2023: $141 million), reflecting repayments and utilisations during the year.

The Group is further indirectly exposed to China CRE through its associate investment in China Bohai Bank.

Further details can be found in the 'China commercial real estate' section on **page 234**; 'Judgemental adjustments' section on **page 241**.

High carbon sectors

With the Group's expansion in the asset-backed lending business, the total on-and-off balance sheet exposure for the Aviation sector increased to $2.6 billion (31 December 2023: $1.9 billion), while the Shipping sector decreased to $4.6 billion (31 December 2023: $5 billion). The Group's position statements mandates that for newer vessels and aircraft, only carbon efficient ones can be financed.

While exposures to the Oil and Gas sector increased to $21 billion (31 December 2023: $20 billion) due to increased funding towards more emissions-efficient counterparties, exposures to the Power sector increased to $11 billion (31 December 2023: $9 billion) due to increased lending to renewables and efficient gas generation counterparties.

Further details on net zero targets and progress in managing transition risk of the high carbon sectors can be found in the 'Sustainability review' section on **page 57**; 'High carbon sectors' section on **page 232**.

Maximum exposure to Credit Risk (audited)

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

Further details can be found in the 'Summary of Credit Risk performance' section on **page 207**.

	2024				2023			
		Credit risk management				Credit risk management		
	Maximum exposure $million	**Collateral[8] $million**	**Master netting agreements $million**	**Net Exposure $million**	Maximum exposure $million	Collateral[8] $million	Master netting agreements $million	Net Exposure $million
On-balance sheet								
Cash and balances at central banks	**63,447**	**–**	**–**	**63,447**	69,905	–	–	69,905
Loans and advances to banks[1]	**43,593**	**2,946**		**40,647**	44,977	1,738		43,239
of which – reverse repurchase agreements and other similar secured lending[7]	**2,946**	**2,946**	**–**	**–**	1,738	1,738	–	–
Loans and advances to customers[1]	**281,032**	**119,047**	**–**	**161,985**	286,975	118,492		168,483
of which – reverse repurchase agreements and other similar secured lending[7]	**9,660**	**9,660**	**–**	**–**	13,996	13,996	–	–
Investment securities – Debt securities and other eligible bills[2]	**143,562**			**143,562**	160,263	–	–	160,263
Fair value through profit or loss[3,7]	**172,031**	**86,195**	**–**	**85,836**	144,276	81,847	–	62,429
Loans and advances to banks	**2,213**	**–**	**–**	**2,213**	2,265	–	–	2,265
Loans and advances to customers	**7,084**	**–**	**–**	**7,084**	7,212	–	–	7,212
Reverse repurchase agreements and other similar lending[7]	**86,195**	**86,195**	**–**	**–**	81,847	81,847	–	–
Investment securities – Debt securities and other eligible bills[2]	**76,539**	**–**	**–**	**76,539**	52,952	–	–	52,952
Derivative financial instruments[4,7]	**81,472**	**15,005**	**60,280**	**6,187**	50,434	8,440	39,293	2,701
Accrued income	**2,776**	**–**	**–**	**2,776**	2,673	–	–	2,673
Assets held for sale[9]	**889**	**–**	**–**	**889**	701	–	–	701
Other assets[5]	**34,585**	**–**	**–**	**34,585**	38,140	–	–	38,140
Total balance sheet	**823,387**	**223,193**	**60,280**	**539,914**	798,344	210,517	39,293	548,534
Off-balance sheet[6]								
Undrawn Commitments	**182,529**	**2,489**	**–**	**180,040**	182,390	2,940	–	179,450
Financial Guarantees and other equivalents	**90,632**	**1,807**	**–**	**88,825**	74,414	2,590	–	71,824
Total off-balance sheet	**273,161**	**4,296**	**–**	**268,865**	256,804	5,530	–	251,274
Total	**1,096,548**	**227,489**	**60,280**	**808,779**	1,055,148	216,047	39,293	799,808

1 Amounts are net of ECL provisions. An analysis of credit quality is set out in the credit quality analysis section (page 212). Further details of collateral held by client segment and stage are set out in the collateral analysis section (page 227). The Group also has credit mitigation through Credit Linked Notes as set out on page 229

2 Excludes equity and other investments of $994 million (31 December 2023: $992 million). Further details are set out in Note 13 financial instruments

3 Excludes equity and other investments of $5,486 million (31 December 2023: $2,940 million). Further details are set out in Note 13 financial instruments

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

5 Other assets include Hong Kong certificates of indebtedness, cash collateral, and acceptances, in addition to unsettled trades and other financial assets

6 Excludes ECL provisions of $255 million (31 December 2023: $227 million) which are reported under Provisions for liabilities and charges

7 Collateral capped at maximum exposure (over-collateralised)

8 Adjusted for over-collateralisation, which has been determined with reference to the drawn and undrawn component as this best reflects the effect on the amount arising from expected credit losses

9 The amount is after ECL. provisions. Further details are set out in Note 21 Assets held for sale and associated liabilities

Analysis of financial instruments by stage (audited)

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

Further details can be found in the 'Summary of Credit Risk performance' section on **page 207**.

	2024											
	Stage 1			Stage 2			Stage 3			Total		
	Gross balance[1] $million	Total credit impair-ment $million	Net carrying value $million	Gross balance[1] $million	Total credit impair-ment $million	Net carrying value $million	Gross balance[1] $million	Total credit impair-ment $million	Net carrying value $million	Gross balance[1] $million	Total credit impair-ment $million	Net carrying value $million
Cash and balances at central banks	62,597	–	62,597	432	(4)	428	426	(4)	422	63,455	(8)	63,447
Loans and advances to banks (amortised cost)	43,208	(10)	43,198	318	(1)	317	83	(5)	78	43,609	(16)	43,593
Loans and advances to customers (amortised cost)	269,102	(483)	268,619	10,631	(473)	10,158	6,203	(3,948)	2,255	285,936	(4,904)	281,032
Debt securities and other eligible bills[5]	141,862	(23)		1,614	(4)		103	(2)		143,579	(29)	
Amortised cost	54,637	(15)	54,622	475	(2)	473	42	–	42	55,154	(17)	55,137
FVOCI[2]	87,225	(8)		1,139	(2)		61	(2)		88,425	(12)	–
Accrued income (amortised cost)[4]	2,776		2,776			–			–	2,776	–	2,776
Assets held for sale[4]	840	(7)	833	38	–	38	58	(45)	13	936	(52)	884
Other assets	34,585	–	34,585	–	–	–	3	(3)	–	34,588	(3)	34,585
Undrawn commitments[3]	178,516	(50)		4,006	(52)		7	(1)		182,529	(103)	
Financial guarantees, trade credits and irrevocable letter of credits[3]	87,991	(16)		2,038	(7)		603	(129)		90,632	(152)	
Total	821,477	(589)		19,077	(541)		7,486	(4,137)		848,040	(5,267)	

1 Gross carrying amount for off-balance sheet refers to notional values

2 These instruments are held at fair value on the balance sheet. The ECL provision in respect of debt securities measured at FVOCI is held within the OCI reserve

3 These are off-balance sheet instruments. Only the ECL is recorded on-balance sheet as a financial liability and therefore there is no "net carrying amount". ECL allowances on off-balance sheet instruments are held as liability provisions to the extent that the drawn and undrawn components of loan exposures can be separately identified. Otherwise they will be reported against the drawn component

4 Stage 1 ECL is not material

5 Stage 3 gross includes $59 million (31 December 2023: $80 million) originated credit-impaired debt securities with impairment of $Nil million (31 December 2023: $14 million)

	2023											
	Stage 1			Stage 2			Stage 3			Total		
	Gross balance[1] $million	Total credit impair-ment $million	Net carrying value $million	Gross balance[1] $million	Total credit impair-ment $million	Net carrying value $million	Gross balance[1] $million	Total credit impair-ment $million	Net carrying value $million	Gross balance[1] $million	Total credit impair-ment $million	Net carrying value $million
Cash and balances at central banks	69,313	–	69,313	207	(7)	200	404	(12)	392	69,924	(19)	69,905
Loans and advances to banks (amortised cost)	44,384	(8)	44,376	540	(10)	530	77	(6)	71	45,001	(24)	44,977
Loans and advances to customers (amortised cost)	273,692	(430)	273,262	11,225	(420)	10,805	7,228	(4,320)	2,908	292,145	(5,170)	286,975
Debt securities and other eligible bills[5]	158,314	(26)		1,860	(34)		164	(61)		160,338	(121)	
Amortised cost	56,787	(16)	56,771	103	(2)	101	120	(57)	63	57,010	(75)	56,935
FVOCI[2]	101,527	(10)		1,757	(32)		44	(4)		103,328	(46)	
Accrued income (amortised cost)[4]	2,673		2,673			–			–	2,673	–	2,673
Assets held for sale[4]	661	(33)	628	76	(4)	72	1	–	1	738	(37)	701
Other assets	38,139	–	38,139	–	–	–	4	(3)	1	38,143	(3)	38,140
Undrawn commitments[3]	176,654	(52)		5,733	(39)		3	–		182,390	(91)	
Financial guarantees, trade credits and irrevocable letter of credits[3]	70,832	(10)		2,910	(14)		672	(112)		74,414	(136)	
Total	834,662	(559)		22,551	(528)		8,553	(4,514)		865,766	(5,601)	

1 Gross carrying amount for off-balance sheet refers to notional values

2 These instruments are held at fair value on the balance sheet. The ECL provision in respect of debt securities measured at FVOCI is held within the OCI reserve

3 These are off-balance sheet instruments. Only the ECL is recorded on-balance sheet as a financial liability and therefore there is no “net carrying amount”. ECL allowances on off-balance sheet instruments are held as liability provisions to the extent that the drawn and undrawn components of loan exposures can be separately identified. Otherwise they will be reported against the drawn component

4 Stage 1 ECL is not material

5 Stage 3 gross includes $80 million originated credit-impaired debt securities with impairment of $14 million

Credit quality analysis (audited)

Credit quality by client segment

For CIB, exposures are analysed by credit grade (CG), which plays a central role in the quality assessment and monitoring of risk. All loans are assigned a CG, which is reviewed periodically and amended in light of changes in the borrower's circumstances or behaviour. CGs 1 to 12 are assigned to stage 1 and stage 2 (performing) clients or accounts, while CGs 13 and 14 are assigned to stage 3 (credit-impaired) clients. Consumer and Business Banking portfolios are analysed by days past due and Private Banking by the type of collateral held.

Mapping of credit quality

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

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

1 For Private Banking, classes of risk represent the type of collateral held. Class I represents facilities with liquid collateral, such as cash and marketable securities. Class II represents unsecured/partially secured facilities and those with illiquid collateral, such as equity in private enterprises. Class III represents facilities with residential or commercial real estate collateral. Class IV covers margin trading facilities

2 Banks' rating: AAA/AA+ to BB+/BB. Sovereigns' rating: AAA to BB+

3 Banks' rating: BB to "CCC+ to C". Sovereigns' rating: BB+/BB to B-/CCC+

4 Wealth & Retail Banking excludes Private Banking. Medium enterprise clients within Business Banking are managed using the same internal credit grades as CIB

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

Further details can be found in the 'Summary of Credit Risk performance' section on **page 207**.

Loans and advances by client segment (audited)

Amortised cost	2024 Banks $million	Customers Corporate & Investment Banking $million	Wealth & Retail Banking $million	Ventures $million	Central & other items $million	Customer Total $million	Undrawn commitments $million	Financial Guarantees $million
Stage 1	43,208	128,746	117,015	1,383	21,958	269,102	178,516	87,991
– Strong	31,239	90,725	111,706	1,367	21,540	225,338	162,574	56,070
– Satisfactory	11,969	38,021	5,309	16	418	43,764	15,942	31,921
Stage 2	318	8,643	1,905	48	35	10,631	4,006	2,038
– Strong	8	1,229	1,413	31	–	2,673	994	471
– Satisfactory	125	6,665	155	6	–	6,826	2,862	1,403
– Higher risk	185	749	337	11	35	1,132	150	164
Of which (stage 2):								
– Less than 30 days past due	–	55	155	6	–	216	–	–
– More than 30 days past due	2	7	337	11	–	355	–	–
Stage 3, credit-impaired financial assets	83	4,476	1,617	12	98	6,203	7	603
Gross balance[1]	43,609	141,865	120,537	1,443	22,091	285,936	182,529	90,632
Stage 1	(10)	(80)	(383)	(20)	–	(483)	(50)	(16)
– Strong	(7)	(28)	(325)	(18)	–	(371)	(33)	(7)
– Satisfactory	(3)	(52)	(58)	(2)	–	(112)	(17)	(9)
Stage 2	(1)	(303)	(147)	(23)	–	(473)	(52)	(7)
– Strong	–	(41)	(70)	(14)	–	(125)	(10)	–
– Satisfactory	(1)	(218)	(32)	(3)	–	(253)	(32)	(4)
– Higher risk	–	(44)	(45)	(6)	–	(95)	(10)	(3)
Of which (stage 2):								
– Less than 30 days past due	–	(1)	(32)	(3)	–	(36)	–	–
– More than 30 days past due	–	–	(45)	(6)	–	(51)	–	–
Stage 3, credit-impaired financial assets	(5)	(3,178)	(759)	(11)	–	(3,948)	(1)	(129)
Total credit impairment	(16)	(3,561)	(1,289)	(54)	–	(4,904)	(103)	(152)
Net carrying value	43,593	138,304	119,248	1,389	22,091	281,032		
Stage 1	0.0%	0.1%	0.3%	1.4%	0.0%	0.2%	0.0%	0.0%
– Strong	0.0%	0.0%	0.3%	1.3%	0.0%	0.2%	0.0%	0.0%
– Satisfactory	0.0%	0.1%	1.1%	12.5%	0.0%	0.3%	0.1%	0.0%
Stage 2	0.3%	3.6%	7.7%	47.9%	0.0%	4.4%	1.3%	0.3%
– Strong	0.0%	3.3%	5.0%	45.2%	0.0%	4.7%	1.0%	0.0%
– Satisfactory	0.8%	3.3%	20.6%	50.0%	0.0%	3.7%	1.1%	0.3%
– Higher risk	0.0%	5.9%	13.4%	54.5%	0.0%	8.4%	6.7%	1.8%
Of which (stage 2):								
– Less than 30 days past due	0.0%	1.8%	20.6%	50.0%	0.0%	16.7%	0.0%	0.0%
– More than 30 days past due	0.0%	0.0%	13.4%	54.5%	0.0%	14.4%	0.0%	0.0%
Stage 3, credit-impaired financial assets (S3)	6.0%	71.0%	46.9%	91.7%	0.0%	63.6%	14.3%	21.4%
– Stage 3 Collateral	1	297	584	–	–	881	–	46
– Stage 3 Cover ratio (after collateral)	7.2%	77.6%	83.1%	91.7%	0.0%	77.8%	14.3%	29.0%
Cover ratio	0.0%	2.5%	1.1%	3.7%	0.0%	1.7%	0.1%	0.2%
Fair value through profit or loss								
Performing	36,967	58,506	6	–	–	58,512	–	–
– Strong	30,799	38,084	3	–	–	38,087	–	–
– Satisfactory	6,158	20,314	3	–	–	20,317	–	–
– Higher risk	10	108	–	–	–	108	–	–
Defaulted (CG13-14)	–	13	–	–	–	13	–	–
Gross balance (FVTPL)[2]	36,967	58,519	6	–	–	58,525	–	–
Net carrying value (incl FVTPL)	80,560	196,823	119,254	1,389	22,091	339,557	–	–

1 Loans and advances includes reverse repurchase agreements and other similar secured lending of $9,660 million under Customers and of $2,946 million under Banks, held at amortised cost

2 Loans and advances includes reverse repurchase agreements and other similar secured lending of $51,441 million under Customers and of $34,754 million under Banks, held at fair value through profit or loss

Amortised cost	Banks $million	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Ventures $million	Central & other items $million	Customer Total $million	Undrawn commitments $million	Financial Guarantees $million
		2023						
		Customers						
Stage 1	44,384	120,886	123,486	1,015	28,305	273,692	176,654	70,832
– Strong	35,284	84,248	118,193	1,000	27,967	231,408	162,643	47,885
– Satisfactory	9,100	36,638	5,293	15	338	42,284	14,011	22,947
Stage 2	540	7,902	2,304	54	965	11,225	5,733	2,910
– Strong	55	1,145	1,761	34	–	2,940	1,090	830
– Satisfactory	212	5,840	206	7	–	6,053	4,169	1,823
– Higher risk	273	917	337	13	965	2,232	474	257
Of which (stage 2):								
– Less than 30 days past due	–	78	206	7	–	291	–	–
– More than 30 days past due	–	10	337	13	–	360	–	–
Stage 3, credit-impaired financial assets	77	5,508	1,484	12	224	7,228	3	672
Gross balance[1]	45,001	134,296	127,274	1,081	29,494	292,145	182,390	74,414
Stage 1	(8)	(101)	(314)	(15)	–	(430)	(52)	(10)
– Strong	(3)	(34)	(234)	(14)	–	(282)	(31)	(2)
– Satisfactory	(5)	(67)	(80)	(1)	–	(148)	(21)	(8)
Stage 2	(10)	(257)	(141)	(21)	(1)	(420)	(39)	(14)
– Strong	(1)	(18)	(65)	(14)	–	(97)	(5)	–
– Satisfactory	(2)	(179)	(22)	(3)	–	(204)	(23)	(7)
– Higher risk	(7)	(60)	(54)	(4)	(1)	(119)	(11)	(7)
Of which (stage 2):								
– Less than 30 days past due	–	(2)	(22)	(3)	–	(27)	–	–
– More than 30 days past due	–	(1)	(54)	(4)	–	(59)	–	–
Stage 3, credit-impaired financial assets	(6)	(3,533)	(760)	(12)	(15)	(4,320)	–	(112)
Total credit impairment	(24)	(3,891)	(1,215)	(48)	(16)	(5,170)	(91)	(136)
Net carrying value	44,977	130,405	126,059	1,033	29,478	286,975	–	–
Stage 1	0.0%	0.1%	0.3%	1.5%	0.0%	0.2%	0.0%	0.0%
– Strong	0.0%	0.0%	0.2%	1.4%	0.0%	0.1%	0.0%	0.0%
– Satisfactory	0.1%	0.2%	1.5%	6.7%	0.0%	0.4%	0.1%	0.0%
Stage 2	1.9%	3.3%	6.1%	38.9%	0.1%	3.7%	0.7%	0.5%
– Strong	1.8%	1.6%	3.7%	41.2%	0.0%	3.3%	0.5%	0.0%
– Satisfactory	0.9%	3.1%	10.7%	42.9%	0.0%	3.4%	0.6%	0.4%
– Higher risk	2.6%	6.5%	16.0%	30.8%	0.1%	5.3%	2.3%	2.7%
Of which (stage 2):								
– Less than 30 days past due	0.0%	2.6%	10.7%	42.9%	0.0%	9.3%	0.0%	0.0%
– More than 30 days past due	0.0%	10.0%	16.0%	30.8%	0.0%	16.4%	0.0%	0.0%
Stage 3, credit-impaired financial assets (S3)	7.8%	64.1%	51.2%	100.0%	6.7%	59.8%	0.0%	16.7%
– Stage 3 Collateral	2	621	554	–	–	1,175	–	34
– Stage 3 Cover ratio (after collateral)	10.4%	75.4%	88.5%	100.0%	6.7%	76.0%	0.0%	21.7%
Cover ratio	0.1%	2.9%	1.0%	4.4%	0.1%	1.8%	0.0%	0.2%
Fair value through profit or loss								
Performing	32,813	58,465	13	–	–	58,478	–	–
– Strong	28,402	38,014	13	–	–	38,027	–	–
– Satisfactory	4,411	20,388	–	–	–	20,388	–	–
– Higher risk	–	63	–	–	–	63	–	–
Defaulted (CG13-14)	–	33	–	–	–	33	–	–
Gross balance (FVTPL)[2]	32,813	58,498	13	–	–	58,511	–	–
Net carrying value (incl FVTPL)	77,790	188,903	126,072	1,033	29,478	345,486	–	–

1 Loans and advances includes reverse repurchase agreements and other similar secured lending of $13,996 million under Customers and of $1,738 million under Banks, held at amortised cost

2. Loans and advances includes reverse repurchase agreements and other similar secured lending of $51,299 million under Customers and of $30,548 million under Banks, held at fair value through profit or loss

Loans and advances by client segment credit quality analysis

			2024							
			Corporate & Investment Banking and Central & other items							
			Gross				Credit impairment			
Credit grade	Regulatory 1 year PD range (%)	S&P external ratings equivalent	Stage 1 $million	Stage 2 $million	Stage 3 $million	Total $million	Stage 1 $million	Stage 2 $million	Stage 3 $million	Total $million
Strong			**112,265**	**1,229**	**–**	**113,494**	**(28)**	**(41)**	**–**	**(69)**
1A-2B	0 – 0.045	A+ and above	**32,160**	**31**	**–**	**32,191**	**(2)**	**–**	**–**	**(2)**
3A-4A	0.046 – 0.110	A/A– to BBB+/BBB	**40,712**	**524**	**–**	**41,236**	**(8)**	**(33)**	**–**	**(41)**
4B-5B	0.111 – 0.425	BBB to BBB-/BB+	**39,393**	**674**	**–**	**40,067**	**(18)**	**(8)**	**–**	**(26)**
Satisfactory			**38,439**	**6,665**	**–**	**45,104**	**(52)**	**(218)**	**–**	**(270)**
6A-7B	0.426 – 1.350	BB+/BB to BB-	**24,928**	**2,677**	**–**	**27,605**	**(21)**	**(24)**	**–**	**(45)**
8A-9B	1.351 – 4.000	BB-/B+ to B	**9,514**	**2,618**	**–**	**12,132**	**(20)**	**(169)**	**–**	**(189)**
10A-11C	4.001 – 15.75	B/B– to B-/CCC+	**3,997**	**1,370**	**–**	**5,367**	**(11)**	**(25)**	**–**	**(36)**
Higher risk			**–**	**784**	**–**	**784**	**–**	**(44)**	**–**	**(44)**
12	15.751 – 99.999	CCC/C	**–**	**784**	**–**	**784**	**–**	**(44)**	**–**	**(44)**
Credit-impaired			**–**	**–**	**4,574**	**4,574**	**–**	**–**	**(3,178)**	**(3,178)**
13-14	100	Defaulted	**–**	**–**	**4,574**	**4,574**	**–**	**–**	**(3,178)**	**(3,178)**
Total			**150,704**	**8,678**	**4,574**	**163,956**	**(80)**	**(303)**	**(3,178)**	**(3,561)**
			2023							
Strong			112,215	1,145	–	113,360	(34)	(18)	–	(52)
1A-2B	0 – 0.045	A+ and above	37,936	81	–	38,017	–	–	–	–
3A-4A	0.046 – 0.110	A/A– to BBB+/BBB	32,004	558	–	32,562	(3)	–	–	(3)
4B-5B	0.111 – 0.425	BBB to BBB-/BB+	42,275	506	–	42,781	(31)	(18)	–	(49)
Satisfactory			36,976	5,840	–	42,816	(67)	(179)	–	(246)
6A-7B	0.426 – 1.350	BB+/BB to BB-	24,598	1,873	–	26,471	(38)	(77)	–	(115)
8A-9B	1.351 – 4.000	BB-/B+ to B	8,232	2,273	–	10,505	(13)	(90)	–	(103)
10A-11C	4.001 – 15.75	B/B– to B-/CCC+	4,146	1,694	–	5,840	(16)	(12)	–	(28)
Higher risk			–	1,882	–	1,882	–	(61)	–	(61)
12	15.751 – 99.999	CCC/C	–	1,882	–	1,882	–	(61)	–	(61)
Credit-impaired			–	–	5,732	5,732	–	–	(3,548)	(3,548)
13-14	100	Defaulted	–	–	5,732	5,732	–	–	(3,548)	(3,548)
Total			149,191	8,867	5,732	163,790	(101)	(258)	(3,548)	(3,907)

Undrawn commitment and financial guarantees – by client segment credit quality

			2024							
			Corporate & Investment Banking and Central & other items							
			Notional				Credit impairment			
Credit grade	Regulatory 1 year PD range (%)	S&P external ratings equivalent	Stage 1 $million	Stage 2 $million	Stage 3 $million	Total $million	Stage 1 $million	Stage 2 $million	Stage 3 $million	Total $million
Strong			**140,733**	**1,265**	**–**	**141,998**	**(22)**	**(6)**	**–**	**(29)**
1A-2B	0 – 0.045	A+ and above	**29,623**	**280**	**–**	**29,903**	**(1)**	**–**	**–**	**(1)**
3A-4A	0.046 – 0.110	A/A– to BBB+/BBB	**53,568**	**492**	**–**	**54,060**	**(4)**	**–**	**–**	**(4)**
4B-5B	0.111 – 0.425	BBB to BBB-/BB+	**57,542**	**493**	**–**	**58,035**	**(17)**	**(6)**	**–**	**(23)**
Satisfactory			**46,394**	**4,200**	**–**	**50,594**	**(23)**	**(33)**	**–**	**(56)**
6A-7B	0.426 – 1.350	BB+/BB to BB-	**2,544**	**1,065**	**–**	**3,609**	**(4)**	**(6)**	**–**	**(10)**
8A-9B	1.351 – 4.000	BB-/B+ to B	**30,438**	**1,162**	**–**	**31,600**	**(11)**	**(16)**	**–**	**(27)**
10A-11C	4.001 – 15.75	B/B– to B-/CCC+	**13,412**	**1,973**	**–**	**15,385**	**(8)**	**(11)**	**–**	**(19)**
Higher risk			**–**	**286**	**–**	**286**	**–**	**(11)**	**–**	**(11)**
12	15.751 – 99.999	CCC+/C	**–**	**286**	**–**	**286**	**–**	**(11)**	**–**	**(11)**
Credit-impaired			**–**	**–**	**593**	**593**	**–**	**–**	**(129)**	**(129)**
13-14	100	Defaulted	**–**	**–**	**593**	**593**	**–**	**–**	**(129)**	**(129)**
Total			**187,127**	**5,751**	**593**	**193,471**	**(45)**	**(50)**	**(129)**	**(224)**
			2023							
Strong			129,331	1,649	–	130,980	(19)	(3)	–	(22)
1A-2B	0 – 0.045	A+ and above	27,882	179	–	28,061	(1)	–	–	(1)
3A-4A	0.046 – 0.110	A/A– to BBB+/BBB	52,061	557	–	52,618	(3)	(1)	–	(4)
4B-5B	0.111 – 0.425	BBB to BBB-/BB+	49,388	913	–	50,301	(15)	(2)	–	(17)
Satisfactory			35,405	5,921	–	41,326	(23)	(28)	–	(51)
6A-7B	0.426 – 1.350	BB+/BB to BB-	2,581	1,065	–	3,646	(2)	(6)	–	(8)
8A-9B	1.351 – 4.000	BB-/B+ to B	25,089	3,028	–	28,117	(14)	(9)	–	(23)
10A-11C	4.001 – 15.75	B/B– to B-/CCC+	7,735	1,828	–	9,563	(7)	(13)	–	(20)
Higher risk			–	697	–	697	–	(15)	–	(15)
12	15.751 – 99.999	CCC+/C	–	697	–	697	–	(15)	–	(15)
Credit-impaired			–	–	663	663	–	–	(112)	(112)
13-14	100	Defaulted	–	–	663	663	–	–	(112)	(112)
Total			164,736	8,267	663	173,666	(42)	(46)	(112)	(200)

Loans and advances by client segment credit quality analysis by key geography

Corporate & Investment Banking and Central & other items
2024

	Gross									Credit Impairment									
	Stage 1			Stage 2				Stage 3		Stage 1			Stage 2				Stage 3		
	Strong $million	Satis-factory $million	Total $million	Strong $million	Satis-factory $million	Higher Risk $million	Total $million	Defaulted $million	Total $million	Strong $million	Satis-factory $million	Total $million	Strong $million	Satis-factory $million	Higher Risk $million	Total $million	Defaulted $million	Total $million	Total Coverage %
Hong Kong	32,552	12,079	44,631	230	1,539	64	1,833	1,272	1,272	(8)	(8)	(16)	(33)	(107)	(9)	(149)	(1,157)	(1,157)	(2.8)%
Corporate Lending	14,429	6,180	20,609	225	1,329	64	1,618	1,260	1,260	(5)	(4)	(9)	(33)	(102)	(9)	(144)	(1,157)	(1,157)	(5.6)%
Non Corporate Lending[1]	4,567	2,730	7,297	4	206	–	210	12	12	(1)	(3)	(4)	–	(5)	–	(5)	–	–	(0.1)%
Banks	13,556	3,169	16,725	1	4	–	5	–	–	(2)	(1)	(3)	–	–	–	–	–	–	(0.0)%
Singapore	31,129	7,769	38,898	500	955	35	1,490	407	407	–	(8)	(8)	(4)	(14)	–	(18)	(196)	(196)	(0.5)%
Corporate Lending	7,333	4,003	11,336	469	594	35	1,098	335	335	–	(6)	(6)	(4)	(14)	–	(18)	(195)	(195)	(1.7)%
Non Corporate Lending[1]	19,348	567	19,915	29	358	–	387	–	–	–	(1)	(1)	–	–	–	–	–	–	(0.0)%
Banks	4,448	3,199	7,647	2	3	–	5	72	72	–	(1)	(1)	–	–	–	–	(1)	(1)	(0.0)%
UK	11,029	3,939	14,968	48	479	3	530	316	316	(10)	(4)	(14)	–	(27)	(6)	(33)	(258)	(258)	(1.9)%
Corporate Lending	325	871	1,196	47	479	1	527	258	258	(9)	(3)	(12)	–	(27)	(6)	(33)	(237)	(237)	(14.2)%
Non Corporate Lending[1]	8,690	982	9,672	1	–	–	1	57	57	(1)	(1)	(2)	–	–	–	–	(21)	(21)	(0.2)%
Banks	2,014	2,086	4,100	–	–	2	2	1	1	–	–	–	–	–	–	–	–	–	(0.0)%
US	16,244	4,456	20,700	92	433	33	558	31	31	(4)	(1)	(5)	(1)	(1)	–	(2)	(3)	(3)	(0.0)%
Corporate Lending	5,426	2,761	8,187	77	322	–	399	28	28	(3)	(1)	(4)	(1)	(1)	–	(2)	–	–	(0.1)%
Non Corporate Lending[1]	9,688	123	9,811	15	79	–	94	3	3	(1)	–	(1)	–	–	–	–	(3)	(3)	(0.0)%
Banks	1,130	1,572	2,702	–	32	33	65	–	–	–	–	–	–	–	–	–	–	–	(0.0)%
China	10,380	2,794	13,174	49	133	14	196	171	171	(3)	(1)	(4)	–	–	–	–	(86)	(86)	(0.7)%
Corporate Lending	4,933	2,193	7,126	49	133	14	196	168	168	(1)	(1)	(2)	–	–	–	–	(83)	(83)	(1.1)%
Non Corporate Lending[1]	3,241	363	3,604	–	–	–	–	–	–	(1)	–	(1)	–	–	–	–	–	–	(0.0)%
Banks	2,206	238	2,444	–	–	–	–	3	3	(1)	–	(1)	–	–	–	–	(3)	(3)	(0.2)%
Others	42,171	19,370	61,541	318	3,251	819	4,389	2,460	2,460	(10)	(33)	(43)	(3)	(70)	(29)	(102)	(1,483)	(1,483)	(2.4)%
Corporate Lending	24,835	14,075	38,910	291	2,048	516	2,855	2,221	2,221	(6)	(26)	(32)	(3)	(38)	(28)	(69)	(1,333)	(1,333)	(3.3)%
Non Corporate Lending[1]	9,451	3,590	13,041	22	1,117	153	1,292	232	232	–	(6)	(6)	–	(31)	(1)	(32)	(149)	(149)	(1.3)%
Banks	7,885	1,705	9,590	5	86	150	241	7	7	(4)	(1)	(5)	–	(1)	–	(1)	(1)	(1)	(0.1)%
Total	143,505	50,407	193,912	1,237	6,790	968	8,996	4,657	4,657	(35)	(55)	(90)	(41)	(219)	(44)	(304)	(3,183)	(3,183)	(1.7)%

Corporate & Investment Banking and Central & other items[2]
2023

	Gross									Credit Impairment									
	Stage 1			Stage 2				Stage 3		Stage 1			Stage 2				Stage 3		
	Strong $million	Satis-factory $million	Total $million	Strong $million	Satis-factory $million	Higher Risk $million	Total $million	Defaulted $million	Total $million	Strong $million	Satis-factory $million	Total $million	Strong $million	Satis-factory $million	Higher Risk $million	Total $million	Defaulted $million	Total $million	Total Coverage %
Hong Kong	36,776	10,151	46,927	167	937	30	1,134	1,284	1,284	(7)	(23)	(30)	(4)	(118)	(3)	(125)	(1,025)	(1,025)	(2.4)%
Corporate Lending	14,401	6,289	20,690	165	855	30	1,050	1,219	1,219	(5)	(20)	(25)	(3)	(118)	(3)	(124)	(1,024)	(1,024)	(5.1)%
Non Corporate Lending[1]	6,323	2,458	8,781	1	81	–	82	65	65	(1)	(2)	(3)	–	–	–	–	(1)	(1)	(0.0)%
Banks	16,052	1,404	17,456	1	1	–	2	–	–	(1)	(1)	(2)	(1)	–	–	(1)	–	–	(0.0)%
Singapore	34,526	6,046	40,572	361	509	36	906	285	285	(4)	(4)	(8)	(11)	(14)	(4)	(29)	(75)	(75)	(0.3)%
Corporate Lending	5,766	2,334	8,100	304	504	36	844	221	221	(4)	(3)	(7)	(11)	(13)	(4)	(28)	(74)	(74)	(1.2)%
Non Corporate Lending[1]	23,033	510	23,543	57	2	–	59	–	–	–	(1)	(1)	–	–	–	–	–	–	(0.0)%
Banks	5,727	3,202	8,929	–	3	–	3	64	64	–	–	–	–	(1)	–	(1)	(1)	(1)	(0.0)%
UK	8,364	4,171	12,535	56	785	83	924	257	257	(5)	(5)	(10)	–	(14)	(7)	(21)	(209)	(209)	(1.7)%
Corporate Lending	5,407	1,559	6,966	52	539	71	662	250	250	(4)	(5)	(9)	–	(13)	(7)	(20)	(202)	(202)	(2.9)%
Non Corporate Lending[1]	558	1,244	1,802	–	160	–	160	3	3	(1)	–	(1)	–	(1)	–	(1)	(3)	(3)	(0.3)%
Banks	2,399	1,368	3,767	4	86	12	102	4	4	–	–	–	–	–	–	–	(4)	(4)	(0.1)%
US	14,550	4,742	19,292	219	176	19	414	5	5	(2)	(2)	(4)	–	–	–	–	(5)	(5)	(0.0)%
Corporate Lending	7,487	2,765	10,252	146	130	–	276	1	1	(1)	(2)	(3)	–	–	–	–	(1)	(1)	(0.0)%
Non Corporate Lending[1]	6,181	425	6,606	25	4	–	29	4	4	(1)	–	(1)	–	–	–	–	(4)	(4)	(0.1)%
Banks	882	1,552	2,434	48	42	19	109	–	–	–	–	–	–	–	–	–	–	–	(0.0)%
China	9,737	2,733	12,470	31	298	8	337	262	262	(3)	(4)	(7)	–	–	–	–	(125)	(125)	(1.0)%
Corporate Lending	4,723	2,179	6,902	31	297	8	336	259	259	(2)	(1)	(3)	–	–	–	–	(125)	(125)	(1.7)%
Non Corporate Lending[1]	3,254	318	3,572	–	–	–	–	–	–	(1)	–	(1)	–	–	–	–	–	–	(0.0)%
Banks	1,760	236	1,996	–	1	–	1	3	3	–	(3)	(3)	–	–	–	–	–	–	(0.2)%
Others	43,547	18,233	61,780	366	3,347	1,979	5,692	3,716	3,716	(16)	(34)	(50)	(4)	(35)	(54)	(93)	(2,115)	(2,115)	(3.2)%
Corporate Lending	16,189	15,034	31,223	345	2,322	678	3,345	3,335	3,335	(8)	(27)	(35)	(3)	(28)	(46)	(77)	(2,012)	(2,012)	(5.6)%
Non Corporate Lending[1]	18,894	1,861	20,755	19	946	1,059	2,024	375	375	(6)	(6)	(12)	(1)	(6)	(1)	(8)	(102)	(102)	(0.5)%
Banks	8,464	1,338	9,802	2	79	242	323	6	6	(2)	(1)	(3)	–	(1)	(7)	(8)	(1)	(1)	(0.1)%
Total	147,500	46,076	193,576	1,200	6,052	2,155	9,407	5,809	5,809	(37)	(72)	(109)	(19)	(181)	(68)	(268)	(3,554)	(3,554)	(1.9)%

1 Include financing, insurance and non-banking corporations and governments

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

	Wealth & Retail Banking and Ventures 2024																		
	Gross									Credit Impairment									
	Stage 1			Stage 2				Stage 3		Stage 1			Stage 2				Stage 3		
	Strong $million	Satis-factory $million	Total $million	Strong $million	Satis-factory $million	Higher Risk $million	Total $million	Impaired $million	Total $million	Strong $million	Satis-factory $million	Total $million	Strong $million	Satis-factory $million	Higher Risk $million	Total $million	Impaired $million	Total $million	Total Coverage %
Hong Kong	41,906	320	42,226	288	47	40	375	228	228	(59)	(14)	(73)	(33)	(20)	(4)	(57)	(69)	(69)	(0.5)%
Mortgages	31,080	265	31,345	55	14	24	93	75	75	–	–	–	–	–	–	–	(7)	(7)	(0.0)%
Credit cards	4,210	19	4,229	93	30	1	124	14	14	(36)	(11)	(47)	(27)	(19)	(1)	(47)	(14)	(14)	(2.5)%
Others	6,616	36	6,652	140	3	15	158	139	139	(23)	(3)	(26)	(6)	(1)	(3)	(10)	(48)	(48)	(1.2)%
Singapore	26,755	52	26,807	441	39	34	514	312	312	(29)	(26)	(55)	(6)	(6)	(6)	(18)	(265)	(265)	(1.2)%
Mortgages	13,531	12	13,543	160	32	15	207	9	9	–	–	–	–	–	–	–	(4)	(4)	(0.0)%
Credit cards	2,248	25	2,273	14	5	16	35	16	16	(9)	(26)	(35)	(5)	(5)	(4)	(14)	(19)	(19)	(2.9)%
Others	10,976	15	10,991	267	2	3	272	287	287	(20)	–	(20)	(1)	(1)	(2)	(4)	(242)	(242)	(2.3)%
Korea	18,062	220	18,282	378	9	22	409	112	112	(22)	(1)	(23)	(28)	(4)	(1)	(33)	(33)	(33)	(0.5)%
Mortgages	13,198	171	13,369	250	8	17	275	62	62	–	–	–	–	–	–	–	(2)	(2)	(0.0)%
Credit cards	36	1	37	1	–	–	1	–	–	(1)	–	(1)	–	–	–	–	–	–	(2.6)%
Others	4,828	48	4,876	127	1	5	133	50	50	(21)	(1)	(22)	(28)	(4)	(1)	(33)	(31)	(31)	(1.7)%
Rest of World	26,085	4,998	31,083	338	76	241	655	977	977	(239)	(13)	(252)	(39)	(5)	(18)	(62)	(403)	(403)	(2.2)%
Mortgages	15,079	2,007	17,086	136	43	141	320	459	459	(4)	(2)	(6)	–	–	(1)	(1)	(124)	(124)	(0.7)%
Credit cards	1,148	351	1,499	29	12	19	60	40	40	(33)	(1)	(34)	(21)	–	(1)	(22)	(27)	(27)	(5.2)%
Others	9,858	2,640	12,498	173	21	81	275	478	478	(202)	(10)	(212)	(18)	(5)	(16)	(39)	(252)	(252)	(3.8)%
Total	112,808	5,590	118,398	1,445	171	337	1,953	1,629	1,629	(349)	(54)	(403)	(106)	(35)	(29)	(170)	(770)	(770)	(1.1)%

	Wealth & Retail Banking and Ventures[1] 2023																		
	Gross									Credit Impairment									
	Stage 1			Stage 2				Stage 3		Stage 1			Stage 2				Stage 3		
	Strong $million	Satis-factory $million	Total $million	Strong $million	Satis-factory $million	Higher Risk $million	Total $million	Impaired $million	Total $million	Strong $million	Satis-factory $million	Total $million	Strong $million	Satis-factory $million	Higher Risk $million	Total $million	Impaired $million	Total $million	Total Coverage %
Hong Kong	42,930	242	43,172	514	74	51	639	174	174	(24)	(34)	(58)	(28)	(13)	(12)	(53)	(49)	(49)	(0.4)%
Mortgages	32,376	152	32,528	282	53	13	348	63	63	–	–	–	(1)	–	–	(1)	(1)	(1)	(0.0)%
Credit cards	4,045	44	4,089	80	17	24	121	18	18	(9)	(33)	(42)	(19)	(12)	(8)	(39)	(18)	(18)	(2.3)%
Others	6,509	46	6,555	152	4	14	170	93	93	(15)	(1)	(16)	(8)	(1)	(4)	(13)	(30)	(30)	(0.9)%
Singapore	26,644	68	26,712	379	41	34	454	282	282	(15)	(18)	(33)	(2)	(5)	(4)	(11)	(247)	(247)	(1.1)%
Mortgages	14,993	16	15,009	230	34	11	275	13	13	–	–	–	–	–	–	–	(4)	(4)	(0.0)%
Credit cards	1,916	25	1,941	11	5	16	32	10	10	(7)	(17)	(24)	–	(5)	(3)	(8)	(16)	(16)	(2.4)%
Others	9,735	27	9,762	138	2	7	147	259	259	(8)	(1)	(9)	(2)	–	(1)	(3)	(227)	(227)	(2.4)%
Korea	22,966	211	23,177	462	20	9	491	93	93	(40)	–	(40)	(18)	–	–	(18)	(19)	(19)	(0.3)%
Mortgages	16,535	164	16,699	364	18	8	390	69	69	–	–	–	–	–	–	–	–	–	(0.0)%
Credit cards	113	2	115	3	–	–	3	–	–	(4)	–	(4)	–	–	–	–	–	–	(3.4)%
Others	6,318	45	6,363	95	2	1	98	24	24	(36)	–	(36)	(18)	–	–	(18)	(19)	(19)	(1.1)%
Rest of World	26,653	4,787	31,440	440	79	256	775	947	947	(169)	(29)	(198)	(31)	(7)	(42)	(80)	(457)	(457)	(2.2)%
Mortgages	14,678	2,297	16,975	156	48	134	338	375	375	(5)	(2)	(7)	(2)	–	(1)	(3)	(118)	(118)	(0.7)%
Credit cards	1,419	68	1,487	73	1	15	89	40	40	(26)	(9)	(35)	(7)	–	(10)	(17)	(16)	(16)	(4.2)%
Others	10,556	2,422	12,978	211	29	107	347	532	532	(138)	(18)	(156)	(22)	(7)	(31)	(60)	(323)	(323)	(3.9)%
Total	119,193	5,308	124,501	1,795	213	350	2,358	1,496	1,496	(248)	(81)	(329)	(79)	(25)	(58)	(162)	(772)	(772)	(1.0)%

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

Undrawn commitment and financial guarantees – by client segment credit quality

	Wealth & Retail Banking and Ventures 2024							
	Notional				ECL			
Amortised cost	Stage 1 $million	Stage 2 $million	Stage 3 $million	Total $million	Stage 1 $million	Stage 2 $million	Stage 3 $million	Total $million
Strong	70,595	100	–	70,695	(15)	(3)	–	(18)
Satisfactory	850	11	–	861	(5)	(1)	–	(6)
Higher risk	–	21	–	21	–	(3)	–	(3)
Impaired	–	–	8	8	–	–	–	–
Total	71,445	132	8	71,585	(20)	(7)	–	(27)

	2023							
	Notional				ECL			
Amortised cost	Stage 1 $million	Stage 2 $million	Stage 3 $million	Total $million	Stage 1 $million	Stage 2 $million	Stage 3 $million	Total $million
Strong	73,819	160	–	73,980	(15)	(3)	–	(18)
Satisfactory	889	18	–	907	(5)	(1)	–	(6)
Higher risk	–	33	–	33	–	(3)	–	(3)
Impaired	–	–	3	3	–	–	–	–
Total	74,708	211	3	74,922	(20)	(7)	–	(27)

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

The tables overleaf set out the movement in gross exposures and credit impairment by stage in respect of amortised cost loans to banks and customers, undrawn commitments, financial guarantees and debt securities classified at amortised cost and FVOCI. The tables are presented for the Group and separately for CIB and WRB (which also includes a separate presentation for secured and unsecured exposures).

Methodology

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

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

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

Changes to ECL models, which incorporate changes to model approaches and methodologies, are not reported as a separate line item as these have an impact over a number of lines and stages.

Movements during the year

Stage 1 gross exposures decreased by $3.2 billion to $721 billion (31 December 2023: $724 billion). CIB exposure increased by $30 billion to $367 billion (31 December 2023: $337 billion), due to an increase in exposures in financial guarantees in the Energy, Financing, Insurance and Transport sectors. WRB decreased by $11.4 billion to $180 billion (31 December 2023: $191 billion), largely driven by fewer mortgages in Korea, Singapore and Hong Kong, as well as off-balance sheet commitments. Debt securities decreased by $16.5 billion, largely in the Central and other items segment which had also seen a $6.3 billion reduction in loan balances.

Total stage 1 provisions increased by $56 million to $582 million (31 December 2023: $526 million). CIB provisions decreased by $18 million to $133 million (31 December 2023: $151 million), due to a release in the China CRE overlay which was driven by repayments and portfolio movements. This was partly offset by new overlays of $27 million, primarily in Bangladesh. WRB provisions increased by $67 million to $392 million (31 December 2023: $325 million), due to delinquencies in the personal loans and unsecured lending portfolio.

Stage 2 gross exposures decreased by $4 billion to $19 billion (31 December 2023: $22 billion), primarily driven by a net reduction in CIB exposures from off-balance sheet instruments. WRB exposures decreased by $0.4 billion to $2 billion (31 December 2023: $2.5 billion), mainly due to the mortgage portfolio.

Stage 2 provisions increased by $20 million to $537 million (31 December 2023: $517 million). CIB provisions increased by $44 million to $362 million (31 December 2023: $318 million), due to $76 million new overlays, largely in Hong Kong, and portfolio movements. This was offset by China CRE overlay releases, which were driven by repayments. WRB provisions increased by $11 million to $151 million (31 December 2023: $140 million) mainly driven by the overlay in Korea due to the settlement failure of two e-commerce platforms. Debt securities primarily held in the Central and other items segment decreased by $31 million, due to sovereign upgrades.

The impact of model and methodology updates in 2024 reduced modelled provisions by $15 million across stages 1, 2 and 3 in WRB.

Stage 3 gross exposures for CIB decreased by $1.1 billion to $5.2 billion (31 December 2023: $6.3 billion) due to repayments and write-offs. CIB provisions decreased by $0.3 billion to $3.3 billion (31 December 2023: $3.7 billion), due to releases from repayments and write-offs. WRB stage 3 loans remained broadly stable at $1.6 billion (31 December 2023: $1.5 billion) and provisions also remained stable at $0.8 billion (31 December 2023: $0.8 billion). The amount of stage 3 exposures written off during the year that remain subject to enforcement activity is $1.2 billion (31 December 2023: $1 billion).

All segments (audited)

	Stage 1			Stage 2			Stage 3[5]			Total		
Amortised cost and FVOCI	Gross balance[3] $million	Total credit impairment $million	Net $million	Gross balance[3] $million	Total credit impairment $million	Net $million	Gross balance[3] $million	Total credit impairment $million	Net $million	Gross balance[3] $million	Total credit impairment $million	Net $million
As at 1 January 2023	720,112	(645)	719,467	27,479	(618)	26,861	8,841	(4,724)	4,117	756,432	(5,987)	750,445
Transfers to stage 1	19,594	(661)	18,933	(19,583)	661	(18,922)	(11)	–	(11)	–	–	–
Transfers to stage 2	(42,628)	174	(42,454)	42,793	(182)	42,611	(165)	8	(157)	–	–	–
Transfers to stage 3	(96)	6	(90)	(2,329)	326	(2,003)	2,425	(332)	2,093	–	–	–
Net change in exposures	23,717	(185)	23,532	(22,727)	22	(22,705)	(1,708)	624	(1,084)	(718)	461	(257)
Net remeasurement from stage changes	–	52	52	–	(199)	(199)	–	(163)	(163)	–	(310)	(310)
Changes in risk parameters	–	202	202	–	(32)	(32)	–	(1,100)	(1,100)	–	(930)	(930)
Write-offs	–	–	–	–	–	–	(1,027)	1,027	–	(1,027)	1,027	–
Interest due but unpaid	–	–	–	–	–	–	(83)	83	–	(83)	83	–
Discount unwind	–	–	–	–	–	–	–	180	180	–	180	180
Exchange translation differences and other movements[1]	3,177	531	3,708	(3,365)	(495)	(3,860)	(128)	(102)	(230)	(316)	(66)	(382)
As at 31 December 2023[2]	723,876	(526)	723,350	22,268	(517)	21,751	8,144	(4,499)	3,645	754,288	(5,542)	748,746
Income statement ECL (charge)/release		69			(209)			(639)			(779)	
Recoveries of amounts previously written off		–			–			271			271	
Total credit impairment (charge)/release		69			(209)			(368)			(508)	
As at 1 January 2024	**723,876**	**(526)**	**723,350**	**22,268**	**(517)**	**21,751**	**8,144**	**(4,499)**	**3,645**	**754,288**	**(5,542)**	**748,746**
Transfers to stage 1	**16,433**	**(543)**	**15,890**	**(16,423)**	**543**	**(15,880)**	**(10)**	**–**	**(10)**	**–**	**–**	**–**
Transfers to stage 2	**(33,301)**	**128**	**(33,173)**	**33,770**	**(153)**	**33,617**	**(469)**	**25**	**(444)**	**–**	**–**	**–**
Transfers to stage 3	**(1,631)**	**63**	**(1,568)**	**(146)**	**168**	**22**	**1,777**	**(231)**	**1,546**	**–**	**–**	**–**
Net change in exposures	**29,928**	**(173)**	**29,755**	**(18,435)**	**80**	**(18,355)**	**(1,383)**	**622**	**(761)**	**10,110**	**529**	**10,639**
Net remeasurement from stage changes	**–**	**61**	**61**	**–**	**(185)**	**(185)**	**–**	**(203)**	**(203)**	**–**	**(327)**	**(327)**
Changes in risk parameters	**–**	**84**	**84**	**–**	**(242)**	**(242)**	**–**	**(873)**	**(873)**	**–**	**(1,031)**	**(1,031)**
Derecognised	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Write-offs	**–**	**–**	**–**	**–**	**–**	**–**	**(1,260)**	**1,260**	**–**	**(1,260)**	**1,260**	**–**
Interest due but unpaid	**–**	**–**	**–**	**–**	**–**	**–**	**53**	**(53)**	**–**	**53**	**(53)**	**–**
Discount unwind	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**135**	**135**	**–**	**135**	**135**
Exchange translation differences and other movements[1]	**(14,626)**	**324**	**(14,302)**	**(2,427)**	**(231)**	**(2,658)**	**147**	**(268)**	**(121)**	**(16,906)**	**(175)**	**(17,081)**
As at 31 December 2024[2]	**720,679**	**(582)**	**720,097**	**18,607**	**(537)**	**18,070**	**6,999**	**(4,085)**	**2,914**	**746,285**	**(5,204)**	**741,081**
Income statement ECL (charge)/release[6]		**(28)**			**(347)**			**(454)**			**(829)**	
Recoveries of amounts previously written off		**–**			**–**			**279**			**279**	
Total credit impairment (charge)/release[4]		**(28)**			**(347)**			**(175)**			**(550)**	

1 Includes fair value adjustments and amortisation on debt securities

2 Excludes Cash and balances at central banks, Accrued income, Assets held for sale and Other assets gross balances of $101,755 million (31 December 2023: $111,478 million) and Total credit impairment of $63 million (31 December 2023: $59 million)

3 The gross balance includes the notional amount of off balance sheet instruments

4 Reported basis

5 Stage 3 gross includes $59 million (31 December 2023: $80 million) originated credit-impaired debt securities with impairment of $Nil million (31 December 2023: $14 million)

6 Does not include release relating to Other assets of $3 million (31 December 2023: Nil)

Corporate & Investment Banking (audited)

Amortised cost and FVOCI	Stage 1 Gross balance[1] $million	Stage 1 Total credit impairment $million	Stage 1 Net $million	Stage 2 Gross balance[1] $million	Stage 2 Total credit impairment $million	Stage 2 Net $million	Stage 3 Gross balance[1] $million	Stage 3 Total credit impairment $million	Stage 3 Net $million	Total Gross balance[1] $million	Total Total credit impairment $million	Total Net $million
As at 1 January 2023	315,437	(194)	315,243	20,148	(411)	19,737	6,994	(3,822)	3,172	342,579	(4,427)	338,152
Transfers to stage 1	14,948	(347)	14,601	(14,948)	347	(14,601)	–	–	–	–	–	–
Transfers to stage 2	(34,133)	80	(34,053)	34,175	(88)	34,087	(42)	8	(34)	–	–	–
Transfers to stage 3	(17)	–	(17)	(1,270)	141	(1,129)	1,287	(141)	1,146	–	–	–
Net change in exposures	41,314	(73)	41,241	(20,084)	89	(19,995)	(1,335)	623	(712)	19,895	639	20,534
Net remeasurement from stage changes	–	15	15	–	(45)	(45)	–	(82)	(82)	–	(112)	(112)
Changes in risk parameters	–	60	60	–	(68)	(68)	–	(668)	(668)	–	(676)	(676)
Write-offs	–	–	–	–	–	–	(340)	340	–	(340)	340	–
Interest due but unpaid	–	–	–	–	–	–	(120)	120	–	(120)	120	–
Discount unwind	–	–	–	–	–	–	–	155	155	–	155	155
Exchange translation differences and other movements	(360)	308	(52)	(1,148)	(283)	(1,431)	(188)	(184)	(372)	(1,696)	(159)	(1,855)
As at 31 December 2023	337,189	(151)	337,038	16,873	(318)	16,555	6,256	(3,651)	2,605	360,318	(4,120)	356,198
Income statement ECL (charge)/release		2			(24)			(127)			(149)	
Recoveries of amounts previously written off		–			–			31			31	
Total credit impairment (charge)/release		2			(24)			(96)			(118)	
As at 1 January 2024	**337,189**	**(151)**	**337,038**	**16,873**	**(318)**	**16,555**	**6,256**	**(3,651)**	**2,605**	**360,318**	**(4,120)**	**356,198**
Transfers to stage 1	**10,390**	**(245)**	**10,145**	**(10,390)**	**245**	**(10,145)**	**–**	**–**	**–**	**–**	**–**	**–**
Transfers to stage 2	**(25,698)**	**47**	**(25,651)**	**25,810**	**(58)**	**25,752**	**(112)**	**11**	**(101)**	**–**	**–**	**–**
Transfers to stage 3	**(186)**	**(4)**	**(190)**	**(186)**	**22**	**(164)**	**372**	**(18)**	**354**	**–**	**–**	**–**
Net change in exposures	**50,866**	**(50)**	**50,816**	**(16,508)**	**88**	**(16,420)**	**(1,063)**	**607**	**(456)**	**33,295**	**645**	**33,940**
Net remeasurement from stage changes	**–**	**16**	**16**	**(4)**	**(36)**	**(40)**	**–**	**(100)**	**(100)**	**(4)**	**(120)**	**(124)**
Changes in risk parameters	**–**	**29**	**29**	**–**	**(129)**	**(129)**	**–**	**(336)**	**(336)**	**–**	**(436)**	**(436)**
Derecognised	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Write-offs	**–**	**–**	**–**	**–**	**–**	**–**	**(321)**	**321**	**–**	**(321)**	**321**	**–**
Interest due but unpaid	**–**	**–**	**–**	**–**	**–**	**–**	**25**	**(25)**	**–**	**25**	**(25)**	**–**
Discount unwind	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**104**	**104**	**–**	**104**	**104**
Exchange translation differences and other movements	**(5,455)**	**225**	**(5,230)**	**(726)**	**(176)**	**(902)**	**13**	**(225)**	**(212)**	**(6,168)**	**(176)**	**(6,344)**
As at 31 December 2024	**367,106**	**(133)**	**366,973**	**14,869**	**(362)**	**14,507**	**5,170**	**(3,312)**	**1,858**	**387,145**	**(3,807)**	**383,338**
Income statement ECL (charge)/release		**(5)**			**(77)**			**171**			**89**	
Recoveries of amounts previously written off		**–**			**–**			**26**			**26**	
Total credit impairment (charge)/release		**(5)**			**(77)**			**197**			**115**	

1 The gross balance includes the notional amount of off balance sheet instruments

Risk review and Capital review

Wealth & Retail Banking (audited)

	Stage 1			Stage 2			Stage 3			Total		
Amortised cost and FVOCI	**Gross balance[1] $million**	**Total credit impair-ment $million**	**Net $million**	**Gross balance[1] $million**	**Total credit impair-ment $million**	**Net $million**	**Gross balance[1] $million**	**Total credit impair-ment $million**	**Net $million**	**Gross balance[1] $million**	**Total credit impair-ment $million**	**Net $million**
As at 1 January 2023	193,239	(413)	192,826	1,821	(118)	1,703	1,454	(776)	678	196,514	(1,307)	195,207
Transfers to stage 1	4,265	(246)	4,019	(4,254)	246	(4,008)	(11)	–	(11)	–	–	–
Transfers to stage 2	(7,544)	73	(7,471)	7,667	(73)	7,594	(123)	–	(123)	–	–	–
Transfers to stage 3	(64)	1	(63)	(1,049)	187	(862)	1,113	(188)	925	–	–	–
Net change in exposures	1,965	(78)	1,887	(1,713)	14	(1,699)	(395)	–	(395)	(143)	(64)	(207)
Net remeasurement from stage changes	–	31	31	–	(137)	(137)	–	(38)	(38)	–	(144)	(144)
Changes in risk parameters	–	110	110	–	(69)	(69)	–	(426)	(426)	–	(385)	(385)
Write-offs	–	–	–	–	–	–	(649)	649	–	(649)	649	–
Interest due but unpaid	–	–	–	–	–	–	37	(37)	–	37	(37)	–
Discount unwind	–	–	–	–	–	–	–	24	24	–	24	24
Exchange translation differences and other movements	(862)	197	(665)	–	(190)	(190)	59	33	92	(803)	40	(763)
As at 31 December 2023	190,999	(325)	190,674	2,472	(140)	2,332	1,485	(759)	726	194,956	(1,224)	193,732
Income statement ECL (charge)/release		63			(192)			(464)			(593)	
Recoveries of amounts previously written off		–			–			239			239	
Total credit impairment (charge)/release		63			(192)			(225)			(354)	
As at 1 January 2024	**190,999**	**(325)**	**190,674**	**2,472**	**(140)**	**2,332**	**1,485**	**(759)**	**726**	**194,956**	**(1,224)**	**193,732**
Transfers to stage 1	**5,126**	**(288)**	**4,838**	**(5,116)**	**288**	**(4,828)**	**(10)**	**–**	**(10)**	**–**	**–**	**–**
Transfers to stage 2	**(7,393)**	**80**	**(7,313)**	**7,525**	**(80)**	**7,445**	**(132)**	**–**	**(132)**	**–**	**–**	**–**
Transfers to stage 3	**(98)**	**1**	**(97)**	**(1,254)**	**211**	**(1,043)**	**1,352**	**(212)**	**1,140**	**–**	**–**	**–**
Net change in exposures	**(3,926)**	**(89)**	**(4,015)**	**(1,505)**	**21**	**(1,484)**	**(431)**	**–**	**(431)**	**(5,862)**	**(68)**	**(5,930)**
Net remeasurement from stage changes	**–**	**29**	**29**	**–**	**(144)**	**(144)**	**–**	**(44)**	**(44)**	**–**	**(159)**	**(159)**
Changes in risk parameters	**–**	**19**	**19**	**–**	**(152)**	**(152)**	**–**	**(537)**	**(537)**	**–**	**(670)**	**(670)**
Write-offs	**–**	**–**	**–**	**–**	**–**	**–**	**(808)**	**808**	**–**	**(808)**	**808**	**–**
Interest due but unpaid	**–**	**–**	**–**	**–**	**–**	**–**	**28**	**(28)**	**–**	**28**	**(28)**	**–**
Discount unwind	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**30**	**30**	**–**	**30**	**30**
Exchange translation differences and other movements	**(5,128)**	**181**	**(4,947)**	**(92)**	**(155)**	**(247)**	**139**	**(16)**	**123**	**(5,081)**	**10**	**(5,071)**
As at 31 December 2024	**179,580**	**(392)**	**179,188**	**2,030**	**(151)**	**1,879**	**1,623**	**(758)**	**865**	**183,233**	**(1,301)**	**181,932**
Income statement ECL (charge)/release		**(41)**			**(275)**			**(581)**			**(897)**	
Recoveries of amounts previously written off		**–**			**–**			**253**			**253**	
Total credit impairment (charge)/release		**(41)**			**(275)**			**(328)**			**(644)**	

1 The gross balance includes the notional amount of off-balance sheet instruments

Wealth & Retail Banking – Secured (audited)

Amortised cost and FVOCI	Stage 1 Gross balance[1] $million	Stage 1 Total credit impair-ment $million	Stage 1 Net $million	Stage 2 Gross balance[1] $million	Stage 2 Total credit impair-ment $million	Stage 2 Net $million	Stage 3 Gross balance[1] $million	Stage 3 Total credit impair-ment $million	Stage 3 Net $million	Total Gross balance[1] $million	Total Total credit impair-ment $million	Total Net $million
As at 1 January 2023	135,362	(60)	135,302	1,413	(17)	1,396	1,028	(552)	476	137,803	(629)	137,174
Transfers to stage 1	3,311	(20)	3,291	(3,302)	20	(3,282)	(9)	–	(9)	–	–	–
Transfers to stage 2	(5,340)	11	(5,329)	5,436	(9)	5,427	(96)	(2)	(98)	–	–	–
Transfers to stage 3	(28)	1	(27)	(463)	1	(462)	491	(2)	489	–	–	–
Net change in exposures	(3,138)	(16)	(3,154)	(1,250)	3	(1,247)	(216)	–	(216)	(4,604)	(13)	(4,617)
Net remeasurement from stage changes	–	4	4	–	(16)	(16)	–	(3)	(3)	–	(15)	(15)
Changes in risk parameters	–	22	22	–	24	24	–	(110)	(110)	–	(64)	(64)
Write-offs	–	–	–	–	–	–	(109)	109	–	(109)	109	–
Interest due but unpaid	–	–	–	–	–	–	(3)	3	–	(3)	3	–
Discount unwind	–	–	–	–	–	–	–	12	12	–	12	12
Exchange translation differences and other movements	(369)	25	(344)	(7)	(22)	(29)	(24)	20	(4)	(400)	23	(377)
As at 31 December 2023	129,798	(33)	129,765	1,827	(16)	1,811	1,062	(525)	537	132,687	(574)	132,113
Income statement ECL (charge)/release		10			11			(113)			(92)	
Recoveries of amounts previously written off		–			–			68			68	
Total credit impairment (charge)/release		10			11			(45)			(24)	
As at 1 January 2024	**129,798**	**(33)**	**129,765**	**1,827**	**(16)**	**1,811**	**1,062**	**(525)**	**537**	**132,687**	**(574)**	**132,113**
Transfers to stage 1	**3,839**	**(23)**	**3,816**	**(3,836)**	**23**	**(3,813)**	**(3)**	**–**	**(3)**	**–**	**–**	**–**
Transfers to stage 2	**(4,952)**	**13**	**(4,939)**	**5,054**	**(13)**	**5,041**	**(102)**	**–**	**(102)**	**–**	**–**	**–**
Transfers to stage 3	**(43)**	**–**	**(43)**	**(566)**	**19**	**(547)**	**609**	**(19)**	**590**	**–**	**–**	**–**
Net change in exposures	**2,570**	**(11)**	**2,559**	**(917)**	**8**	**(909)**	**(268)**	**–**	**(268)**	**1,385**	**(3)**	**1,382**
Net remeasurement from stage changes	**–**	**6**	**6**	**–**	**(15)**	**(15)**	**–**	**(7)**	**(7)**	**–**	**(16)**	**(16)**
Changes in risk parameters	**–**	**(6)**	**(6)**	**–**	**(6)**	**(6)**	**–**	**(129)**	**(129)**	**–**	**(141)**	**(141)**
Write-offs	**–**	**–**	**–**	**–**	**–**	**–**	**(114)**	**114**	**–**	**(114)**	**114**	**–**
Interest due but unpaid	**–**	**–**	**–**	**–**	**–**	**–**	**53**	**(53)**	**–**	**53**	**(53)**	**–**
Discount unwind	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**16**	**16**	**–**	**16**	**16**
Exchange translation differences and other movements	**(4,496)**	**6**	**(4,490)**	**(57)**	**(31)**	**(88)**	**(33)**	**47**	**14**	**(4,586)**	**22**	**(4,564)**
As at 31 December 2024	**126,716**	**(48)**	**126,668**	**1,505**	**(31)**	**1,474**	**1,204**	**(556)**	**648**	**129,425**	**(635)**	**128,790**
Income statement ECL (charge)/release		**(11)**			**(13)**			**(136)**			**(160)**	
Recoveries of amounts previously written off		**–**			**–**			**80**			**80**	
Total credit impairment (charge)/release		**(11)**			**(13)**			**(56)**			**(80)**	

1 The gross balance includes the notional amount of off balance sheet instruments

Wealth & Retail Banking – Unsecured (audited)

Retail Banking Amortised cost and FVOCI	Stage 1 Gross balance[1] $million	Stage 1 Total credit impairment $million	Stage 1 Net $million	Stage 2 Gross balance[1] $million	Stage 2 Total credit impairment $million	Stage 2 Net $million	Stage 3 Gross balance[1] $million	Stage 3 Total credit impairment $million	Stage 3 Net $million	Total Gross balance[1] $million	Total Total credit impairment $million	Total Net $million
As at 1 January 2023	57,877	(353)	57,524	408	(101)	307	426	(224)	202	58,711	(678)	58,033
Transfers to stage 1	954	(226)	728	(952)	226	(726)	(2)	–	(2)	–	–	–
Transfers to stage 2	(2,204)	62	(2,142)	2,231	(64)	2,167	(27)	2	(25)	–	–	–
Transfers to stage 3	(36)	–	(36)	(586)	186	(400)	622	(186)	436	–	–	–
Net change in exposures	5,103	(62)	5,041	(463)	11	(452)	(179)	–	(179)	4,461	(51)	4,410
Net remeasurement from stage changes	–	27	27	–	(121)	(121)	–	(35)	(35)	–	(129)	(129)
Changes in risk parameters	–	88	88	–	(93)	(93)	–	(316)	(316)	–	(321)	(321)
Write-offs	–	–	–	–	–	–	(540)	540	–	(540)	540	–
Interest due but unpaid	–	–	–	–	–	–	40	(40)	–	40	(40)	–
Discount unwind	–	–	–	–	–	–	–	12	12	–	12	12
Exchange translation differences and other movements	(493)	172	(321)	7	(168)	(161)	83	13	96	(403)	17	(386)
As at 31 December 2023	61,201	(292)	60,909	645	(124)	521	423	(234)	189	62,269	(650)	61,619
Income statement ECL (charge)/release		53			(203)			(351)			(501)	
Recoveries of amounts previously written off		–			–			171			171	
Total credit impairment (charge)/release		53			(203)			(180)			(330)	
As at 1 January 2024	**61,201**	**(292)**	**60,909**	**645**	**(124)**	**521**	**423**	**(234)**	**189**	**62,269**	**(650)**	**61,619**
Transfers to stage 1	**1,287**	**(265)**	**1,022**	**(1,280)**	**265**	**(1,015)**	**(7)**	**–**	**(7)**	**–**	**–**	**–**
Transfers to stage 2	**(2,441)**	**67**	**(2,374)**	**2,471**	**(67)**	**2,404**	**(30)**	**–**	**(30)**	**–**	**–**	**–**
Transfers to stage 3	**(55)**	**1**	**(54)**	**(688)**	**192**	**(496)**	**743**	**(193)**	**550**	**–**	**–**	**–**
Net change in exposures	**(6,496)**	**(78)**	**(6,574)**	**(588)**	**13**	**(575)**	**(163)**	**–**	**(163)**	**(7,247)**	**(65)**	**(7,312)**
Net remeasurement from stage changes	**–**	**23**	**23**	**–**	**(129)**	**(129)**	**–**	**(37)**	**(37)**	**–**	**(143)**	**(143)**
Changes in risk parameters	**–**	**25**	**25**	**–**	**(146)**	**(146)**	**–**	**(408)**	**(408)**	**–**	**(529)**	**(529)**
Write-offs	**–**	**–**	**–**	**–**	**–**	**–**	**(694)**	**694**	**–**	**(694)**	**694**	**–**
Interest due but unpaid	**–**	**–**	**–**	**–**	**–**	**–**	**(25)**	**25**	**–**	**(25)**	**25**	**–**
Discount unwind	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**14**	**14**	**–**	**14**	**14**
Exchange translation differences and other movements	**(632)**	**175**	**(457)**	**(35)**	**(124)**	**(159)**	**172**	**(63)**	**109**	**(495)**	**(12)**	**(507)**
As at 31 December 2024	**52,864**	**(344)**	**52,520**	**525**	**(120)**	**405**	**419**	**(202)**	**217**	**53,808**	**(666)**	**53,142**
Income statement ECL (charge)/release		**(30)**			**(262)**			**(445)**			**(737)**	
Recoveries of amounts previously written off		**–**			**–**			**172**			**172**	
Total credit impairment (charge)/release		**(30)**			**(262)**			**(273)**			**(565)**	

1 The gross balance includes the notional amount of off balance sheet instruments

Analysis of stage 2 balances

The table below analyses total stage 2 gross on-and off-balance sheet exposures and associated expected credit provisions by the key SICR driver that caused the exposures to be classified as stage 2 as at 31 December 2024 and 31 December 2023 for each segment.

Where multiple drivers apply, the exposure is allocated based on the table order. For example, a loan may have breached the PD thresholds and could also be on non-purely precautionary early alert; in this instance, the exposure is reported under 'Increase in PD'.

Further details can be found in the 'Summary of Credit Risk performance' section on **page 207**.

	2024														
	Corporate & Investment Banking			Wealth & Retail Banking			Ventures			Central & other items[1]			Total		
	Gross $million	ECL $million	Coverage %	Gross $million	ECL $million	Coverage %	Gross $million	ECL $million	Coverage %	Gross $million	ECL $million	Coverage %	Gross $million	ECL $million	Coverage %
Increase in PD	**8,465**	**112**	**1.3%**	**1,366**	**104**	**7.6%**	**48**	**20**	**31.3%**	**154**	**–**	**0.0%**	**10,033**	**236**	**2.4%**
Non-purely precautionary early alert	**3,473**	**44**	**1.3%**	**30**	**–**	**0.0%**	**–**	**–**	**0.0%**	**–**	**–**	**0.0%**	**3,503**	**44**	**1.3%**
Higher risk (CG12)	**686**	**24**	**3.5%**	**18**	**–**	**0.0%**	**–**	**–**	**0.0%**	**1,488**	**1**	**0.4%**	**2,192**	**25**	**1.1%**
Top up/Sell down (Private Banking)	**–**	**–**	**0.0%**	**254**	**1**	**0.4%**	**–**	**–**	**0.0%**	**–**	**–**	**0.0%**	**254**	**1**	**0.4%**
Others	**2,245**	**25**	**1.1%**	**150**	**5**	**3.3%**	**–**	**–**	**0.0%**	**482**	**–**	**0.0%**	**2,877**	**30**	**1.0%**
30 days past due	**–**	**–**	**0.0%**	**212**	**19**	**9.0%**	**6**	**4**	**66.7%**	**–**	**–**	**0.0%**	**218**	**23**	**10.6%**
Management overlay	**–**	**157**	**0.0%**	**–**	**22**	**0.0%**	**–**	**3**	**0.0%**	**–**	**–**	**0.0%**	**–**	**182**	**0.0%**
Total stage 2	**14,869**	**362**	**2.4%**	**2,030**	**151**	**7.4%**	**54**	**27**	**40.7%**	**2,124**	**1**	**0.3%**	**19,077**	**541**	**2.8%**
	2023														
Increase in PD	8,262	75	0.9%	1,962	109	5.6%	96	23	24.0%	599	13	2.2%	10,919	220	2.0%
Non-purely precautionary early alert	5,136	26	0.5%	37	–	0.0%	–	–	0.0%	–	–	0.0%	5,173	26	0.5%
Higher risk (CG12)	1,008	56	5.6%	26	1	3.8%	–	–	0.0%	2,020	17	0.8%	3,054	74	2.4%
Top up/Sell down (Private Banking)	–	–	0.0%	148	2	1.4%	–	–	0.0%	–	–	0.0%	148	2	1.7%
Others	2,467	37	1.5%	151	16	10.6%	–	–	0.0%	489	–	0.0%	3,107	53	1.7%
30 days past due	–	–	0.0%	148	12	8.1%	2	–	0.0%	–	–	0.0%	150	12	7.7%
Management overlay	–	124	0.0%	–	–	0.0%	–	–	0.0%	–	17	0.0%	–	141	0.0%
Total stage 2	16,873	318	1.9%	2,472	140	5.7%	98	23	23.5%	3,108	47	1.5%	22,551	528	2.3%

1 Includes Gross and ECL for Cash and balances at central banks and Assets held for sale

Risk review and Capital review

Credit impairment charge (audited)

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

Further details can be found in the 'Summary of Credit Risk performance' section on **page 207**.

	2024			2023		
	Stage 1 & 2 $million	Stage 3 $million	Total $million	Stage 1 & 2 $million	Stage 3 $million	Total $million
Ongoing business portfolio						
Corporate & Investment Banking	81	(187)	(106)	11	112	123
Wealth & Retail Banking	317	327	644	129	225	354
Ventures	10	64	74	42	43	85
Central & other items	(37)	(18)	(55)	(44)	10	(34)
Credit impairment charge/(release)	371	186	557	138	390	528
Restructuring business portfolio						
Others	1	(11)	(10)	1	(21)	(20)
Credit impairment charge/(release)	1	(11)	(10)	1	(21)	(20)
Total credit impairment charge/(release)	372	175	547	139	369	508

Problem credit management and provisioning (audited)

Forborne and other modified loans by client segment

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

Net forborne loans decreased by $221 million to $784 million (31 December 2023: $1 billion), mainly due to repayments in CIB non-performing forborne loans. Net non-performing forborne loans decreased by $235 million to $732 million (31 December 2023: $967 million), which was partly offset by a $17 million increase in CIB performing forborne loans.

	2024			2023		
Amortised cost	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Total $million	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Total $million
Gross stage 1 and 2 forborne loans	17	36	53	–	40	40
Modification of terms and conditions[1]	17	36	53	–	40	40
Impairment provisions	–	(1)	(1)	–	(2)	(2)
Modification of terms and conditions[1]	–	(1)	(1)	–	(2)	(2)
Net stage 1 and 2 forborne loans	17	35	52	–	38	38
Collateral	–	27	27	–	31	31
Gross stage 3 forborne loans	2,065	258	2,323	2,340	274	2,614
Modification of terms and conditions[1]	1,824	258	2,082	2,113	274	2,387
Refinancing[2]	241	–	241	227	–	227
Impairment provisions	(1,481)	(110)	(1,591)	(1,529)	(118)	(1,647)
Modification of terms and conditions[1]	(1,242)	(110)	(1,352)	(1,337)	(118)	(1,454)
Refinancing[2]	(239)	–	(239)	(192)	–	(192)
Net stage 3 forborne loans	584	148	732	811	156	967
Collateral	172	55	227	341	49	390
Net carrying value of forborne loans	601	183	784	811	194	1,005

1 Modification of terms is any contractual change apart from refinancing, as a result of credit stress of the counterparty, i.e. interest reductions, loan covenant waivers

2 Refinancing is a new contract to a borrower in credit stress, such that they are refinanced and can pay other debt contracts that they were unable to honour

Forborne and other modified loans by key geography

Net forborne loans decreased by $221 million to $784 million (31 December 2023: $1 billion), mainly due to non-performing forborne loans.

	2024								2023[3]							
Amortised cost	Hong Kong $million	Korea $million	China $million	Singapore $million	UK $million	US $million	Other $million	Total $million	Hong Kong $million	Korea $million	China $million	Singapore $million	UK $million	US $million	Other $million	Total $million
Performing forborne loans	2	8	–	3	–	–	39	52	–	6	–	3	–	–	29	38
Stage 3 forborne loans	118	18	77	25	78	1	415	732	104	22	114	37	46	1	643	967
Net forborne loans	120	26	77	28	78	1	454	784	104	28	114	40	46	1	672	1,005

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

Credit Risk mitigation

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

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

Collateral (audited)

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

The collateral values in the table below (which covers loans and advances to banks and customers, excluding those held at fair value through profit or loss) are adjusted where appropriate in accordance with our risk mitigation policy and for the effect of over-collateralisation. The extent of over-collateralisation has been determined with reference to both the drawn and undrawn components of exposure as this best reflects the effect of collateral and other credit enhancements on the amounts arising from ECL. The value of collateral reflects management's best estimate and is backtested against our prior experience.

Collateral held on loans and advances

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

	2024								
	Net amount outstanding			Collateral			Net exposure		
Amortised cost	Total $million	Stage 2 financial assets $million	Credit-impaired financial assets (S3) $million	Total[2] $million	Stage 2 financial assets $million	Credit-impaired financial assets (S3) $million	Total $million	Stage 2 financial assets $million	Credit-impaired financial assets (S3) $million
Corporate & Investment Banking[1]	**181,897**	**8,657**	**1,376**	**36,750**	**3,052**	**298**	**145,147**	**5,605**	**1,078**
Wealth & Retail Banking	**119,248**	**1,758**	**858**	**85,163**	**891**	**584**	**34,085**	**867**	**274**
Ventures	**1,389**	**25**	**1**	**–**	**–**	**–**	**1,389**	**25**	**1**
Central & other items	**22,091**	**35**	**98**	**80**	**35**	**–**	**22,011**	**–**	**98**
Total	**324,625**	**10,475**	**2,333**	**121,993**	**3,978**	**882**	**202,632**	**6,497**	**1,451**
	2023								
Corporate & Investment Banking[1]	175,382	8,175	2,046	36,458	2,972	623	138,924	5,203	1,423
Wealth & Retail Banking	126,059	2,163	724	86,827	1,136	554	39,232	1,027	170
Ventures	1,033	33	–	–	–	–	1,033	33	–
Central & other items	29,478	964	209	2,475	964	–	27,003	–	209
Total	331,952	11,335	2,979	125,760	5,072	1,177	206,192	6,263	1,802

1 Includes loans and advances to banks

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

Collateral – Corporate & Investment Banking (audited)

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

Collateral taken for longer-term and sub-investment grade corporate loans increased to 49 per cent (31 December 2023: 41 per cent).

The unadjusted market value of collateral across all asset types, in respect of CIB, without adjusting for over collateralisation, increased to $383 billion (31 December 2023: $290 billion) predominantly due to an increase in reverse repos.

88 per cent (31 December 2023: 83 per cent) of tangible collateral excluding reverse repurchase agreements and financial guarantees held comprises physical assets with the remainder held in cash. Overall collateral remained broadly stable at $37 billion (31 December 2023: $36 billion).

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

Corporate & Investment Banking

Amortised cost	2024 $million	2023 $million
Maximum exposure	**181,897**	175,382
Property	**8,504**	9,339
Plant, machinery and other stock	**935**	933
Cash	**1,973**	2,985
Reverse repos	**12,568**	13,826
AA- to AA+	**938**	1,036
A- to A+	**8,324**	10,606
BBB- to BBB+	**1,437**	855
Lower than BBB-	**95**	169
Unrated	**1,774**	1,160
Financial guarantees and insurance	**7,075**	5,057
Commodities	**33**	5
Ships and aircraft	**5,662**	4,313
Total value of collateral[1]	**36,750**	36,458
Net exposure	**145,147**	138,924

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

Collateral – Wealth & Retail Banking (audited)

In WRB, fully secured products remain stable at 85 per cent of the total portfolio (31 December 2023: 85 per cent).

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

	2024				2023			
Amortised cost	Fully secured[1] $million	Partially secured[1] $million	Unsecured $million	Total[2] $million	Fully secured[1] $million	Partially secured[1] $million	Unsecured $million	Total[2] $million
Maximum exposure	**101,264**	**536**	**17,448**	**119,248**	106,914	505	18,640	126,059
Loans to individuals								
Mortgages	**76,696**	**–**	**–**	**76,696**	82,943	–	–	82,943
CCPL	**463**	**–**	**16,343**	**16,806**	375	–	17,395	17,770
Auto	**160**	**–**	**–**	**160**	312	–	–	312
Secured wealth products	**21,928**	**–**	**–**	**21,928**	20,303	–	–	20,303
Other	**2,017**	**536**	**1,105**	**3,658**	2,981	505	1,245	4,731
Total collateral[2]				**85,163**				86,827
Net exposure[3]				**34,085**				39,232
Percentage of total loans	**85%**	**0%**	**15%**		85%	0%	15%	

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

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

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

For the majority of mortgage loans, the value of property held as security significantly exceeds the principal outstanding of the loan. The average LTV of the overall mortgage portfolio increased to 48.9 per cent (31 December 2023: 47.1 per cent) driven by a decrease in property prices and regulatory relaxations in a few key markets, including Hong Kong and Korea. Hong Kong, which represents 34.3 per cent of WRB mortgage portfolio, has an average LTV of 58.6 per cent (31 December 2023: 55.7 per cent). The increase in Hong Kong residential mortgage LTV was due to a decrease in property prices. However, 29 per cent of the Hong Kong mortgage exposure is backed by credit insurance and, specifically, 95 per cent of mortgage exposure with LTV greater than 80 per cent is backed by credit insurance.

Our other key markets continued to have low portfolio average LTVs (Korea and Singapore at 42.1 per cent and 42.5 per cent respectively). Korea average LTV increased by 1.7 per cent (31 December 2023: 40.4 per cent) was mainly due to government relaxations whereby highly regulated areas have eased up to accommodate customers with higher LTV.

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

	2024					2023[1]				
Amortised cost	Hong Kong % Gross	Singapore % Gross	Korea % Gross	Other % Gross	Total % Gross	Hong Kong % Gross	Singapore % Gross	Korea % Gross	Other % Gross	Total % Gross
Less than 50 per cent	**40.9**	**52.7**	**64.1**	**50.2**	**51.3**	44.9	50.9	69.5	51.0	54.9
50 per cent to 59 per cent	**17.6**	**21.8**	**13.2**	**15.4**	**16.5**	19.5	24.7	11.0	16.7	17.1
60 per cent to 69 per cent	**12.7**	**15.6**	**13.5**	**17.0**	**14.3**	9.7	15.2	9.7	16.3	11.9
70 per cent to 79 per cent	**5.5**	**9.6**	**8.3**	**12.7**	**8.5**	4.3	8.7	8.9	11.6	7.9
80 per cent to 89 per cent	**5.1**	**0.1**	**0.8**	**4.1**	**2.9**	7.3	0.5	0.6	3.6	3.3
90 per cent to 99 per cent	**8.2**	**0.0**	**0.1**	**0.5**	**3.0**	7.4	–	0.1	0.4	2.5
100 per cent and greater	**10.1**	**0.1**	**0.1**	**0.2**	**3.5**	7.0	–	0.1	0.4	2.4
Average portfolio loan-to-value	**58.6**	**42.5**	**42.1**	**48.0**	**48.9**	55.7	43.4	40.4	47.8	47.1
Loans to individuals – mortgages ($million)	**31,506**	**13,756**	**13,703**	**17,731**	**76,696**	32,935	15,292	17,157	17,559	82,943

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

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

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

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

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

Other Credit Risk mitigation (audited)

Other forms of Credit Risk mitigation are set out below.

Credit default swaps

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

Credit linked notes

The Group has issued credit linked notes for portfolio management purposes, referencing loan assets with a notional value of $18.6 billion (31 December 2023: $22.5 billion). The Group continues to hold the underlying assets for which the credit linked notes provide mitigation. The credit linked notes of $2.0 billion (31 December 2023: $2.1 billion) are recognised as a financial liability at amortised cost on the balance sheet and are adjusted, where appropriate, for reductions in expected future cash flows with a corresponding credit impairment in the income statement.

Derivative financial instruments

The Group enters into master netting agreements, which in the event of default result in a single amount owed by or to the counterparty through netting the sum of the positive and negative mark-to-market values of applicable derivative transactions. These are also set out under the 'Derivative financial instruments Credit Risk mitigation' section (page 249).

Off-balance sheet exposures

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

Other portfolio analysis

This section provides maturity analysis by credit quality by industry and industry and retail products analysis by key geography.

Maturity analysis of loans and advances by client segment

Loans and advances to the CIB segment remain predominantly short-term, with $91 billion (31 December 2023: $91 billion) maturing in less than one year. 91 per cent (31 December 2023: 98 per cent) of loans to banks mature in less than one year, as net exposures decreased to $44 billion (31 December 2023: $45 billion). Shorter maturities give us the flexibility to respond promptly to events and rebalance or reduce our exposure to clients or sectors that are facing increased pressure or uncertainty.

The WRB short-term book of one year or less, is stable at 27 per cent (31 December 2023: 26 per cent). The WRB long-term book of over five years also remained stable at 62 per cent (31 December 2023: 63 per cent).

Amortised cost	2024 One year or less $million	2024 One to five years $million	2024 Over five years $million	2024 Total $million	2023 One year or less $million	2023 One to five years $million	2023 Over five years $million	2023 Total $million
Corporate & Investment Banking	91,065	33,130	17,670	141,865	90,728	30,746	12,822	134,296
Wealth & Retail Banking	32,252	13,194	75,091	120,537	33,397	13,711	80,166	127,274
Ventures	1,001	442	–	1,443	747	334	–	1,081
Central & other items	22,085	2	4	22,091	29,448	43	3	29,494
Gross loans and advances to customers	146,403	46,768	92,765	285,936	154,320	44,834	92,991	292,145
Impairment provisions	(4,369)	(409)	(126)	(4,904)	(4,872)	(185)	(113)	(5,170)
Net loans and advances to customers	142,034	46,359	92,639	281,032	149,448	44,649	92,878	286,975
Net loans and advances to banks	39,591	3,699	303	43,593	43,955	1,021	1	44,977

Credit quality by industry

Loans and advances

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

Further details can be found in the 'Summary of Credit Risk performance' section on **page 207**.

Amortised cost	Stage 1 Gross balance $million	Stage 1 Total credit impairment $million	Stage 1 Net carrying amount $million	Stage 2 Gross balance $million	Stage 2 Total credit impairment $million	Stage 2 Net carrying amount $million	Stage 3 Gross balance $million	Stage 3 Total credit impairment $million	Stage 3 Net carrying amount $million	Total Gross balance $million	Total credit impairment $million	Total Net carrying amount $million
Industry:												
Energy	12,147	(9)	12,138	468	(57)	411	870	(559)	311	13,485	(625)	12,860
Manufacturing	19,942	(12)	19,930	840	(16)	824	418	(305)	113	21,200	(333)	20,867
Financing, insurance and non-banking	34,452	(16)	34,436	1,238	(6)	1,232	154	(142)	12	35,844	(164)	35,680
Transport, telecom and utilities	16,099	(11)	16,088	2,309	(32)	2,277	330	(85)	245	18,738	(128)	18,610
Food and household products	8,425	(8)	8,417	267	(8)	259	251	(198)	53	8,943	(214)	8,729
Commercial real estate	12,135	(10)	12,125	1,714	(126)	1,588	1,485	(1,265)	220	15,334	(1,401)	13,933
Mining and quarrying	5,542	(3)	5,539	287	(12)	275	124	(57)	67	5,953	(72)	5,881
Consumer durables	5,988	(6)	5,982	218	(26)	192	292	(259)	33	6,498	(291)	6,207
Construction	1,925	(2)	1,923	528	(5)	523	171	(160)	11	2,624	(167)	2,457
Trading companies & distributors	589	–	589	24	(1)	23	88	(48)	40	701	(49)	652
Government	28,870	–	28,870	441	(12)	429	205	(18)	187	29,516	(30)	29,486
Other	4,590	(3)	4,587	344	(2)	342	186	(82)	104	5,120	(87)	5,033
Total	150,704	(80)	150,624	8,678	(303)	8,375	4,574	(3,178)	1,396	163,956	(3,561)	160,395
Retail Products:												
Mortgage	75,340	(8)	75,332	896	(2)	894	606	(136)	470	76,842	(146)	76,696
Credit Cards	8,037	(121)	7,916	222	(80)	142	71	(60)	11	8,330	(261)	8,069
Personal Loan and other unsecured lending	10,021	(228)	9,793	238	(53)	185	279	(131)	148	10,538	(412)	10,126
Auto	159	–	159	1	–	1	–	–	–	160	–	160
Secured wealth products	21,404	(37)	21,367	402	(6)	396	518	(353)	165	22,324	(396)	21,928
Other	3,437	(9)	3,428	194	(29)	165	155	(90)	65	3,786	(128)	3,658
Total	118,398	(403)	117,995	1,953	(170)	1,783	1,629	(770)	859	121,980	(1,343)	120,637
Net carrying value (customers)[1]	269,102	(483)	268,619	10,631	(473)	10,158	6,203	(3,948)	2,255	285,936	(4,904)	281,032
Net carrying value (Banks)[1]	43,208	(10)	43,198	318	(1)	317	83	(5)	78	43,609	(16)	43,593

1 Includes reverse repurchase agreements and other similar secured lending held at amortised cost of $9,660 million for customers and $2,946 million for Banks.

	2023											
	Stage 1			Stage 2			Stage 3			Total		
Amortised cost	Gross balance $million	Total credit impair-ment $million	Net carrying amount $million	Gross balance $million	Total credit impair-ment $million	Net carrying amount $million	Gross balance $million	Total credit impair-ment $million	Net carrying amount $million	Gross balance $million	Total credit impair-ment $million	Net carrying amount $million
Industry:												
Energy	9,397	(8)	9,389	672	(22)	650	949	(535)	414	11,018	(565)	10,453
Manufacturing	21,239	(8)	21,231	708	(16)	692	656	(436)	220	22,603	(460)	22,143
Financing, insurance and non-banking	31,633	(13)	31,620	571	(1)	570	80	(77)	3	32,284	(91)	32,193
Transport, telecom and utilities	14,710	(8)	14,702	1,722	(36)	1,686	481	(178)	303	16,913	(222)	16,691
Food and household products	7,668	(15)	7,653	323	(7)	316	355	(262)	93	8,346	(284)	8,062
Commercial real estate	12,261	(30)	12,231	1,848	(129)	1,719	1,712	(1,191)	521	15,821	(1,350)	14,471
Mining and quarrying	5,995	(4)	5,991	220	(10)	210	151	(84)	67	6,366	(98)	6,268
Consumer durables	5,815	(3)	5,812	300	(21)	279	329	(298)	31	6,444	(322)	6,122
Construction	2,230	(2)	2,228	502	(8)	494	358	(326)	32	3,090	(336)	2,754
Trading companies & distributors	581	–	581	57	–	57	107	(58)	49	745	(58)	687
Government	33,400	(6)	33,394	1,783	(5)	1,778	367	(33)	334	35,550	(44)	35,506
Other	4,262	(4)	4,258	161	(3)	158	187	(70)	117	4,610	(77)	4,533
Total	149,191	(101)	149,090	8,867	(258)	8,609	5,732	(3,548)	2,184	163,790	(3,907)	159,883
Retail Products:												
Mortgage	81,210	(8)	81,202	1,350	(5)	1,345	519	(123)	396	83,079	(136)	82,943
Credit Cards	7,633	(104)	7,529	244	(65)	179	69	(50)	19	7,946	(219)	7,727
Personal Loan and other unsecured lending	10,867	(188)	10,679	324	(77)	247	315	(165)	150	11,506	(430)	11,076
Auto	310	–	310	1	–	1	1	–	1	312	–	312
Secured wealth products	19,923	(22)	19,901	278	(10)	268	474	(340)	134	20,675	(372)	20,303
Other	4,558	(7)	4,551	161	(5)	156	118	(94)	24	4,837	(106)	4,731
Total	124,501	(329)	124,172	2,358	(162)	2,196	1,496	(772)	724	128,355	(1,263)	127,092
Net carrying value (customers)[1]	273,692	(430)	273,262	11,225	(420)	10,805	7,228	(4,320)	2,908	292,145	(5,170)	286,975
Net carrying value (Banks)[1]	44,384	(8)	44,376	540	(10)	530	77	(6)	71	45,001	(24)	44,977

1 Includes reverse repurchase agreements and other similar secured lending held at amortised cost of $13,996 million for customers and $1,738 million for Banks.

Industry and Retail Products analysis of loans and advances by key geography

This section provides an analysis of the Group's amortised cost loan portfolio, net of provisions, by industry and geography.

The Manufacturing sector group is spread across a diverse range of industries, including automobiles and components, capital goods, pharmaceuticals, biotech and life sciences, technology hardware and equipment, chemicals, paper products and packaging, with lending spread over 3,251 clients.

Corporate & Investment Banking

Amortised Cost	2024 Hong Kong $million	2024 China $million	2024 Singa-pore $million	2024 UK $million	2024 US $million	2024 Other $million	2024 Total $million	2023[1] Hong Kong $million	2023[1] China $million	2023[1] Singa-pore $million	2023[1] UK $million	2023[1] US $million	2023[1] Other $million	2023[1] Total $million
Industry:														
Energy	**2,200**	**59**	**1,552**	**1,744**	**1,750**	**5,551**	**12,856**	3,118	42	1,162	1,341	3,638	1,130	10,431
Manufacturing	**4,077**	**4,200**	**1,463**	**389**	**2,307**	**8,431**	**20,867**	3,570	4,309	1,666	694	2,921	8,982	22,142
Financing, insurance and non-banking	**3,674**	**3,486**	**1,893**	**4,005**	**9,900**	**12,696**	**35,654**	3,700	3,570	1,708	1,724	6,627	14,864	32,193
Transport, telecom and utilities	**5,131**	**662**	**3,106**	**1,084**	**936**	**7,685**	**18,604**	4,634	429	2,499	1,030	630	7,470	16,692
Food and household products	**1,038**	**428**	**1,414**	**962**	**685**	**4,202**	**8,729**	541	519	911	816	664	4,611	8,062
Commercial Real estate	**4,512**	**334**	**1,404**	**1,039**	**1,650**	**4,994**	**13,933**	3,895	588	1,125	1,436	1,236	6,192	14,472
Mining and Quarrying	**608**	**606**	**847**	**1,426**	**224**	**2,170**	**5,881**	1,028	735	427	1,729	279	2,071	6,269
Consumer durables	**2,780**	**293**	**466**	**84**	**537**	**2,046**	**6,206**	3,030	244	180	177	483	2,008	6,122
Construction	**318**	**156**	**372**	**96**	**247**	**1,268**	**2,457**	176	163	319	137	389	1,569	2,753
Trading Companies & Distributors	**95**	**103**	**106**	**31**	**40**	**277**	**652**	119	75	121	31	20	321	687
Government	**2,576**	**117**	**219**	**169**	**4**	**4,352**	**7,437**	1,445	1	547	236	6	3,814	6,049
Other	**1,419**	**563**	**786**	**377**	**233**	**1,650**	**5,028**	1,676	265	646	257	264	1,425	4,533
Net Loans and advances to Customers	**28,428**	**11,007**	**13,628**	**11,406**	**18,513**	**55,322**	**138,304**	26,932	10,940	11,311	9,608	17,157	54,457	130,405
Net Loans and advances to Banks	**16,727**	**2,443**	**7,721**	**4,103**	**2,766**	**9,833**	**43,593**	17,457	1,996	8,994	3,868	2,544	10,119	44,978

Wealth & Retail Banking

Amortised Cost	2024 Hong Kong $million	2024 Korea $million	2024 Singapore $million	2024 Other $million	2024 Total $million	2023[1] Hong Kong $million	2023[1] Korea $million	2023[1] Singapore $million	2023[1] Other $million	2023[1] Total $million
Retail Products:										
Mortgages	**31,506**	**13,703**	**13,756**	**17,731**	**76,696**	32,935	17,157	15,292	17,559	82,943
Credit Cards	**3,447**	**38**	**1,679**	**1,517**	**6,681**	3,325	114	1,705	1,549	6,693
Personal Loans and other unsecured lending	**1,057**	**2,796**	**301**	**5,972**	**10,126**	950	3,230	220	6,676	11,076
Auto	**–**	**–**	**122**	**38**	**160**	–	–	240	72	312
Secured wealth products	**5,229**	**24**	**10,793**	**5,882**	**21,928**	5,164	33	9,388	5,718	20,303
Other Retail	**579**	**2,153**	**72**	**853**	**3,657**	644	3,149	82	856	4,731
Net Loans and advances to Customers	**41,818**	**18,714**	**26,723**	**31,993**	**119,248**	43,018	23,683	26,927	32,430	126,058

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

High carbon sectors

Sectors are identified and grouped as per the International Standard Industrial Classification (ISIC) system and exposure numbers have been updated to include all in-scope ISIC codes used for target setting among the high carbon sectors.

The maximum exposures shown in the table include loans and advances to customers at amortised cost, Fair Value through profit or loss, and committed facilities available as per IFRS 9 – Financial Instruments in $million.

Further details can be found in the 'Summary of Credit Risk performance' section on **page 207**.

Maximum exposure

Amortised Cost	2024 Maximum on Balance Sheet Exposure (net of credit impairment) $million	Collateral $million	Net On Balance Sheet Exposure $million	Undrawn Commitments (net of credit impairment) $million	Financial Guarantees (net of credit impairment) $million	Net Off Balance Sheet Exposure $million	Total On & Off Balance Sheet Net Exposure $million
Industry:							
Automotive manufacturers	**3,881**	**69**	**3,812**	**3,331**	**605**	**3,936**	**7,748**
Aviation	**1,829**	**960**	**869**	**842**	**928**	**1,770**	**2,639**
Steel	**1,526**	**316**	**1,210**	**816**	**325**	**1,141**	**2,351**
Coal Mining	**25**	**–**	**25**	**–**	**–**	**–**	**25**
Aluminium	**1,341**	**32**	**1,309**	**354**	**53**	**407**	**1,716**
Cement	**709**	**55**	**654**	**637**	**267**	**904**	**1,558**
Shipping	**7,038**	**5,037**	**2,001**	**2,176**	**397**	**2,573**	**4,574**
Commercial Real Estate	**7,635**	**3,400**	**4,235**	**2,758**	**684**	**3,442**	**7,677**
Oil & Gas	**7,421**	**988**	**6,433**	**7,928**	**7,079**	**15,007**	**21,440**
Power	**6,341**	**1,500**	**4,841**	**4,538**	**1,124**	**5,662**	**10,503**
Total[1]	**37,746**	**12,357**	**25,389**	**23,380**	**11,462**	**34,842**	**60,231**
Total Corporate & Investment Banking[2]	**196,823**	**32,152**	**164,671**	**118,106**	**81,132**	**199,238**	**363,909**
Total Group[3]	**420,117**	**121,993**	**298,124**	**193,115**	**90,602**	**283,717**	**581,841**
	2023						
Industry:							
Automotive manufacturers	3,564	65	3,499	3,791	538	4,329	7,828
Aviation	1,330	974	356	944	615	1,559	1,915
Steel	1,596	193	1,403	601	358	959	2,362
Coal Mining	29	9	20	51	99	150	170
Aluminium	526	9	517	338	188	526	1,043
Cement	671	47	624	769	259	1,028	1,652
Shipping	5,964	3,557	2,407	2,261	291	2,552	4,959
Commercial Real Estate	7,498	3,383	4,115	1,587	112	1,699	5,814
Oil & Gas	6,278	894	5,384	7,845	6,944	14,789	20,173
Power	5,411	1,231	4,180	3,982	732	4,714	8,894
Total[1]	32,867	10,362	22,505	22,169	10,136	32,305	54,810
Total Corporate & Investment Banking[2]	188,903	32,744	156,159	104,437	63,183	167,620	323,779
Total Group[3]	423,276	125,760	297,516	182,299	74,278	256,577	554,093

1 Maximum on balance sheet exposure includes FVTPL amount of High Carbon sector is $749 million (31 December 2023: $125 million)

2 Includes on balance sheet FVTPL amount of $58,519 million (31 December 2023: $58,498 million) for Corporate & Investment Banking loans to customers

3 Total Group includes net loans and advances to banks and net loans and advances to customers held at amortised cost of $43,593 million (31 December 2023: $44,977 million) and $281,032 million (31 December 2023: $286,975 million) respectively and loans to banks and loans and advances to customers held at FVTPL of $36,967 million (31 December 2023: $32,813 million) and $58, 525 million (31 December 2023: $58,511 million) respectively. Refer to credit quality table

Maturity and ECL for high-carbon sectors

	2024					2023				
		Maturity Buckets[1]					Maturity Buckets[1]			
Sector	Loans and advances (Drawn funding) $million	Less than 1 year $million	More than 1 to 5 years $million	More than 5 years $million	Expected Credit Loss $million	Loans and advances (Drawn funding) $million	Less than 1 year $million	More than 1 to 5 years $million	More than 5 years $million	Expected Credit Loss $million
Automotive Manufacturers	**3,883**	**3,458**	**369**	**56**	**2**	3,566	3,106	460	–	2
Aviation	**1,833**	**231**	**404**	**1,198**	**4**	1,339	149	145	1,045	9
Cement	**724**	**356**	**368**	**–**	**15**	719	512	189	18	48
Coal Mining	**38**	**25**	**13**	**–**	**13**	42	9	33	–	13
Steel	**1,598**	**941**	**133**	**524**	**72**	1,649	1,258	185	206	53
Aluminium	**1,352**	**1,089**	**177**	**86**	**11**	537	442	63	32	11
Oil & Gas	**7,580**	**2,601**	**2,407**	**2,572**	**159**	6,444	2,980	1,576	1,888	166
Power	**6,401**	**1,700**	**1,404**	**3,297**	**60**	5,516	1,933	1,533	2,050	105
Shipping	**7,053**	**1,035**	**2,450**	**3,568**	**15**	5,971	1,051	2,568	2,352	7
Commercial Real Estate	**7,773**	**3,880**	**3,680**	**213**	**138**	7,664	3,722	3,935	7	166
Total balance[1]	**38,235**	**15,316**	**11,405**	**11,514**	**489**	33,447	15,162	10,687	7,598	580

1 Gross of credit impairment

Sectors of interest

Commercial Real Estate

	Maximum on Balance Sheet Exposure (net of credit impairment)[1] $million	Collateral $million	Net On Balance Sheet Exposure $million	Undrawn Commitments (net of credit impairment) $million	Financial Guarantees (net of credit impairment) $million	Net Off Balance Sheet Exposure $million	Total On & Off Balance Sheet Net Exposure $million
	2024						
Commercial Real Estate	**14,037**	**5,947**	**8,090**	**4,932**	**670**	**5,602**	**13,692**
	2023						
Commercial Real Estate	14,533	6,363	8,170	4,658	311	4,969	13,139

1 Includes net loans and advances of $13,933 million (31 December 2023: $14,471 million) as detailed in the table below

Analysis of credit quality of loans and advances of Commercial Real Estate

Amortised costs	2024 Gross $million	2023 Gross $million
Strong	**7,222**	7,326
Satisfactory	**6,515**	6,751
Higher risk	**112**	32
Credit impaired (stage 3)	**1,485**	1,712
Total Gross Balance	**15,334**	15,821
Strong	**(83)**	(20)
Satisfactory	**(44)**	(139)
Higher risk	**(9)**	–
Credit impaired (stage 3)	**(1,265)**	(1,191)
Total Credit Impairment	**(1,401)**	(1,350)
Total Net of Credit Impairment	**13,933**	14,471
Strong	**1.1%**	0.3%
Satisfactory	**0.7%**	2.1%
Higher risk	**8.0%**	0.0%
Credit impaired (stage 3)	**85.1%**	69.6%
Cover Ratio	**9.1%**	8.5%

An analysis of the net CRE loans and advances by key geography, is set out on page 232.

China commercial real estate

The table below represents the on and off-balance sheet items that are exposed to China CRE by credit quality.

Further details can be found in the 'Summary of Credit Risk performance' section on **page 207**.

	2024				2023			
	China $million	Hong Kong $million	Rest of Group[1] $million	Total $million	China $million	Hong Kong $million	Rest of Group[1] $million	Total $million
Loans to customers	**324**	**1,598**	**–**	**1,922**	584	1,821	39	2,444
Off balance sheet	**1**	**40**	**–**	**41**	42	82	–	124
Total as at 31 December	**325**	**1,638**	**–**	**1,963**	626	1,903	39	2,568
Loans to customers – By Credit quality								
Gross								
Strong	**–**	**12**	**–**	**12**	33	–	–	33
Satisfactory	**172**	**338**	**–**	**510**	339	619	39	997
Higher risk	**12**	**42**	**–**	**54**	8	–	–	8
Credit impaired (stage 3)	**140**	**1,206**	**–**	**1,346**	204	1,202	–	1,406
Total as at 31 December	**324**	**1,598**	**–**	**1,922**	584	1,821	39	2,444
Loans to customers – ECL								
Strong	**–**	**–**	**–**	**–**	–	–	–	–
Satisfactory	**(2)**	**(73)**	**–**	**(75)**	(3)	(134)	(12)	(149)
Higher risk	**–**	**(1)**	**–**	**(1)**	–	–	–	–
Credit impaired (stage 3)	**(63)**	**(1,111)**	**–**	**(1,174)**	(70)	(941)	–	(1,011)
Total as at 31 December	**(65)**	**(1,185)**	**–**	**(1,250)**	(73)	(1,075)	(12)	(1,160)

1 Rest of Group mainly includes Singapore

Debt securities and other eligible bills (audited)

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

The credit quality descriptions in the table below align to those used for CIB and Central and other items, as described on page 212. Debt securities held that have a short-term external rating are reported against the long-term rating of the issuer. For securities that are unrated, the Group applies an internal credit rating, as described under the 'Credit rating and measurement' section on page 201.

Total gross debt securities and other eligible bills decreased by $16.8 billion to $144 billion (31 December 2023: $160 billion) due to maturity of exposures, primarily in stage 1.

Stage 1 gross balance decreased by $16.5 billion to $142 billion (31 December 2023: $158 billion), mainly due to the maturity of exposures in Hong Kong.

Stage 2 gross balance decreased by $0.2 billion to $1.6 billion (31 December 2023: $1.9 billion).

Stage 3 gross balance was broadly stable at $0.1 billion (31 December 2023: $0.2 billion).

	2024			2023		
Amortised cost and FVOCI	**Gross $million**	**ECL $million**	**Net[2] $million**	Gross $million	ECL $million	Net[2] $million
Stage 1	**141,862**	**(23)**	**141,839**	158,314	(26)	158,288
– Strong	**138,353**	**(19)**	**138,334**	155,568	(23)	155,545
– Satisfactory	**3,509**	**(4)**	**3,505**	2,746	(3)	2,743
Stage 2	**1,614**	**(4)**	**1,610**	1,860	(34)	1,826
– Strong	**562**	**–**	**562**	917	(3)	914
– Satisfactory	**31**	**–**	**31**	50	(1)	49
– High Risk	**1,021**	**(4)**	**1,017**	893	(30)	863
Stage 3	**103**	**(2)**	**101**	164	(61)	103
Gross balance[1]	**143,579**	**(29)**	**143,550**	160,338	(121)	160,217

1 Stage 3 gross includes $59 million (31 December 2023: $80 million) originated credit-impaired debt securities with Nil impairment (31 December 2023: $14 million)

2 FVOCI instruments are not presented net of ECL on the balance sheet. While the presentation is on a net basis for the table, the total net on-balance sheet amount is $143,562 million (31 December 2023: $160,263 million). Refer to the Analysis of financial instrument by stage table

IFRS 9 ECL methodology (audited)

Approach for determining ECL

Credit loss terminology

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

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

IFRS 9 ECL models have been developed for the CIB businesses on a global basis, in line with their respective portfolios. However, for some of the key countries, country-specific models have also been developed.

The calibration of forward-looking information is assessed at a country or region level to take into account local macroeconomic conditions.

Retail ECL models are country and product specific, given the local nature of the WRB business.

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

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

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

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

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

Application of lifetime ECL

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

The behavioural life for corporate overdraft facilities was re-estimated from 24 months to 36 months. The impact of this change was not material.

Composition of credit impairment provisions (audited)

The table below summarises the key components of the Group's credit impairment provision balances at 31 December 2024 and 31 December 2023.

	2024					2023				
	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Ventures $million	Central & other items $million[4]	Total $million	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Ventures $million	Central & other items $million[4]	Total $million
Modelled ECL provisions (base forecast)	337	613	61	37	1,048	372	553	48	98	1,071
Impact of multiple economic scenarios[1]	24	19	–	–	43	20	18	–	6	44
Modelled ECL provisions before management judgements	361	632	61	37	1,091	392	571	48	104	1,115
Includes: Model performance post model adjustments	–	14	–	–	14	(3)	(28)	–	–	(31)
Judgemental post model adjustments[2]	–	(23)	–	–	(23)	–	2	–	–	2
Management overlays[3]										
– China commercial real estate	70	–	–	–	70	141	–	–	–	141
– Other	109	27	7	–	143	–	5	–	17	22
Total modelled provisions	540	636	68	37	1,281	533	578	48	121	1,280
Of which:										
Stage 1	133	392	30	34	589	151	325	15	68	559
Stage 2	362	151	27	1	541	318	140	21	49	528
Stage 3	45	93	11	2	151	64	113	12	4	193
Stage 3 non-modelled provisions	3,267	665	–	54	3,986	3,587	646	–	88	4,321
Total credit impairment provisions	3,807	1,301	68	91	5,267	4,120	1,224	48	209	5,601

1 Includes upwards judgemental post-model adjustment of $28 million (31 December 2023: nil)

2 Excludes $28 million upwards judgemental post-model adjustment which is included in 'Impact of multiple economic scenarios'

3 $32 million (31 December 2023: $22 million) is in stage 1, $181 million (31 December 2023: $141 million) in stage 2 and $nil million (31 December 2023: nil) in stage 3

4 Includes ECL on cash and balances at central banks, accrued income, assets held for sale and other assets

Model performance post model adjustments (PMAs)

As part of model monitoring and independent validation processes, where a model's performance breaches the approved monitoring thresholds or validation standards, an assessment is performed to determine whether a model performance PMA is required to temporarily remediate the model issue. The process for the determination of PMAs is set out in the 'Governance of PMAs and application of expert credit judgement in respect of ECL' section on page 246.

As at 31 December 2024, model performance PMAs have been applied for five models out of the total of 110 models. In aggregate, these PMAs increase the Group's impairment provisions by $14 million (1 per cent of modelled provisions) compared with a $31 million decrease at 31 December 2023. The reduction was primarily due to the implementation of new models, thereby removing the need for PMAs on the old models.

In addition to these model performance PMAs, separate judgemental post model and management adjustments have also been applied as set out on page 241.

	2024 $million	2023 $million
Model performance PMAs		
Corporate & Investment Banking	–	(3)
Wealth & Retail Banking	14	(28)
Total model performance PMAs	14	(31)

Risk review and Capital review

Key assumptions and judgements in determining ECL

Incorporation of forward-looking information

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

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

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

Forecast of key macroeconomic variables underlying the ECL calculation and the impact on non-linearity

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

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

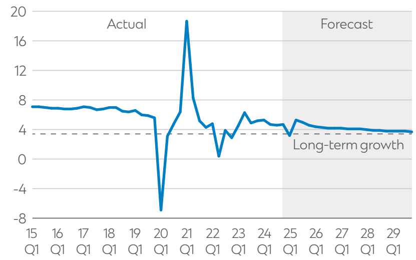
While the quarterly Base Forecasts inform the Group's strategic plan, one key requirement of IFRS 9 is that the assessment of provisions should consider multiple future economic environments. For example, the global economy may grow more quickly or more slowly than the Base Forecast, and these variations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

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

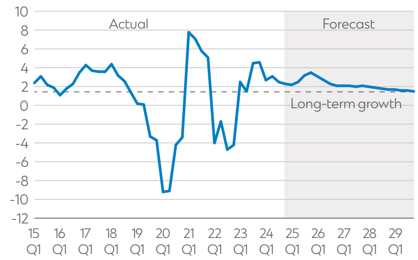
The GDP graphs below illustrate the shape of the Base Forecast for key footprint markets in relation to prior periods' actuals. The long-term growth rates are based on the pace of economic expansion expected for 2030. The tables below provide a summary of the Group's Base Forecast for these markets. The peak/trough amounts show the highest and lowest points within the Base Forecast.

China's GDP growth is expected to ease slightly to 4.5 per cent in 2025 from 4.8 per cent in 2024. This reflects persistent weakness in the property sector, though it is expected to moderate external headwinds and low consumer confidence. Growth in India is also expected to ease with GDP expanding by 6.5 per cent from 6.9 per cent in 2024 as the impact from recent one-off factors such as construction activity and electricity demand (amid below normal rains) fade. GDP growth for Singapore is expected to slow to 2.4 per cent in 2025 from 3.5 per cent last year. An uncertain global trade outlook will weigh on sentiment in trade-reliant economies. Recent economic activity may have also been partly driven by front-loading of orders of electronics ahead of potentially negative trade policies in 2025. Similarly, the uncertain external environment and likely trade protectionist measures will limit the upside to growth for both South Korea and Hong Kong which are expected to grow by 2.0 per cent and 2.9 per cent respectively in 2025.

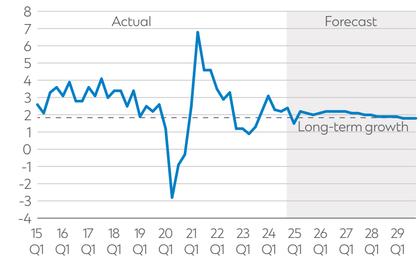
China GDP YoY%



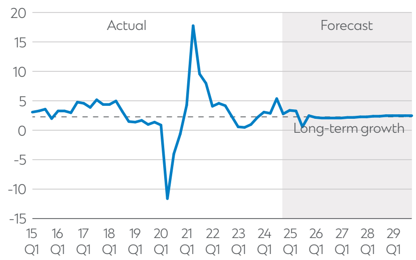
Hong Kong GDP YoY%



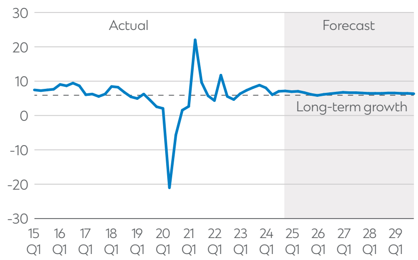
Korea GDP YoY%



Singapore GDP YoY%



India GDP YoY%



	2024 year-end forecasts							
	China				Hong Kong			
	GDP growth (YoY%)	Unemployment %	3-month interest rates %	House prices[5] (YoY %)	GDP growth (YoY %)	Unemployment %	3-month interest rates %	House prices (YoY %)
Base forecast[1]								
2024	4.8	3.6	2.0	(3.7)	2.6	3.0	4.4	(11.1)
2025	4.5	3.5	1.7	(5.3)	2.9	3.1	2.5	1.8
2026	4.3	3.3	1.6	(3.2)	2.5	3.2	2.2	6.5
2027	4.1	3.2	1.6	(0.9)	2.1	3.2	2.4	4.8
2028	3.9	3.2	1.8	0.9	1.9	3.2	2.4	3.4
5-year average[2]	4.1	3.3	1.7	(1.3)	2.2	3.1	2.4	3.8
Quarterly peak	5.3	3.5	1.9	2.3	3.5	3.2	2.9	6.8
Quarterly trough	3.2	3.1	1.6	(5.6)	1.5	3.0	2.1	(2.6)
Monte Carlo								
Low[3]	(1.0)	2.8	0.6	(10.1)	(1.8)	1.8	0.3	(13.1)
High[4]	9.3	3.7	3.0	7.8	5.8	5.1	5.3	22.2

	2024 year-end forecasts							
	Singapore				Korea			
	GDP growth (YoY%)	Unemployment[6] %	3-month interest rates %	House prices (YoY%)	GDP growth (YoY%)	Unemployment %	3-month interest rates %	House prices (YoY %)
Base forecast[1]								
2024	3.5	2.9	3.6	4.3	2.5	2.8	3.6	(0.4)
2025	2.4	2.7	1.9	0.4	2.0	2.8	3.0	4.3
2026	2.1	2.7	1.9	2.2	2.2	2.8	2.9	3.4
2027	2.2	2.7	2.0	3.0	2.1	2.8	2.9	2.4
2028	2.4	2.7	2.0	3.1	1.9	2.8	2.9	2.1
5-year average[2]	2.3	2.7	2.0	2.4	2.0	2.8	2.9	2.8
Quarterly peak	3.4	2.8	2.4	3.2	2.2	2.9	3.2	4.8
Quarterly trough	0.6	2.7	1.6	(0.4)	1.5	2.8	2.9	1.9
Monte Carlo								
Low[3]	(2.7)	2.0	0.3	(10.5)	(1.3)	2.2	0.8	(4.3)
High[4]	7.0	3.6	3.9	17.5	5.2	3.5	5.7	9.8

	2024 year-end forecasts				
	India				
	GDP growth (YoY%)	Unemployment[7] %	3-month interest rates %	House prices (YoY%)	Brent Crude $ pb
Base forecast[1]					
2024	**6.9**	**NA**	**6.4**	**6.3**	**78.3**
2025	**6.5**	**NA**	**6.1**	**6.5**	**77.1**
2026	**6.5**	**NA**	**6.0**	**6.4**	**76.4**
2027	**6.6**	**NA**	**6.0**	**6.4**	**77.3**
2028	**6.6**	**NA**	**6.0**	**6.3**	**75.3**
5-year average[2]	**6.6**	**NA**	**6.0**	**6.4**	**76.2**
Quarterly peak	**7.1**	**NA**	**6.2**	**7.3**	**77.8**
Quarterly trough	**5.9**	**NA**	**6.0**	**6.0**	**74.8**
Monte Carlo					
Low[3]	**3.2**	**NA**	**1.9**	**(0.1)**	**44.5**
High[4]	**10.0**	**NA**	**10.3**	**12.6**	**107.8**

	2023 year-end forecasts							
	China				Hong Kong			
	GDP growth (YoY%)	Unemployment %	3-month interest rates %	House prices[5] (YoY%)	GDP growth (YoY%)	Unemployment %	3-month interest rates %	House prices (YoY%)
5-year average[2]	4.3	4.0	2.1	4.6	2.5	3.4	3.4	2.8
Quarterly peak	5.7	4.1	2.5	7.2	3.8	3.4	5.0	4.6
Quarterly trough	3.8	3.8	1.7	1.5	1.5	3.4	2.3	(1.1)
Monte Carlo								
Low[3]	0.6	3.3	0.8	(1.5)	(3.8)	1.4	0.3	(19.3)
High[4]	7.7	4.4	3.8	12.0	8.2	6.4	8.3	25.5

	2023 year-end forecasts							
	Singapore				Korea			
	GDP growth (YoY%)	Unemployment[6] %	3-month interest rates %	House prices (YoY%)	GDP growth (YoY%)	Unemployment %	3-month interest rates %	House prices (YoY%)
5-year average[2]	2.9	2.8	2.9	2.2	2.3	3.1	3.1	3.3
Quarterly peak	3.8	2.9	4.1	3.9	2.6	3.5	3.7	5.3
Quarterly trough	1.9	2.8	2.3	(0.7)	2.0	3.0	3.1	(0.3)
Monte Carlo								
Low[3]	(2.4)	1.7	0.6	(16.2)	(2.3)	1.4	0.7	(6.1)
High[4]	8.5	3.8	5.9	19.2	7.0	5.8	6.3	12.5

	2023 year-end forecasts				
	India				
	GDP growth (YoY%)	Unemployment %	3-month interest rates %	House prices (YoY%)	Brent crude $ pb
5-year average[2]	6.2	NA	6.2	6.1	88.2
Quarterly peak	9.1	NA	6.3	6.5	93.8
Quarterly trough	4.4	NA	5.8	4.7	82.8
Monte Carlo					
Low[3]	2.1	NA	2.7	(0.5)	46.0
High[4]	10.5	NA	9.9	13.8	137.8

1 Data presented are those used in the calculation of ECL and presented as average growth for the year. These may differ slightly to forecasts presented elsewhere in the Annual Report as they are finalised before the period end

2 5 year averages covering 20 quarters from Q1 2025 to Q4 2029 for the 2024 annual report. They cover Q1 2024 to Q4 2028 for the numbers reported for the 2023 annual report

3 Represents the 10th percentile in the range of economic scenarios used to determine non-linearity

4 Represents the 90th percentile in the range of economic scenarios used to determine non-linearity

5 A judgemental management adjustment is held in respect of the China commercial real estate sector, as discussed on page 241

6 Singapore unemployment rate covers the resident unemployment rate, which refers to citizens and permanent residents

7 India unemployment is not available due to insufficient data

Impact of multiple economic scenarios

The final probability weighted ECL reported by the Group is a simple average of the ECL for each of the 50 scenarios simulated using a Monte Carlo model. The Monte Carlo approach has the advantage that it generates many alternative scenarios that cover our global footprint. The range of scenarios is restricted through the use of ceilings and floors applied to the underlying macroeconomic variables. The current set of ceilings and floors generated a relatively narrow range of forecasts at 31 December 2024 and will be redeveloped in the first quarter of 2025.

Prior to this, a $28 million non-linearity PMA has been applied, $13 million for CIB and $15 million for WRB. The total amount of non-linearity has been estimated by assigning probability weights of 68 per cent, 22 per cent and 10 per cent respectively to the Base Forecast, 'Higher for Longer Commodities and Rates', and 'Global Trade and Geopolitical Tensions' scenarios which are presented on page 243 and comparing this to the unweighted Base Forecast ECL. The non-linearity PMA represents the difference between the probability weighted ECL calculated using the three scenarios and the probability weighted ECL calculated by the Monte Carlo model.

The total amount of non-linearity including the PMA is $43 million (31 December 2023: $44 million). The CIB portfolio accounted for $24 million (31 December 2023: $20 million) of the calculated non-linearity, with the remaining $19 million (31 December 2023: $18 million) attributable to WRB portfolios.

The impact of multiple economic scenarios on total modelled ECL is set out in the table below, together with the management overlay and other judgemental adjustments.

	Base forecast $million	Multiple economic scenarios[1] $million	Management overlays and other judgemental adjustments $million	Total modelled ECL[2] $million
Total modelled expected credit loss at 31 December 2024	**1,048**	**43**	**190**	**1,281**
Total modelled expected credit loss at 31 December 2023	1,071	44	165	1,280

1 Includes an upwards judgemental PMA of $28 million (31 December 2023: nil)

2 Total modelled ECL comprises stage 1 and stage 2 balances of $1,130 million (31 December 2023: $1,105 million) and $151 million (31 December 2023: $193 million) of modelled ECL on stage 3 loans

The average ECL under multiple scenarios is 4 per cent (31 December 2023: 4 per cent) higher than the ECL calculated using only the most likely scenario (the Base Forecast). Portfolios that are more sensitive to non-linearity include those with greater leverage and/or a longer tenor, such as Project and Shipping Finance portfolios. Other portfolios display minimal non-linearity owing to limited responsiveness to macroeconomic impacts for structural reasons, such as significant collateralisation as with the WRB mortgage portfolios.

Judgemental adjustments

As at 31 December 2024, the Group held judgemental adjustments for ECL as set out in the table below. All of the judgemental adjustments have been determined after taking account of the model performance PMAs reported on page 237. They are reassessed quarterly and are reviewed and approved by the IFRS 9 Impairment Committee (IIC) and will be released when no longer relevant.

		Wealth & Retail Banking						
31 December 2024	Corporate & Investment Banking $million	Mortgages $million	Credit Cards $million	Other $million	Total $million	Ventures $million	Central & other $million	Total $million
Judgemental post model adjustments	**13**	**–**	**9**	**(17)**	**(8)**	**–**	**–**	**5**
Judgemental management overlays:								
– China CRE	**70**	**–**	**–**	**–**	**–**	**–**	**–**	**70**
– Other	**109**	**–**	**5**	**22**	**27**	**7**	**–**	**143**
Total judgemental adjustments	**192**	**–**	**14**	**5**	**19**	**7**	**–**	**218**
Judgemental adjustments by stage:								
Stage 1	**27**	**–**	**10**	**(11)**	**(1)**	**4**	**-**	**30**
Stage 2	**165**	**–**	**5**	**25**	**30**	**3**	**–**	**198**
Stage 3	**–**	**–**	**(1)**	**(9)**	**(10)**	**–**	**–**	**(10)**
31 December 2023								
Judgemental post model adjustments	–	–	1	1	2	–	–	2
Judgemental management overlays:								
– China CRE	141	–	–	–	–	–	–	141
– Other	–	1	2	2	5	–	17	22
Total judgemental adjustments	141	1	3	3	7	–	17	165
Judgemental adjustments by stage:								
Stage 1	17	1	3	6	10	–	–	27
Stage 2	124	–	–	(3)	(3)	–	17	138
Stage 3	–	–	–	–	–	–	–	–

Judgemental PMAs

As at 31 December 2024, judgemental PMAs to increase ECL by a net $5 million (31 December 2023: $2 million increase) have been applied. $28 million (31 December 2023: nil) of the increase in ECL related to multiple economic scenarios, $13 million in CIB and $15 million in WRB (see 'Impact of multiple economic scenarios' section). This was partly offset by a reduction of ECL of $23 million for certain WRB models, primarily to adjust for temporary factors impacting modelled outputs. These will be released when these factors normalise.

Judgemental management overlays

China CRE

The real estate market in China has been in a downturn since late 2021, as evidenced by continued decline in sales, and investments in the sector. Liquidity issues experienced by Chinese property developers continued into 2023, with more developers defaulting on their obligations both offshore and onshore. During 2023, authorities on the mainland introduced a slew of policies to help revive the sector and restore buying sentiments. Relaxed monetary policy and fiscal stimulus packages continued in 2024, which had assisted in arresting the drop in new home sales and stabilising new home sales in late 2024 to an extent in some cities, but home prices remain muted overall. Continued policy relaxations, including those related to house purchase restrictions, completion support for eligible projects from onshore financial institutions, relaxation in mortgage rates, and further support for affordable housing, are key for reversing the continued decline in sales and investments and ensuring continued stabilisation in 2025.

The Group's loans and advances to China CRE clients was $1.9 billion at 31 December 2024 (31 December 2023: $2.4 billion). Heightened risk management continues to be carried out, with a focus on managing upcoming maturities through refinancing and/or repayment. No new financing transactions were entered into, and total repayments amounted to around $500 million during 2024. Clients with exposure maturing within the next 12 months have been placed on purely precautionary or non-purely precautionary early alert, where appropriate, for closer monitoring. Given the evolving nature of the risks in the China CRE sector, a management overlay of $70 million (31 December 2023: $141 million) has been taken by estimating the impact of further deterioration to exposures in this sector. The decrease from 31 December 2023 was primarily driven by repayments and utilisation due to movement to stage 3.

Other

In CIB, additional overlays of $109 million (31 December 2023: nil) have been taken, $58 million of which is in Hong Kong, with the remainder relating to Bangladesh and an immaterial amount for climate risks. The overlay in Hong Kong reflects subdued economic activity and increasing commercial property vacancy rates, which contributes to an uncertain outlook that are not yet fully reflected in the credit grades and modelled ECL. The risk of further impairment remains as a result of subdued economic activity in the property sector and the related liquidity constraints faced by counterparties as a result. The overlay in Bangladesh reflects the political situation that has contributed to an increasing level of uncertainty in the macroeconomic outlook. The overlays for Hong Kong and Bangladesh have been determined by estimating the impact of a deterioration to certain exposures in these countries.

In WRB, overlays of $27 million includes $21 million in Korea to cover the risks relating to the failure of two e-commerce payment platforms in 2024, increased bankruptcy trends in certain markets and an immaterial adjustment for climate risks.

Further details on the adjustment for Climate Risk are set out in Note 1 of the 'Notes to the financial statements' section.

Overlays held at 31 December 2023 of $5 million in WRB to capture macroeconomic environment challenges caused by sovereign defaults or heightened sovereign risk, and $17 million applied in Central and other items due to a temporary market dislocation in the Africa and Middle East region which were fully released during 2024.

Stage 3 assets

Credit-impaired assets managed by Stressed Asset Group (SAG) incorporate forward-looking economic assumptions in respect of the recovery outcomes identified and are assigned individual probability weightings per IFRS 9. These assumptions are not based on a Monte Carlo simulation but are informed by the Base Forecast.

Sensitivity of ECL calculation to macroeconomic variables

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

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

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

	Baseline		Global Trade and Geopolitical Tensions		Higher for longer: Commodities and Rates	
	Five year average	Peak/Trough	Five year average	Peak/Trough	Five year average	Peak/Trough
China GDP	4.1	5.3/3.2	0.8	3.8/(2.6)	3.5	4.3/1.8
China unemployment	3.3	3.5/3.1	4.9	5.5/3.8	4.3	5.2/3.1
China property prices	(1.3)	2.3/(5.6)	(5.1)	11.1 /(47.6)	(1.4)	8.6/(24.5)
Hong Kong GDP	2.2	3.5/1.5	(1.0)	1.6/(8.0)	1.4	2.2/(0.1)
Hong Kong unemployment	3.1	3.2/3.0	6.2	7.2/3.7	4.7	6.3/3.2
Hong Kong property prices	3.8	6.8/(2.6)	(0.1)	30.9/(34.8)	2.8	8.9/(3.5)
US GDP	2.0	2.6/1.1	0.3	2.2/(3.2)	1.1	2.5/(2.1)
Singapore GDP	2.3	3.4/0.6	0.0	3.1/(5.9)	1.6	2.8/(2.3)
India GDP	6.6	7.1/5.9	4.7	6.7/0.8	6.1	7.4/4.3
Crude oil	76.2	77.8/74.8	59.1	86. 2/46.2	84.9	113.4/74.8

Period covered from Q1 2025 to Q4 2029

	Base (GDP, YoY%)					Global Trade and Geopolitical Tensions					Difference from Base				
	2025	2026	2027	2028	2029	2025	2026	2027	2028	2029	2025	2026	2027	2028	2029
China	4.5	4.3	4.1	3.9	3.8	2.1	(2.0)	(1.0)	1.4	3.5	(2.4)	(6.3)	(5.1)	(2.6)	(0.3)
Hong Kong	2.9	2.5	2.1	1.9	1.6	(6.3)	(1.4)	0.1	0.9	1.4	(9.1)	(3.9)	(2.0)	(1.0)	(0.2)
US	1.4	2.2	2.4	2.1	2.0	(0.9)	(2.2)	0.8	1.8	2.2	(2.3)	(4.4)	(1.6)	(0.3)	0.1
Singapore	2.4	2.1	2.2	2.4	2.5	(2.9)	(3.5)	1.0	2.8	2.6	(5.3)	(5.6)	(1.2)	0.4	0.1
India	6.8	6.3	6.7	6.5	6.5	4.6	1.8	5.3	5.8	6.1	(2.2)	(4.4)	(1.4)	(0.8)	(0.4)

Each year is from Q1 to Q4. For example 2025 is from Q1 2025 to Q4 2025.

	Base (GDP, YoY%)					Higher for longer: Commodities and Rates					Difference from Base				
	2025	2026	2027	2028	2029	2025	2026	2027	2028	2029	2025	2026	2027	2028	2029
China	4.5	4.3	4.1	3.9	3.8	2.5	3.3	4.1	3.9	3.8	(2.0)	(1.0)	0.0	0.0	(0.0)
Hong Kong	2.9	2.5	2.1	1.9	1.6	0.3	1.1	2.1	1.9	1.6	(2.6)	(1.4)	(0.0)	(0.0)	0.0
US	1.4	2.2	2.4	2.1	2.0	(1.4)	0.5	2.4	2.1	2.0	(2.8)	(1.7)	(0.0)	0.0	0.0
Singapore	2.4	2.1	2.2	2.4	2.5	(0.2)	0.9	2.2	2.4	2.5	(2.6)	(1.2)	(0.0)	(0.0)	0.0
India	6.8	6.3	6.7	6.5	6.5	4.9	5.8	6.7	6.5	6.5	(1.9)	(0.5)	(0.0)	0.0	0.0

Each year is from Q1 to Q4. For example 2025 is from Q1 2025 to Q4 2025

The total modelled stage 1 and 2 ECL provisions (including both on and off-balance sheet instruments) would be approximately $84 million higher under the 'Higher for Longer Commodities and Rates' scenario, and $258 million higher under the 'Global Trade and Geopolitical Tensions' scenario than the baseline ECL provisions (which excluded the impact of multiple economic scenarios and management overlays which may already capture some of the risks in these scenarios). Stage 2 exposures as a proportion of stage 1 and 2 exposures would increase from 2.7 per cent in the base case to 2.8 per cent and 3.5 per cent respectively under the 'Higher for Longer Commodities and Rates', and 'Global Trade and Geopolitical Tensions' scenarios. This includes the impact of exposures transferring to stage 2 from stage 1 but does not consider an increase in stage 3 defaults.

Under both scenarios, the majority of the increase in ECL in CIB came from the main corporate CRE and Project Finance portfolios. For the main corporate portfolios, ECL would increase by $18 million and $47 million for 'Higher for Longer Commodities and Rates', and 'Global Trade and Geopolitical Tensions' scenarios respectively and the proportion of stage 2 exposures would increase from 4.1 per cent in the base case to 4.3 per cent and 6.1 per cent respectively.

For the WRB portfolios, most of the increase in ECL came from the unsecured retail portfolios, particularly Korea Personal Loans and the credit card portfolios in Hong Kong and Singapore, although Private Banking was also impacted in the 'Global Trade and Geopolitical Tensions' scenario. Under the 'Higher for Longer Commodities and Rates', and 'Global Trade and Geopolitical Tensions' scenarios, Credit card ECL would increase by $18 million and $32 million respectively, largely in the Singapore and Hong Kong portfolios and the proportion of stage 2 credit card exposures would increase from 1.8 per cent in the base case to 2.3 per cent and 2.9 per cent for each scenario respectively, with the Singapore portfolio most impacted. Mortgages ECL would increase by $2 million and $19 million for each scenario respectively, with portfolios in Korea impacted in the 'Higher for Longer Commodities and Rates' scenario, and Malaysia in the 'Global Trade and Geopolitical Tensions' scenario, and the proportion of stage 2 mortgages would increase from 1.0 per cent in the base case to 1.4 per cent and 1.3 per cent respectively.

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

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

	Gross as reported[1] $million	ECL as reported[2] $million	ECL Base case $million	Higher for Longer Commodities and Rates $million	Global Trade and Geopolitical Tensions $million
Stage 1 modelled					
Corporate & Investment Banking	367,106	106	95	113	125
Wealth & Retail Banking	179,580	397	387	406	428
Ventures	1,391	27	27	27	27
Central & Other items	172,602	22	22	23	25
Total stage 1 excluding management judgements	720,679	552	531	569	605
Stage 2 modelled					
Corporate & Investment Banking	14,869	198	185	206	315
Wealth & Retail Banking	2,030	116	107	132	161
Ventures	48	24	24	24	24
Central & Other items	1,660	1	1	1	1
Total stage 2 excluding management judgements	18,607	339	317	363	501
Total Stage 1 & 2 modelled					
Corporate & Investment Banking	381,975	304	280	319	440
Wealth & Retail Banking	181,610	513	494	538	589
Ventures	1,439	51	51	51	51
Central & Other items	174,262	23	23	24	26
Total excluding management judgements	739,286	891	848	932	1,106
Stage 3 exposures excluding other assets	6,999	4,095			
Other financial assets[3]	101,755	63			
ECL from management judgements		218			
Total financial assets reported at 31 December 2024	848,040	5,267			

1 Gross balances includes both on- and off- balance sheet instruments; allocation between stage 1 and 2 will differ by scenario

2 Includes ECL for both on- and off-balance sheet instruments

3 Includes cash and balances at central banks, Accrued income, Other financial assets; and Assets held for sale

Significant increase in Credit Risk (SICR)

Quantitative criteria

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

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

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

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

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

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

For WRB (excluding Private Banking) clients, portfolio specific quantitative thresholds are applied to Credit Card portfolios in Hong Kong, Singapore, Malaysia and UAE and Personal Loan portfolios in Taiwan (with a revision to the thresholds applied in 2024). During 2024 portfolio specific quantitative thresholds are also now being applied to Hong Kong Personal Loans and Business Clients Mortgage portfolio in India. The impact of the threshold changes in 2024 was not material. For Credit Card portfolios, the thresholds include relative and absolute increases in IFRS 9 PD with average lifetime IFRS 9 PD cut-offs for those exposures that are within a range of customer utilisation limit. For Personal Loans portfolios, the thresholds include relative and absolute increases in IFRS 9 PD cut-offs for those exposures that are over six months old in the portfolio, have certain months left in the loan tenor and have certain behaviour scores. For Business Clients Mortgage, the threshold includes relative and absolute increases in IFRS 9 PD cut-offs for those exposures that were in high arrear grade bucket at least once in the last 12 months.

The range of thresholds applied are:

Portfolio	Relative IFRS 9 PD increase (%)	Absolute IFRS 9 PD increase (%)	Customer utilisation (%)	Remaining tenor (months)	Average IFRS 9 PD (lifetime)
Credit cards – Current	50–150%	3.4% – 9.3%	15% – 90%	–	4.51% – 11.6%
Credit cards – 1-29 days past due	100% – 210%	3.5% – 6.1%	25% – 67%	–	1.5% – 18.5%
Personal loans – Current	100% – 250%	1.0%	–	>60	–
Personal loan – 1-29 days past due	200% – 300%	1.5%	–	>12	–
Business Client Mortgages – Current	100%	4.4%	–	–	–
Business Client Mortgages – 1-29 days past due	100%	7.0%	–	–	–

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

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

Qualitative criteria

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

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

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

Backstop

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

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

Assessment of credit-impaired financial assets

WRB clients

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

CIB and Private Banking clients

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

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

Write-offs

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

Governance of PMAs and application of expert credit judgement in respect of ECL

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

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

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

Model performance PMAs

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

Judgemental adjustments

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

The IFRS 9 Impairment Committee:

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

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

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

Traded Risk

Market Risk (audited)

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

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

A summary of our current policies and practices regarding Market Risk management is provided in the 'Principal Risks' section (page 202).

The primary categories of Market Risk for the Group are:

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

Market Risk movements (audited)

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

The average level of total trading and non-trading VaR in 2024 was $41.8 million, 22 per cent lower than 2023 ($53.3 million). The year end level of total trading and non-trading VaR in 2024 was $43.3 million, 3 per cent lower than 2023 ($44.5 million), due to a reduction in market volatility.

For the trading book, the average level of VaR in 2024 was $21.1 million, 2 per cent lower than in 2023 ($21.5 million). Trading activities have remained relatively unchanged, and client driven.

Daily Value at Risk (VaR at 97.5%, one day) (audited)

	2024				2023			
Trading[1] and non-trading[2]	Average $million	High $million	Low $million	Year end $million	Average $million	High $million	Low $million	Year end $million
Interest Rate Risk	32.8	43.9	18.6	38.8	39.5	54.1	23.2	30.5
Credit Spread Risk	20.4	31.3	12.8	16.6	33.8	48.0	25.0	31.7
Foreign Exchange Risk	9.2	15.0	5.0	7.4	7.0	12.2	4.2	7.4
Commodity Risk	5.3	10.0	2.9	4.6	5.8	9.7	3.7	4.3
Equity Risk	0.4	0.9	–	–	0.1	0.4	–	–
Diversification effect[3]	(26.3)	NA	NA	(24.1)	(32.9)	NA	NA	(29.4)
Total	41.8	53.1	29.4	43.3	53.3	65.5	44.2	44.5

	2024				2023			
Trading[1]	Average $million	High $million	Low $million	Year end $million	Average $million	High $million	Low $million	Year end $million
Interest Rate Risk	12.7	22.0	7.0	12.0	13.1	20.4	7.7	11.6
Credit Spread Risk	6.6	9.6	4.8	5.4	9.4	12.4	7.4	9.4
Foreign Exchange Risk	9.2	15.0	5.0	7.4	7.0	12.2	4.2	7.4
Commodity Risk	4.8	10.0	2.4	4.3	5.8	9.7	3.7	4.4
Equity Risk	–	–	–	–	–	–	–	–
Diversification effect[3]	(12.2)	NA	NA	(8.3)	(13.8)	NA	NA	(11.5)
Total	21.1	33.1	13.0	20.8	21.5	30.6	14.7	21.3

	2024				2023			
Non-trading[2]	Average $million	High $million	Low $million	Year end $million	Average $million	High $million	Low $million	Year end $million
Interest Rate Risk	28.0	35.5	17.4	32.5	34.2	43.6	19.7	23.9
Credit Spread Risk	17.2	24.8	10.0	15.7	28.3	40.1	21.5	24.4
Foreign Exchange Risk	–	–	–	–	–	–	–	–
Commodity Risk	1.3	1.8	0.6	0.8	0.1	0.5	0.3	0.5
Equity Risk	0.4	0.9	–	–	0.1	0.4	–	–
Diversification effect[3]	(12.7)	NA	NA	(10.2)	(18.7)	NA	NA	(13.2)
Total	34.2	44.3	28.6	38.8	44.0	53.4	32.0	35.6

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

	2024				2023			
	Average $million	High $million	Low $million	Year end $million	Average $million	High $million	Low $million	Year end $million
Trading[1] and non-trading[2]	**41.8**	**53.1**	**29.4**	**43.3**	53.3	65.5	44.2	44.5
Trading[1]								
Macro Trading[4]	**17.0**	**29.9**	**10.0**	**17.1**	13.8	20.2	9.2	15.4
Global Credit	**6.8**	**11.1**	**4.3**	**5.8**	12.8	18.2	8.5	10.1
XVA	**3.3**	**4.4**	**2.4**	**2.4**	4.8	7.0	3.4	4.5
Diversification effect[3]	**(6.0)**	**NA**	**NA**	**(4.5)**	(9.9)	NA	NA	(8.7)
Total	**21.1**	**33.1**	**13.0**	**20.8**	21.5	30.6	14.7	21.3
Non-trading[2]								
Treasury	**32.9**	**40.8**	**26.9**	**38.6**	43.4	50.2	31.1	34.9
Global Credit	**5.0**	**13.4**	**2.4**	**8.8**	3.9	13.6	2.0	4.0
Listed Private Equity	**0.4**	**0.9**	**–**	**–**	0.1	0.4	–	–
Diversification effect[3]	**(4.1)**	**NA**	**NA**	**(8.6)**	(3.4)	NA	NA	(3.3)
Total	**34.2**	**43.3**	**28.6**	**38.8**	44.0	53.4	32.0	35.6

1 The trading book for Market Risk is defined in accordance with the UK onshored Capital Requirements Regulation Part 3 Title I Chapter 3, which restricts the positions permitted in the trading book

2 The non-trading book VaR does not include the loan underwriting business

3 The total VaR is non-additive across risk types due to diversification effects, which is measured as the difference between the sum of the VaR by individual risk type or business and the combined total VaR. As the maximum and minimum occur on different days for different risk types or businesses, it is not meaningful to calculate a portfolio diversification benefit for these measures

4 Macro Trading comprises the Rates, FX and Commodities businesses

Risks not in VaR

In 2024, the main market risks not reflected in VaR were:

- basis risks for which the historical market price data is limited and is therefore proxied, giving rise to potential proxy basis risk that is not captured in VaR
- potential depeg risk from currencies currently pegged or managed, where the historical one-year VaR observation period may not reflect the possibility of a change in the currency regime or a sudden depegging
- potential understatement of VaR when abrupt increases in market volatility are not adequately captured by the VaR model.

Additional capital is set aside to cover such 'risks not in VaR'.

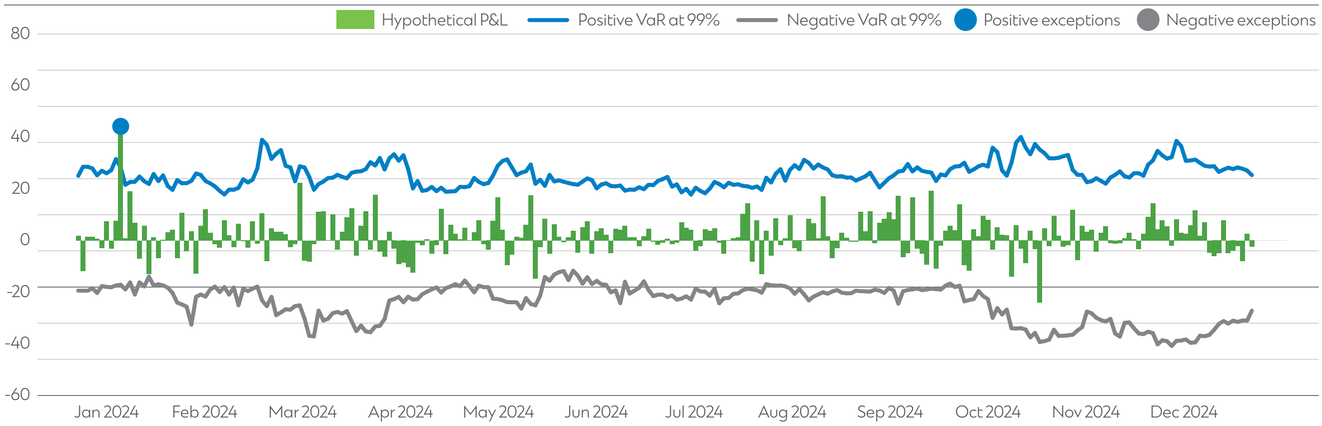
Backtesting

In 2024, there were no regulatory backtesting negative exceptions at Group level (in 2023 there were five).

An enhancement to the VaR model will be implemented from January 2025 to increase the model's responsiveness to abrupt upturns in market volatility.

The graph below illustrates the performance of the VaR model used in capital calculations. It compares the 99 percentile profit and loss confidence level given by the VaR model with the hypothetical profit and loss of each day given the actual market movement ignoring any intra-day trading activity.

2024 Backtesting chart
Internal model approach regulatory trading book at Group level
Hypothetical profit and loss (P&L) versus VaR (99 per cent, one day)



Trading loss days

	2024	2023
Number of loss days reported for Markets trading book total product income[1]	**12**	16

1 Includes credit valuation adjustment (CVA) and funding valuation adjustment (FVA), and excludes Treasury business (non-trading), periodic valuation changes for Capital Markets, expected loss provisions, overnight indexed swap (OIS) discounting and accounting adjustments such as debit valuation adjustments

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

Trading: The average level of total trading daily income in 2024 was $13.3 million, 10.8 per cent higher than 2023 ($12 million). The increase is largely attributable higher client demand for derivative products across Greater China and North Asia coupled with larger holdings of government and corporate bonds in anticipation of increased demand by clients.

Non-trading: The average level of total non-trading daily income in 2024 was $2.7 million, attributable to translation gains on the revaluation of FX positions in Egypt, and FX revaluation gains across currencies in the Markets Credit Trading business.

Trading	2024 $million	2023 $million
Interest Rate Risk	5.2	4.5
Credit Spread Risk	1.7	1.2
Foreign Exchange Risk	5.6	5.5
Commodity Risk	0.8	0.8
Equity Risk	–	–
Total	**13.3**	12.0

Non-trading	$million	$million
Interest Rate Risk	0.6	(0.1)
Credit Spread Risk	2.1	(0.7)
Equity Risk	–	0.1
Total	**2.7**	(0.7)

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

Structural foreign exchange exposures

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

	2024 $million	2023 $million
Hong Kong dollar	4,232	4,662
Renminbi	3,593	3,523
Indian rupee	3,480	3,309
Singapore dollar	3,306	2,415
Malaysian ringgit	1,539	1,540
Korean won	1,363	2,114
Bangladeshi taka	1,113	1,007
Euro	1,112	1,125
Taiwanese dollar	1,087	1,222
UAE dirham	807	709
Thai baht	763	782
Pakistani rupee	392	306
Indonesian rupiah	230	293
Other	3,407	3,206
	26,424	26,213

As at 31 December 2024, the Group had taken net investment hedges using derivative financial instruments to partly cover its exposure to the Hong Kong dollar of $5,359 million (31 December 2023: $5,603 million), Korean won of $3,048 million (31 December 2023: $2,884 million), Indian rupee of $1,784 million (31 December 2023: $1,809 million), Renminbi of $1,640 million (31 December 2023: $1,516 million), UAE dirham of $1,470 million (31 December 2023: $1,470 million), Taiwanese dollar of $1,092 million (31 December 2023: $1,025 million), Singapore dollar of $0 million (2023: $1,047 million) and South African rand of $0 million (31 December 2023:$64 million). An analysis has been performed on these exposures to assess the impact of a 1 per cent fall in the US dollar exchange rates, adjusted to incorporate the impacts of correlations of these currencies to the US dollar. The impact on the positions above would be an increase of $262 million (31 December 2023: $260 million). Changes in the valuation of these positions are taken to reserves. For analysis of the Group's capital position and requirements, refer to the 'Capital review' section (page 270).

Counterparty Credit Risk

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

Derivative financial instruments Credit Risk mitigation

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

In addition, the Group enters into credit support annexes (CSAs) with counterparties where collateral is deemed a necessary or desirable mitigant to the exposure. Cash collateral includes collateral called under a variation margin process from counterparties if total uncollateralised mark-to-market exposure exceeds the threshold and minimum transfer amount specified in the CSA. With certain counterparties, the CSA is reciprocal and requires us to post collateral if the overall mark-to-market values of positions are in the counterparty's favour and exceed an agreed threshold.

Liquidity and Funding Risk

Liquidity and Funding Risk is the risk that the Group may not have sufficient stable or diverse sources of funding to meet its obligations as they fall due.

The Group's Liquidity and Funding Risk framework requires each country to ensure that it operates within predefined liquidity limits and remains in compliance with Group liquidity policies and practices, as well as local regulatory requirements.

The Group achieves this through a combination of setting Risk Appetite and associated limits, policy formation, risk measurement and monitoring, prudential and internal stress testing, governance and review.

Throughout 2024, the Group retained a robust liquidity position across key metrics. The Group continues to focus on improving the quality and diversification of its funding mix and remains committed to supporting its clients.

Primary sources of funding (audited)

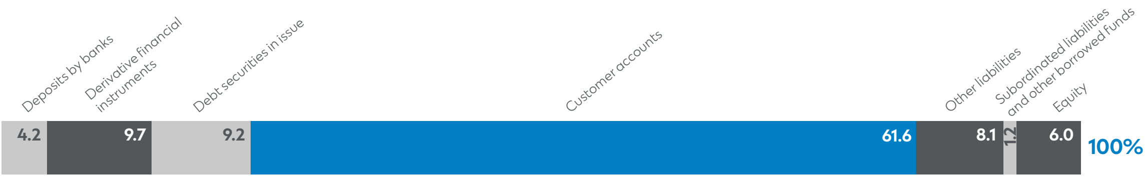
The Group's funding strategy is largely driven by its policy to maintain adequate liquidity at all times, in all geographic locations and for all currencies. This is done to ensure the Group can meet all of its obligations as they fall due. The Group's funding profile is therefore well diversified across different sources, maturities and currencies.

The Group's assets are funded predominantly by customer deposits, supplemented with wholesale funding, which is diversified by type and maturity.

The Group maintains access to wholesale funding markets in all major financial centres in which it operates. This seeks to ensure that the Group has market intelligence, maintains stable funding lines and can obtain optimal pricing when performing cashflow management activities.

In 2024, the Group issued approximately $9.1 billion worth of securities from its holding company, Standard Chartered PLC (2023 $8.1 billion of senior debt securities). The issuances included $1.6 billion of Additional Tier 1 securities and $7.5 billion of senior debt securities across multiple currencies. Over this same period, there were Additional Tier 1 calls of $0.6 billion, Tier 2 redemptions (calls & maturities) of around $1.6 billion and senior calls of $6.3 billion. In the next 12 months, approximately $7.8 billion of the Group's Additional Tier 1, senior and subordinated debt securities are either falling due for repayment contractually or callable by the Group.

Group's composition of liabilities and equity 31 December 2024



Liquidity and Funding Risk metrics

The Group continually monitors key liquidity metrics, both on a country basis and consolidated across the Group.

The following liquidity and funding Board Risk Appetite metrics define the maximum amount and type of risk that the Group is willing to assume in pursuit of its strategy: liquidity coverage ratio (LCR), liquidity stress survival horizons, recovery capacity and net stable funding ratio (NSFR). In addition to the Board Risk Appetite, there are further limits that apply at Group and country level such as external wholesale borrowing (WBE) and cross currency limits.

Liquidity coverage ratio (LCR)

The LCR is a regulatory requirement set to ensure the Group has sufficient unencumbered high-quality liquid assets to meet its liquidity needs in a 30-calendar-day liquidity stress scenario.

The Group monitors and reports its liquidity positions under the Liquidity Coverage Ratio per PRA rulebook and has maintained its LCR above the prudential requirement. The Group maintained robust liquidity ratios throughout 2024.

At the reporting date, the Group LCR was 138 per cent (31 December 2023: 145 per cent), with a surplus to both Board-approved Risk Appetite and regulatory requirements.

Adequate liquidity was held across our footprint to meet all local prudential LCR requirements where applicable.

The Liquidity buffer reported is after deductions made to reflect the impact of limitations in the transferability of entity liquidity around the Group. This resulted in an adjustment of $35 billion to LCR HQLA as at 31 December 2024.

	2024 $million	2023 $million
Liquidity buffer	**170,306**	185,643
Total net cash outflows	**123,226**	128,111
Liquidity coverage ratio	**138%**	145%

Stressed coverage

The Group intends to maintain a prudent and sustainable funding and liquidity position, in all countries and currencies, such that it can withstand a severe but plausible liquidity stress.

Our approach to managing liquidity and funding is reflected in the Board-level Risk Appetite Statement which includes the following:

"The Group should have sufficient stable and diverse sources of funding to meet its contractual and contingent obligations as they fall due."

The Group's internal liquidity adequacy assessment process ('ILAAP') stress testing framework covers the following stress scenarios:

- Standard Chartered-specific – Captures the liquidity impact from an idiosyncratic event affecting Standard Chartered only with the rest of the market assumed to be operating normally.
- Market wide – Captures the liquidity impact from a market-wide crisis affecting all participants in a country, region or globally.
- Combined – Assumes both Standard Chartered-specific and Market-wide events affect the Group simultaneously and hence is the most severe scenario.

All scenarios include, but are not limited to, modelled outflows for retail and wholesale funding, off-balance sheet funding risk, cross-currency funding risk, intraday risk, franchise risk and risks associated with a deterioration of a firm's credit rating. Concentration risk approach captures single name and industry concentration.

ILAAP stress testing results show that, as at 31 December 2024, Group and all countries were able to survive for a period of time with positive surpluses as defined under each scenario. The results take into account currency convertibility and portability constraints while calculating the liquidity surplus at Group level.

Standard Chartered Bank's credit ratings as at 31 December 2024 were A+ with stable outlook (Fitch), A+ with stable outlook (S&P) and A1 with positive outlook (Moody's). As of 31 December 2024, the estimated contractual outflow of a three-notch long-term ratings downgrade is $1.0 billion.

External wholesale borrowing

A risk trigger is set to prevent excessive reliance on wholesale borrowing. Within the definition of wholesale borrowing, triggers are applied to all branches and operating subsidiaries in the Group.

Advances-to-deposits ratio

This is defined as the ratio of total loans and advances to customers relative to total customer deposits. An advances-to-deposits ratio below 100 per cent demonstrates that customer deposits exceed customer loans as a result of the emphasis placed on generating a high level of funding from customers.

The Group's advances-to-deposits ratio has remained stable in 2024 at 53.3 per cent. Deposits from customers as at 31 December 2024 are $486,261 million (31 December 2023: $486,666 million).

	2024 $million	2023 $million
Total loans and advances to customers[1,2]	**259,269**	259,481
Total customer accounts[3]	**486,261**	486,666
Advances-to-deposits ratio	**53.3%**	53.3%

1 Excludes reverse repurchase agreement and other similar secured lending of $9,660 million and includes loans and advances to customers held at fair value through profit and loss of $7,084 million

2 Loans and advances to customers for the purpose of the advances-to-deposits ratio excludes $19,187 million of approved balances held with central banks, confirmed as repayable at the point of stress (31 December 2023: $20,710 million)

3 Includes customer accounts held at fair value through profit or loss of $21,772 million (31 December 2023: $17,248 million)

Net stable funding ratio (NSFR)

The NSFR is a PRA regulatory requirement that stipulates institutions to maintain a stable funding profile in relation to an assumed duration of their assets and off-balance sheet activities over a one-year horizon. It is the ratio between the amount of available stable funding (ASF) and the amount of required stable funding (RSF). ASF factors are applied to balance sheet liabilities and capital, based on their perceived stability and the amount of stable funding they provide. Likewise, RSF factors are applied to assets and off-balance sheet exposures according to the amount of stable funding they require. The regulatory requirements for NSFR are to maintain a ratio of at least 100 per cent. The average ratio for the past four quarters is 135 per cent.

Liquidity pool

The liquidity value of the Group's LCR eligible liquidity pool at the reporting date was $170 billion. The figures in the table below account for haircuts, currency convertibility and portability constraints per PRA rules for transfer restrictions (amounting to $35 billion as at 31 December 2024), and therefore are not directly comparable with the consolidated balance sheet. A liquidity pool is held to offset stress outflows as defined in the LCR per PRA rulebook.

	2024 $million	2023 $million
Level 1 securities		
Cash and balances at central banks	**76,094**	81,675
Central banks, governments /public sector entities	**74,182**	71,768
Multilateral development banks and international organisations	**14,386**	16,917
Other	**343**	1,291
Total Level 1 securities	**165,005**	171,651
Level 2 A securities	**4,367**	13,268
Level 2 B securities	**934**	724
Total LCR eligible assets	**170,306**	185,643

Liquidity analysis of the Group's balance sheet (audited)

Contractual maturity of assets and liabilities

The following table presents assets and liabilities by maturity groupings based on the remaining period to the contractual maturity date as at the balance sheet date on a discounted basis. Contractual maturities do not necessarily reflect actual repayments or cashflows.

Within the tables below, cash and balances with central banks, interbank placements and investment securities that are fair valued through other comprehensive income are used by the Group principally for liquidity management purposes.

As at the reporting date, assets remain predominantly short-dated, with 59 per cent maturing in less than one year.

	2024								
	One month or less $million	Between one month and three months $million	Between three months and six months $million	Between six months and nine months $million	Between nine months and one year $million	Between one year and two years $million	Between two years and five years $million	More than five years and undated $million	Total $million
Assets									
Cash and balances at central banks	**55,646**	**–**	**–**	**–**	**–**	**–**	**–**	**7,801**	**63,447**
Derivative financial instruments	**22,939**	**15,556**	**12,217**	**7,265**	**4,328**	**7,067**	**7,448**	**4,652**	**81,472**
Loans and advances to banks[1,2]	**22,381**	**21,722**	**10,588**	**6,771**	**4,986**	**8,407**	**3,715**	**1,990**	**80,560**
Loans and advances to customers[1,2]	**65,688**	**58,765**	**25,739**	**15,479**	**16,192**	**31,240**	**31,766**	**94,688**	**339,557**
Investment securities[1]	**13,016**	**25,886**	**21,546**	**14,789**	**14,688**	**32,815**	**41,423**	**62,418**	**226,581**
Other assets[1]	**12,601**	**32,130**	**1,333**	**381**	**931**	**71**	**64**	**10,560**	**58,071**
Total assets	**192,271**	**154,059**	**71,423**	**44,685**	**41,125**	**79,600**	**84,416**	**182,109**	**849,688**
Liabilities									
Deposits by banks[1,3]	**24,293**	**2,345**	**1,621**	**848**	**571**	**4,342**	**1,939**	**3**	**35,962**
Customer accounts[1,4]	**379,926**	**37,502**	**25,863**	**10,152**	**10,123**	**9,695**	**47,367**	**2,635**	**523,263**
Derivative financial instruments	**21,680**	**17,115**	**11,773**	**7,018**	**4,353**	**6,660**	**8,144**	**5,321**	**82,064**
Senior debt[5]	**609**	**1,755**	**4,074**	**2,132**	**932**	**7,926**	**18,784**	**17,886**	**54,098**
Other debt securities in issue[1]	**2,734**	**2,663**	**6,550**	**4,535**	**5,015**	**851**	**1,206**	**688**	**24,242**
Other liabilities	**12,173**	**43,574**	**3,020**	**1,441**	**155**	**4,494**	**682**	**2,854**	**68,393**
Subordinated liabilities and other borrowed funds	**–**	**64**	**23**	**180**	**13**	**359**	**1,978**	**7,765**	**10,382**
Total liabilities	**441,415**	**105,018**	**52,924**	**26,306**	**21,162**	**34,327**	**80,100**	**37,152**	**798,404**
Net liquidity gap	**(249,144)**	**49,041**	**18,499**	**18,379**	**19,963**	**45,273**	**4,316**	**144,957**	**51,284**

	2023								
	One month or less $million	Between one month and three months $million	Between three months and six months $million	Between six months and nine months $million	Between nine months and one year $million	Between one year and two years $million	Between two years and five years $million	More than five years and undated $million	Total $million
Assets									
Cash and balances at central banks	63,752	–	–	–	–	–	–	6,153	69,905
Derivative financial instruments	12,269	10,632	6,910	3,611	2,921	4,650	6,038	3,403	50,434
Loans and advances to banks[1,2]	28,814	23,384	10,086	4,929	5,504	1,583	2,392	1,098	77,790
Loans and advances to customers[1,2]	86,695	55,009	25,492	15,392	14,537	25,987	26,545	95,829	345,486
Investment securities[1]	12,187	28,999	17,131	18,993	20,590	24,244	44,835	50,168	217,147
Other assets[1]	17,611	31,729	1,286	409	587	67	93	10,300	62,082
Total assets	221,328	149,753	60,905	43,334	44,139	56,531	79,903	166,951	822,844
Liabilities									
Deposits by banks[1,3]	26,745	1,909	1,398	503	778	1,326	2,848	2	35,509
Customer accounts[1,4]	384,444	47,723	28,288	13,647	11,806	7,787	38,578	2,349	534,622
Derivative financial instruments	13,111	12,472	6,655	4,001	3,433	5,142	6,932	4,315	56,061
Senior debt[5]	130	1,111	1,537	1,389	624	11,507	20,127	14,443	50,868
Other debt securities in issue[1]	3,123	5,822	6,109	3,235	3,037	492	482	195	22,495
Other liabilities	14,929	26,447	1,695	544	883	1,830	1,809	12,763	60,900
Subordinated liabilities and other borrowed funds	980	68	19	172	453	312	1,936	8,096	12,036
Total liabilities	443,462	95,552	45,701	23,491	21,014	28,396	72,712	42,163	772,491
Net liquidity gap	(222,134)	54,201	15,204	19,843	23,125	28,135	7,191	124,788	50,353

1 Loans and advances, investment securities, deposits by banks, customer accounts and debt securities in issue include financial instruments held at fair value through profit or loss, see Note 13 Financial instruments

2 Loans and advances include reverse repurchase agreements and other similar secured lending of $98.8 billion (31 December 2023: $97.6 billion)

3 Deposits by banks include repurchase agreements and other similar secured borrowing of $8.7 billion (31 December 2023: $5.6 billion)

4 Customer accounts include repurchase agreements and other similar secured borrowing of $37.0 billion (31 December 2023: $48.0 billion)

5 Senior debt maturity profiles are based upon contractual maturity, which may be later than call options over the debt held by the Group

Behavioural maturity of financial assets and liabilities

The cashflows presented in the previous section reflect the cashflows that will be contractually payable over the residual maturity of the instruments. However, contractual maturities do not necessarily reflect the timing of actual repayments or cashflow. In practice, certain assets and liabilities behave differently from their contractual terms, especially for short-term customer accounts, credit card balances and overdrafts, which extend to a longer period than their contractual maturity. On the other hand, mortgage balances tend to have a shorter repayment period than their contractual maturity date. Expected customer behaviour is assessed and managed on a country basis using qualitative and quantitative techniques, including analysis of observed customer behaviour over time.

Maturity of financial liabilities on an undiscounted basis (audited)

The following table analyses the contractual cashflows payable for the Group's financial liabilities by remaining contractual maturities on an undiscounted basis. The financial liability balances in the table below will not agree with the balances reported in the consolidated balance sheet as the table incorporates all contractual cashflows, on an undiscounted basis, relating to both principal and interest payments. Derivatives not treated as hedging derivatives are included in the 'On demand' time bucket and not by contractual maturity.

Within the 'More than five years and undated' maturity band are undated financial liabilities, the majority of which relate to subordinated debt, on which interest payments are not included as this information would not be meaningful, given the instruments are undated. Interest payments on these instruments are included within the relevant maturities up to five years.

	2024								
	One month or less $million	Between one month and three months $million	Between three months and six months $million	Between six months and nine months $million	Between nine months and one year $million	Between one year and two years $million	Between two years and five years $million	More than five years and undated $million	Total $million
Deposits by banks	**24,303**	**2,360**	**1,660**	**862**	**589**	**4,347**	**1,939**	**4**	**36,064**
Customer accounts	**380,377**	**37,790**	**26,277**	**10,384**	**10,438**	**9,937**	**47,642**	**3,396**	**526,241**
Derivative financial instruments[1]	**80,055**	**13**	**12**	**10**	**3**	**216**	**592**	**1,163**	**82,064**
Debt securities in issue	**3,622**	**4,551**	**11,007**	**7,056**	**6,319**	**10,261**	**23,184**	**21,337**	**87,337**
Subordinated liabilities and other borrowed funds	**19**	**134**	**46**	**206**	**14**	**392**	**2,345**	**13,800**	**16,956**
Other liabilities	**10,421**	**44,933**	**2,894**	**1,408**	**152**	**4,433**	**682**	**4,802**	**69,725**
Total liabilities	**498,797**	**89,781**	**41,896**	**19,926**	**17,515**	**29,586**	**76,384**	**44,502**	**818,387**
	2023								
Deposits by banks	26,759	1,921	1,417	513	790	1,328	2,848	4	35,580
Customer accounts	385,361	48,140	28,763	14,049	12,190	8,118	39,000	3,036	538,657
Derivative financial instruments[1]	53,054	517	46	44	103	202	887	1,208	56,061
Debt securities in issue	3,507	6,995	8,015	5,070	4,002	13,663	23,413	16,396	81,061
Subordinated liabilities and other borrowed funds	1,043	134	46	208	570	395	2,389	14,367	19,152
Other liabilities	12,200	26,291	1,560	515	884	1,832	1,810	11,513	56,605
Total liabilities	481,924	83,998	39,847	20,399	18,539	25,538	70,347	46,524	787,116

1 Derivatives are on a discounted basis

Interest Rate Risk in the Banking Book

The following table provides the estimated impact to a hypothetical base case projection of the Group's earnings under the following scenarios:

- A 50 basis point parallel interest rate shock (up and down) to the current market-implied path of rates, across all yield curves
- A 100 basis point parallel interest rate shock (up and down) to the current market-implied path of rates, across all yield curves

These interest rate shock scenarios assume all other economic variables remain constant. The sensitivities shown represent the estimated change to a hypothetical base case projected net interest income (NII), plus the change in interest rate implied income and expense from FX swaps used to manage banking book currency positions, under the different interest rate shock scenarios.

The base case projected NII is based on the current market-implied path of rates and forward rate expectations. The NII sensitivities below stress this base case by a further 50 or 100bps. Actual observed interest rate changes will likely differ from market expectation. Accordingly, the shocked NII sensitivity does not represent a forecast of the Group's net interest income.

The interest rate sensitivities are indicative stress tests and based on simplified scenarios, estimating the aggregate impact of an unanticipated, instantaneous parallel shock across all yield curves over a one-year horizon, including the time taken to implement changes to pricing before becoming effective. The assessment assumes that the size and mix of the balance sheet remain constant and that there are no specific management actions in response to the change in rates. No assumptions are made in relation to the impact on credit spreads in a changing rate environment.

Significant modelling and behavioural assumptions are made regarding scenario simplification, market competition, pass-through rates, asset and liability re-pricing tenors, and price flooring. In particular, the assumption that interest rates of all currencies and maturities shift by the same amount concurrently, and that no actions are taken to mitigate the impacts arising from this are considered unlikely. Reported sensitivities will vary over time due to a number of factors including changes in balance sheet composition, market conditions, customer behaviour and risk management strategy. Therefore, while the NII sensitivities are a relevant measure of the Group's interest rate exposure, they should not be considered an income or profit forecast.

Estimated one-year impact to earnings from a parallel shift in yield curves at the beginning of the period of:	2024 USD bloc $million	HKD bloc $million	SGD bloc $million	KRW bloc $million	CNY bloc $million	INR bloc $million	EUR bloc $million	Other currency bloc[1] $million	Total $million
+ 50 basis points	20	30	10	20	20	30	10	70	210
- 50 basis points	(40)	(30)	(20)	(20)	(30)	(30)	(20)	(80)	(270)
+ 100 basis points	30	60	20	30	30	40	30	150	390
- 100 basis points	(90)	(50)	(40)	(50)	(50)	(40)	(40)	(190)	(550)

Estimated one-year impact to earnings from a parallel shift in yield curves at the beginning of the period of:	2023 USD bloc $million	HKD bloc $million	SGD bloc $million	KRW bloc $million	CNY bloc $million	INR bloc $million	EUR bloc $million	Other currency bloc[1]	Total $million
+ 50 basis points	90	10	50	10	30	20	30	110	350
- 50 basis points	(150)	(30)	(50)	(20)	(40)	(30)	(30)	(120)	(470)
+ 100 basis points	180	10	100	20	60	40	50	230	690
- 100 basis points	(280)	(40)	(100)	(40)	(80)	(60)	(60)	(230)	(890)

1 The largest exposures within the Other currency bloc are GBP, JPY, MYR, TWD

As at 31 December 2024, the Group estimates the one-year impact of an instantaneous, parallel increase across all yield curves of 50 basis points to increase projected NII by $210 million. The equivalent impact from a parallel decrease of 50 basis points would result in a reduction in projected NII of $270 million. The Group estimates the one-year impact of an instantaneous, parallel increase across all yield curves of 100 basis points to increase projected NII by $390 million. The equivalent impact from a parallel decrease of 100 basis points would result in a reduction in projected NII of $550 million.

The benefit from rising interest rates is primarily from reinvesting at higher yields and from assets re-pricing faster and to a greater extent than deposits. NII sensitivity in falling rate scenarios has decreased versus 31 December 2023, due to an increase in programmatic hedging as well as actions taken in discretionary portfolios to increase asset duration.

Over the course of 2024 the notional of interest rate swaps and HTC-accounted bond portfolios used to reduce NII sensitivity through the cycle increased from $47 billion to $64 billion. As at December 2024, the portfolios had a weighted average maturity of 3.0 years, which reflects the behaviouralised lives of the rate-insensitive deposit and equity balances that they hedge, and a yield of 3.5 per cent.

Operational and Technology Risk

Operational and Technology Risk profile

The implementation of standardised non-financial risk, control and causal taxonomies is enabling improved risk aggregation and reporting, and has provided opportunities for simplifying the process for risk identification and assessment in the Group.

Operational and Technology Risk is elevated in areas such as Change Mismanagement Risk and Third-Party Risk Management, which are subject to ongoing control enhancement programmes. Other key areas of focus are Systems Health/Technology risk, Operational Resilience and Regulatory Compliance. To address these areas, the Group has focused on improving the sustainable operating environment and has initiated several programmes to enhance the control environment. The Group continues to monitor and manage Operational and Technology risks associated with the external environment such as geopolitical factors, the increasing risk of cyber-attacks and inappropriate use of Artificial Intelligence. This enables the Group to keep pace with the new business developments, while ensuring that its risk and control frameworks evolve accordingly. The Group continues to strengthen its risk management to understand the full spectrum of risks in the operating environment, enhance its defences and improve resilience.

Operational and Technology risk events and losses

Operational losses are one indicator of the effectiveness and robustness of our non-financial risk and control environment.

The Group's profile of operational loss events in 2024 and 2023 is summarised in the table below, which shows the distribution of gross operational losses by Basel business line. There has been a sharp increase in Corporate Items in 2024 due to a single large event pertaining to Finance Accounting Adjustment.

	% Loss	
Distribution of Operational losses by Basel business line	**2024**	2023[1]
Agency Services	**0.0%**	3.9%
Asset Management	**0.0%**	0.2%
Commercial Banking	**1.4%**	8.0%
Corporate Finance	**0.1%**	7.2%
Corporate Items	**72.5%**	34.3%
Payment and Settlements	**7.6%**	16.6%
Retail Banking	**17.0%**	21.3%
Retail Brokerage	**0.0%**	0.0%
Trading and Sales	**1.4%**	8.6%

1 Losses in 2023 have been restated to include incremental events recognised in 2024

The Group's profile of operational loss events in 2024 and 2023 is also summarised by Basel event type in the table below. It shows the distribution of gross operational losses by Basel event type.

	% Loss	
Distribution of Operational losses by Basel event type	**2024**	2023[1]
Business disruption and system failures	**1.8%**	4.7%
Clients products and business practices	**14.1%**	2.9%
Damage to physical assets	**0.0%**	0.0%
Employment practices and workplace safety	**0.1%**	0.6%
Execution delivery and process management	**81.5%**	77.3%
External fraud	**2.4%**	14.4%
Internal fraud	**0.1%**	0.2%

1 Losses in 2023 have been restated to include incremental events recognised in 2024

Other principal risks

The losses arising from operational failures for other principal and integrated risks are reported as operational losses. Operational losses do not include operational risk-related credit impairments.

Climate Risk

Disclaimer

For the avoidance of doubt, this Climate Risk section is subject to the statements included in (i) the 'Forward- Looking Statements' section; and (ii) the 'Basis of Preparation and Caution Regarding Data Limitations' section provided under 'Important Notices' at page 397.

Managing Climate Risk

Environmental, Social and Governance and Reputational (ESGR) Risk is defined as the risk of potential or actual adverse impact on the environment and/or society, or to the Group's financial performance, operations or name, brand or standing, arising from environmental, social or governance factors, or as a result of the Group's actual or perceived actions or inactions. ESGR Risk continues to be an area of growing importance, driving a need for strategic transformation across business activities and risk management.

An environmental (such as climate), social or governance event, or change in condition, if it occurs, could result in actual or potential financial loss or non-financial detriments to the Group. As such, Climate Risk is identified as a material risk for the Group, which is integrated across relevant Principal Risk Types (PRTs) and is managed via the ESGR Risk Type Framework. The Group is exposed to climate risk through our clients, own operations, vendors, suppliers and from the industries and markets we operate in.

Climate Risk Taxonomy

Climate Risk		The potential for financial loss and non-financial detriments arising from climate change and society's response to it.
Physical Risk		Risks arising from increasing severity and frequency of climate and weather-related events, which can damage property and other infrastructure, disrupt supply chains, and impact food production. Additionally, they may lead to declining assets valuations and challenges with insurance claims, resulting in greater financial losses. Indirect effects on the macroeconomic environment, such as lower output and productivity, may exacerbate these direct impacts.
	Acute	Specific event-driven weather events, including increased severity of extreme weather events, such as cyclones, hurricanes, floods, or wildfires.
	Chronic	Longer-term shifts in climate patterns, such as changing precipitation patterns, sea-level rise, and longer-term drought.
Transition Risk		Risk arising from the adjustment towards a carbon-neutral economy, which will require significant structural changes to the economy. These changes will prompt a reassessment of a wide range of asset values, a change in energy prices, and a fall in income and creditworthiness of some borrowers. In turn, this leads to credit losses for lenders and market losses for investors.

The Board committees consider climate-related risks and opportunities when reviewing and guiding strategic decisions. Board-level oversight is exercised through the Board Risk Committee (BRC), and regular climate risk updates are provided to the Board and BRC. At an executive level, the Group Risk Committee has appointed the Climate Risk Management Committee (CRMC), consisting of senior representatives from business, risk, and other functions such as Internal Audit, which oversees Climate Risk including the implementation of Climate Risk workplan and progress made by the Group in meeting regulatory requirements.

Key financial regulators across our footprint have proposed or set supervisory expectations on climate and environmental risk management. Those expectations are broadly aligned with the Basel Committee principles for the management of climate-related financial risks, but local implementations vary.

We actively engage with industry bodies and regulators to seek consistency in policy making across our markets. Climate Risk-related regulatory developments and obligations set by both financial and non-financial service regulators are tracked at Group and country level, with roles and responsibilities set out in the Group's ESGR Risk Policy.

Key regulatory trends we observe include:

- **Disclosures:** Elevated volume of proposals, updates or new climate and sustainability-related disclosure requirements across the markets in which we operate. This is partially driven by the adoption and implementation of International Sustainability Standards Board and European Sustainability Reporting Standards.
- **Risk management:** Regulators continued to drive the integration of Climate Risk into day-to-day business/ operations for regulated financial institutions, moving their focus towards stress testing and scenario analysis. Regulators have also started to look at the transition planning process in some markets.
- **Taxonomies and product-related standards:** Financial regulators and leading industry bodies continued to report, consult, and set rules and guidelines around sustainable finance product frameworks and reporting. The key concern remains ensuring market integrity and greenwashing prevention.

For more information on the Group's governance approach for climate-related risks and opportunities, see **pages 98 to 102**.

Climate Risk Appetite metrics

Our Climate Risk Appetite Statement is approved annually by the Board and supported by Board RA metrics and Management Team Limits (MTLs) across impacted risk types. The Board RA metrics are approved by the Board and the MTLs by the Group Risk Committee annually and any breaches of either are reported to the Board Risk Committee and Group Risk Committee.

Group Climate Risk Appetite Statement

"The Group aims to measure and manage financial and non-financial risks arising from climate change, and reduce the emissions related to our own activities and those related to the financing of clients in alignment with the Paris Agreement."

We have cross-cutting Board RA metrics and MTLs across WRB Risk, CIB Risk, Traded Risk, Country Risk and an enterprise-wide metric focusing on the divergence of key sectors (Power, Oil and Gas, Automotive Manufacturing, Steel, Aluminium and Cement) from the Group's net zero pathway.

As part of our annual Risk Appetite review, we continue to focus on evaluating current metrics, tightening limits where necessary and expanding coverage for enhanced risk identification and management. A revised Risk Appetite statement will be in effect from 2025, combining Climate Risk and Reputational and Sustainability Risk for a more comprehensive coverage.

Key Risk Appetite metrics are cascaded to all relevant markets, supported by management information. The country Climate Risk profile is also reviewed at country-level risk committees for all subsidiaries.

Processes for identifying and assessing Climate Risks

Climate Risk is becoming increasingly critical as climate-related events continue to unfold globally, accompanied by rising regulatory expectations. In response, we have entered into strategic partnerships to develop or gain access to various toolkits to quantitatively measure climate-related physical and transition risks. For example, the Climate X Spectra platform delivers location-specific risk ratings, damages and revenue losses for extreme weather events linked to climate change, covering private and listed corporates as well as real estate. The hazard library includes 12 hazard types (e.g. flooding, wildfires, and tropical cyclones) for time horizons until 2100 under the four Representative Concentration Pathway (RCP) and four Shared Socioeconomic Pathways (SSPs) scenarios. Focus for 2025 and beyond will include improving the financial quantification aspects leveraging Climate X data, which will enable enhanced loss estimation from physical risk hazard events. We have worked with our vendors to develop our internal transition risk models. This will be extended to additional sectors and physical risk assessment in 2025 to further reduce our reliance on third-party models.

Internal training programmes to better identify and mitigate risk

In order to effectively embed climate risks across the Group, we have rolled out a comprehensive eight-module role-specific Climate Risk and net zero credit certification. This includes a core module covering climate change science, transition scenarios, Climate Risk Assessments (CRAs) and net zero targets and alignment calculations, and a sector-specific training, focusing on Oil and Gas, Power, Steel, Aluminium, Shipping and Automobile clients. This augments our existing foundational sustainability training which covers climate risk at a basic level. We recognise that various countries have been stepping up their regulatory requirements and monitoring in relation to climate risk. In response to this trend, we continue to provide our senior risk officers in country with dedicated training and working group updates. Periodic training sessions on Climate Risk integration continue to be provided to the first and second line of defence to further strengthen the understanding of Climate Risk and its application within the Group.

Limitations with existing tools and data

We recognise that assessing climate risk has its limitations as quantifying approaches are still evolving:

- Data availability and client coverage continue to pose challenges, especially in emerging markets. With the limited coverage of granular client-level information at both Group and entity level, there is reliance on use of proxies e.g. sector and regional averages, sovereign heatmaps, and credit grade projections and movements.
- Further, most tools and modelling approaches present a gross risk profile that often overlooks existing adaptation measures, as well as government policies to protect and build for changing climate. Assumptions in climate modelling also continue to rely on nascent methodologies which do not factor non-linear shifts and complex feedback loops or the social dimension of climate change.
- Over time, sovereigns and policymakers are expected to drive market trends, such as investment in adaptation plans, technological advancements, innovative risk transfer and mitigation approaches to combat the potential impacts of climate change.

Notwithstanding the above, we have observed an improvement in data coverage since the creation of our Climate Analyst team in the first line of defence and development of internal climate risk models. Additionally, we have created a centralised data store to enable the Group to capture all sustainability-related data for our clients. This includes monitoring of the data quality, in order to reduce the usage of proxies over time. We intend to refine our evaluations and methodologies progressively as the availability and quality of data improves.

The data we have captured through various sources has helped us develop our client-level CRAs for existing and new clients, improve our internal climate modelling capabilities and strengthen the risk measurement and monitoring of our portfolios. Notwithstanding the limitations noted above, we can conclude that the results presented below across the various PRTs provide strategic direction in relation to the risks measured.

Looking ahead

We expect a continuing trend of change in the coming years, including: (i) a greater focus on our Physical Risk measurement capabilities across data, CRAs, scenario analysis, reporting and model development; (ii) streamlining client-level assessments across financial and non-financial ESGR Risk (iii) integrating client transition plans in CRAs, scenario analysis and models; (iv) upskilling employees to enhance portfolio management and oversight on clients exposed to ESGR Risk or divergent from our net zero targets; (v) operationalising support for countries with local ESGR-related regulations, stress testing requirements and disclosures; and (vi) further embedding greenwashing risk.

Managing the financial and non-financial risks from climate change

We manage Climate Risk according to the characteristics of the impacted PRTs.

Risk Framework Owners for the impacted PRTs are responsible for embedding Climate Risk requirements within their respective risk types. In 2024, we have continued to embed Climate Risk into existing risk management frameworks and processes. The Climate Risk identification and assessments across the PRTs span across short, medium, and long-term horizons to enable right level of monitoring and to inform the decision-making process.

See **page 89** for more information on the definitions for short, medium and long-term horizons.

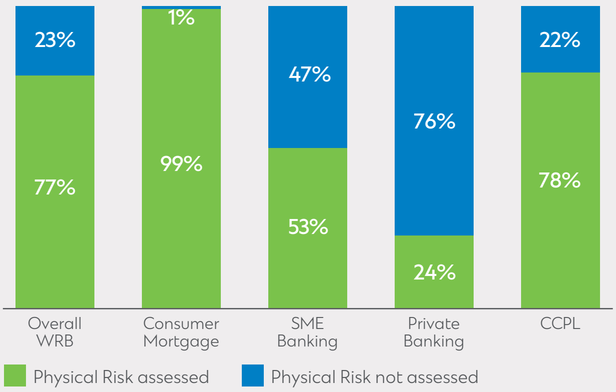
Credit Risk

We have developed a Climate Risk management framework, which outlines the approach for a baseline level of effective risk mitigation.

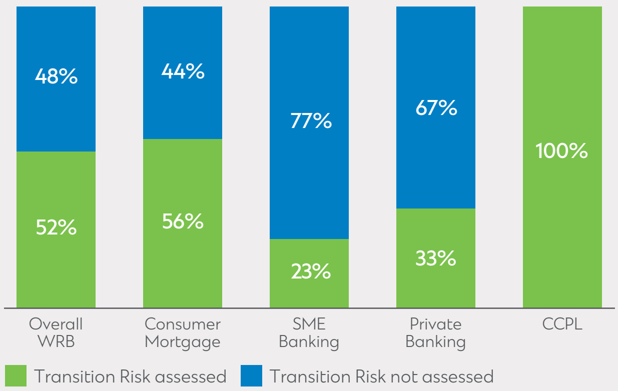
Wealth & Retail Banking (WRB) Credit Risk

In 2024, we progressed further in our journey to embed Climate Risk into our monitoring and risk management across products and segments in the WRB portfolio. In terms of risk assessment coverage, as of September 2024, we have assessed Physical Risk for 77 per cent and Transition Risk for 52 per cent of the overall WRB portfolio.

Physical Risk measurement and monitoring in WRB (as of September 2024)



Transition Risk measurement and monitoring in WRB (as of September 2024)



Outstanding Exposures Assessed

		of which			
	Overall WRB	Consumer Mortgage	SME Banking	Private Banking	CCPL
Physical Risk	96.7	75.7	5.1	3.2	12.7
Transition Risk	65.6	42.8	2.3	4.3	16.2

1. Physical Risk management approach for WRB

Risk identification and assessment

Secured portfolios (backed by residential, commercial or industrial property)

For our portfolios secured against property collateral, assessments are based on the underlying residential, commercial, or industrial property. We continue to leverage Munich Re's Risk Suite (Natural Hazards Edition) to measure acute and chronic Physical Risk impacting each asset based on their geolocation.

Unsecured portfolios

For our unsecured portfolio, such as credit cards and personal loans, we assess Physical Risk that may have the potential to drive higher credit losses through second-order impacts that affect our customers' ability to repay, employing proxies aligned to credit portfolio risk profiles. In 2024, we enhanced the proxy methodology, using a significantly larger and more representative sample that provided greater stability and accuracy in the resultant risk profiles.

Risk monitoring and reporting

We assess the exposure concentrations subjected to high risk across acute and chronic hazards quarterly and reported these at-risk management committees at Group, region, and country, with a focus on flood risk and rising sea levels, due to the inherent risk profiles of our operating markets. Throughout 2024, physical risk levels across most products and markets have remained largely stable, apart from slight variations in exposure subjected to high flood risk due to Munich Re's storm surge model update, which led to more granular and accurate risk assessments.

Risk management

Physical risk in the residential mortgage portfolio is primarily mitigated under the existing credit underwriting process through the setting of prudent loan-to-value limits, which is supported by a robust and independent property valuation process, as well as the requirement of insurance for the life of the loan. To mitigate the residual risk, which may begin to materialise for our residential mortgages with sustained exposure to heightened Physical Risk, some markets have started establishing zoning policies that involve the identification of high Physical Risk zones and the implementation of differentiated underwriting policy criteria targeting new mortgages originating from these higher-risk regions.

Assessment of acute and chronic Physical Risk for top 10 markets' exposures backed by property collateral, indicating exposure concentration subjected to high gross risk (as of September 2024)

	Global			Korea			Hong Kong			Taiwan		
				23%			38%			7%		
Proportion of book	Q3-23	Q3-24	Trend	Q3-23	Q3-24	Trend	Q3-23	Q3-24	Trend	Q3-23	Q3-24	Trend
Flood Risk	13.1%	12.9%	↔	10.6%	10.8%	↔	16.2%	16.3%	↔	11.3%	11.3%	↔
Sea-level rise (Year 2100, RCP 8.5)	2.3%	2.3%	↔	0.6%	0.6%	↔	3.6%	3.6%	↔	0.0%	0.0%	↔

	India			Singapore			Malaysia			UAE		
	5%			18%			4%			1%		
Proportion of book	Q3-23	Q3-24	Trend	Q3-23	Q3-24	Trend	Q3-23	Q3-24	Trend	Q3-23	Q3-24	Trend
Flood Risk	18.2%	17.0%	↓	4.6%	4.4%	↔	5.1%	5.2%	↔	6.6%	5.5%	↓
Sea-level rise (Year 2100, RCP 8.5)	1.0%	0.9%	↓	0.1%	0.1%	↔	0.2%	0.3%	↑	36.2%	36.0%	↔

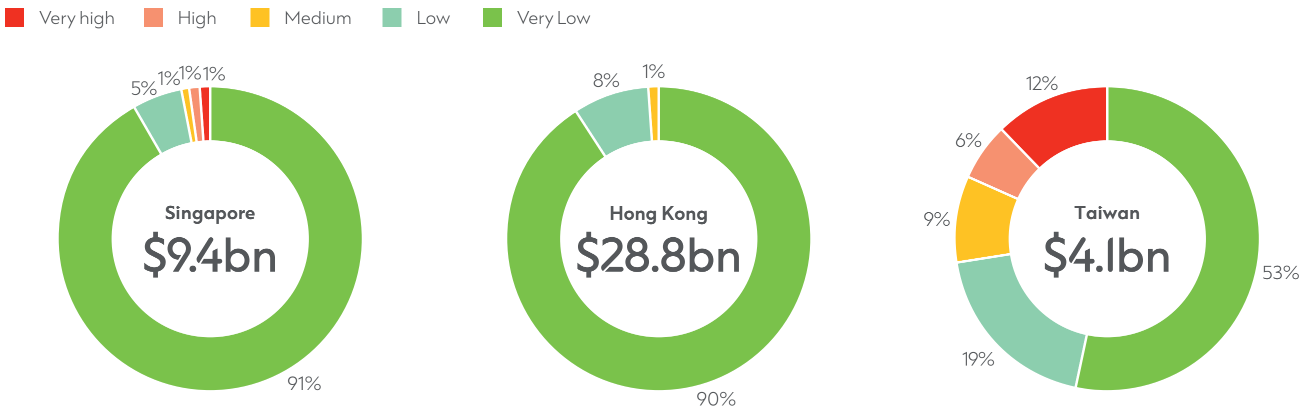
	Jersey			Vietnam			China		
	2%			1%			2%		
Proportion of book	Q3-23	Q3-24	Trend	Q3-23	Q3-24	Trend	Q3-23	Q3-24	Trend
Flood Risk	21.9%	19.4%	↓	53.3%	51.1%	↔	50.2%	47.8%	↔
Sea-level rise (Year 2100, RCP 8.5)	0.0%	0.0%	–	1.2%	1.5%	↑	8.3%	8.6%	↔

Note: Movements are called out for markets showing a change of more than 5 per cent year-on-year change in exposure concentration subjected to high Physical Risk. The Q3 2023 exposure concentrations have been rebased using the updated Munich Re Risk Suite following the storm surge model update.

2. Transition Risk management approach for WRB

Unlike the UK and Europe, our key residential mortgage markets in Asia, Africa and the Middle East continue to have no regulatory policy requirements around minimum building energy-efficiency standards or government-mandated energy-efficiency rating schemes such as energy performance certificates (EPC). As such, we continue to leverage alternate approaches to gain an early understanding of the proportion of our key mortgage portfolios that may be potentially affected by transition risk, through quantifying the robustness of our clients' income to sustain potential increases in energy spend.
In 2024, we refreshed the transition risk assessment of our key mortgage portfolios based on year-end 2023 data, enabling us to do a year-on-year comparison against year-end 2022 results. Based on the analysis in the past two years, we see no material movements and continue to observe low transition risk levels across our key residential mortgage markets. In the future, once additional data becomes available, we aim to account for valuation-related risks of property collateral due to transition risk, which we believe is the most significant transition risk driver for residential mortgages.

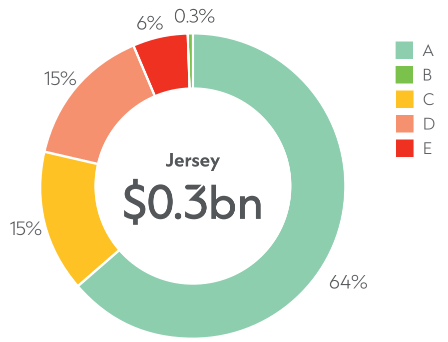
Transition Risk ratings using Group mortgage baselining approach by exposure concentration (as of December 2023) – Singapore, Hong Kong, Taiwan



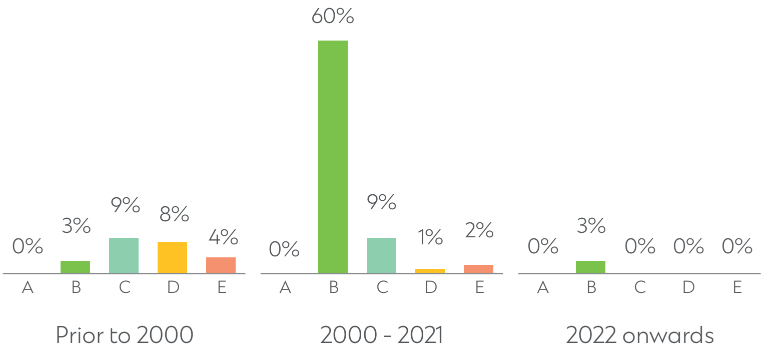
For the Jersey residential mortgage portfolio, which is largely made up of buy-to-let properties located in the UK, we used EPC data to assess the energy-efficiency distribution, with results indicating that circa 80 per cent of the portfolio with available EPC ratings is rated C or better.

2. Transition Risk management approach for WRB continued

Transition Risk ratings for residential mortgages in Jersey using EPC ratings by exposure concentration (as of August 2024)



EPC ratings for residential mortgages in Jersey, by count (as of August 2024)

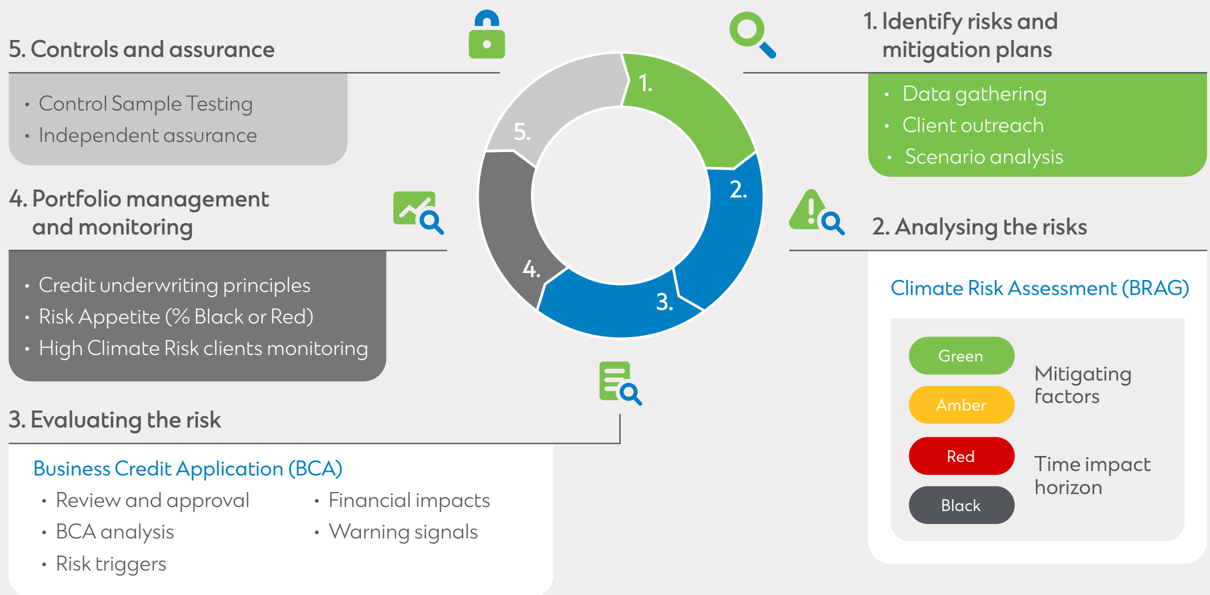


We continue to explore ways to enhance our assessment approaches across both secured and unsecured WRB portfolios through improved methodologies and data. This will enable us to better assess the susceptibility to and readiness of our clients in managing climate-driven risks, while also enabling us to identify opportunities to assist them in their transition towards a low-carbon economy.

Our key focus for 2025 includes expanding the scope of our existing credit origination process to cover climate-related considerations to small and medium business clients. This will enable us to better understand the physical and transition risks faced by our clients, as well as their readiness in adapting to these increasingly consequential risks.

Corporate & Investment Banking (CIB) Credit Risk

This section covers details of how we assess climate risk for our corporate clients, including insights gained from our client-level assessments and progress made to further strengthen our framework for climate and credit related portfolio and risk management. The figure below outlines our process in assessing climate risk.



1. Identify risks and mitigation plans

Our client-level Climate Risk Questionnaire (CRQ) helps assess the potential financial risks from climate change using quantitative and qualitative information. The assessment presents a consolidated view across five pillars of how exposed and ready for transition or adaptation our clients may be. Out of the five pillars, the first one relates to identifying relevant data sources and disclosures and is the only section that is not scored.

Data sources and disclosures	Gross Physical Risk	Physical Risk adaptation	Gross Transition Risk	Credibility of Transition Plans (CTPs)
Reporting • Sources of data • Level of disclosures, Carbon Disclosures Project rating	**Exposure to acute and chronic events** • Asset locations exposed to physical risk events (floods, storms, droughts etc) • Model output to assess current and future risk to client's operating locations	**Mitigations to acute and chronic events** • Assessment of client's adaptation plans • Insurance coverage to protect against physical risk	**Relative emissions for sector and region** • Reliance on fossil fuel/carbon products, net zero trajectory alignment • Policy, environmental impact due to sovereign decarbonisation policy in sector • Potential financial impact from various climate scenarios	**Decarbonisation plan, governance and emission targets** • Assess client's plans and its credibility to transition its business and supply chain backed by robust governance mechanisms • Emissions reporting targets and plan to achieve them • Capex in low-carbon technologies, internal carbon pricing scenarios

The CRQ helps us to form a view of the overall Climate Risk profile of our clients and supports the underlying themes that feed into our broader scenario analysis and corporate planning exercises. Following enhancement in 2023, the CRQ was used to assess our portfolio in 2024. In late 2024, we launched the fourth version of the CRA, which introduced net zero alignment metrics to inform Transition Risks and the outputs from internal models. A key focus for 2025 and beyond is to improve the financial quantification of Physical Risk in the CRA, leveraging Climate X data, which will enable enhanced loss estimation from physical risk hazard events. We have also started to grade Physical Risk for property and shipping backed collaterals.

Coverage of our analysis

As of September 2024, we completed CRAs for 4,065 clients, representing circa 71 per cent of our corporate client limits. The levels and consistency in the availability of climate information from public disclosures has increased in the last three years, however, this is still a developing aspect in some of our footprint markets where the transition journey is in its nascent stages. The difference between our own ambitions and the nationally disclosed contributions in some of our markets has further highlighted the importance of engaging with our clients on this topic, so we are able to assess clients across our markets appropriately.

See **pages 74 to 89** for more information on our net zero aspiration.

How different markets in our footprint compare

Clients are assessed across the four pillars relating to gross physical and transition risk, as well as their respective mitigation levels, i.e. physical risk adaptation and credibility of transition plan, each of which are scored between 0 and 100 per cent, with a higher score indicating a better result (e.g. lower risk or higher mitigation levels). The average of these scores across all assessed clients is shown below by market.

Client-level Climate Risk Assessment scores by markets

2024 YTD Assessment	Number of clients	Gross Physical score	Physical Risk adaptation	Gross Transition Risk	Credibility of Transition Plan
Asia – Greater China & North Asia	1,714	65%	33%	51%	52%
Asia – ASEAN & South Asia	939	56%	28%	49%	46%
Africa & Middle East	343	65%	14%	51%	30%
Europe & Americas	1,069	69%	51%	52%	73%
Total	**4,065**	**64%**	**35%**	**51%**	**54%**

- Transition Risk scores remained fairly stable and improved across regions.
  - We continue to see better Credibility of Transition and Physical Risk adaptation scores for corporates domiciled in Europe and Americas, where disclosure levels are highest, 2050 net zero plans have been committed to, and the plans to effectively manage Climate Risk are being put in place.
  - There has been a slight slowdown in the pace of transition planning at corporate level given the focus on energy security amidst increased geopolitical pressures. However, the long-term trend of gradual increase in quantifiable climate change commitments, driven by increasing CTPs numbers across markets, is intact.
- Physical Risk adaptation continues to be area of concern for majority of our markets, with the lowest absolute scores in Africa and the Middle East followed by Asia.
- Asia dominates our total volume of clients, with a 65 per cent share of the global client base assessed (2023: 65 per cent; 2022: 62 per cent).

2. Analysing the Climate Risk BRAG ratings

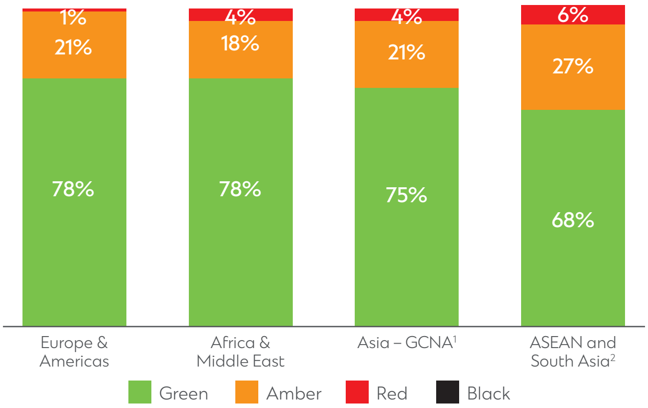
Each client is assigned a colour-coded Climate Risk rating (Black "B", Red "R", Amber "A", Green "G" BRAG) based on the gross transition risk and transition risk mitigation. Owing to Physical Risk data being less robust, we have focused only on Transition Risk drivers to compute the Climate Risk grading. However, as highlighted in the section above, we have seen a steady improvement in the coverage of Physical Risk data in the last few years. We are in the process of incorporating a methodology to include both physical and transition risk drivers to assess the climate risk faced by a client.

There are currently four types of BRAG ratings assigned to clients.

Black	Clients are deemed to have very high exposure to Transition Risk with little or no mitigation plans
Red	Clients are deemed to have very high exposure to Transition Risk but with acceptable or good mitigation plans
Amber	Clients are deemed to have high exposure to Transition Risk but with acceptable or good mitigation plans.
Green	Clients are deemed to have low or limited exposure to Transition Risk

The chart below shows a distribution of Green, Amber, Red, Black rated clients across our markets split by the outstanding exposure as of September 2024. Black-rated clients currently account for less than one per cent of our assessed exposure.

Portfolio Distribution across key markets



1 GCNA countries include China, Hong Kong, Japan, Republic of Korea and Taiwan

2 ASEAN and South Asia countries include Australia, Bangladesh, Indonesia, India, Sri Lanka, Marshall Islands, Macau, Malaysia, Nepal, Philippines, Singapore, Thailand and Vietnam

3. Evaluating the risk (linkage to credit process)

Once a Climate Risk grading is assigned to a client, the impacts from climate-related risks are integrated into the existing credit approval process qualitatively and/or quantitatively through inclusion within the business risk analysis and financial modelling. If the risks are deemed material and not adequately represented via the existing credit rating of the client, subjective warning signals may be added to influence the credit rating. Additionally, risk triggers are added to monitor risks that are not adequately mitigated and to seek additional information from the client where applicable.

4. Portfolio management and monitoring

A. Origination stage
We have embedded qualitative and quantitative climate considerations into the Group's credit underwriting principles for Oil and Gas, Metals and Mining, Shipping, Commercial Real Estate (CRE) and Project Finance portfolios. This includes introducing portfolio-level caps for Black and Red rated clients and lower preference for emission-intensive transactions. The underlying principles vary depending on the sector and are intended to help steer the portfolio in the desired direction over the medium term, and also consider the Group's 2030 financed emission targets.

B. Exposure monitoring and Risk Appetite thresholds
Concentration of Black and Red Climate Risk rated clients remain within proposed Risk Appetite thresholds across our portfolio as of September 2024. Our Green-rated clients are concentrated in more developed markets and this reflects the higher level of Climate Risk disclosures and governance established by companies in these markets. Asia has the highest proportion of exposure, which is rated Red. Amongst the key markets, Bangladesh, Nepal, Vietnam and Indonesia drive this higher risk concentration due to a combination of clients that have fewer disclosures and high Transition Risk, particularly fossil fuel heavy industries, and some imposition of carbon taxes and policies to transition the broader nation. This, combined with weaker transition plans, leads corporates in these markets to be rated as higher Climate Risks.

C. Credit mitigation – collateral
We have expanded coverage of Climate Risk and Credit Risk considerations to assess corporate clients' collateral, given they serve as key risk mitigants, especially in default events. In 2024, an internal methodology was established to identify, assess and incorporate appropriate climate-related risks in property and shipping collateral of corporate clients that were assessed as part of the client-level CRA.

D. High risk client monitoring

A key strategic focus area going forward is to fully embed Climate Risk and net zero targets into business and credit decisions. To enable this, the Net Zero Climate Risk Working Forum (Forum) meets quarterly to discuss account plans for high Climate Risk and net zero divergent clients. Five meetings have been held so far since Q4 2023. The Forum has reviewed Client Groups for Climate Risk and net zero commitment related risks across Power Generation, Oil and Gas, Steel, Cement, Aluminium, CRE and Commodity Trading sectors. The focus of these meetings is to:

- increase engagement with the selected clients to gain a deeper understanding of their transition commitments and the strategies they have in place to achieve them
- drive stronger credit related decisions on exposures primarily in high transition risk sectors (exposure management, credit rating impact)
- identify opportunities to support clients in their decarbonisation journey through advisory and/or financing services
- request further information from clients on Physical Risk adaptation measures employed where Physical Risk is deemed to be high
- decide on relationship strategies where appropriate.

E. Credibility of Transition Plans (CTPs)

We aim to actively manage our exposure by working closely with our existing clients to develop credible transition plans that are consistent with our net zero commitments. We also look for opportunities to support lower emissions-intensive clients. We leverage the data captured in the CRQ and assign a credibility rating to the clients' transition plan based on an in-house scoring methodology that draws on the UK Transition Planning Taskforce and Glasgow Financial Alliance for Net Zero guidance.

The current methodology will be periodically reviewed as the level of client-level climate-related disclosure steps up across our footprint to ensure it remains fit for purpose and in line with industry best practices, stakeholder expectations and regulatory requirements. The CTP has been embedded into the Version 3 CRQ that was implemented in early 2024.

5. Controls and assurance

Independent control checks by the first line of defence and assurance reviews by the second line of defence on integrating Climate Risk within the credit process are carried out quarterly to improve the quality and effectiveness of assessing Climate Risk. The results of the assurance testing and steps to address gaps are periodically shared with impacted stakeholders and as part of governance updates to risk committees.

Environmental, Social and Governance and Reputational (ESGR) Risk

We perform additional client-level due diligence for (i) corporate clients covered by the Group's net zero targets for high-carbon sectors (Oil and Gas, Power, Steel, Aluminium, Cement, Automobiles, Shipping, Aviation, CRE and Agriculture); (ii) clients with a coal nexus[1]; and (iii) those that have been assessed at a client-level as high Climate Risk. The assessment focuses on three pillars covering both client and transaction-level aspects:

Client Level

Temperature Alignment
Temperature Alignment and Comparison to client peers

Credibility of Transition Plan
Readiness and Robustness of transition strategy from client risk assesments

Transaction Level

Net Zero Emissions Impact
Influence on Net Zero alignment from both internal and regional context

1 As defined by the Group's Position Statement to only provide and phase out existing financial services to clients who by 2030, are less than 5 per cent dependent on thermal coal (based on percentage revenue). Additionally, any client that uses thermal coal for captive purposes to support the manufacturing process in industries such as Aluminium, Cement and Steel where there is no economically viable alternative.

The above-mentioned due diligence supplements our existing Environmental and Social (E&S) risk management processes as well as our oversight against our Position Statements and Prohibited Activities list. Reviews are conducted at a client-level to identify root causes, where specific criteria in Position Statements are not fully met or there are individual clients that do not comply with the enhanced E&S criteria, and propose mitigation plans. Such reviews may involve client engagement and seek commitment from clients to take corrective actions. In case of non-compliance with the above-mentioned criteria, such clients are escalated to the Group Responsibility and Reputational Risk Committee, where transactions and clients can be rejected.

The Group has commenced an exercise to consolidate Reputational, E&S and CRAs into a single ESGR Risk assessment, which we aim to roll out in phases over 2025. This assessment will bring together multiple sustainability-related risk themes and improve interlinkages between risk types, as well as integrate a client's degree of alignment against the Group's net zero commitments into the outcome. As a result, client reviews of ESGR-related risks will be undertaken to produce a more cohesive client sustainability assessment.

The Group has governance frameworks and standards for Sustainable Finance (SF) attributes which set out the requirements and responsibilities for managing greenwashing risks through the ongoing monitoring of sustainable finance products, transactions, and clients throughout their lifecycle, from labelling to disclosures. The Green and Sustainable Product Framework, Sustainability Bond Framework and Transition Finance Framework outline how we apply the 'green', 'sustainable' or 'transition' labels across products and transactions. In addition, the E&S Risk Management Framework sets out a series of Position Statements, which serve as our E&S guardrails when assessing in-scope SF transactions and pureplay clients.

All SF products are approved by the Sustainable Finance Governance Committee prior to roll out. All SF-labelled transactions are approved by SF-empowered approvers or the Transition Finance Labelling Sub-Committee on a transaction-by-transaction basis. An assessment toolkit has been developed to standardise the Group's assessment of SF attributes for SF transactions. The Group has built a digitised solution to enable approved SF conditions to be monitored and tracked in a timely manner. To prevent overconcentration of SF liability products, daily monitoring through an automated dashboard has also been established. We have enhanced these standards and controls to incorporate requirements from emerging regulatory obligations, such as the Financial Conduct Authority's (FCA) anti-greenwashing rule, and to address the market integrity and greenwashing concerns from regulators around the sustainability-linked loan market.

The Group has developed internal guidelines for managing the potential risk of greenwashing in our marketing and advertising, including requirements for the review and approval of sustainability-related marketing campaigns and communications. These requirements have been set out in the governance standards for segment campaigns, corporate communications, and brand management.

Country Risk

The Group uses a set of Physical and Transition Risk rankings to identify the markets most vulnerable and least ready to adapt and mitigate climate-related Physical and Transition Risks.

Based on the aggregated Physical and Transition Risk scores, sovereigns are split into decile-based buckets ranging from 1 (low risk) to 10 (high risk). These rankings are used as qualitative and quantitative inputs to our internal Country Risk management process spanning annual sovereign credit grades and limits reviews, inputs to climate-related scenario analysis, and Risk Appetite.

GCR exposure distribution across the Physical Risk categories (as at 30 September 2024)

Bucket	1 (Best)	2	3	4	5	6	7	8	9	10 (Worst)
Exposures %	11.06%	28.81%	18.25%	5.36%	17.67%	8.69%	1.80%	6.73%	0.67%	0.96%

GCR exposure distribution across the Transition Risk categories (as at 30 September 2024)

Bucket	1 (Best)	2	3	4	5	6	7	8	9	10 (Worst)
Exposures %	3.19%	14.66%	11.21%	35.43%	18.05%	4.81%	3.93%	7.72%	0.86%	0.14%

Insights

- For both Physical and Transition Risk, our exposure to high-risk countries (buckets 9 and 10) remains well below Risk Appetite thresholds.
- The rankings are largely driven by the level of financial risk countries are exposed to and their ability to absorb these losses. As such, the rankings are largely dependent on countries' development stage, economy-wide diversification, in-country inequalities and gross exposure to Transition and Physical Risk shocks.
- Additionally, we keep close track of Transition Risk events, such as the establishment of the EU's and UK's Carbon Border Adjustment Mechanism (CBAM) and its potential impact on our key portfolios. Other markets with carbon pricing mechanisms (such as Singapore, South Korea, South Africa,) are also being monitored as part of Country Risk annual reviews. From a Physical Risk standpoint, the Group continues to monitor extreme weather events in key footprint markets as part of our annual Country Risk reviews.

Limitations

- The computation inputs are based on latest available data which may be dated. Proxies have been used where data for the sovereign is not available.
- The ranking uses equally spaced decile scores and provides the results in an ordinal manner. While the simplicity helps in adoption and provides the relative position of the sovereigns, other systems may provide more information.

Operational, Technology and Cyber Risk

Climate Risk primarily manifests as an operational, technology and cyber risk when Physical Risk disrupts our properties, data centres and vendor arrangements.

We assess the physical risk vulnerabilities of our existing sites on a regular basis and for new sites during the onboarding process. Going forward, we will be ranking sites that are most susceptible to physical risks to make these sites more resilient by exploring infrastructure improvements, where possible. Furthermore, we have enhanced our systems to gather relevant data of our key vendors' delivery locations to assess the Physical Risk to their facilities to ensure business continuity.

We have also evaluated the Transition Risk to achieve net zero in our own operations. The Group relies mainly on Renewable Energy Certificates (RECs) to abate its Scope 2 emissions, given our footprint in less regulated markets where access to renewable energy is often limited or would require significant capital investments. Long-term contracts, such as Purchase Power Agreements, which have more price stability compared to RECs, are being explored, with continued focus on retrofitting properties for improving energy efficiency where possible.

In terms of non-financial ESGR risk management, on-site audits are undertaken for certain vendors assessed to pose high modern slavery risk and adverse media screening enhancements were implemented to cover key phrases and to include modern slavery and human rights.

Assessment of gross Physical Risk at our own operating locations (as of September 2024)

Physical Risk event	Time horizon	Scenario	Asia – GCNA	Asia – ASEAN & South Asia	AME	E&A	Global
Flood (Acute)	2024	N/A	**16%**	**16%**	**6%**	**6%**	**13%**
Wildfire (Acute)			**0%**	**0%**	**0%**	**0%**	**0%**
Storm (Acute)			**26%**	**8%**	**0%**	**6%**	**14%**
Sea-level rise (Chronic)	2100	RCP 8.5	**1%**	**1%**	**5%**	**0%**	**2%**
Heat Stress (Chronic)	2050	RCP 8.5	**0%**	**56%**	**37%**	**0%**	**26%**
Number of operating locations			**390**	**293**	**217**	**31**	**931**

Insights

- From an acute risk perspective, 13 per cent of the Group's locations globally are subjected to extreme flood risk, 14 per cent with extreme storm risk and none at extreme risk from wildfire. Given our footprint, a higher proportion of the Group's locations in GCNA (16 per cent for flood; 26 per cent for storm) and ASEAN and South Asia (16 per cent for flood; 8 per cent for storm) are subjected to extreme acute risks and 6 per cent of locations in Europe and Americas, are subjected to flood risks.
- In the locations where weather events such as storms or cyclones are frequent, the buildings are built in consideration of these risks to local building standards.
- From a chronic risk perspective, under RCP 8.5, our exposure to heat stress is at 26 per cent (37 per cent for AME; 56 per cent for ASEAN and South Asia). Exposure to sea-level rise remains below 5 per cent.
- A broad range of mitigation options are considered, such as property insurance and operating a diversified location strategy to reduce concentration risk.

Traded Risk

We manage the Climate Risk of Traded Risk exposures through the stress-testing framework. Climate risks are incorporated in the scenarios monitored against the Traded Risk stress Risk Appetite, covering all fair value exposures in the trading and banking books.

Climate-related stress scenarios are designed to include transition risk effects from climate change policies and shocks to markets due to supply and demand disruption from physical climate events. Three scenarios are currently in place: two physical and one transitional. The assumptions and results are subject to internal governance. In 2024, a new transition scenario, where the US unexpectedly participates in the CBAM, was approved and will replace the current transition scenario in 2025. The introduction of this scenario will enable us to have a single transition scenario applied across the Group. We continue to address gaps related to market risk factors and shorter-term shocks.

Our Climate Risk management for Traded Risk exposures is evolving and we are working closely with industry bodies and academics to better assess and monitor climate-related risks and opportunities.

Treasury Risk

From a capital perspective, climate risk considerations have been part of our ICAAP submissions since 2019. Our approach for assessing climate risk impact on capital adequacy has improved from qualitative judgements to quantitative simulations across a range of scenarios with the availability of tools and greater understanding of our portfolio. We consider climate risk in our ICAAP across Credit Risk, Operational, Technology and Cyber Risk and Traded Risk.

As understanding of climate risk management and potential forward-looking scenarios develop, our approach and assessment will continue to evolve.

From a liquidity risk perspective, we expanded coverage of the top corporate client liquidity portfolio and continue to monitor for Climate Risk-related vulnerabilities and readiness, leveraging the client outreach and data-gathering exercise undertaken on the asset side. The most recent exposure concentration in the Red Climate Risk rating is broadly comparable with what we see for our top corporate client exposures on the asset side. Liquidity providers graded Red Climate Risk rating are from Transportation and Storage sectors. The results of the analysis have been considered as part of our Internal Liquidity Adequacy Assessment Process.

Model Risk

Since 2022 we have been building our internal Climate Risk modelling capabilities to assess impacts from Climate Risk, through collaboration with various external vendors. The development of internal Climate Risk models has reduced our reliance on external vendor models, and we will continue to enhance our internal capabilities by extending model coverage (e.g. to develop models to cover more portfolios, or to develop more granular sector-specific models) and incorporating model enhancements recommended by internal and external stakeholders. All the models developed are independently validated by the second line of defence and approved by the Credit Model Assessment Committee. The models were used to estimate climate impact on Expected Credit Loss (ECL) for IFRS 9 and stress testing usages. In 2024 we developed two more sector-specific transition risk probability of default (PD) models for Automotive and Shipping. We also enhanced the corporate transition risk PD models to include improved granularity for the Oil and Gas model which better captures sector-specific risk drivers, changing from a constant to a dynamic interest expense projection and including more accurate capital expenditure calculations. The sovereign climate PD model has also been enhanced by adding material sovereigns, Hong Kong and Singapore, in model calibration.

Key priorities for 2025 include expanding model coverage to capture Physical Risk in PD (for corporates) and loss given default (for corporates and retail mortgages) and Transition Risk for specialised lending scorecards (Project finance and Shipping finance).

Apart from models that are used to estimate ECL, we have developed temperature alignment models that are forward-looking and assess implied temperature rise scores for corporate counterparties. The output from temperature alignment models supports internal climate risk management processes within the Group.

Assessing the resilience of our strategy using scenario analysis

To assess climate-related risks and opportunities in the short, medium and long-term we use scenario analysis to consider how risks and opportunities may evolve under different situations. We have continued to further strengthen our scenario analysis capabilities by moving towards internal models and developing our infrastructure and capabilities to incorporate Climate Risk into data, modelling, and analysis. We have participated in several regulatory climate stress tests in 2024, including the Hong Kong Monetary Authority (HKMA) climate stress test which was based on three long-tenor and one short-tenor scenarios. We are also participating in the Monetary Authority of Singapore's (MAS), Bank Negara Malaysia's (BNM) and Otoritas Jasa Keuangan's (OJK) climate stress tests. Results are expected to be submitted in 2025.

Scenarios used by the Group

The table below summarises the climate risk scenarios used internally by the Group across risk types for scenario analysis, and Group ICAAP assessments.

Risk types	Scenario family	Number of scenarios	Risk measure/usecCase	Refer page no
Credit Risk – CIB	Network for Greening the Financial System Version 3 (NFGS v3) Bespoke Tail and Base	6	Stressed ECL	267
Credit Risk – WRB	NGFS v3 Bespoke Tail and Base	6	Stressed ECL, Stranded Assets estimate	268
Operational, Technology and Cyber Risk	Intergovernmental Panel on Climate Change's (IPCC) RCP scenarios	2	Physical Risk concentration for sea-level rise risk	264
Traded Risk	Bespoke (two Physical scenarios and one Transition scenario)	3	Stressed Loss	265

Transition (T) and Physical (P) Risk scenarios

We adapted the following scenarios for our CIB and WRB businesses:

Scenario family	Scenario name	Key features
NGFS Phase 3	Net Zero 2050 (T)	Global warming limited to 1.5°C through stringent climate policies and innovation Global net zero CO_2 emissions around 2050
	Delayed Transition (T)	Strong policies will be needed to limit warming to below 2°C Annual emissions do not decrease until 2030
	Current Policies (P+T)	No additional policies beyond those currently implemented, along with slow technology change Global temperature rises over 3°C by 2100
Bespoke	In-house Base Case (P+T)	Credibility assessment of countries' current sector targets in the short to medium-term (2030) and a durability assessment of reduction commitments in the long-term (2050) Delayed transition to a low-carbon economy and a lack of early climate action resulting in a 2.5°C temperature rise by 2100
	Green Trade War Tail (T)	Impact to global trade due to introduction of the CBAM leading to trade war escalation Explores risks which are not addressed by the NGFS scenarios and may emerge over a short to medium-term horizon
	Migration Tail (P)	Increasing severe acute weather events globally impact global food prices and drive migration and displacement
IPCC (2050, 2100)	RCP 2.6 (P) RCP 4.5 (P) RCP 8.5 (P)	Pathways of greenhouse gas emissions and atmospheric concentrations, air pollutant emissions and land use to project their consequences for the climate system Current and projected hazard scores across a range of hazards such as tropical cyclones, river flood, sea-level rise, heat stress, precipitation stress, wildfire, and drought stress from Munich Re model are used

The scenarios used for CIB clients are characterised by different levels of transition and physical risk, driven by various features in each scenario.

Carbon price: increase in carbon price puts additional cost pressure on clients, squeezes the profit margin, and thus helps to determine level of potential credit losses.

Oil price: increase (or lack thereof) in oil price impacts on clients' revenues and profitability, and thus helps to determine level of potential credit losses.

Features of the NGFS and Bespoke scenarios used in a Group scenario analysis

		NGFS v3			Bespoke scenarios	
Key Variables	Year	Net Zero 2050	Delayed Transition	Current Policies	Migration Tail Physical Risk	Green Trade War Tail Transition Risk
Temperature rise	2050	**1.4°C**	**1.6°C**	**3°C+**	**NA**	**NA**
Carbon price	2030	**124**	**6**	**6**	**61**	**66**
($2015/t$CO_2$)	2050	**487**	**416**	**7**	**70**	**90**
Oil price	2030	**84**	**94**	**94**	**51**	**50**
(US$2015/boe)	2050	**107**	**118**	**125**	**41**	**41**
Gas price change (vs 2020, %)	2030	**56%**	**43%**	**43%**	**15%**	**15%**
	2050	**52%**	**54%**	**80%**	**-14%**	**-14%**
Power demand change (vs 2020, %)	2030	**27%**	**35%**	**35%**	**20%**	**20%**
	2050	**120%**	**129%**	**106%**	**75%**	**75%**
GDP baseline change (vs 2020, %)	2030	**34%**	**36%**	**36%**	**-4%**	**-5%**
	2050	**111%**	**110%**	**118%**	**-2%**	**-5%**

Scenario analysis results for CIB

We assessed the impact of climate-related risks on our corporate, sovereign, and financial institution clients covering 94 per cent of CIB exposures. This assessment, across the NGFS and Bespoke scenarios, for these clients is primarily reflective of the gross transition risks, and limited impact from physical risks. While client-level transition plans were not factored into the modelling, they were referenced to draw additional insights for priority sectors.

We used the first-generation internally developed transition risk models for NGFS scenarios in 2024, which was the first step in our journey to transition from our reliance on vendor models to in-house capabilities.

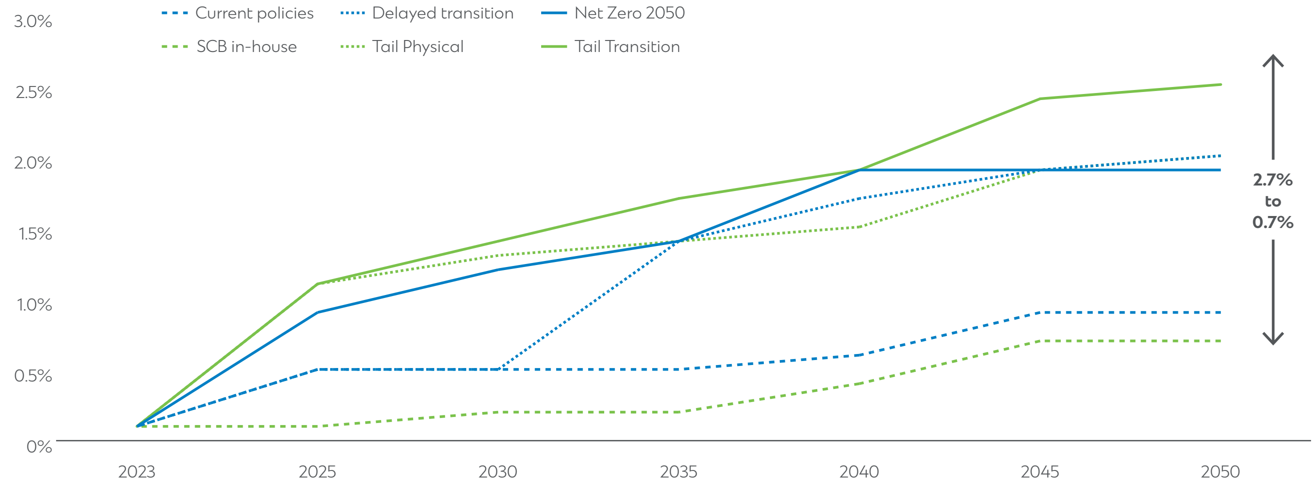
The cumulative Loan Impairment (LI) Intensity measures the level of incremental ECL against the exposure at default (EAD). This metric enables us to assess the relative size of our exposure subject to potential losses from climate risks. As the graph below illustrates, cumulative LI intensities do not go beyond three per cent during the forecast horizon for the climate scenarios considered in our scenario analysis. We expect the LI intensity to rise the most in the Green Trade War scenario (Bespoke Tail Transition Risk) and the Migration Tail scenario (Bespoke Tail Physical Risk), followed by the Delayed Transition and Net Zero 2050 scenarios, primarily driven by corporates.

The Green Trade War Tail Transition Risk scenario shows the highest LI intensity, reflecting the potential risks to the global economy and subsequent increase in credit losses that may manifest due to the climate subsidy competition and introduction of CBAM. The high LI intensity in the Migration Tail Physical Risk scenario is due to typhoons in the east Asian economic hubs along with floods in India and Pakistan leading to mass migration and drop in world GDP. The high LI intensity in the Delayed Transition scenario depicts that delayed transition will be disruptive due to a lower level of innovation that limits the ability to decarbonise effectively, and rising carbon prices that squeeze profit margins. The high LI intensity in the Net Zero 2050 scenario is reflective of the high transition risks noted by higher carbon prices, coupled with the need for greater investment to move to a low-carbon economy. Relatively lower LI intensity observed in the NGFS Current Policies scenario reflects the nascent modelling capabilities on assessing the physical risk impact to client asset locations and second-order impacts, such as that on the supply chain.

Overall, we believe that the level of potential credit losses can be mitigated by continuing to take actions, which the Group is already doing across sectors as part of its net zero roadmap, engaging with our clients on this topic and supporting clients on their transition journey.

See **page 74** for more information on the Group's transition plan

Loan Impairment Intensity for the Corporate Portfolio



Loan Impairment (LI) Intensity is calculated as gross expected credit losses (ECL) over exposure at default (EAD)

For corporate clients, we focused on the sectors in the table below that have been identified as more vulnerable to potential climate impacts. As of December 2023, these sectors represented circa 48 per cent of our corporate portfolio.

Under the NGFS scenarios assessed, sectors such as Oil and Gas, Utilities, and Automobiles and Components are most impacted, primarily due to the rise in carbon prices in the scenarios and to some extent by the consequent macroeconomic changes. For the internal scenarios, GDP crashes and second-order risks impact corporate clients across Oil and Gas, Utilities, Transportation and Construction sectors. The change in LI intensities compared with previous disclosures is due to a combination of factors including adoption of in-house models for NGFS scenarios and changes in portfolio mix, amongst others.

Loan Impairment intensities for key corporate sectors for the NGFS and Bespoke scenarios

Long Term – 2050	EAD Y0 (%)	NGFS v3 Net Zero 2050	NGFS v3 Delayed Transition	NGFS v3 Current policies	Bespoke Baseline	Bespoke Tail Transition Risk	Bespoke Tail Physical Risk
Automobiles & Components	3%	Medium	Medium	Medium	Low	Medium	Medium
Building Products, Construction & Engineering	5%	Medium	Medium	Low	Medium	Medium	Medium
Consumer Durables & Apparel	5%	Low	Low	Low	Low	Medium	Medium
CRE	9%	Medium	Medium	Low	Low	Medium	Medium
Metals & Mining	4%	Low	Low	Low	Low	Low	Low
Oil & Gas	8%	High	High	Medium	Medium	High	Medium
Telecommunication Services	1%	Low	Low	Low	Low	Medium	Low
Transportation & Storage	8%	Low	Low	Low	Medium	High	Medium
Utilities	4%	High	High	High	Medium	Medium	Medium
Total portfolio	**100%**	**Medium**	**Medium**	**Low**	**Low**	**Medium**	**Medium**

Exposure at Default (EAD) data is as of December 2023

The results are used to assess the impact of climate change on our portfolio and provide management information to monitor stressed LI over the next five-year horizon under plausible and extreme climate scenarios. The results also form part of our CRAs. While further enhancements to our modelling and risk assessment capabilities are ongoing, the results of scenario analysis have provided further validation to the actions the Group is taking in terms of our net zero ambitions and strategy. Additionally, it aligns with our management initiatives aimed at improving the data quality and building in-house modelling expertise. The results have been subject to internal governance, including review and challenge by an expert panel and discussion at the CRMC and BRC.

Scenario analysis results for WRB

WRB scenario analysis capabilities in 2024 considered the changes in portfolio mix, use of NGFS scenarios, Bespoke Base Case and short to medium-term tail risk scenarios and incorporating a more analytical and data-driven approach to management adjustments.

The impact of climate risk is captured through macroeconomic variables that are influenced under a range of climate conditions and by incorporating the following additional considerations:

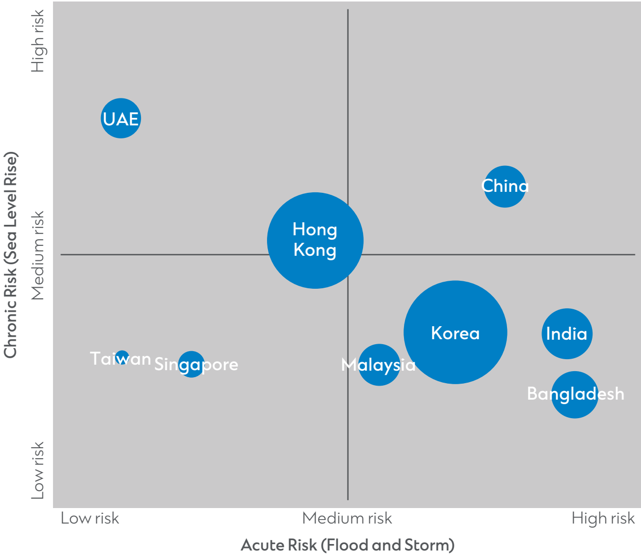
- For our key residential mortgage markets, we reassess property valuations under different climate scenarios using the forward-looking risk indices from Munich Re. These revaluations are then used to inform haircuts on the property prices and arrive at climate-adjusted ECL.
- The impact of elevated energy bills was taken into consideration for the credit card portfolio to address the transition risks for key markets.
- Stranded assets analysis was conducted for residential mortgages to account for the extreme physical risks under the NGFS Current Policies and Migration Tail Physical Risk scenarios. We define stranded assets as 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. These stranded assets are expected to see a complete erosion to the value of the property. Insurance benefits were not considered beyond 2030 to build a conservative estimate, given the potential issues around affordability and availability of insurance for such stranded assets in the longer term.

The following chart illustrates the stranded asset losses for 2050 across key residential mortgage markets under the RCP 8.5 scenario based on Munich Re's Risk Suite (Natural Hazards Edition). We examined exposure concentration 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. This analysis also considered additional details, such as age and type of the property and in-built flood defence mechanism for the acute risk and distance to coast for the chronic risk, subject to data availability.

Markets such as Korea, India, Malaysia, China, and Bangladesh exhibit a higher level of potential losses as more properties in these markets will be exposed to flood and storm risks by the year 2050. While properties in UAE exhibit a higher level of sea-level rise risk by the year 2050. It is important to note that while the management adjustments related to stranded assets and higher energy bills are data-driven, they also involve an element of judgement, and represent gross physical risk measures as they do not consider the level of adaptation measures enforced by government policies. We will continue to refine the approach to ensure its effectiveness. These results have been subject to internal governance, including review and challenge by an expert panel and discussion at the CRMC and BRC, and are shared with the first line of defence and the second line of defence for portfolio monitoring and to guide risk management strategies.

Our peak LI intensities for 2050 across the range of climate scenarios, after incorporating stranded asset overlay, do not exceed 3.1 per cent relative to the counterfactual base scenario without climate impacts. Insurance policies currently mandated in the key markets such as Hong Kong, China and UAE cover the damages that may be caused by flood and storm in the short to medium-term. In Korea, where the homeowners' insurance coverage does not fully mitigate residual physical risks, we have established zoning policies to ringfence against properties subject to high physical risk. These measures will help to ensure that the Group remains resilient to the adverse climate conditions. We also continue to actively manage the mortgage portfolio to mitigate physical risks build-up.

Expected losses due to stranded assets for retail mortgages by 2050 (December 2023 snapshot)



The size of the bubble is indicative of the gross stranded asset losses assessed for all of the residential mortgage book

Recent events in countries like Bangladesh, China, and the UAE have highlighted the increasing frequency, intensity, and unexpected nature of natural disasters. In Bangladesh, heavy monsoon rains have led to significant flooding, displacing thousands of people, and causing extensive damage to infrastructure and agriculture. Similarly, in China, floods from heavy rainfall began in Guangdong Province and spread northward, raising water levels in the Yangtze River and the Pearl River Delta, and resulted in significant flood damage and economic loss. While the UAE is typically known for its arid climate, recent storms have brought unexpected rainfall, leading to localised flooding and disruption. These events serve as a reminder of the vulnerabilities due to climate change.

Despite recent challenges, the Group has exhibited significant resilience, attributable to its robust balance sheet and risk management practices.

Limitations and next steps

Reliance on nascent methodologies, dependencies on first-generation models and data limitations are some challenges that underpin the scenario analysis. Many of these limitations are shared across the industry. Given the complexities of climate modelling, it should also be noted that the results do not include the real-world aspects, such as the non-linear shifts and complex feedback loops. As more solution providers become available and banks start to use them extensively to build internal understanding and capabilities, the transparency and sophistication of modelling methodologies and assumptions will increase.

Nonetheless, the current results provide a strategic direction of the sense of portfolio concentrations subject to potential climate losses. These results are used to inform portfolio oversight and opportunity identification with clients on their transition and adaptation pathways.

Additionally, considerable developments have been made in building capability from a people, process, and technology perspective to support stress tests and scenario analysis at both Group and country level. As we look ahead, integrating internal climate risk models within the Group's infrastructure will be a key priority for the upcoming years. The development of a management actions playbook to incorporate the elements of climate risk is under way.

Qualitative review of climate risks and opportunities in annual business strategy and financial planning

In 2024, Climate Risk was considered as part of our formal annual corporate strategy and financial planning process. We use both qualitative and quantitative aspects focusing on revenue reliance from clients in high-emitting sectors and/or locations most exposed to physical risk, considering the adequacy of mitigation plans. The results are then independently reviewed by regional and client-segment Chief Risk Officers and the ESGR Risk team. The Board considers the impact of climate risk as part of their approval of the corporate plan. The 2025 corporate plan includes an increase in LI due to the impact from Climate Risk. A revenue at risk sensitivity analysis to the corporate plan was performed over the five-year period assuming limited transition, i.e., no client transition plans and no client engagement. This was considered as a potential downside risk to the corporate plan only, given the prudent scenario.

In most cases, the Physical and Transition risks identified were assessed to be well controlled in the short to medium-term. We are instituting controls around both new and existing clients with the aim to align those client carbon emission intensities and ambitions to be commensurate with the Group's portfolios, or there are plans in place to work with the client on their transition journey. This alignment, done at a portfolio level, and done through balancing existing business with sustainable and transition finance products to clients in high-emitting sectors to help decarbonise their business models. Further our growth ambition includes sectors with lower carbon intensity or emissions such as clean and transition technology. Our Sustainable and Transition Finance product suite and our dedicated Sustainable Finance, Transition Acceleration and ESG advisory teams aim to mitigate transition risks in the short to medium-term, strengthening our resilience towards a 2°C or lower transition scenario. However, longer-term transition risks were highlighted, particularly for Africa and the Middle East region, given its dependency on fossil fuels; and longer-term physical risks were deemed to be most relevant for the Asia region.

Capital review

The Capital review provides an analysis of the Group's capital and leverage position, and requirements.

Capital summary

The Group's capital, leverage and minimum requirements for own funds and eligible liabilities (MREL) position is managed within the Board-approved risk appetite. The Group is well capitalised with low leverage and high levels of loss-absorbing capacity.

	2024	2023
CET1 capital	**14.2%**	14.1%
Tier 1 capital	**16.9%**	16.3%
Total capital	**21.5%**	21.2%
Leverage ratio	**4.8%**	4.7%
MREL ratio	**34.2%**	33.3%
Risk-weighted assets (RWA) $million	**247,065**	244,151

The Group's capital, leverage and MREL positions were all above current requirements and Board-approved risk appetite. For further detail see the Capital section in the Standard Chartered PLC Pillar 3 Disclosures for FY 2024.

The Group's CET1 capital increased 19 basis points to 14.2 per cent of RWA since FY2023. Profits, movements in FVOCI, FX translation reserves and decrease in regulatory deductions were partly offset by RWA growth and distributions (including ordinary share buybacks of $2.5 billion during the year).

The PRA updated the Group's Pillar 2A requirement during Q4 2024. As at 31 December 2024 the Group's Pillar 2A was 3.7 per cent of RWA, of which at least 2.1 per cent must be held in CET1 capital. The Group's minimum CET1 capital requirement was 10.5 per cent at 31 December 2024.

The Group CET1 capital ratio at 31 December 2024 reflects the share buybacks of $2.5 billion announced during the year. The CET1 capital ratio also includes an accrual for the FY 2024 dividend. The Board has recommended a final dividend for FY 2024 of $679 million or 28 cents per share resulting in a full year 2024 dividend of 37 cents per share, a 37 per cent increase on the 2023 dividend. In addition, the Board has announced a further share buyback of $1.5 billion, the impact of this will reduce the Group's CET1 capital by around 61 basis points in the first quarter of 2025.

The Group expects to manage CET1 capital dynamically within our 13-14 per cent target range, in support of our aim of delivering future sustainable shareholder distributions.

The Group's MREL leverage requirement as at 31 December 2024 was 27.6 per cent of RWA. This is composed of a minimum requirement of 23.7 per cent of RWA and the Group's combined buffer (comprising the capital conservation buffer, the G-SII buffer and the countercyclical buffer). The Group's MREL ratio was 34.2 per cent of RWA and 9.7 per cent of leverage exposure at 31 December 2024.

During 2024, the Group successfully raised $9.1 billion of MREL eligible securities from its holding company, Standard Chartered PLC. Issuance include $1.6 billion of Additional Tier 1 and $7.5 billion of callable senior debt.

The Group raised an additional $1.0 billion of Additional Tier 1 and $2.5 billion in senior securities post the balance sheet date, i.e. not included in the FY 2024 MREL position.

The Group is a G-SII, with a 1.0 per cent G-SII CET1 capital buffer. The Standard Chartered PLC G-SII disclosure is published at: **sc.com/financial-results**

Capital base[1] (audited)

	2024 $million	2023 $million
CET1 capital instruments and reserves		
Capital instruments and the related share premium accounts	**5,201**	5,321
Of which: share premium accounts	**3,989**	3,989
Retained earnings	**24,950**	24,930
Accumulated other comprehensive income (and other reserves)	**8,724**	9,171
Non-controlling interests (amount allowed in consolidated CET1)	**235**	217
Independently audited year-end profits	**4,072**	3,542
Foreseeable dividends	**(923)**	(768)
CET1 capital before regulatory adjustments	**42,259**	42,413
CET1 regulatory adjustments		
Additional value adjustments (prudential valuation adjustments)	**(624)**	(730)
Intangible assets (net of related tax liability)	**(5,696)**	(6,128)
Deferred tax assets that rely on future profitability (excludes those arising from temporary differences)	**(31)**	(41)
Fair value reserves related to net losses on cash flow hedges	**(4)**	(91)
Deduction of amounts resulting from the calculation of excess expected loss	**(702)**	(754)
Net gains on liabilities at fair value resulting from changes in own credit risk	**278**	(100)
Defined-benefit pension fund assets	**(149)**	(95)
Fair value gains arising from the institution's own credit risk related to derivative liabilities	**(97)**	(116)
Exposure amounts which could qualify for risk weighting of 1250%	**(44)**	(44)
Total regulatory adjustments to CET1	**(7,069)**	(8,099)
CET1 capital	**35,190**	34,314
Additional Tier 1 capital (AT1) instruments	**6,502**	5,512
AT1 regulatory adjustments	**(20)**	(20)
Tier 1 capital	**41,672**	39,806
Tier 2 capital instruments	**11,449**	11,965
Tier 2 regulatory adjustments	**(30)**	(30)
Tier 2 capital	**11,419**	11,935
Total capital	**53,091**	51,741
Total risk-weighted assets (unaudited)	**247,065**	244,151

1 Capital base is prepared on the regulatory scope of consolidation

Movement in total capital (audited)

	2024 $million	2023 $million
CET1 at 1 January	**34,314**	34,157
Ordinary shares issued in the period and share premium	**–**	–
Share buyback	**(2,500)**	(2,000)
Profit for the period	**4,072**	3,542
Foreseeable dividends deducted from CET1	**(923)**	(768)
Difference between dividends paid and foreseeable dividends	**(469)**	(372)
Movement in goodwill and other intangible assets	**432**	(326)
Foreign currency translation differences	**(525)**	(477)
Non-controlling interests	**18**	28
Movement in eligible other comprehensive income	**636**	464
Deferred tax assets that rely on future profitability	**10**	35
Decrease/(increase) in excess expected loss	**52**	(70)
Additional value adjustments (prudential valuation adjustment)	**106**	124
IFRS 9 transitional impact on regulatory reserves including day one	**2**	(106)
Exposure amounts which could qualify for risk weighting	**–**	59
Fair value gains arising from the institution's own Credit Risk related to derivative liabilities	**19**	(26)
Others	**(54)**	50
CET1 at 31 December	**35,190**	34,314
AT1 at 1 January	**5,492**	6,484
Net issuances (redemptions)	**1,015**	(1,000)
Foreign currency translation difference and others	**(25)**	8
AT1 at 31 December	**6,482**	5,492
Tier 2 capital at 1 January	**11,935**	12,510
Regulatory amortisation	**1,189**	1,416
Net issuances (redemptions)	**(1,517)**	(2,160)
Foreign currency translation difference	**(191)**	146
Tier 2 ineligible minority interest	**(3)**	19
Others	**6**	4
Tier 2 capital at 31 December	**11,419**	11,935
Total capital at 31 December	**53,091**	51,741

The main movements in capital in the period were:

- CET1 capital increased by $0.9 billion as retained profits of $4.1 billion, movement in FVOCI of $0.6 billion and a reduction in regulatory deductions and other movements of $0.6 billion were partly offset by share buybacks of $2.5 billion, distributions paid and foreseeable of $1.4 billion, foreign currency translation impact of $0.5 billion.
- AT1 capital increased by $1.0 billion following the issuance of $1.0 billion of 7.88 per cent securities and $0.6 billion of 5.30 per cent securities partly offset by the redemption of $0.6 billion of 5.38 per cent securities.
- Tier 2 capital decreased by $0.5 billion due to the redemption of $1.6 billion of Tier 2 during the year partly offset by the reversal of regulatory amortisation and foreign currency translation impact.

Risk-weighted assets by business

	2024			
	Credit risk $million	**Operational risk $million**	**Market risk $million**	**Total risk $million**
Corporate & Investment Banking	**112,100**	**19,987**	**24,781**	**156,868**
Wealth & Retail Banking	**41,002**	**9,523**	**–**	**50,525**
Ventures	**2,243**	**142**	**21**	**2,406**
Central & Other items	**33,958**	**(173)**	**3,481**	**37,266**
Total risk-weighted assets	**189,303**	**29,479**	**28,283**	**247,065**
	2023			
Corporate & Investment Banking	102,675	18,083	21,221	141,979
Wealth & Retail Banking	42,559	8,783	–	51,342
Ventures	1,885	35	3	1,923
Central & Other items	44,304	960	3,643	48,907
Total risk-weighted assets	191,423	27,861	24,867	244,151

Movement in risk-weighted assets

	Credit risk							
	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Ventures $million	Central & Other items $million	Total $million	Operational risk $million	Market risk $million	Total risk $million
At 1 January 2023	110,103	42,091	1,350	43,311	196,855	27,177	20,679	244,711
Assets growth & mix	(4,424)	728	535	1,183	(1,978)	–	–	(1,978)
Asset quality	(391)	390	–	2,684	2,683	–	–	2,683
Risk-weighted assets efficiencies	–	–	–	(688)	(688)	–	–	(688)
Model Updates	(597)	(151)	–	(151)	(899)	–	500	(399)
Methodology and policy changes	–	(196)	–	–	(196)	–	(800)	(996)
Acquisitions and disposals	(1,630)	–	–	–	(1,630)	–	–	(1,630)
Foreign currency translation	(386)	(303)	–	(2,035)	(2,724)	–	–	(2,724)
Other, Including non-credit risk movements	–	–	–	–	–	684	4,488	5,172
At 31 December 2023	**102,675**	**42,559**	**1,885**	**44,304**	**191,423**	**27,861**	**24,867**	**244,151**
Assets growth & mix	**11,412**	**341**	**358**	**(5,803)**	**6,308**	**–**	**–**	**6,308**
Asset quality	**(1,349)**	**112**	**–**	**(1,935)**	**(3,172)**	**–**	**–**	**(3,172)**
Risk-weighted assets efficiencies	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Model Updates	**1,620**	**(1)**	**–**	**–**	**1,619**	**–**	**(400)**	**1,219**
Methodology and policy changes	**38**	**39**	**–**	**–**	**77**	**–**	**(1,300)**	**(1,223)**
Acquisitions and disposals	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Foreign currency translation	**(2,296)**	**(1,207)**	**–**	**(1,374)**	**(4,877)**	**–**	**–**	**(4,877)**
Other, Including non-credit risk movements	**–**	**(841)**	**–**	**(1,234)**	**(2,075)**	**1,618**	**5,116**	**4,659**
At 31 December 2024	**112,100**	**41,002**	**2,243**	**33,958**	**189,303**	**29,479**	**28,283**	**247,065**

Movements in risk-weighted assets

RWA increased by $2.9 billion, or 1.2 per cent from 31 December 2023 to $247.1 billion. This was mainly due to decrease in Credit Risk RWA of $2.1 billion, an increase in Market Risk RWA of $3.4 billion and Operational Risk RWA of $1.6 billion.

Corporate & Investment Banking

Credit Risk RWA increased by $9.4 billion, or 9.2 per cent from 31 December 2023 to $112.1 billion mainly due to:

- $11.4 billion increase from changes in asset growth & mix, of which:
  - $9.0 billion increase from asset growth
  - $3.1 billion increase from derivatives
  - $0.8 billion decrease from optimisation actions
- $1.6 billion increase from industry-wide regulatory changes to align IRB model performance from adjustment to commercial real estate counterparties
- $2.3 billion decrease from foreign currency translation
- $1.3 billion decrease mainly due to an improvement in asset quality reflecting client upgrades

Wealth & Retail Banking

Credit Risk RWA decreased by $1.6 billion, or 3.7 per cent from 31 December 2023 to $41.0 billion mainly due to:

- $1.2 billion decrease from foreign currency translation
- $0.8 billion decrease from reclassification of credit cards in Asia
- $0.3 billion increase from changes in asset growth & mix
- $0.1 billion increase mainly due to deterioration in asset quality mainly in Asia

Ventures

Ventures is comprised of Mox Bank Limited, Trust Bank and SC Ventures. Credit Risk RWA increased by $0.4 billion, or 19 per cent from 31 December 2023 to $2.2 billion from asset balance growth, mainly from SC Ventures.

Central & Other items

Central & Other items RWA mainly relate to the Treasury Market's liquidity portfolio, equity investments and current & deferred tax assets.

Credit Risk RWA decreased by $10.3 billion, or 23.4 per cent from 31 December 2023 to $34.0 billion mainly due to:

- $5.8 billion decrease from changes in asset growth & mix primarily from optimisation activities
- $1.9 billion decrease due to improvement in asset quality mainly from sovereign upgrades in Asia and Africa
- $1.4 billion decrease from foreign currency translation
- $1.2 billion decrease due to reporting enhancements

Market Risk

Total Market Risk RWA increased by $3.4 billion, or 13.7 per cent from 31 December 2023 to $28.3 billion primarily driven by:

- $1.7 billion increase in Standardised Approach (SA) Specific Interest Rate Risk RWA mainly due to increases in the Trading Book government bond portfolio
- $2.7 billion increase in Internal Models Approach (IMA) RWA from increases in VaR and Stressed VaR RWA due mainly to increased interest rate exposures, offset by a reduction of addons for Risks not in VaR
- $1.3 billion in the first quarter decrease due to a reduction in the IMA RWA multiplier resulting from fewer back-testing exceptions

Operational Risk

- Operational Risk RWA increased by $1.6 billion, or 5.8 per cent from 31 December 2023 to $29.5 billion, mainly due to a marginal increase in average income as measured over a rolling three-year time horizon for certain products.

Leverage ratio

The Group's leverage ratio, which excludes qualifying claims on central banks, was 4.8 per cent at FY2024, which was above the current minimum requirement of 3.7 per cent. The leverage ratio was 10 basis points higher than FY2023. Leverage exposure increased by $21.2 billion from decrease in claims on central banks of $15.5 billion, an increase in Derivatives of $15.9 billion, securities financing transactions of $1.2 billion, decrease in asset amounts deducted in determining Tier 1 capital (Leverage) of $0.6 billion, partly offset by decrease in Off-balance sheet items of $5.0 billion, Other Assets of $4.7 billion, and securities financing transaction add-on of $2.4 billion. Tier 1 capital increased by $1.9 billion as CET1 capital increased by $0.9 billion and AT1 capital increased by $1.0 billion following the issuance of $1.6 billion partly offset by the redemption of $0.6 billion AT1 securities.

Leverage ratio

	31.12.24 $million	31.12.23 $million
Tier 1 capital (end point)	**41,672**	39,806
Derivative financial instruments	**81,472**	50,434
Derivative cash collateral	**11,046**	10,337
Securities financing transactions (SFTs)	**98,801**	97,581
Loans and advances and other assets	**658,369**	664,492
Total on-balance sheet assets	**849,688**	822,844
Regulatory consolidation adjustments[1]	**(76,197)**	(92,709)
Derivatives adjustments		
Derivatives netting	**(63,934)**	(39,031)
Adjustments to cash collateral	**(10,169)**	(9,833)
Net written credit protection	**2,075**	1,359
Potential future exposure on derivatives	**51,323**	42,184
Total derivatives adjustments	**(20,705)**	(5,321)
Counterparty risk leverage exposure measure for SFTs	**4,198**	6,639
Off-balance sheet items	**118,607**	123,572
Regulatory deductions from Tier 1 capital	**(7,247)**	(7,883)
Total exposure measure excluding claims on central banks	**868,344**	847,142
Leverage ratio excluding claims on central banks (%)	**4.8%**	4.7%
Average leverage exposure measure excluding claims on central banks	**894,296**	853,968
Average leverage ratio excluding claims on central banks (%)	**4.7%**	4.6%
Countercyclical leverage ratio buffer	**0.1%**	0.1%
G-SII additional leverage ratio buffer	**0.4%**	0.4%

1 Includes adjustment for qualifying central bank claims and unsettled regular way trades

Financial statements

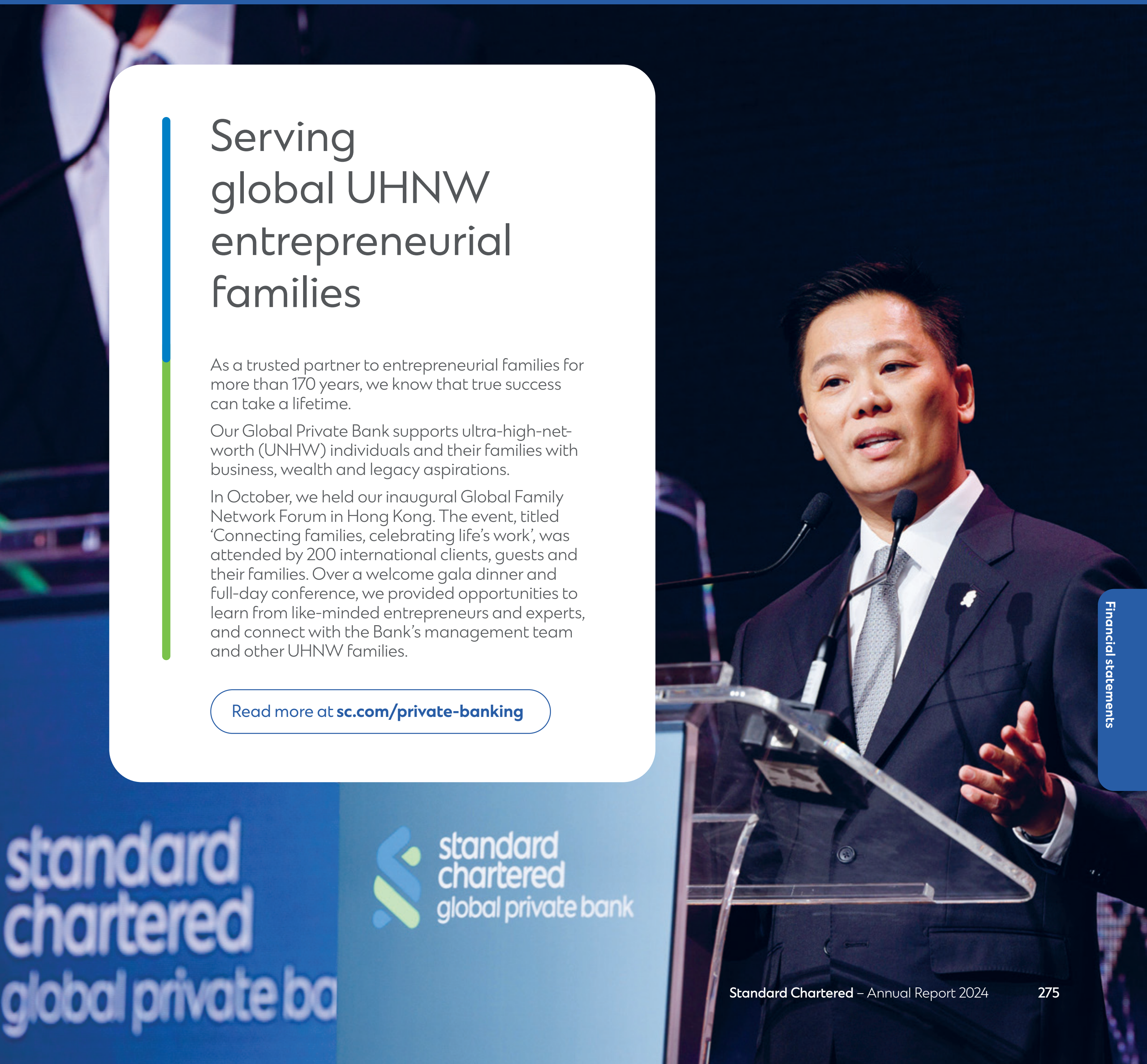
Serving global UHNW entrepreneurial families

As a trusted partner to entrepreneurial families for more than 170 years, we know that true success can take a lifetime.

Our Global Private Bank supports ultra-high-net-worth (UHNW) individuals and their families with business, wealth and legacy aspirations.

In October, we held our inaugural Global Family Network Forum in Hong Kong. The event, titled 'Connecting families, celebrating life's work', was attended by 200 international clients, guests and their families. Over a welcome gala dinner and full-day conference, we provided opportunities to learn from like-minded entrepreneurs and experts, and connect with the Bank's management team and other UHNW families.

Read more at **sc.com/private-banking**



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 from page 143 to page 173; and	
Risk Review and Capital Review disclosures marked as 'audited' from page 193 to page 274.	

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	• 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. • We performed central procedures for certain audit areas and balances as outlined in Tailoring the scope section of our report.
Key audit matters	• Credit impairment • Basis of accounting and impairment assessment of China Bohai Bank (interest in associate) • Impairment of investments in subsidiary undertakings • Valuation of financial instruments held at fair value with higher risk characteristics.
Materiality	• Overall group materiality of $340m which represents 5% of adjusted profit before tax.

An overview of the scope of the parent company and group audits

Tailoring the scope

In the current year our audit scoping has been updated to reflect the new requirements of ISA (UK) 600 (Revised). We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures, with input from our component auditors, to identify and assess risks of material misstatement of the Group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered our understanding of the Group and its business environment, the applicable financial framework, the Group's system of internal control at the entity level, the existence of centralised processes, IT application environment, and any relevant internal audit results.

We took a centralised approach to auditing certain processes and controls, as well as the substantive testing of specific balances. This included audit work over the Group's Global Business Services shared services centre (SSC), Corporate and Investment Banking (CIB) SSC, Credit Impairment SSC and Technology.

We determined that centralised audit procedures can be performed across certain components for the key audit matters outlined later in this report, and for other audit areas, including: Revenue recognition; Management override of controls; Technology costs; 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 on pages 256 to 257 in the 'Risk Review and Capital Review' section, and on pages 57 to 102 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.

Risk

Credit Impairment

Refer to the Audit Committee Report (page 124); Note 8 of the financial statements; and relevant credit risk disclosures (including pages 207 to 246)

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.

Our response to the risk

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, deferment of payment, late payment and heightened risk accounts appearing on the watchlist.

Modelled output and adjustments – With the support of our EY credit risk modelling specialists, we performed a risk assessment on models involved in the ECL calculation using EY independently determined quantitative and qualitative criteria and used this risk rating as a basis to select a sample of models to test. Based on this risk assessment, we evaluated a sample of ECL models by assessing the reasonableness of underpinning assumptions, inputs and formulae used. This included a combination of assessing the appropriateness of model design, model implementation and validation, sensitivity testing and recalculating the Probability of Default, Loss Given Default and Exposure at Default parameters. Together with our modelling specialists, we also assessed material post-model adjustments that were applied as a response to risks not fully captured by the models or for known model deficiencies. This included the completeness and appropriateness of these adjustments.

We did not rely on controls over model monitoring and therefore adopted a substantive approach comprising reperformance of model monitoring procedures for models classified as significant or higher risk in accordance with our EY independent risk assessment.

In response to the Bank's model simplification program that resulted in a number of low risk or immaterial models moving to a loss rate approach, we challenged whether there was a need for an overlay as result of the models no longer including a forward looking element as required by IFRS 9.

To evaluate data quality, we performed sample testing over the completeness and accuracy of key data elements assessed to be material to the modelled ECL output, back to source evidence.

Risk	Our response to the risk
Credit Impairment continued	**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.

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.

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.

Risk	Our response to the risk
Basis of accounting and impairment assessment of China Bohai Bank (Interest in Associate) Refer to the Audit Committee Report (page 124); Accounting policies (page 361); 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.	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.

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.

Risk	Our response to the risk
Impairment assessment of investments in subsidiary undertakings Impairment of investments in subsidiary undertakings: Accounting policies (page 361); and Note 32 of the financial statements. Refer to the Audit Committee Report (page 124). 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.	We obtained an understanding of management's process and evaluated the design of controls. Our audit strategy was fully substantive. We assessed the appropriateness of the Group's methodology for testing the impairment of investments in subsidiary undertakings for compliance with accounting standards. We agreed the NAV of the subsidiaries to their carrying value to confirm impairment or reversal of impairment recognised in the Parent`s Company financial results. We agreed the inputs in the VIU model to their source and tested the mathematical accuracy of the VIU model. We engaged EY specialists to support the audit team in assessing reasonableness of the regulatory haircut adjustment to future profitability forecasts and calculating an independent range for assumptions underlying the VIU calculations, such as the discount rate and long-term growth rate. We also reconciled the future profitability forecasts of each subsidiary to the Group's approved Corporate Plan ('the Plan'). We engaged our specialist team to determine the reasonableness of the forward macroeconomic inputs used in the Plan. We assessed the appropriateness of disclosures for impairment of investments in subsidiary undertakings in accordance with IAS 36.

Key observations communicated to the Audit Committee

Investments in subsidiary undertakings balance reported in the Parent Company financial statements and the associated disclosures, are not materially misstated as at 31 December 2024.

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

All audit work performed to address this risk was materially undertaken centrally by the Group audit team.

Risk	Our response to the risk
Valuation of financial instruments held at fair value with higher risk characteristics Refer to the Audit Committee Report (page 124); Accounting policies (page 295); 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 set out on page 297;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on pages 45 to 46;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 46;
- Directors' statement on fair, balanced and understandable set out on page 192;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 187;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 187 to 188; and
- The section describing the work of the audit committee set out on pages 123 to 128.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 192, 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.

Ernst & Young LLP

David Canning-Jones (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

21 February 2025

Consolidated income statement

For the year ended 31 December 2024

	Notes	2024 $million	2023 $million
Interest income		**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 on pages 295 to 380 form an integral part of these financial statements.

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
Assets			
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
Total assets		**849,688**	822,844
Liabilities			
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
Total liabilities		**798,404**	772,491
Equity			
Share capital and share premium account	28	**6,695**	6,815
Other reserves		**8,724**	9,171
Retained earnings		**28,969**	28,459
Total parent company shareholders' equity		**44,388**	44,445
Other equity instruments	28	**6,502**	5,512
Total equity excluding non-controlling interests		**50,890**	49,957
Non-controlling interests	29	**394**	396
Total equity		**51,284**	50,353
Total equity and liabilities		**849,688**	822,844

The notes on pages 295 to 380 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[1] $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)[12]	–	–	–	163	426	124	655	(489)	(47)[2]	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[3,4]	(115)	–	115	–	–	–	–	–	(2,000)	(2,000)	–	–	(2,000)
Other movements	–	–	–	–	–	–	–	12[5]	6	18	8[5]	110[6]	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[12]	–	–	–	(377)	442	(26)[10]	(87)	(735)	227[2,11]	(556)	–	(14)	(570)
Distributions	–	–	–	–	–	–	–	–	–	–	–	(43)	(43)
Other equity instruments issued, net of expenses	–	–	–	–	–	–	–	–	–	–	1,568[13]	–	1,568
Redemption of other equity instruments	–	–	–	–	–	–	–	–	–	–	(553)[14]	–	(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[8,9]	(120)	–	120	–	–	–	–	–	(2,500)	(2,500)	–	–	(2,500)
Other movements	–	–	–	(1)	7	–	–	210[5]	(131)[7]	85	(25)[14]	63[6]	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 on pages 295 to 380 form an integral part of these financial statements.

Cash flow statement

For the year ended 31 December 2024

	Notes	Group 2024 $million	Group 2023 $million	Company 2024 $million	Company 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	34	**2,668**	3,274	**(1,670)**	(2,847)
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)	**–**	–
Net cash (used in)/from operating activities		**(20,489)**	(5,562)	**1,572**	842
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[1]		**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
Net cash from investing activities		**11,453**	15,811	**4,087**	6,315
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)
Net cash (used in)/from financing activities		**(6,626)**	587	**(4,352)**	(4,280)
Net (decrease)/increase in cash and cash equivalents		**(15,662)**	10,836	**1,307**	2,877
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)	**–**	–
Cash and cash equivalents at end of the year	35	**89,928**	107,635	**11,601**	10,294

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).

Company balance sheet

For the year ended 31 December 2024

	Notes	2024 $million	2023 $million
Non-current assets			
Investments in subsidiary undertakings	32	**61,593**	60,791
Current assets			
Derivative financial instruments	39	**112**	80
Financial assets held at fair value through profit or loss	39	**19,049**	19,425
Investment securities	39	**5,808**	6,944
Amounts owed by subsidiary undertakings	39	**11,601**	10,294
Total current assets		**36,570**	36,743
Current liabilities			
Derivative financial instruments	39	**1,065**	1,104
Amounts owed to subsidiary undertakings	39	**35**	-
Financial liabilities held at fair value through profit or loss	39	**16,852**	16,704
Other creditors		**959**	650
Total current liabilities		**18,911**	18,458
Net current assets		**17,659**	18,285
Total assets less current liabilities		**79,252**	79,076
Non-current liabilities			
Debt securities in issue	39	**18,167**	17,142
Subordinated liabilities and other borrowed funds	39	**7,661**	9,248
Total non-current liabilities		**25,828**	26,390
Total assets less liabilities		**53,424**	52,686
Equity			
Share capital and share premium account	28	**6,695**	6,815
Other reserves		**17,538**	17,409
Retained earnings		**22,691**	22,952
Total shareholders' equity		**46,924**	47,176
Other equity instruments	28	**6,500**	5,510
Total equity		**53,424**	52,686

The Company has taken advantage of the exemption in section 408 of the Companies Act 2006 not to present its individual statement of comprehensive income and related notes that form a part of these financial statements. The Company profit for the period after tax is $3,408 million (31 December 2023: $4,205 million).

The notes on pages 295 to 380 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

Company statement of changes in equity

For the year ended 31 December 2024

	Share capital and share premium account $million	Capital and merger reserve[1] $million	Own credit adjustment reserve $million	Cash flow hedge reserve $million	Retained earnings $million	Other equity instruments $million	Total $million
As at 1 January 2023	6,930	17,338	(19)	(48)	21,791	6,502	52,494
Profit for the year[2]	–	–	–	–	4,205	–	4,205
Other comprehensive income[8]	–	–	11	12	–	–	23
Treasury shares net movement	–	–	–	–	(189)	–	(189)
Share option expenses	–	–	–	–	170	–	170
Dividends on ordinary shares	–	–	–	–	(568)	–	(568)
Dividends on preference share and AT1 securities	–	–	–	–	(452)	–	(452)
Redemption of other equity instruments	–	–	–	–	–	(1,000)	(1,000)
Share buyback[3,4]	(115)	115	–	–	(2,000)	–	(2,000)
Other Movements[5]	–	–	–	–	(5)	8	3
As at 31 December 2023	**6,815**	**17,453**	**(8)**	**(36)**	**22,952**	**5,510**	**52,686**
Profit for the year[2]	**–**	**–**	**–**	**–**	**3,408**	**–**	**3,408**
Other comprehensive (loss)/income[8]	**–**	**–**	**(11)**	**20**	**–**	**–**	**9**
Other equity instruments issued, net of expenses	**–**	**–**	**–**	**–**	**–**	**1,568**	**1,568**
Treasury shares net movement	**–**	**–**	**–**	**–**	**(168)**	**–**	**(168)**
Share option expenses	**–**	**–**	**–**	**–**	**250**	**–**	**250**
Dividends on ordinary shares	**–**	**–**	**–**	**–**	**(780)**	**–**	**(780)**
Dividends on preference share and AT1 securities	**–**	**–**	**–**	**–**	**(457)**	**–**	**(457)**
Redemption of other equity instruments	**–**	**–**	**–**	**–**	**–**	**(553)**	**(553)**
Share buyback[6,7]	**(120)**	**120**	**–**	**–**	**(2,500)**	**–**	**(2,500)**
Other Movements[5]	**–**	**–**	**–**	**–**	**(14)**	**(25)**	**(39)**
As at 31 December 2024	**6,695**	**17,573**	**(19)**	**(16)**	**22,691**	**6,500**	**53,424**

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

2 Includes dividend received of $2,395 million (2023: $2,789 million) from Standard Chartered Holding Limited

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 mainly related to Translation adjustment and AT1 Securities charges

6 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

7 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 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

8 All the amounts are net of tax

Note 28 includes a description of each reserve.

The notes on pages 295 to 380 form an integral part of these financial statements.

Contents – Notes to the financial statements

Notes to the financial statements

1. Accounting policies

Statement of compliance
The Group financial statements consolidate Standard Chartered 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 (page 207) to the end of Other principal risks in the same section (page 255).

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' (pages 271 to 272).

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.

1. Accounting policies continued

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.

1. Accounting policies continued

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.

Restructuring items excluded from underlying results

The Group's reported IFRS performance is adjusted for certain items to arrive at alternative performance measures. These items include profits or losses of a capital nature, amounts consequent to investment transactions driven by strategic intent, other infrequent and/or exceptional transactions that are significant or material in the context of the Group's normal business earnings for the period and items which management and investors would ordinarily identify separately when assessing consistent performance period by period. The alternative performance measures are not within the scope of IFRS and not a substitute for IFRS measures. These adjustments are set out below.

Restructuring loss of $441 million primarily relate to the exits in AME, Aviation finance business and reflect the impact of actions to transform the organisation to improve productivity, primarily additional redundancy charges, simplifying technology platforms and optimising the Group's office space and property footprint, Fit For Growth costs that are primarily severance costs, costs of staff working on FFG initiatives and legal and professional fees. The Group is also reclassifying the movements in the Debit Valuation Adjustment (DVA) into restructuring and other items.

Reconciliations between underlying and reported results are set out in the tables below:

	2024						
	Underlying $million	Restructuring[3] $million	Net (loss)/ Gain on businesses disposed of/ held for sale[1] $million	Goodwill impairment[4] $million	Other items[2] $million	DVA $million	Reported $million
Operating income	**19,696**	**103**	**(232)**	**–**	**–**	**(24)**	**19,543**
Operating expenses	**(11,790)**	**(612)**	**–**	**–**	**(100)**	**–**	**(12,502)**
Operating profit/(loss) before impairment losses and taxation	**7,906**	**(509)**	**(232)**	**–**	**(100)**	**(24)**	**7,041**
Credit impairment	**(557)**	**10**	**–**	**–**	**–**	**–**	**(547)**
Other impairment	**(588)**	**–**	**–**	**–**	**–**	**–**	**(588)**
Profit from associates and joint ventures	**50**	**58**	**–**	**–**	**–**	**–**	**108**
Profit/(loss) before taxation	**6,811**	**(441)**	**(232)**	**–**	**(100)**	**(24)**	**6,014**
	2023						
Operating income	17,378	362	262	–	–	17	18,019
Operating expenses	(11,136)	(415)	–	–	–	–	(11,551)
Operating profit/(loss) before impairment losses and taxation	6,242	(53)	262	–	–	17	6,468
Credit impairment	(528)	20	–	–	–	–	(508)
Other impairment	(130)	(28)	–	(850)	–	–	(1,008)
Profit from associates and joint ventures	94	47	–	–	–	–	141
Profit/(loss) before taxation	5,678	(14)	262	(850)	–	17	5,093

1 Net loss on businesses disposed of/ held for sale 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

2 Other items 2024 include $100 million charge relating to Korea equity linked securities (ELS) portfolio

3 Restructuring Operating expenses 2024 includes $156m of Fit For Growth costs that are primarily severance costs, costs of staff working on FFG initiatives and legal and professional fees

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

2. Segmental information continued

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[4]	**–**	**–**	**–**	**–**	**–**	–	–	–	(850)	(850)
DVA	**(24)**	**–**	**–**	**–**	**(24)**	17	–	–	–	17
Other items[3]	**–**	**(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)[1]	**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[2]	**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[1]	**–**	**–**	**–**	**(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

2. Segmental information continued

Additional segmental information (reported)

	Hong Kong $million	Korea $million	China $million	Taiwan $million	Singapore $million	India $million	UAE $million	UK $million	US $million	Other $million	Group $million
						2024					
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					
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[1]	**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

1 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)
Net fees and commission	**3,734**	3,252

4. Net fees and commission continued

	2024					2023				
	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Ventures $million	Central & other items $million	Total $million	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Ventures $million	Central & other items $million	Total $million
Transaction Services	1,456	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)
Net fees and commission	1,938	1,855	52	(111)	3,734	1,753	1,538	43	(82)	3,252

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[1]	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)

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[1]	**(210)**	351
Dividend income	**5**	15
Other[2]	**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 (page 143).

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 and0.05 per cent for long-term liabilities.

8. Credit impairment

Accounting policy

Significant accounting estimates and judgements

The Group's expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions. The significant judgements in determining expected credit loss include:

- The Group's criteria for assessing if there has been a significant increase in credit risk;
- Development of expected credit loss models, including the choice of inputs relating to macroeconomic variables;
- Determining estimates of forward looking macroeconomic forecasts;
- Evaluation of management overlays and post-model adjustments;
- Determination of probability weightings for Stage 3 individually assessed provisions

The calculation of credit impairment provisions also involves expert credit judgement to be applied by the credit risk management team based upon counterparty information they receive from various sources including relationship managers and on external market information. Details on the approach for determining expected credit loss can be found in the credit risk section, under IFRS 9 Methodology (page 236).

Estimates of forecasts of key macroeconomic variables underlying the expected credit loss calculation can be found within the Risk review, Key assumptions and judgements in determining expected credit loss (page 238).

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.

8. Credit impairment continued

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

1 Purchased or originated credit-impaired assets do not attract an expected credit loss provision on initial recognition. An expected credit loss provision will be recognised only if there is an increase in expected credit losses from that considered at initial recognition

2 Debt and treasury securities classified as fair value through other comprehensive income (FVOCI) are held at fair value on the face of the balance sheet. The expected credit loss attributed to these instruments is held as a separate reserve within other comprehensive income (OCI) and is recycled to the profit and loss account along with any fair value measurement gains or losses held within FVOCI when the applicable instruments are derecognised

3 Expected credit loss on loan commitments and financial guarantees is recognised as a liability provision. Where a financial instrument includes both a loan (i.e. financial asset component) and an undrawn commitment (i.e. loan commitment component), and it is not possible to separately identify the expected credit loss on these components, expected credit loss amounts on the loan commitment are recognised together with expected credit loss amounts on the financial asset. To the extent the combined expected credit loss exceeds the gross carrying amount of the financial asset, the expected credit loss is recognised as a liability provision

Recognition

12 months expected credit losses (stage 1)

Expected credit losses are recognised at the time of initial recognition of a financial instrument and represent the lifetime cash shortfalls arising from possible default events up to 12 months into the future from the balance sheet date. Expected credit losses continue to be determined on this basis until there is either a significant increase in the credit risk of an instrument or the instrument becomes credit-impaired. If an instrument is no longer considered to exhibit a significant increase in credit risk, expected credit losses will revert to being determined on a 12-month basis.

Significant increase in credit risk (Stage 2)

Significant increase in credit risk is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination (after taking into account the passage of time). Significant does not mean statistically significant nor is it assessed in the context of changes in expected credit loss. Whether a change in the risk of default is significant or not is assessed using a number of quantitative and qualitative factors, the weight of which depends on the type of product and counterparty. Financial assets that are 30 or more days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk. For less material portfolios where a loss rate or roll rate approach is applied to compute expected credit loss, significant increase in credit risk is primarily based on 30 days past due.

Quantitative factors include an assessment of whether there has been significant increase in the forward-looking probability of default (PD) since origination. A forward-looking PD is one that is adjusted for future economic conditions to the extent these are correlated to changes in credit risk. We compare the residual lifetime PD at the balance sheet date to the residual lifetime PD that was expected at the time of origination for the same point in the term structure and determine whether both the absolute and relative change between the two exceeds predetermined thresholds. To the extent that the differences between the measures of default outlined exceed the defined thresholds, the instrument is considered to have experienced a significant increase in credit risk (see page 244 to 245).

Qualitative factors assessed include those linked to current credit risk management processes, such as lending placed on non-purely precautionary early alert (and subject to closer monitoring).

A non-purely precautionary early alert account is one which exhibits risk or potential weaknesses of a material nature requiring closer monitoring, supervision, or attention by management. Weaknesses in such a borrower's account, if left uncorrected, could result in deterioration of repayment prospects and the likelihood of being downgraded. Indicators could include a rapid erosion of position within the industry, concerns over management's ability to manage operations, weak/deteriorating operating results, liquidity strain and overdue balances among other factors.

8. Credit impairment continued

Credit-impaired (or defaulted) exposures (Stage 3)
Financial assets that are credit-impaired (or in default) represent those that are at least 90 days past due in respect of principal and/or interest. Financial assets are also considered to be credit-impaired where the obligors are unlikely to pay on the occurrence of one or more observable events that have a detrimental impact on the estimated future cash flows of the financial asset. It may not be possible to identify a single discrete event but instead the combined effect of several events may cause financial assets to become credit-impaired.

- Evidence that a financial asset is credit-impaired includes observable data about the following events:
- Significant financial difficulty of the issuer or borrower;
- Breach of contract such as default or a past due event;
- For economic or contractual reasons relating to the borrower's financial difficulty, the lenders of the borrower have granted the borrower concession/s that lenders would not otherwise consider. This would include forbearance actions (page 226);
- 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 (see page 245)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 forborne.

Expected credit loss for modified financial assets that have not been derecognised and are not considered to be credit-impaired will be recognised on a 12-month basis, or a lifetime basis, if there is a significant increase in credit risk. These assets are assessed (by comparison to the origination date) to determine whether there has been a significant increase in credit risk subsequent to the modification. Although loans may be modified for non-credit reasons, a significant increase in credit risk may occur. In addition to the recognition of modification gains and losses, the revised carrying value of modified financial assets will impact the calculation of expected credit losses, with any increase or decrease in expected credit loss recognised within impairment.

8. Credit impairment continued

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

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

- At least a year has passed with no default based upon the forborne contract terms
- The customer is likely to repay its obligations in full without realising security
- The customer has no accumulated impairment against amount outstanding (except for ECL)

Subsequent to the criteria above, a further two-year probation period has to be fulfilled, whereby regular payments are made by the customer and none of the exposures to the customer are more than 30 days past due.

	2024 $million	2023 $million
Net credit impairment on loans and advances to banks and customers	590	606
Net credit impairment on debt securities[1]	(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[1]	**547**	508

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

Financial statements

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[1]
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.

10. Taxation continued

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 $million	2024 %	2023 $million	2023 %
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[1]	**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.

Tax recognised in other comprehensive income	**2024 Current tax $million**	**2024 Deferred tax $million**	**2024 Total $million**	2023 Current tax $million	2023 Deferred tax $million	2023 Total $million
Items that will not be reclassified to income statement	**(16)**	**113**	**97**	–	(107)	(107)
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
Items that may be reclassed subsequently to income statement	**(7)**	**(30)**	**(37)**	–	(129)	(129)
Debt instruments at fair value through other comprehensive income	**(7)**	**(44)**	**(51)**	–	(17)	(17)
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:

Current tax comprises:	**2024 $million**	2023 $million
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)

10. Taxation continued

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

Deferred tax comprises:	At 1 January 2024 $million	Exchange & other adjustments $million	(Charge)/credit to profit $million	(Charge)/credit to equity $million	At 31 December 2024 $million
Accelerated tax depreciation	(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.

10. Taxation continued

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[1]	**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[1]:		
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 (page 298) 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	• Providing financing and originating assets to earn interest income as primary income stream • Performing credit risk management activities • Costs include funding costs, transaction costs and impairment losses	• Global Banking • Transaction Banking • Retail Lending • Treasury Markets (Loans and Borrowings)	• Loans and advances • Debt securities
Hold to collect and sell	Business objective met through both hold to collect and by selling financial assets	• Portfolios held for liquidity needs; or where a certain interest yield profile is maintained; or that are normally rebalanced to achieve matching of duration of assets and liabilities • Income streams come from interest income, fair value changes, and impairment losses	• Treasury Markets	• Debt securities
Fair value through profit or loss	All other business objectives, including trading and managing financial assets on a fair value basis	• Assets held for trading • Assets that are originated, purchased, and sold for profit taking or underwriting activity • Performance of the portfolio is evaluated on a fair value basis • Income streams are from fair value changes or trading gains or losses	• Treasury Markets • All other business lines	• Derivatives • Equity shares • Trading portfolios • Reverse repos • Bond and Loan Syndication

13. Financial instruments continued

Financial assets which have SPPI characteristics and that are held within a business model whose objective is to hold financial assets to collect contractual cashflows (hold to collect) are recorded at amortised cost. Conversely, financial assets which have SPPI characteristics but are held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets (Hold to collect and sell) are classified as held at FVOCI. Both hold to collect and hold to collect and sell business models involve holding financial assets to collect the contractual cashflows. However, the business models are distinct by reference to the frequency and significance that asset sales play in meeting the objective under which a particular group of financial assets is managed. Hold to collect business models are characterised by asset sales that are incidental to meeting the objectives under which a group of assets is managed. Sales of assets under a hold to collect business model can be made to manage increases in the credit risk of financial assets but sales for other reasons should be infrequent or insignificant. Cashflows from the sale of financial assets under a hold to collect and sell business model by contrast are integral to achieving the objectives under which a particular group of financial assets are managed. This may be the case where frequent sales of financial assets are required to manage the Group's daily liquidity requirements or to meet regulatory requirements to demonstrate liquidity of financial instruments. Sales of assets under hold to collect and sell business models are therefore both more frequent and more significant in value than those under the hold to collect model.

Equity instruments designated as held at FVOCI
Non-trading equity instruments acquired for strategic purposes rather than capital gain may be irrevocably designated at initial recognition as held at FVOCI on an instrument-by-instrument basis. Dividends received are recognised in profit or loss. Gains and losses arising from changes in the fair value of these instruments, including foreign exchange gains and losses, are recognised directly in equity and are never reclassified to profit or loss even on derecognition.

Mandatorily classified at fair value through profit or loss
Financial assets and liabilities which are mandatorily held at fair value through profit or loss are split between two subcategories as follows:

Trading, including:

- Financial assets and liabilities held for trading, which are those acquired principally for the purpose of selling in the short-term
- Derivatives

Non-trading mandatorily at fair value through profit or loss, including:

- Instruments in a business which has a fair value business model (see the Group's business model assessment) which are not trading or derivatives
- Hybrid financial assets that contain one or more embedded derivatives
- Financial assets that would otherwise be measured at amortised cost or FVOCI but which do not have SPPI characteristics
- Equity instruments that have not been designated as held at FVOCI
- Financial liabilities that constitute contingent consideration in a business combination

Designated at fair value through profit or loss
Financial assets and liabilities may be designated at fair value through profit or loss when the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities on a different basis ('accounting mismatch').

Financial liabilities may also be designated at fair value through profit or loss where they are managed on a fair value basis or have an embedded derivative where the Group is not able to separately value, and thus bifurcate, the embedded derivative component.

Financial liabilities held at amortised cost
Financial liabilities that are not financial guarantees or loan commitments and that are not classified as financial liabilities held at fair value through profit or loss are classified as financial liabilities held at amortised cost.

Preference shares which carry a mandatory coupon that represents a market rate of interest at the issue date, or which are redeemable on a specific date or at the option of the shareholder are classified as financial liabilities and are presented in other borrowed funds. The dividends on these preference shares are recognised in the income statement as interest expense on an amortised cost basis using the effective interest method.

13. Financial instruments continued

Financial guarantee contracts and loan commitments
The Group issues financial guarantee contracts and loan commitments in return for fees. Financial guarantee contracts and any loan commitments issued at below-market interest rates are initially recognised at their fair value as a financial liability, and subsequently measured at the higher of the initial value less the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers and their expected credit loss provision. Loan commitments may be designated at fair value through profit or loss where that is the business model under which such contracts are held.

Fair value of financial assets and liabilities
The fair value of financial instruments is generally measured on the basis of the individual financial instrument. However, when a group of financial assets and financial liabilities is managed on the basis of its net exposure to either market risk or credit risk, the fair value of the group of financial instruments is measured on a net basis.

The fair values of quoted financial assets and liabilities in active markets are based on current prices. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If the market for a financial instrument, and for unlisted securities, is not active, the Group establishes fair value by using valuation techniques.

Initial recognition
Regular way purchases and sales of financial assets held at fair value through profit or loss, and held at fair value through other comprehensive income are initially recognised on the trade date (the date on which the Group commits to purchase or sell the asset). Loans and advances and other financial assets held at amortised cost are recognised on the settlement date (the date on which cash is advanced to the borrowers).

All financial instruments are initially recognised at fair value, which is normally the transaction price, plus directly attributable transaction costs for financial assets and liabilities which are not subsequently measured at fair value through profit or loss.

In certain circumstances, the initial fair value may be based on a valuation technique which may lead to the recognition of profits or losses at the time of initial recognition. However, these profits or losses can only be recognised when the valuation technique used is based solely on observable market data. In those cases where the initially recognised fair value is based on a valuation model that uses unobservable inputs, the difference between the transaction price and the valuation model is not recognised immediately in the income statement, it will be recognised in profit or loss following the passage of time, or as the inputs become observable, or the transaction matures or is terminated.

Subsequent measurement
Financial assets and financial liabilities held at amortised cost
Financial assets and financial liabilities held at amortised cost are subsequently carried at amortised cost using the effective interest method (see 'Interest income and expense'). Foreign exchange gains and losses are recognised in the income statement.

Where a financial instrument carried at amortised cost is the hedged item in a qualifying fair value hedge relationship, its carrying value is adjusted by the fair value gain or loss attributable to the hedged risk.

Financial assets held at FVOCI
Debt instruments held at FVOCI are subsequently carried at fair value, with all unrealised gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in a separate component of equity. Foreign exchange gains and losses on the amortised cost are recognised in income. Changes in expected credit losses are recognised in the profit or loss and are accumulated in equity. On derecognition, the cumulative fair value gains or losses, net of the cumulative expected credit loss reserve, are transferred to the profit or loss.

Equity investments designated at FVOCI are subsequently carried at fair value with all unrealised gains and losses arising from changes in fair value (including any related foreign exchange gains or losses) recognised in other comprehensive income and accumulated in a separate component of equity. On derecognition, the cumulative reserve is transferred to retained earnings and is not recycled to profit or loss.

Financial assets and liabilities held at fair value through profit or loss
Gains and losses arising from changes in fair value, including contractual interest income or expense, recorded in the net trading income line in the profit or loss.

13. Financial instruments continued

Derecognition of financial instruments

Financial assets which are subject to commercial refinancing where the loan is priced to the market with no payment related concessions regardless of form of legal documentation or nature of lending will be derecognised. Where the Group's rights to the cash flows under the original contract have expired, the old loan is derecognised and the new loan is recognised at fair value. For all other modifications for example forborne loans or restructuring, whether or not a change in the cash flows is 'substantially different' is judgemental and will be considered on a case-by-case basis, taking into account all the relevant facts and circumstances.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss except for equity instruments elected FVOCI (see above) and cumulative fair value adjustments attributable to the credit risk of a liability, that are held in other comprehensive income.

Financial liabilities are derecognised when they are extinguished. A financial liability is extinguished when the obligation is discharged, cancelled or expires and this is evaluated both qualitatively and quantitatively. However, where a financial liability has been modified, it is derecognised if the difference between the modified cash flows and the original cash flows is more than 10 per cent, or if less than 10 per cent, the Group will perform a qualitative assessment to determine whether the terms of the two instruments are substantially different.

If the Group purchases its own debt, it is derecognised and the difference between the carrying amount of the liability and the consideration paid is included in 'Other income' except for the cumulative fair value adjustments attributable to the credit risk of a liability that are held in Other comprehensive income, which are never recycled to the profit or loss.

Modified financial instruments

Financial assets and financial liabilities whose original contractual terms have been modified, including those loans subject to forbearance strategies, are considered to be modified instruments. Modifications may include changes to the tenor, cash flows and or interest rates among other factors.

Where derecognition of financial assets is appropriate (see Derecognition), the newly recognised residual loans are assessed to determine whether the assets should be classified as purchased or originated credit-impaired assets (POCI).

Where derecognition is not appropriate, the gross carrying amount of the applicable instruments is recalculated as the present value of the renegotiated or modified contractual cash flows discounted at the original effective interest rate (or credit adjusted effective interest rate for POCI financial assets). The difference between the recalculated values and the pre-modified gross carrying values of the instruments are recorded as a modification gain or loss in the profit or loss.

Gains and losses arising from modifications for credit reasons are recorded as part of 'Credit Impairment' (see Credit Impairment policy). Modification gains and losses arising from non-credit reasons are recognised either as part of 'Credit Impairment' or within income depending on whether there has been a change in the credit risk on the financial asset subsequent to the modification. Modification gains and losses arising on financial liabilities are recognised within income. The movements in the applicable expected credit loss loan positions are disclosed in further detail in Risk Review.

13. Financial instruments continued

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

Assets	Notes	Assets at fair value: Trading $million	Assets at fair value: Derivatives held for hedging $million	Assets at fair value: Non-trading mandatorily at fair value through profit or loss $million	Assets at fair value: Designated at fair value through profit or loss $million	Assets at fair value: Fair value through other comprehensive income $million	Assets at fair value: Total financial assets at fair value $million	Assets held at amortised cost $million	Total $million
Cash and balances at central banks[1]		–	–	–	–	–	–	63,447	63,447
Financial assets held at fair value through profit or loss									
Loans and advances to banks[2]		2,213	–	–	–	–	2,213	–	2,213
Loans and advances to customers[2]		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[2,3]	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[2]	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
Total at 31 December 2024		169,981	2,566	86,372	75	89,419	348,413	478,678	827,091
Cash and balances at central banks[1]							–	69,905	69,905
Financial assets held at fair value through profit or loss									
Loans and advances to banks[2]		2,265	–	–	–	–	2,265	–	2,265
Loans and advances to customers[2]		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[2,3]	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[2]	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
Total at 31 December 2023		123,022	2,101	72,455	78	104,320	301,976	497,633	799,609

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 (pages 193 to 274)

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

13. Financial instruments continued

Liabilities	Notes	Liabilities at fair value: Trading $million	Derivatives held for hedging $million	Designated at fair value through profit or loss $million	Total financial liabilities at fair value $million	Amortised cost $million	Total $million
Financial liabilities held at fair value through profit or loss							
Deposits by banks		**–**	**–**	**1,893**	**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**
Total at 31 December 2024		**95,490**	**2,027**	**70,009**	**167,526**	**621,419**	**788,945**
Financial liabilities held at fair value through profit or loss							
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
Total at 31 December 2023		66,292	3,314	69,551	139,157	623,677	762,834

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.

13. Financial instruments continued

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)**	**–**
Total Assets	**235,017**	**(54,744)**	**180,273**	**(60,280)**	**(113,806)**	**6,187**
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)**	**–**
Total Liabilities	**182,479**	**(54,744)**	**127,735**	**(60,280)**	**(56,717)**	**10,738**
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)	–
Total Assets	209,342	(61,327)	148,015	(39,293)	(106,021)	2,701
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)	–
Total Liabilities	170,929	(61,327)	109,602	(39,293)	(63,878)	6,431

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.

13. Financial instruments continued

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 (page 320)
- In determining the valuation of financial instruments, the Group makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 assets, and the significant valuation judgements in respect of Level 3 instruments (page 325)
- Where the estimated measurement of fair value is more judgemental in respect of Level 3 assets, these are valued based on models that use a significant degree of non-market-based unobservable inputs

Valuation techniques

Refer to the fair value hierarchy explanation – Level 1, 2 and 3 (page 322)

- **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

13. Financial instruments continued

- **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
Total	167	51	218	249	(82)	167
Income deferrals						
Day 1 and other deferrals	109	29	138	186	(77)	109
Total	109	29	138	186	(77)	109

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.

13. Financial instruments continued

- **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.

13. Financial instruments continued

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

Assets	2024 Level 1 $million	2024 Level 2 $million	2024 Level 3 $million	2024 Total $million	2023 Level 1 $million	2023 Level 2 $million	2023 Level 3 $million	2023 Total $million
Financial instruments held at fair value through profit or loss								
Loans and advances to banks	**–**	**2,213**	**–**	**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[1]	**7**	**4,860**	**399**	**5,266**	4	4,062	346	4,412
Issued by financial institutions[1]	**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[1]	**–**	**490**	**–**	**490**	820	3,236	–	4,056
Issued by financial institutions[1]	**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
Total assets at 31 December[2]	**88,299**	**252,056**	**8,053**	**348,408**	85,654	209,608	6,714	301,976
Liabilities								
Financial instruments held at fair value through profit or loss								
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
Total liabilities at 31 December	**9,208**	**153,381**	**4,937**	**167,526**	7,901	128,296	2,960	139,157

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.

13. Financial instruments continued

Fair value hierarchy – financial instruments measured at amortised cost

The following table shows the carrying amounts and incorporates the Group's estimate of fair values of those financial assets and liabilities not presented on the Group's balance sheet at fair value. These fair values may be different from the actual amount that will be received or paid on the settlement or maturity of the financial instrument. For certain instruments, the fair value may be determined using assumptions for which no observable prices are available.

	2024					2023				
	Carrying value $million	Fair value Level 1 $million	Level 2 $million	Level 3 $million	Total $million	Carrying value $million	Fair value Level 1 $million	Level 2 $million	Level 3 $million	Total $million
Assets										
Cash and balances at central banks[1]	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[2]	55,137	–	53,050	24	53,074	56,935	–	54,419	33	54,452
Other assets[1]	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
Total assets at 31 December	**478,678**	**58**	**235,447**	**239,648**	**475,153**	497,633	101	261,398	226,303	487,802
Liabilities										
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[1]	44,047	–	44,047	–	44,047	38,663	–	38,663	–	38,663
Liabilities held for sale	360	89	271	–	360	726	54	672	–	726
Total liabilities at 31 December	**621,419**	**41,897**	**575,848**	**–**	**617,745**	623,677	42,428	571,098	–	613,526

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[1]

	2024						2023					
	Carrying value			Fair value			Carrying value			Fair value		
	Stage 3 $million	Stage 1 and stage 2 $million	Total $million	Stage 3 $million	Stage 1 and stage 2 $million	Total $million	Stage 3 $million	Stage 1 and stage 2 $million	Total $million	Stage 3 $million	Stage 1 and stage 2 $million	Total $million
Corporate & Investment Banking	1,298	137,006	138,304	1,174	137,234	138,408	1,975	128,430	130,405	1,910	125,841	127,751
Wealth & Retail 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
At 31 December	**2,255**	**278,777**	**281,032**	**2,130**	**277,438**	**279,568**	2,908	284,067	286,975	2,840	276,843	279,683

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)

13. Financial instruments continued

Fair value of financial instruments

Level 3 Summary and significant unobservable inputs

The following table presents the Group's primary Level 3 financial instruments which are held at fair value. The table also presents the valuation techniques used to measure the fair value of those financial instruments, the significant unobservable inputs, the range of values for those inputs and the weighted average of those inputs:

Instrument	Value as at 31 December 2024 Assets $million	Value as at 31 December 2024 Liabilities $million	Principal valuation technique	Significant unobservable inputs	Range[1]	Weighted average[2]
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%
Total	**8,053**	**4,937**				

1 The ranges of values shown in the above table represent the highest and lowest levels used in the valuation of the Group's Level 3 financial instruments as at 31 December 2024. The ranges of values used are reflective of the underlying characteristics of these Level 3 financial instruments based on the market conditions at the balance sheet date. However, these ranges of values may not represent the uncertainty in fair value measurements of the Group's Level 3 financial instruments

2 Weighted average for non-derivative financial instruments has been calculated by weighting inputs by the relative fair value. Weighted average for derivatives has been provided by weighting inputs by the risk relevant to that variable. N/A has been entered for the cases where weighted average is not a meaningful indicator

13. Financial instruments continued

Instrument	Value as at 31 December 2023 Assets $million	Liabilities $million	Principal valuation technique	Significant unobservable inputs	Range[1]	Weighted average[2]
Loans and advances to customers	1,960	–	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
Total	6,714	2,960				

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

13. Financial instruments continued

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

- **Comparable price/yield** is a valuation methodology in which the price of a comparable instrument is used to estimate the fair value where there are no direct observable prices. Yield is the interest rate that is used to discount the future cash flows in a discounted cash flow model. Valuation using comparable instruments can be done by calculating an implied yield (or spread over a liquid benchmark) from the price of a comparable instrument, then adjusting that yield (or spread) to derive a value for the instrument. The adjustment should account for relevant differences in the financial instruments such as maturity and/or credit quality. Alternatively, a price-to-price basis can be assumed between the comparable instrument and the instrument being valued in order to establish the value of the instrument (for example, deriving a fair value for a junior unsecured bond from the price of a senior secured bond). An increase in price, in isolation, would result in a favourable movement in the fair value of the asset. An increase in yield, in isolation, would result in an unfavourable movement in the fair value of the asset
- **Correlation** is the measure of how movement in one variable influences the movement in another variable. An equity correlation is the correlation between two equity instruments, an interest rate correlation refers to the correlation between two swap rates, while commodity correlation is correlation between two commodity underlying prices
- **Commodity price** curves is the term structure for forward rates over a specified period
- **Credit spread** represents the additional yield that a market participant would demand for taking exposure to the Credit Risk of an instrument
- **Discount rate** refers to the rate of return used to convert expected cash flows into present value
- **Equity-FX correlation** is the correlation between equity instrument and foreign exchange instrument
- **EV/EBITDA multiple** is the ratio of Enterprise Value (EV) to Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA). EV is the aggregate market capitalisation and debt minus the cash and cash equivalents. An increase in EV/EBITDA 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

13. Financial instruments continued

Level 3 movement tables – financial assets

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

	Held at fair value through profit or loss							Investment securities		
Assets	Loans and advances to banks $million	Loans and advances to customers $million	Reverse repurchase agreements and other similar secured lending $million	Debt securities, alternative tier one and other eligible bills $million	Equity shares $million	Other Assets $million	Derivative financial instruments $million	Debt securities, alternative tier one and other eligible bills $million	Equity shares $million	Total $million
At 01 January 2024	–	1,960	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[1]	(13)	(263)	–	(1)	–	(6)	(1)	(61)	(2)	(347)
Transfers in[2]	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[3]	–	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[1]	(21)	(225)	–	(6)	–	–	(27)	(16)	(32)	(327)
Transfers in[2]	–	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[3]	–	(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

13. Financial instruments continued

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[1]	**–**	**(26)**	**(1,194)**	**(7)**	**–**	**–**	**(1,227)**
Transfers in[2]	**–**	**48**	**70**	**6**	**–**	**–**	**124**
At 31 December 2024	**371**	**2,714**	**1,414**	**258**	**180**	**–**	**4,937**
Recognised in the income statement[3]	**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[1]	(4)	(9)	(85)	(11)	–	(1)	(110)
Transfers in[2]	–	23	365	3	–	–	391
At 31 December 2023	334	1,278	1,041	196	103	8	2,960
Recognised in the income statement[3]	–	(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

13. Financial instruments continued

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	
Financial instruments	**2024 $million**	2023 $million	**2024 $million**	2023 $million
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 squared), which measures the correlation between the variables in the regression, is at least 80%

In the case of the hedge of a forecast transaction, the transaction must have a high probability of occurring and must present an exposure to variations in cash flows that are expected to affect reported profit or loss.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedging instruments are recorded in net trading income, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the income statement over the remaining term to maturity of the hedged item. If the hedged item is sold or repaid, the unamortised fair value adjustment is recognised immediately in the income statement. For financial assets classified as fair value through other comprehensive income, the hedge accounting adjustment attributable to the hedged risk is included in net trading income to match the hedging derivative.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedging instruments are initially recognised in other comprehensive income, accumulating in the cash flow hedge reserve within equity. These amounts are subsequently recycled to the income statement in the periods when the hedged item affects profit or loss. Both the derivative fair value movement and any recycled amount are recorded in the 'Cashflow hedges' line item in other comprehensive income.

The Group assesses hedge effectiveness using the hypothetical derivative method, which creates a derivative instrument to serve as a proxy for the hedged transaction. The terms of the hypothetical derivative match the critical terms of the hedged item and it has a fair value of zero at inception. The hypothetical derivative and the actual derivative are regressed to establish the statistical significance of the hedge relationship. Any ineffective portion of the gain or loss on the hedging instrument is recognised in the net trading income immediately.

If a cash flow hedge is discontinued, the amount accumulated in the cash flow hedge reserve is released to the income statement as and when the hedged item affects the income statement.

Should the Group consider the hedged future cash flows are no longer expected to occur due to reasons, the cumulative gain or loss will be immediately reclassified to profit or loss.

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.

14. Derivative financial instruments continued

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.

	2024			2023		
Derivatives	Notional principal amounts $million	Assets $million	Liabilities $million	Notional principal amounts $million	Assets $million	Liabilities $million
Foreign exchange derivative contracts:						
Forward foreign exchange contracts	**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[1]	**–**	**(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 (page 247).

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

14. Derivative financial instruments continued

Fair value hedges

The Group issues various long-term fixed-rate debt issuances that are measured at amortised cost, including some denominated in foreign currency, such as unsecured senior and subordinated debt (see Notes 22 and 27). The Group also holds various fixed rate debt securities such as government and corporate bonds, including some denominated in foreign currency (see Note 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

		Carrying Amount		Change in fair value used to calculate hedge ineffectiveness[2]	Ineffectiveness recognised in profit or loss
Interest rate[1]	**Notional $million**	**Asset $million**	**Liability $million**	**$million**	**$million**
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[1]					
Cross currency swaps – debt securities/subordinated notes issued	**1,035**	**–**	**56**	**(52)**	**(1)**
Cross currency swaps – debt securities and other eligible bills	**–**	**–**	**–**	**(10)**	**–**
Total at 31 December 2024	**64,875**	**763**	**1,735**	**121**	**3**
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[1]					
Cross currency swaps – debt securities/subordinated notes issued	70	–	6	(2)	–
Cross currency swaps – debt securities and other eligible bills	45	10	–	11	–
Total at 31 December 2023	69,462	1,274	2,403	(199)	(21)

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

14. Derivative financial instruments continued

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[1]	Cumulative balance of fair value adjustments from de-designated hedge relationships[2]
	Asset $million	Liability $million	Asset $million	Liability $million	$million	$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**
Total at 31 December 2024	**16,513**	**49,616**	**(357)**	**1,485**	**(118)**	**417**
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
Total at 31 December 2023	22,656	46,156	(573)	1,761	178	1,117

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

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

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

14. Derivative financial instruments continued

Hedged items in cash flow hedges

	2024			2023		
	Change in fair value used for calculating hedge ineffectiveness[1] $million	Cash flow hedge reserve $million	Cumulative balance in the cash flow hedge reserve from de-designated hedge relationships $million	Change in fair value used for calculating hedge ineffectiveness[1] $million	Cash flow hedge reserve $million	Cumulative balance in the cash flow hedge reserve from de-designated hedge relationships $million
Customer accounts	**(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**	**–**	–	–	–
Total at 31 December	**(568)**	**(73)**	**92**	(895)	(2)	121

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					
Derivative forward currency contracts[1]	Notional $million	Asset $million	Liability $million	Change in fair value used to calculate hedge ineffectiveness[2] $million	Changes in the value of the hedging instrument recognised in OCI $million	Ineffectiveness recognised in profit or loss $million	Amount reclassified from reserves to income $million
As at 31 December 2024	**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[1] $million	Translation reserve[2] $million	Balances remaining in the translation reserve from hedging relationships for which hedge accounting is no longer applied $million	Change in the value used for calculating hedge ineffectiveness[1] $million	Translation reserve[2] $million	Balances remaining in the translation reserve from hedging relationships for which hedge accounting is no longer applied $million
Net investments	**(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

14. Derivative financial instruments continued

Maturity of hedging instruments

		2024				2023			
Fair value hedges		**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
Interest rate swap									
Notional	$million	**2,763**	**11,260**	**32,030**	**17,787**	3,242	9,789	41,545	14,771
Cross currency swap									
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	–	–

Cash flow hedges									
Interest rate swap									
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
Cross currency swap									
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	–
Forward foreign exchange contracts									
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	–	–

Net investment hedges									
Foreign exchange derivatives									
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[1]	**324,625**	331,952

1 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 (pages 193 to 274).

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

Financial statements

16. Reverse repurchase and repurchase agreements including other similar lending and borrowing continued

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

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:

Collateral pledged against repurchase agreements	Fair value through profit or loss $million	Fair value through other comprehensive income $million	Amortised cost $million	Off-balance sheet $million	Total $million
On-balance sheet					
Debt securities and other eligible bills	**4,698**	**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 (page 340).

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.

17. Goodwill and intangible assets continued

	2024				2023			
	Goodwill $million	Acquired intangibles $million	Computer software $million	Total $million	Goodwill $million	Acquired intangibles $million	Computer software $million	Total $million
Cost								
At 1 January	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)[1]	(663)	–	–	(151)[2]	(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
Provision for amortisation								
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)[1]	(102)	–	–	(39)[2]	(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.

	2024			2023		
Cash generating unit	Goodwill $million	Pre Tax Discount rates per cent	Long-term forecast GDP growth rates per cent	Goodwill $million	Pre Tax Discount rates per cent	Long-term forecast GDP growth rates per cent
Country CGUs						
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.

17. Goodwill and intangible assets continued

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 • up to 50 years
- Leasehold premises • up to 50 years
- Leasehold improvements • Shorter of remaining lease term and 10 years
- Equipment and motor vehicles • three to 15 years

Where the Group is a lessee of a right-of-use asset, the leased assets are capitalised and included in Property, plant and equipment with a corresponding liability to the lessor recognised in other liabilities. The accounting policy for lease assets is set out in Note 19.

18. Property, plant and equipment continued

	Premises $million	Equipment $million	Operating lease assets $million	Leased premises assets $million	Leased equipment assets $million	Total $million
Cost or valuation						
At 1 January 2024	**1,741**	**810**	**–**	**1,864**	**18**	**4,433**
Exchange translation differences	**(41)**	**(31)**	**–**	**(38)**	**(4)**	**(114)**
Additions	**112**[1]	**194**[1]	**–**	**213**	**150**[1]	**669**
Disposals and fully depreciated assets written off	**(61)**[2]	**(37)**[2]	**–**	**(13)**	**(1)**	**(112)**
Other movements	**(25)**	**–**	**–**	**–**	**–**	**(25)**
As at 31 December 2024	**1,726**	**936**	**–**	**2,026**	**163**	**4,851**
Depreciation						
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)**[2]	**(37)**[2]	**–**	**(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**
Cost or valuation						
At 1 January 2023	1,773	840	4,420	1,652	29	8,714
Exchange translation differences	(27)	(22)	–	(5)	(3)	(57)
Additions	45[1]	114[1]	–	286	1	446
Disposals and fully depreciated assets written off	(68)[2]	(122)[2]	(4,420)[3]	(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
Depreciation						
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)[2]	(122)[2]	(1,213)[3]	(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)[1]	**6,369**	6,568
Cash collateral[3]	**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[2]	**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**[2]	251
Debt securities held at amortised cost	**101**	180
Property, plant and equipment	**15**	59
Vessels[1]	**–**	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
Total Senior Notes issued	**7,423**

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
Total Senior Notes issued	8,105

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

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[1] $million	**Other provisions[2] $million**	**Total $million**	Provision for credit commitments[1] $million	Other provisions[2] $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[4]	**18**	**136**	**154**	(48)	42	(6)
Provisions utilised[4]	**–**	**(121)**	**(121)**	–	(71)	(71)
Other movements[3]	**–**	**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

25. Contingent liabilities and commitments continued

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[1]	**326**	342
NPR2.4 billion fixed sub debt rate 10.3 per cent[2]	**18**	18
	344	360
Subordinated loan capital – issued by the Company[3]		
£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 (reclassed as Debt) – Other borrowings	**121**	122
£99.250 million 8.25 per cent Non-Cum Pref Shares (reclassed 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[1] $million	Ordinary Share premium $million	Preference Share premium[2] $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 buyback	(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 buyback	**(240)**	**(120)**	**–**	**–**	**(120)**	**–**
Additional Tier 1 equity issuance	**–**	**–**	**–**	**–**	**–**	**1,568**
Additional Tier 1 Redemption	**–**	**–**	**–**	**–**	**–**	**(553)**
Other movements[3]	**–**	**–**	**–**	**–**	**–**	**(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

28. Share capital, other equity instruments and reserves continued

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[1]	Coupon payment dates each year[2]	First reset dates[3]	Conversion price per ordinary share[5]
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[4]	$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

28. Share capital, other equity instruments and reserves continued

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.

28. Share capital, other equity instruments and reserves continued

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[1]	63	110
As at 31 December	**394**	396

1 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[1,2]	
	2024 $million	2023 $million	2024 $million	2023 $million
Defined benefit plans	101	166	62	66
Defined contribution plans[1]	14	17	389	365
Total[2]	**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"

30. Retirement benefit obligations continued

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[1] %**	**Unfunded Plans[2] %**	UK Funded %	Overseas Plans[1] %	Unfunded Plans[2] %
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.

30. Retirement benefit obligations continued

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**[2]	**213**	66	–	66	37	166	203
Others	**7**	**2**	**9**	**-**	**156**	**156**	7	2	9	–	145	145
Total fair value of assets[1]	**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

30. Retirement benefit obligations continued

	At 31 December 2024			At 31 December 2023		
	Funded plans		Unfunded	Funded plans		Unfunded
	UK Fund $million	Overseas Plans $million	Plans $million	UK Fund $million	Overseas Plans $million	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				Funded plans			
	UK Fund $million	Overseas plans $million	Unfunded plans $million	Total $million	UK Fund $million	Overseas plans $million	Unfunded plans $million	Total $million
Current service cost[1]	**–**	**44**	**8**	**52**	–	39	11	50
Past service cost and curtailments[2]	**–**	**2**	**(1)**	**1**	8	–	1	9
Settlement cost[3]	**–**	**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[4]	**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				Funded plans			
	UK Fund $million	Overseas plans $million	Unfunded plans $million	Total $million	UK Fund $million	Overseas plans $million	Unfunded plans $million	Total $million
Surplus/(Deficit)	**40**	**(17)**	**(189)**	**(166)**	48	1	(177)	(128)
Contributions	**13**	**39**	**16**	**68**	8	59	14	81
Current service cost[1]	**–**	**(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[2]	**–**	**(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

30. Retirement benefit obligations continued

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[1]	**69**	**(1)**	**68**	82	(1)	81
Current service cost[2]	**–**	**(52)**	**(52)**	–	(50)	(50)
Past service cost and curtailments	**–**	**(1)**	**(1)**	–	(9)	(9)
Settlement costs[3]	**–**	**(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[2]	**(169)**	**169**	**–**	(161)	161	–
Actuarial gains/(losses)[4]	**(46)**	**98**	**52**	70	(117)	(47)
Asset held for Sale	**–**	**–**	**–**	(7)	6	(1)
Other Movement[5]	**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.

31. Share-based payments continued

The Group operates a number of share-based arrangements for its executive directors and employees. Details of the share-based payment charge are set out below.

	2024[1]			2023[1]		
	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[2]	**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	The vesting of awards granted in 2024, 2023 and 2022 are subject to the following performance measures: • relative total shareholder return (TSR); • return on tangible equity (RoTE) (with a Common Equity Tier 1 (CET1) underpin); and • strategic measures (including targets set for sustainability linked to business strategy) Each measure is assessed independently over a three-year period. LTIP awards have an individual conduct gateway requirement that results in the award lapsing if not met.	The fair value of the relative TSR component is calculated using the probability of meeting the measures over a three-year performance period, using a Monte Carlo simulation model. The value of the remaining components is based on the expected performance against the RoTE and strategic measures in the scorecard and the resulting estimated number of shares expected to vest at each reporting date. These combined values are used to determine the accounting charge. No dividend equivalents accrue for the LTIP awards made in 2024, 2023 or 2022 and the fair value takes this into account, calculated by reference to market consensus dividend yield.
Deferred shares	Used to deliver: • the deferred portion of year-end variable remuneration, in line with both market practice and regulatory requirements. These awards vest in instalments on anniversaries of the award date specified at the time of grant. This enables the Group to meet regulatory requirements relating to deferral levels, and is in line with market practice. • replacement buy-out awards to new joiners who forfeit awards on leaving their previous employers. These vest in the quarter most closely following the date when the award would have vested at the previous employer. This enables the Group to meet regulatory requirements relating to buy-outs, and is in line with market practice. Deferred share awards are not subject to any performance measures.	The fair value for deferred shares, which are granted to employees who are not categorised as material risk takers, is based on 100 per cent of the face value of the shares at the date of grant as the share price will reflect expectations of all future dividends. For awards granted to material risk takers in 2024, the fair value of awards takes into account the lack of dividend equivalents, calculated by reference to market consensus dividend yield.

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

LTIP awards

	2024	2023
Grant date	**12–March**	13–March
Share price at grant date (£)	**6.60**	7.40
Vesting period (years)	**3–7**	3–7
Expected divided yield (%)	**4.2**	3.1
Fair value (RoTE) (£)	**1.55, 1.61, 1.68**	1.91, 1.85
Fair value (TSR) (£)	**0.95, 1.01, 1.06**	1.08, 1.04
Fair value (Strategic) (£)	**2.06, 2.15, 2.24**	2.54, 2.46

31. Share-based payments continued

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								

	2023							
Grant date	20-Nov		18-Sep		19-Jun		13-Mar	
Share price at grant date (£)	6.60		7.43		6.75		7.40	
Vesting period (years)	Expected dividend yield (%)	Fair value (£)	Expected dividend yield (%)	Fair value (£)	Expected dividend yield (%)	Fair value (£)	Expected dividend yield (%)	Fair value (£)
3 months			3.0	7.38	3.3	6.7	3.1	7.34
4 months	3.0	6.54						
6 months			3.0	7.32	3.3	6.64		
7 months	3.0	6.49						
9 months			3.0	7.27	3.3	6.48, 6.59		
10 months	3.0	6.44						
1 year	3.0	6.25, 6.30, 6.35, 6.39	3.0	7.06, 7.11, 7.16, 7.22	3.3	6.18, 6.38, 6.43, 6.54	3.1	7.12, 7.18
2 years	3.0	6.12, 6.16, 6.21	3.0	6.85, 6.9, 6.95, 7.01	3.3	5.98, 6.18, 6.33	3.1	6.91, 6.96
3 years	3.0	5.94, 5.98, 6.03	3.0	6.65, 6.7, 6.8	3.3	5.79, 5.98, 6.13	3.1	6.70, 6.75
4 years	3.0	5.76					3.1	6.50, 6.55
5 years							3.1	6.35

31. Share-based payments continued

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.

31. Share-based payments continued

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

	Discretionary[1]			Weighted average Sharesave exercise price
	LTIP	Deferred shares	Sharesave[4,5]	(£)
Outstanding at 1 January 2024	**10,947,382**	**47,068,204**	**16,902,217**	**4.49**
Granted[2,3]	**2,320,695**	**25,712,216**	**9,707,454**	**–**
Lapsed[6]	**(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 (£)[3]	**–**	**–**	**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[1]			Weighted average Sharesave exercise price
	LTIP	Deferred shares	Sharesave	(£)
Outstanding at 1 January 2023	11,339,951	46,449,040	17,109,519	3.81
Granted[2,3]	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 (£)[3]	–	–	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 (LTIP) granted on 13 March 2023, 6,501 (LTIP) granted as a notional dividend on 1 March 2023, 1318 (LTIP) granted as a notional dividend on 1 September 2023, 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 2013 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[1]	**1,631**	1,566
Disposal[2]	**(803)**	(1,750)
Other Movements[3]	**(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)

32. Investments in subsidiary undertakings, joint ventures and associates continued

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[1]	Main areas of operation	Group interest in ordinary share capital %	Total Issued share capital (millions)
Standard Chartered Bank	Refer footnote[3]	**100**	**US$ 20,597[4]**
Standard Chartered Bank (Hong Kong) Limited	Hong Kong	**100**	**Refer footnote[5]**
Standard Chartered Bank (Singapore) Limited	Singapore	**100**	**Refer footnote[6]**
Standard Chartered Bank Korea Limited	Korea	**100**	**KRW 1,313,043**
Standard Chartered Bank (China) Limited[2]	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[7]**
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[8]**
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[9]**

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.

32. Investments in subsidiary undertakings, joint ventures and associates continued

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
Total	**108**	141

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

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.

32. Investments in subsidiary undertakings, joint ventures and associates continued

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[1]	738	700
Market capitalisation[2]	338	418

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

2 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.

32. Investments in subsidiary undertakings, joint ventures and associates continued

The key assumptions used for the VIU calculation:

	31.12.24	31.12.23
Post-tax discount rate[1]	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[2]	5.6x	N/A
Interest income[3]	3.00%–3.56%	N/A
Interest expense[3]	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[4]	0.84%–1.36%	0.80%–1.24%
Expected credit losses as a percentage of financial investments measured at amortised cost and FVOCI[4]	0.48%–1.26%	0.35%–0.67%
Tax expense[5]	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.

		Key assumption increase	Key assumption decrease
Sensitivities	basis points	Increase/ (decrease) in VIU $ million	Increase/ (decrease) in VIU $ million
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[1]	10	(15)	15
Net interest income – Scenario 2[2]	Various[2]	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[3]	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[1]	3,583	3,640
Net profit[2]	681	811
Other comprehensive income[1]	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
Total	**488**	405

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
Group's interest – assets												
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
Total assets	19,898	16,990	12,835	124	97	49,944	21,192	15,374	13,530	137	190	50,423
Off-balance sheet	–	11,075	6,901	63	73	18,112	–	8,869	6,691	–	20	15,580
Group's maximum exposure to loss	19,898	28,065	19,736	187	170	68,056	21,192	24,243	20,221	137	210	66,003
Total assets of structured entities	129,864	17,579	14,758	226	–	162,427	191,627	15,374	31,806	250	1,688	240,745

33. Structured entities continued

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**[1]	(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)	**–**	–
Total	**2,668**	3,274	**(1,670)**	(2,847)

1 Refer note 6 (page 303)

Financial statements

34. Cash flow statement continued

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'.

35. Cash and cash equivalents continued

	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
Total	**89,928**	107,635	**11,601**	10,294

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**	–
Total	**88**	73

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[1]	**3**	**–**	4	–

1 Outstanding loan balances were below $50,000

The loan transactions provided to the directors of Standard Chartered PLC were a connected transaction under Chapter 14A of the 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[1] $million**	Standard Chartered Bank $million	Standard Chartered Bank (Hong Kong) Limited $million	Others[1] $million
Assets						
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
Total assets	**29,540**	**5,647**	**1,368**	30,794	4,847	1,095
Liabilities						
Derivative financial instruments	**1,042**	**23**	**–**	1,104	–	–
Total liabilities	**1,042**	**23**	**–**	1,104	–	–

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

Financial statements

36. Related party transactions continued

Associate and joint ventures

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

	2024 $million	2023 $million
Assets		
Financial Assets held at FVTPL	–	14
Derivative assets	5	12
Total assets	5	26
Liabilities		
Deposits	209	959
Derivative liabilities	4	–
Other Liabilities	–	2
Total liabilities	213	961
Loan commitments and other guarantees[1]	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 Charted Bank sold its Unsecured Personal Loan business to Kotak Mahindra Bank Limited for a purchase consideration of INR32 billion ($375 million) against a book value of $389 million on that date, giving rise to a loss on disposal of $14 million.

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
Total audit fees	44.8	41.2
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
Total non-audit fees	13.0	14.1
Total fees payable	57.8	55.3

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

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

1 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.

Financial liabilities	2024 Derivatives held for hedging $million	2024 Amortised cost $million	2024 Designated at fair value through profit or loss $million	2024 Total $million	2023 Derivatives held for hedging $million	2023 Amortised cost $million	2023 Designated at fair value through profit or loss $million	2023 Total $million
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

Derivatives	2024 Notional principal amounts $million	2024 Assets $million	2024 Liabilities $million	2023 Notional principal amounts $million	2023 Assets $million	2023 Liabilities $million
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

39. Standard Chartered PLC (Company) continued

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
Assets									
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	–	–	–	–	–	–	–	–	–
Total assets	1,808	1,559	1,931	130	53	4,104	9,900	78,678	98,163
Liabilities									
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
Total liabilities	371	558	1,154	201	3	5,408	15,029	22,015	44,739
Net liquidity gap	1,437	1,001	777	(71)	50	(1,304)	(5,129)	56,663	53,424

39. Standard Chartered PLC (Company) continued

	2023								
	One month or less $million	Between one month and three months $million	Between three months and six months $million	Between six months and nine months $million	Between nine months and one year $million	Between one year and two years $million	Between two years and five years $million	More than five years and undated $million	Total $million
Assets									
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	–	–	–	–	–	–	–	–	–
Total assets	1,630	504	1,530	12	1,073	4,945	8,862	78,978	97,534
Liabilities									
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
Total liabilities	1,285	279	160	202	445	7,665	16,143	18,669	44,848
Net liquidity gap	345	225	1,370	(190)	628	(2,720)	(7,281)	60,309	52,686

Financial liabilities on an undiscounted 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**
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**
Total liabilities	**339**	**1,244**	**1,411**	**574**	**308**	**6,793**	**18,188**	**29,921**	**58,778**
	2023								
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
Total liabilities	1,322	308	379	606	834	8,993	18,871	26,033	57,346

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[v]	100	1, 163, 166
SC (Secretaries) Limited[x]	100	1
SC Transport Leasing 1 LTD[vi]	100	1, 163, 166
SC Transport Leasing 2 Limited[vi]	100	1, 163, 166
SC Ventures G.P. Limited[v]	100	1
SC Ventures Innovation Investment L.P.[v]	100[Y]	1
SCMB Overseas Limited[v]	100	1, 163, 166
Standard Chartered Africa Limited[v]	100	1, 163, 166
Standard Chartered Bank[i]	100; 100[Q,T]	1
Standard Chartered Foundation[x]	100[AE]	1, 158
Standard Chartered Health Trustee (UK) Limited[x]	100	1
Standard Chartered I H Limited[v]	100	1, 163, 166
Standard Chartered Leasing (UK) Limited[vi]	100	1, 163, 166
Standard Chartered Nominees (Private Clients UK) Limited[i]	100	1
Standard Chartered Securities (Africa) Holdings Limited[v]	100	1, 163, 166
Standard Chartered Strategic Investments Limited[v]	100	1, 163, 166
Standard Chartered Trustees (UK) Limited[x]	100	1
SC Ventures Holdings Limited[v]	100; 100[M]	1
The SC Transport Leasing Partnership 1[vi]	100[Y]	1, 163, 166
The SC Transport Leasing Partnership 2[vi]	100[Y]	1, 163, 166
The SC Transport Leasing Partnership 3[vi]	100[Y]	1, 163, 166
The SC Transport Leasing Partnership 4[vi]	100[Y]	1, 163, 166
Zodia Markets (UK) Limited[i]	100	1
Zodia Markets Holdings Limited[v]	83.96	1
Bricks (C&K) LP[x]	100[Y]	2, 158
Bricks (C) LP[x]	100[Y]	2, 158
Bricks (T) LP[x]	100[Y]	2, 158
Corrasi Covered Bonds LLP[x]	75[AA]	3
Zodia Custody Limited[iv]	95.1; 15.132[K]	107
Zodia Holdings Limited[v]	100[A]	107
Assembly Payments UK Ltd[iv]	100	4, 158
CurrencyFair (UK) Limited[i]	100	4, 158
Zai Technologies Limited[iv]	100	4, 158
Standard Chartered Grindlays Pty Limited[v]	100	5
Assembly Payments Australia Pty Ltd[iv]	100	131, 158
Zai Australia Pty Ltd[iv]	100	131
CurrencyFair Australia Pty Ltd[iv]	100	6, 158
Standard Chartered Bank Insurance Agency (Proprietary) Limited[i]	100	7
Standard Chartered Investment Services (Proprietary) Limited[i]	100	7
Standard Chartered Bank Botswana Limited[i]	75.827	7
Standard Chartered Botswana Nominees (Proprietary) Limited[i]	100	7
Standard Chartered Botswana Education Trust[x]	100[AB]	7
Standard Chartered Representação e Participações Ltd[ai]	100	8
Standard Chartered Securities (B) Sdn Bhd[i]	100	108
Standard Chartered Bank Cameroon S.A.[i]	100	9
CurrencyFair (Canada) Ltd[iv]	100	10, 158
SCB Investment Holding Company Limited[v]	99.999[A]	114
Standard Chartered Global Business Services Co., Ltd[viii]	100	12, 160
Standard Chartered Global Business Services (Guangzhou) Co., Ltd.[viii]	100	121, 160
Guangzhou CurrencyFair Information Technology Limited[iv]	100	13,166
Standard Chartered Bank Cote d'Ivoire SA[i]	100	14
Standard Chartered Bank Gambia Limited[i]	74.852	15
Standard Chartered Bank AG[i]	100	16
Solvezy Technology Ghana Ltd[iv]	100	17
Standard Chartered Bank Ghana PLC[i]	69.416; 87.043[T]	18
Standard Chartered Ghana Nominees Limited[i]	100	18
Standard Chartered Wealth Management Limited Company[i]	100	19
Standard Chartered PF Real Estate (Hong Kong) Limited[v]	100	81
Standard Chartered Private Equity Limited[v]	100	20
Standard Chartered Asia Limited[v]	100; 100[AD]	20
Assembly Payments HK Limited[iv]	100	21, 158
CurrencyFair Asia Limited[iv]	100	91, 158
Zodia Custody (Hong Kong) Limited[iv]	100	132
Assembly Payments India Private Limited[iv]	100	92
Standard Chartered Global Business Services Private Limited[ix]	100	22
Standard Chartered Finance Private Limited[ix]	98.675	23
St Helen's Nominees India Private Limited[i]	100	24
Standard Chartered Private Equity Advisory (India) Private Limited[ix]	100	24
Standard Chartered Research and Technology India Private Limited[iv]	100[A,R]	136
Standard Chartered Capital Limitedi	100	153
Standard Chartered Securities (India) Limited[i]	100	93
Standard Chartered (India) Modeling and Analytics Centre Private Limited[ix]	100	26
SCV Research and Development Pvt. Ltd.[iv]	100	117
PT Labamu Sejahtera Indonesia[iv]	100	27
CurrencyFair (Canada) Limited[iv]	100	28
CurrencyFair Limited[iv]	27.951; 100[A]	28, 158, 165
CurrencyFair Nominees Limited[iv]	100	28, 158
Zodia Markets (Ireland) Limited[i]	100	133
Zodia Custody (Ireland) Limited[iv]	100	134
Standard Chartered Assurance Limited[i]	100; 100[M]	29
Standard Chartered Isle of Man Limited[i]	100	29
Standard Chartered Securities (Japan) Limited[i]	100	30
SCB Nominees (CI) Limited[i]	100	31
Solvezy Technology Kenya Limited[iv]	100	32
Standard Chartered Bancassurance Intermediary Limited[i]	100	32

40. Related undertakings of the Group continued

Subsidiary Undertakings continued

Name	Proportion of shares held (%)	Footnotes
Standard Chartered Investment Services Limited[v]	100	32
Standard Chartered Bank Kenya Limited[i]	74.318; 100[J]	32
Standard Chartered Securities (Kenya) Limited[i]	100	32
Standard Chartered Financial Services Limited[i]	100	32
Standard Chartered Kenya Nominees Limited[i]	100	32
Tawi Fresh Kenya Limited[iv]	100	32
Standard Chartered Metropolitan Holdings SAL[v]	99.9[A]	33
Cartaban (Malaya) Nominees Sdn Berhad[i]	100	34
Cartaban Nominees (Asing) Sdn Bhd[i]	100	34
Cartaban Nominees (Tempatan) Sdn Bhd[i]	100	34
Golden Maestro Sdn Bhd[v]	100	34
Price Solutions Sdn Bhd[i]	100	34
SCBMB Trustee Berhad[x]	100	34
Standard Chartered Bank Malaysia Berhad[i]	100; 100[S]	34
Standard Chartered Saadiq Berhad[i]	100	34
Resolution Alliance Sdn Bhd[v]	91	35
Standard Chartered Global Business Services Sdn Bhd[ix]	100	115
Assembly Payments Malaysia Sdn. Bhd.[iv]	100	37, 158
Standard Chartered Bank (Mauritius) Limited[i]	100	38
Standard Chartered Private Equity (Mauritius) Limited[i]	100	113
Standard Chartered Private Equity (Mauritius) II Limited[i]	100	113
Standard Chartered Private Equity (Mauritius) III Limited[i]	100	113
Subcontinental Equities Limited[v]	100	39
Actis Treit Holdings (Mauritius) Limited[v]	62.001[A]; 62.001[B]	149, 158
Standard Chartered Bank Nepal Limited[i]	70.21	40
Standard Chartered Holdings (Africa) B.V.[v]	100	1, 161
Standard Chartered Holdings (Asia Pacific) B.V.[v]	100	1, 161
Standard Chartered Holdings (International) B.V.[v]	100	1, 161
Standard Chartered MB Holdings B.V.[v]	100	1, 161
PromisePay Limited[iv]	100	41, 158
Standard Chartered Bank Nigeria Limited[i]	100; 100[N,T]	42
Standard Chartered Capital & Advisory Nigeria Limited[i]	100	42
Standard Chartered Nominees (Nigeria) Limited[i]	100	42
Standard Chartered Bank (Pakistan) Limited[i]	98.986	43
Standard Chartered Group Services, Manila Incorporated[ix]	100	44
Standard Chartered Global Business Services spółka z ograniczoną odpowiedzialnością[ix]	100	45
Standard Chartered Capital (Saudi Arabia)[i]	100	116
Actis Treit Holdings No.1 (Singapore) Private Limited[v]	100	156
Actis Treit Holdings No.2 (Singapore) Private Limited[v]	100	156
Standard Chartered Private Equity (Singapore) Pte. Ltd[v]	100	46
Standard Chartered Real Estate Investment Holdings (Singapore) Private Limited[v]	100	46
Raffles Nominees (Pte.) Limited[i]	100	47
SCTS Capital Pte. Ltd[i]	100	48
SCTS Management Pte. Ltd.[i]	100	48
Standard Chartered Bank (Singapore) Limited[i]	100[A, B, C, U, V, W]	48
Standard Chartered Trust (Singapore) Limited[x]	100	48
Standard Chartered Holdings (Singapore) Private Limited[v]	100	48
Standard Chartered Nominees (Singapore) Pte Ltd[i]	100	48
Audax Financial Technology Pte. Ltd[iv]	100[A]	90
CashEnable Pte. Ltd.[iv]	100[A]	90
Letsbloom Pte. Ltd.[iv]	100[A]	90
Libeara (Singapore) Pte. Ltd.[iv]	100	90
Libeara Pte. Ltd.[v]	100	90
SCV Research and Development Pte. Ltd.[iv]	100[A]	90
Zodia Custody (Singapore) Pte. Ltd.[iv]	100	46
Pegasus Dealmaking Pte. Ltd.[iv]	100	46
Power2SME Pte. Ltd.[v]	90.6	90
SCV Master Holding Company Pte. Ltd.[v]	100	46
Solv-India Pte. Ltd.[v]	100	90
Trust Bank Singapore Limited[i]	60	130
CurrencyFair (Singapore) Pte.Ltd[iv]	100	49, 158
Assembly Payments SGP Pte. Ltd.[iv]	100	50, 158
Assembly Payments Pte. Ltd.[iv]	100; 100[J]	50, 158
Standard Chartered Nominees South Africa Proprietary Limited (RF)[i]	100	52
Promisepay (PTY) Ltd[iv]	100	137, 158
Standard Chartered Bank Tanzania Limited[i]	100; 100[J]	53
Standard Chartered Tanzania Nominees Limited[i]	100	53
Standard Chartered Bank (Thai) Public Company Limited[i]	99.871	54
Standard Chartered Yatirim Bankasi Turk Anonim Sirketi[i]	100	55
Standard Chartered Bank Uganda Limited[i]	100	56
Furaha Finserve Uganda Limited[i]	100	57
Appro Onboarding Solutions FZ-LLC[iv]	100	58
Financial Inclusion Technologies Ltd[v]	100[A]	94
Furaha Holding Ltd[v]	100; 100[B]	59
myZoi Financial Inclusion Technologies LLC[iv]	100	61
Standard Chartered Bank International (Americas) Limited[i]	100	111
Standard Chartered Holdings Inc.[v]	100	62
Standard Chartered Securities (North America) LLC[i]	100[AA]	62
CurrencyFair (USA) Inciv	100[AC]	64, 158
Standard Chartered Trade Services Corporation[i]	100	89
Standard Chartered Bank (Vietnam) Limited[i]	100[X]	65
Sky Harmony Holdings Limited[v]	100	118
Standard Chartered Bank Zambia Plc[i]	90	119
Standard Chartered Zambia Securities Services Nominees Limited[i]	100	138
Stanchart Nominees Limited[i]	100	1, 164

Financial statements

40. Related undertakings of the Group continued

Subsidiary Undertakings continued

Name	Proportion of shares held (%)	Footnotes
Standard Chartered Holdings Limited[v]	100	1, 163, 164, 166
Standard Chartered NEA Limited[v]	100	1, 163, 166
Standard Chartered Nominees Limited[i]	100	1, 164
Standard Chartered (Guangzhou) Business Management Co., Ltd.[ii]	100	120, 166
Standard Chartered Bank (China) Limited[i]	100	75, 160, 166
Standard Chartered Securities (China) Limited[i]	100	76, 166
Horsford Nominees Limited[i]	100	77
Marina Acacia Shipping Limited[vi]	100	78
Marina Amethyst Shipping Limited[vi]	100	78
Marina Angelite Shipping Limited[vi]	100	78
Marina Beryl Shipping Limited[vi]	100	78
Marina Emerald Shipping Limited[vi]	100	78
Marina Flax Shipping Limited[vi]	100	78
Marina Gloxinia Shipping Limited[vi]	100	78
Marina Hazel Shipping Limited[vi]	100	78
Marina Ilex Shipping Limited[vi]	100	78
Marina Iridot Shipping Limited[vi]	100	78
Marina Mimosa Shipping Limited[vi]	100	78
Marina Moonstone Shipping Limited[vi]	100	78
Marina Peridot Shipping Limited[vi]	100	78
Marina Sapphire Shipping Limited[vi]	100	78
Marina Tourmaline Shipping Limited[vi]	100	78
Standard Chartered Securities (Hong Kong) Limited[i]	100	78
Marina Leasing Limited[vi]	100	78
Standard Chartered Leasing Group Limited[v]	100	78
Standard Chartered Trade Support (HK) Limited[i]	100	78
Mox Bank Limited[i]	71.579	79
Standard Chartered Bank (Hong Kong) Limited[i]	100[A,B,C,D]	80
Standard Chartered Trust (Hong Kong) Limited[i]	100	82
Standard Chartered Trustee (Hong Kong) Limited[x]	100	82
Standard Chartered Funding (Jersey) Limited[v]	100	83
Standard Chartered Bank Korea Limited[i]	100	84
Standard Chartered Securities Korea Co., Ltd[i]	100	85
Marina Morganite Shipping Limited[vi]	100	125, 162
Marina Moss Shipping Limited[vi]	100	125, 162
Marina Tanzanite Shipping Limited[vi]	100	125, 162
Marina Angelica Shipping Limited[vi]	100	86, 162
Marina Aventurine Shipping Limited[vi]	100	86, 162
Marina Citrine Shipping Limited[vi]	100	86, 162
Marina Dahlia Shipping Limited[vi]	100	86, 162
Marina Dittany Shipping Limited[vi]	100	86, 162
Marina Lilac Shipping Limited[vi]	100	86, 162
Marina Lolite Shipping Limited[vi]	100	86, 162
Marina Obsidian Shipping Limited[vi]	100	86, 162
Marina Quartz Shipping Limited[vi]	100	86, 162
Marina Remora Shipping Limited[vi]	100	86, 162
Marina Turquoise Shipping Limited[vi]	100	86, 162
Marina Zircon Shipping Limited[vi]	100	86, 162
Price Solution Pakistan (Private) Limited[i]	100	87
Marina Partawati Shipping Pte. Ltd.[vi]	100	152
Standard Chartered Bank (Taiwan) Limited[i]	100	88
CMB Nominees (RF) Proprietary Limited[x]	100	52
Letsbloom India Private Limited[iv]	100	97
PointSource Technologies Pte. Ltd.[x]	100	90
Qatalyst Pte. Ltd.[iv]	72.727	90
SC Ventures Management Consulting (Shenzhen) Limited[x]	100	74, 154, 166
Solv Vietnam Company Limited[iv]	100[X]	98
Standard Chartered Funds VCC[x]	100	48
TASConnect (Hong Kong) Private Limited[iv]	100	99
TASConnect (Malaysia) Sdn. Bhd.[iv]	100	36
TASConnect (Shanghai) Financial Technology Pte. Ltd[iv]	100	151
NewCo Holding EUR 19 S.A.[x]	100	128
Zodia Custody Australia Pty. Ltd.[iv]	100	126
Zodia Markets (AME) Limited[iv]	100	127
Zodia Markets (Jersey) Limited[iv]	100	129
Standard Chartered Luxembourg S.A.[i]	100	106
Solv Holding Ltd[v]	100	155

Joint ventures

Name	Proportion of shares held (%)	Footnotes
Olea Global Pte. Ltd.[iv]	47; 100[J]	46
Global Digital Asset Holdings Limited[v]	100	60

Associates

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

Significant investment holdings and other related undertakings

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

40. Related undertakings of the Group continued

Subsidiary/Associate Undertakings – In liquidation

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

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

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

Footnotes

Registered address

	Address in country of incorporation
1	1 Basinghall Avenue, London, EC2V 5DD, United Kingdom
2	2 More London Riverside, London, SE1 2JT, United Kingdom
3	1 Bartholomew Lane, London, EC2N 2AX, United Kingdom
4	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, 6 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, Ugland 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 Independance 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@Chiromo, 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

40. Related undertakings of the Group continued

Footnotes continued

	Address in country of incorporation
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
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

	Address in country of incorporation
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, Glategny 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, Shenzen, 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

40. Related undertakings of the Group continued

Footnotes continued

	Address in country of incorporation
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, China
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, 8 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	4thFloor, 274, Chitalia House, Dr. Cawasji Hormusji Road, Dhobi Talao, Mumbai City, Maharashtra, India 400 002, Mumbai, 400 002, India

Other notes

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 prinicpal place of operation to be United Kingdom
162	The Group has determined the prinicpal 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

40. Related undertakings of the Group continued

Description of shares

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

Business activity

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

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.

Supplementary information

New digital solutions giving clients confidence to trade

Available through our Straight2Bank platform, clients can now request pricing quotations for their letters of credit (LCs), receive confirmation and carry out discounting negotiations, and get a digital response on demand, from anywhere and at any time.

Launched in October 2024, the platform has digitised the end-to-end process and allows clients to easily access pricing for their LCs.

Learn more **sc.com/straight2bank**

Supplementary financial information

Five-year summary[1]

	2024 $million	2023 $million	2022 $million	2021 $million	2020 $million
Operating profit before impairment losses and taxation	**7,041**	6,468	5,405	3,777	4,374
Impairment losses on loans and advances and other credit risk provisions	**(547)**	(508)	(836)	(254)	(2,325)
Other impairment[3]	**(588)**	(1,008)	(425)	(372)	(98)
Profit before taxation	**6,014**	5,093	4,286	3,347	1,613
Profit attributable to shareholders	**4,050**	3,469	2,948	2,315	724
Loans and advances to banks[1]	**43,593**	44,977	39,519	44,383	44,347
Loans and advances to customers[1]	**281,032**	286,975	310,647	298,468	281,699
Total assets	**849,688**	822,844	819,922	827,818	789,050
Deposits by banks[1]	**25,400**	28,030	28,789	30,041	30,255
Customer accounts[1]	**464,489**	469,418	461,677	474,570	439,339
Shareholders' equity	**44,388**	44,445	43,162	46,011	45,886
Total capital resources[2]	**61,666**	62,389	63,731	69,282	67,383
Information per ordinary share					
Basic earnings per share	**141.3c**	108.6c	85.9c	61.3c	10.4c
Underlying earnings per share[3]	**168.1c**	128.9c	97.9c	85.8c	36.1c
Dividends per share[4]	**37.0c**	27.0c	18.0c	12.0c	–
Net asset value per share	**1,781.3c**	1,629.0c	1,453.3c	1,456.4c	1,409.3c
Net tangible asset value per share	**1,541.1c**	1,393.0c	1,249.0c	1,277.0c	1,249.0c
Return on assets[5]	**0.5%**	0.4%	0.4%	0.3%	0.1%
Ratios					
Reported return on ordinary shareholders' equity	**8.4%**	7.2%	6.0%	4.2%	0.8%
Reported return on ordinary shareholders' tangible equity	**9.7%**	8.4%	6.8%	4.8%	0.9%
Underlying return on ordinary shareholders' equity	**10.0%**	8.7%	6.9%	5.9%	2.6%
Underlying return on ordinary shareholders' tangible equity	**11.7%**	10.1%	7.7%	6.8%	3.0%
Reported cost to income ratio (excluding UK Bank Levy)	**63.5%**	63.5%	66.3%	73.6%	68.1%
Reported cost to income ratio (including UK Bank Levy)	**64.0%**	64.1%	66.9%	74.3%	70.4%
Underlying cost to income ratio (excluding UK Bank levy)	**59.4%**	63.4%	65.5%	69.8%	66.4%
Underlying cost to income ratio (including UK Bank levy)	**59.9%**	64.1%	66.2%	70.5%	68.7%
Capital ratios:					
CET 1[6]	**14.2%**	14.1%	14.0%	14.1%	14.4%
Total capital[6]	**21.5%**	21.2%	21.7%	21.3%	21.2%

1 Excludes amounts held at fair value through profit or loss

2 Shareholders' funds, non-controlling interests and subordinated loan capital

3 Other impairment include nil (2023: $850 million) impairment charge relating to the Group's investment in its associate China Bohai Bank (Bohai)

4 Dividend paid during the year per share

5 Represents profit attributable to shareholders divided by the total assets of the Group

6 Unaudited

Analysis of underlying performance by key market

The following tables provide information for key markets in which the Group operates. The numbers are prepared on a management view. Refer to Note 2 for details.

	2024										
	Hong Kong $million	Korea $million	China $million	Taiwan $million	Singapore $million	India $million	UAE $million	UK $million	US $million	Other $million	Group $million
Operating income	**4,764**	**1,095**	**1,321**	**577**	**2,573**	**1,328**	**836**	**305**	**1,289**	**5,608**	**19,696**
Operating expenses	**(2,076)**	**(788)**	**(903)**	**(345)**	**(1,293)**	**(914)**	**(439)**	**(1,000)**	**(698)**	**(3,334)**	**(11,790)**
Operating profit/(loss) before impairment losses and taxation	**2,688**	**307**	**418**	**232**	**1,280**	**414**	**397**	**(695)**	**591**	**2,274**	**7,906**
Credit impairment	**(266)**	**(54)**	**(152)**	**(38)**	**(72)**	**(34)**	**26**	**11**	**(1)**	**23**	**(557)**
Other impairment	**(114)**	**(1)**	**(28)**	**(11)**	**(73)**	**(72)**	**(28)**	**(23)**	**(26)**	**(212)**	**(588)**
Profit from associates and joint ventures	**–**	**–**	**67**	**–**	**–**	**–**	**–**	**(7)**	**–**	**(10)**	**50**
Underlying profit/(loss) before taxation	**2,308**	**252**	**305**	**183**	**1,135**	**308**	**395**	**(714)**	**564**	**2,075**	**6,811**
Total assets employed	**204,042**	**47,865**	**42,811**	**22,091**	**110,524**	**35,655**	**28,327**	**170,713**	**72,205**	**115,455**	**849,688**
Of which: loans and advances to customers[1]	**87,891**	**26,749**	**15,812**	**11,860**	**61,168**	**13,503**	**8,207**	**35,283**	**29,148**	**49,936**	**339,557**
Total liabilities employed	**194,658**	**39,463**	**33,367**	**18,863**	**116,660**	**27,666**	**17,759**	**127,802**	**57,138**	**165,028**	**798,404**
Of which: customer accounts[1]	**161,961**	**28,703**	**27,853**	**17,252**	**89,269**	**18,601**	**13,845**	**83,036**	**23,579**	**59,164**	**523,263**

	2023										
	Hong Kong $million	Korea $million	China $million	Taiwan $million	Singapore $million	India $million	UAE $million	UK $million	US $million	Other $million	Group $million
Operating income	4,167	1,074	1,158	558	2,455	1,206	794	102	870	4,994	17,378
Operating expenses	(1,927)	(731)	(894)	(331)	(1,214)	(865)	(392)	(870)	(634)	(3,278)	(11,136)
Operating profit/(loss) before impairment losses and taxation	2,240	343	264	227	1,241	341	402	(768)	236	1,716	6,242
Credit impairment	(372)	(48)	(113)	(42)	(48)	(31)	24	14	12	76	(528)
Other impairment	(17)	1	(5)	(5)	(14)	(11)	(5)	(15)	(5)	(54)	(130)
Profit from associates and joint ventures	–	–	114	–	–	–	–	–	–	(20)	94
Underlying profit/(loss) before taxation	1,851	296	260	180	1,179	299	421	(769)	243	1,718	5,678
Total assets employed	190,484	56,638	41,508	21,638	102,724	33,781	20,376	149,982	88,113	117,600	822,844
Of which: loans and advances to customers[1]	87,590	33,443	15,882	11,634	62,030	13,832	8,495	31,067	27,434	54,079	345,486
Total liabilities employed	183,112	46,666	38,252	20,365	109,825	26,532	17,214	92,168	72,583	165,774	772,491
Of which: customer accounts[1]	155,446	37,032	31,211	18,621	86,282	18,709	13,924	72,610	40,846	59,941	534,622

1 Loans and advances to customers includes FVTPL and customer accounts includes FVTPL and repurchase agreements

Analysis of operating income by product and segment

The following tables provide a breakdown of the Group's underlying operating income by product and 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
Transaction Services	6,434	50	–	–	6,484	6,470	48	–	–	6,518
Payments and Liquidity	4,605	–	–	–	4,605	4,645	–	–	–	4,645
Securities & Prime Services	611	–	–	–	611	550	–	–	–	550
Trade & Working Capital	1,218	50	–	–	1,268	1,275	48	–	–	1,323
Global Banking	1,935	–	–	–	1,935	1,705	–	–	–	1,705
Lending & Financial Solutions	1,677	–	–	–	1,677	1,500	–	–	–	1,500
Capital Market & Advisory	258	–	–	–	258	205	–	–	–	205
Global Markets	3,450	–	–	–	3,450	3,049	–	–	–	3,049
Macro Trading	2,852	–	–	–	2,852	2,620	–	–	–	2,620
Credit Trading	644	–	–	–	644	451	–	–	–	451
Valuation & Other Adj	(46)	–	–	–	(46)	(22)	–	–	–	(22)
Wealth Solutions	1	2,488	1	–	2,490	–	1,944	–	–	1,944
Investment Products	1	1,825	1	–	1,827	–	1,357	–	–	1,357
Bancassurance	–	663	–	–	663	–	587	–	–	587
CCPL & Other Unsecured Lending	–	1,081	120	–	1,201	–	1,068	93	–	1,161
Deposits	1	3,774	(29)	–	3,746	1	3,621	(52)	–	3,570
Mortgages & Other Secured Lending	–	395	–	–	395	–	400	–	–	400
Treasury	–	–	1	(24)	(23)	–	–	30	(932)	(902)
Other	(3)	28	90	(97)	18	(7)	25	85	(170)	(67)
Total underlying operating income	11,818	7,816	183	(121)	19,696	11,218	7,106	156	(1,102)	17,378

Insured and uninsured deposits

SCB operates and provides services to customers across many countries and insured deposit is determined on the basis of limits enacted within local regulations.

	2024					2023				
	Insured deposits		Uninsured deposits			Insured deposits		Uninsured deposits		
	Bank deposits $million	Customer accounts $million	Bank deposits $million	Customer accounts $million	Total $million	Bank deposits $million	Customer accounts $million	Bank deposits $million	Customer accounts $million	Total $million
Current accounts	8	15,596	19,844	152,101	187,549	9	15,767	20,969	150,559	187,304
Savings deposits	–	31,977	–	86,579	118,556	–	27,376	–	91,425	118,801
Time deposits	–	28,417	6,717	170,752	205,886	1	23,517	8,295	176,977	208,790
Other deposits	–	104	9,393	37,737	47,234	–	93	6,236	48,907	55,236
Total	8	76,094	35,954	447,169	559,225	10	66,753	35,500	467,868	570,131

UK and non-UK deposits

The following table summarises the split of Bank and Customer deposits into UK and Non-UK deposits for respective account lines based on the domicile or residence of the clients.

	2024					2023				
	UK deposits		Non-UK deposits			UK deposits		Non-UK deposits		
	Bank deposits $million	Customer accounts $million	Bank deposits $million	Customer accounts $million	Total $million	Bank deposits $million	Customer accounts $million	Bank deposits $million	Customer accounts $million	Total $million
Current accounts	544	7,734	19,308	159,963	187,549	925	7,062	20,053	159,264	187,304
Savings deposits	–	145	–	118,411	118,556	–	330	–	118,471	118,801
Time deposits	315	7,731	6,402	191,438	205,886	310	5,412	7,986	195,082	208,790
Other deposits	2,342	12,744	7,051	25,097	47,234	1,683	16,514	4,553	32,486	55,236
Total	3,201	28,354	32,761	494,909	559,225	2,918	29,318	32,592	505,303	570,131

Contractual maturity of Loans, Investment securities and Deposits

	2024						
	Loans and advances to banks $million	Loans and advances to customers $million	Investment securities – Treasury and other eligible Bills $million	Investment securities – Debt securities $million	Investment securities – Equity shares $million	Bank deposits $million	Customer accounts $million
One year or less	**66,448**	**181,863**	**41,966**	**47,959**	**–**	**29,678**	**463,566**
Between one and five years	**12,122**	**63,006**	**41**	**74,197**	**–**	**6,281**	**57,062**
Between five and ten years	**1,680**	**21,139**	**–**	**23,319**	**–**	**3**	**849**
Between ten years and fifteen years	**71**	**13,236**	**–**	**5,876**	**–**	**–**	**1,217**
More than fifteen years and undated	**239**	**60,313**	**–**	**26,743**	**6,480**	**–**	**569**
	80,560	**339,557**	**42,007**	**178,094**	**6,480**	**35,962**	**523,263**
Amortised cost and FVOCI exposures	**43,593**	**281,032**					
Of which: Fixed interest rate exposures	**35,383**	**153,575**					
Of which: Floating interest rate exposures	**8,210**	**127,457**					
	2023						
One year or less	72,717	197,125	38,877	59,023	–	31,333	485,908
Between one and five years	3,975	52,532	4	69,075	–	4,174	46,365
Between five and ten years	837	19,184	1	18,804	–	2	567
Between ten years and fifteen years	35	14,084	–	9,276	–	–	1,341
More than fifteen years and undated	226	62,561	–	18,155	3,932	–	441
	77,790	345,486	38,882	174,333	3,932	35,509	534,622
Amortised cost and FVOCI exposures	44,977	286,975					
Of which: Fixed interest rate exposures	38,505	168,697					
Of which: Floating interest rate exposures	6,472	118,278					

Maturity and yield of Debt securities, alternative tier one and other eligible bills held at amortised cost

	One year or less		Between one and five years		Between five and ten years		More than ten years		Total	
	$million	Yield %	$million	Yield %	$million	Yield %	$million	Yield %	$million	Yield %
Central and other government agencies										
– US	**1,864**	**1.53**	**9,607**	**1.98**	**5,187**	**1.88**	**4,353**	**2.76**	**21,011**	**2.08**
– UK	**192**	**1.70**	**684**	**2.07**	**44**	**0.88**	**–**	**–**	**920**	**1.93**
– Other	**3,081**	**3.20**	**11,454**	**3.39**	**2,932**	**3.93**	**25**	**7.55**	**17,492**	**3.46**
Other debt securities	**1,687**	**6.21**	**2,676**	**6.30**	**4,620**	**4.86**	**6,731**	**5.41**	**15,714**	**5.49**
As at 31 December 2024	**6,824**	**3.45**	**24,421**	**3.12**	**12,783**	**3.42**	**11,109**	**4.38**	**55,137**	**3.48**

	One year or less		Between one and five years		Between five and ten years		More than ten years		Total	
	$million	Yield %	$million	Yield %	$million	Yield %	$million	Yield %	$million	Yield %
Central and other government agencies										
– US	1,861	1.39	9,171	1.61	5,799	1.67	4,524	3.89	21,355	2.09
– UK	39	2.75	85	1.06	101	0.67	–	–	225	1.18
– Other	5,045	2.72	9,560	2.80	2,289	3.12	81	4.74	16,975	2.84
Other debt securities	2,487	6.45	2,658	5.37	2,262	5.44	10,973	5.13	18,380	5.38
As at 31 December 2023	9,432	3.44	21,474	2.61	10,451	2.79	15,578	4.77	56,935	3.37

The maturity distributions are presented in the above table on the basis of contractual maturity dates. The weighted average yield for each range of maturities is calculated by dividing the annualised interest income for the year by the book amount of debt securities at that date.

Average balance sheets and yields and volume and price variances

Average balance sheets and yields

The following tables set out the average balances and yields for the Group's assets and liabilities for the periods ended 31 December 2024 and 31 December 2023 under the revised definition of net interest margin. For the purpose of these tables, average balances have been determined on the basis of daily balances, except for certain categories, for which balances have been determined less frequently. The Group does not believe that the information presented in these tables would be significantly different had such balances been determined on a daily basis.

	2024				
Average assets	**Average non-interest earning balance $million**	**Average interest earning balance $million**	**Interest income $million**	**Gross yield interest earning balance %**	**Gross yield total balance %**
Cash and balances at central banks	**9,815**	**57,294**	**2,520**	**4.40**	**3.76**
Gross loans and advances to banks	**43,184**	**44,394**	**2,368**	**5.33**	**2.70**
Gross loans and advances to customers	**57,614**	**286,588**	**16,314**	**5.69**	**4.74**
Impairment provisions against loans and advances to banks and customers	**–**	**(5,463)**	**–**	**–**	**–**
Investment securities – Treasury and Other Eligible Bills	**16,101**	**26,594**	**1,495**	**5.62**	**3.50**
Investment securities – Debt Securities	**58,362**	**129,931**	**5,165**	**3.98**	**2.74**
Investment securities – Equity Shares	**5,278**	**–**	**–**	**–**	**–**
Property, plant and equipment and intangible assets	**6,299**	**–**	**–**	**–**	**–**
Prepayments, accrued income and other assets	**123,832**	**–**	**–**	**–**	**–**
Investment associates and joint ventures	**1,105**	**–**	**–**	**–**	**–**
Total average assets	**321,590**	**539,338**	**27,862**	**5.17**	**3.24**

	2023				
Average assets	Average non-interest earning balance $million	Average interest earning balance $million	Interest income $million	Gross yield interest earning balance %	Gross yield total balance %
Cash and balances at central banks	10,466	67,634	2,833	4.19	3.63
Gross loans and advances to banks	34,743	44,161	2,095	4.74	2.66
Gross loans and advances to customers	55,235	301,570	15,698	5.20	4.40
Impairment provisions against loans and advances to banks and customers	–	(5,894)	–	–	–
Investment securities – Treasury and Other Eligible Bills	7,955	32,026	1,596	4.98	3.99
Investment securities – Debt Securities	29,912	133,023	5,005	3.76	3.07
Investment securities – Equity Shares	3,190	–	–	–	–
Property, plant and equipment and intangible assets	8,861	–	–	–	–
Prepayments, accrued income and other assets	126,539	–	–	–	–
Investment associates and joint ventures	1,628	–	–	–	–
Total average assets	278,529	572,520	27,227	4.76	3.20

	2024				
Average liabilities	**Average non-interest bearing balance $million**	**Average interest bearing balance $million**	**Interest expense $million**	**Rate paid interest bearing balance %**	**Rate paid total balance %**
Deposits by banks	**16,834**	**21,686**	**806**	**3.72**	**2.09**
Customer accounts:					
Current accounts	**41,870**	**127,624**	**5,134**	**4.02**	**3.03**
Savings deposits	**–**	**114,641**	**2,292**	**2.00**	**2.00**
Time deposits	**20,937**	**187,694**	**8,340**	**4.44**	**4.00**
Other deposits	**34,954**	**10,291**	**510**	**4.96**	**1.13**
Debt securities in issue	**11,958**	**65,521**	**3,610**	**5.51**	**4.66**
Accruals, deferred income and other liabilities	**143,771**	**1,024**	**60**	**5.86**	**0.04**
Subordinated liabilities and other borrowed funds	**–**	**11,306**	**744**	**6.58**	**6.58**
Non-controlling interests	**395**	**–**	**–**	**–**	**–**
Shareholders' funds	**50,425**	**–**	**–**	**–**	**–**
	321,144	**539,787**	**21,496**	**3.98**	**2.50**
Adjustment for trading book funding cost and others			**(4,096)**		
Total average liabilities and shareholders' funds	**321,144**	**539,787**	**17,400**	**3.22**	**2.02**

Average liabilities	2023 Average non-interest bearing balance $million	Average interest bearing balance $million	Interest expense $million	Rate paid interest bearing balance %	Rate paid total balance %
Deposits by banks	14,238	24,066	796	3.31	2.08
Customer accounts:					
Current accounts	41,911	132,537	3,619	2.73	2.07
Savings deposits	–	112,046	1,981	1.77	1.77
Time deposits	15,345	186,287	8,204	4.40	4.07
Other deposits	44,211	6,527	488	7.48	0.96
Debt securities in issue	12,259	65,579	3,367	5.13	4.33
Accruals, deferred income and other liabilities	132,442	1,009	52	5.15	0.04
Subordinated liabilities and other borrowed funds	–	12,299	951	7.73	7.73
Non-controlling interests	373	–	–	–	–
Shareholders' funds	49,920	–	–	–	–
	310,699	540,350	19,458	3.60	2.29
Adjustment for trading book funding cost and others			(1,778)		
Total average liabilities and shareholders' funds	310,699	540,350	17,680	3.27	2.08

Net interest margin

	2024 $million	2023 $million
Interest income (reported)	**27,862**	27,227
Average interest earning assets	**539,338**	572,520
Gross yield (%)	**5.17**	4.76
Interest expense (reported)	**21,496**	19,458
Adjustment for trading book funding cost and others	**(4,096)**	(1,778)
Interest expense adjusted for trading book funding cost and others	**17,400**	17,680
Average interest-bearing liabilities	**539,787**	540,350
Rate paid (%)	**3.22**	3.27
Net yield (%)	**1.95**	1.49
Net interest income adjusted for trading book funding cost and others	**10,462**	9,547
Net interest margin (%)	**1.94**	1.67

Volume and price variances

The following table analyses the estimated change in the Group's net interest income attributable to changes in the average volume of interest-earning assets and interest-bearing liabilities, and changes in their respective interest rates for the years presented. Volume and rate variances have been determined based on movements in average balances and average exchange rates over the year and changes in interest rates on average interest-earning assets and average interest-bearing liabilities.

	2024 versus 2023			2023 versus 2022		
	(Decrease)/increase in interest due to:		Net increase/(decrease) in interest	(Decrease)/increase in interest due to:		Net increase/(decrease) in interest
	Volume $million	Rate $million	$million	Volume $million	Rate $million	$million
Interest earning assets						
Cash and unrestricted balances at central banks	**(455)**	**142**	**(313)**	550	1,518	2,068
Loans and advances to banks	**12**	**261**	**273**	57	1,185	1,242
Loans and advances to customers	**(845)**	**1,463**	**618**	(284)	5,814	5,530
Investment securities	**(362)**	**420**	**58**	(74)	3,209	3,135
Total interest earning assets	**(1,650)**	**2,286**	**636**	249	11,726	11,975
Interest bearing liabilities						
Subordinated liabilities and other borrowed funds	**(65)**	**(144)**	**(209)**	(208)	589	381
Deposits by banks	**(88)**	**100**	**12**	(105)	468	363
Customer accounts:						
Current accounts and savings deposits	**(69)**	**1,343**	**1,274**	(458)	3,769	3,311
Time and other deposits	**242**	**483**	**725**	1,601	3,945	5,546
Debt securities in issue	**(3)**	**239**	**236**	258	1,940	2,198
Total interest bearing liabilities	**17**	**2,021**	**2,038**	1,088	10,711	11,799

Supplementary people information

Global[1]	2024	2023	2022	% change
Full-time equivalent (FTE)	**81,097**	84,958	83,195	(4.5)
Headcount (year end)	**81,145**	85,007	83,266	(4.5)
Employed workers (permanent)	**80,459**	84,073	82,319	(4.3)
of which are women	**36,217**	37,598	37,259	(3.7)
Fixed-term workers (temporary)	**686**	934	947	(26.6)
of which are women	**336**	453	429	(25.8)
Non-employed workers (NEW)	**13,667**	12,537	13,962	9.0
Non-outsourced NEW[2]	**5,149**	4,925	5,873	4.5
Outsourced NEW[3]	**8,518**	7,612	8,089	11.9
Headcount (12-month average)	**83,292**	85,353	82,987	(2.4)
Men				
FTE	**43,653**	45,993	44,709	(5.1)
Headcount	**43,665**	46,004	44,734	(5.1)
Full-time	**43,615**	45,975	44,683	(5.1)
Part-time	**50**	29	51	72.4
Women				
FTE	**36,518**	38,014	37,642	(3.9)
Headcount	**36,553**	38,051	37,688	(3.9)
Full-time	**36,410**	37,926	37,551	(4.0)
Part-time	**143**	125	137	14.4
Undisclosed[4]				
FTE	**926**	950	844	(2.6)
Headcount	**927**	952	844	(2.6)
Full-time	**921**	944	843	(2.4)
Part-time	**6**	8	1	(25.0)
Nationalities	**133**	129	131	3.1

Position type	2024	2023	2022	% change
Management Team	**14**	13	13	7.7
of which are women	**6**	7	6	(14.3)
of which are women (%)	**42.9**	53.8	46.2	(20.4)
Management Team and their direct reports[5]	**123**	133	131	(7.5)
of which are women	**42**	48	43	(12.5)
of which are women (%)	**34.1**	36.1	32.8	(5.4)
Senior leadership[6]	**4,385**	4,541	4,422	(3.4)
of which are women	**1,453**	1,474	1,420	(1.4)
of which are women (%)	**33.1**	32.5	32.1	2.1
Rest of employees	**76,760**	80,466	78,844	(4.6)
of which are women	**35,100**	36,577	36,268	(4.0)
of which are women (%)	**45.7**	45.5	46.0	0.6
of which have supervisory responsibilities	**9,912**	11,009	11,067	(10.0)
of which are women	**3,593**	3,905	3,995	(8.0)
of which are women (%)	**36.2**	35.5	36.1	2.2
Business FTE	**29,544**	29,909	30,589	(1.2)
Business headcount	**29,563**	29,929	30,619	(1.2)
of which are women	**15,331**	15,335	15,794	(0.0)
Support services FTE	**51,554**	55,049	52,607	(6.3)
Support services headcount	**51,582**	55,078	52,647	(6.3)
of which are women	**21,222**	22,716	21,894	(6.6)

Region[7]	2024	2023	2022	% change
Asia FTE	**67,911**	71,097	69,329	(4.5)
Asia headcount	**67,936**	71,123	69,364	(4.5)
Asia women headcount	**31,264**	32,452	32,033	(3.7)
Asia employed workers headcount	**67,452**	70,394	68,585	(4.2)
Asia fixed-term workers headcount	**484**	729	779	(33.6)
Asia full-time headcount	**67,819**	71,051	69,257	(4.5)
Asia part-time headcount	**117**	72	107	62.5
Africa FTE	**3,984**	4,452	4,777	(10.5)
Africa headcount	**3,985**	4,453	4,777	(10.5)
Africa women headcount	**2,085**	2,333	2,497	(10.6)
Africa employed workers headcount	**3,904**	4,366	4,729	(10.6)
Africa fixed-term workers headcount	**81**	87	48	(6.9)
Africa full-time headcount	**3,981**	4,452	4,775	(10.6)
Africa part-time headcount	**4**	1	2	300.0
Middle East FTE	**4,035**	4,123	4,128	(2.1)
Middle East headcount	**4,036**	4,124	4,144	(2.1)
Middle East women headcount	**1,430**	1,433	1,421	(0.2)
Middle East employed workers headcount	**3,978**	4,066	4,084	(2.2)
Middle East fixed-term workers headcount	**58**	58	60	–
Middle East full-time headcount	**4,036**	4,122	4,142	(2.1)
Middle East part-time headcount	**–**	2	2	(100.0)
Americas FTE	**1,077**	1,154	1,090	(6.7)
Americas headcount	**1,077**	1,154	1,091	(6.7)
Americas women headcount	**473**	511	488	(7.4)
Americas employed workers headcount	**1,077**	1,154	1,091	(6.7)
Americas fixed-term workers headcount	**–**	–	–	–
Americas full-time headcount	**1,076**	1,153	1,088	(6.7)
Americas part-time headcount	**1**	1	3	–
Europe FTE	**4,090**	4,132	3,871	(1.0)
Europe headcount	**4,111**	4,153	3,890	(1.0)
Europe women headcount	**1,301**	1,322	1,249	(1.6)
Europe employed workers headcount	**4,048**	4,093	3,830	(1.1)
Europe fixed-term workers headcount	**63**	60	60	5.0
Europe full-time headcount	**4,034**	4,067	3,815	(0.8)
Europe part-time headcount	**77**	86	75	(10.5)

Age	2024	2023	2022	% change
< 30 years FTE	**10,968**	13,168	13,826	(16.7)
< 30 years headcount	**10,973**	13,176	13,836	(16.7)
< 30 years women headcount	**5,775**	6,848	7,397	(15.7)
30–50 years FTE	**62,663**	63,309	61,651	(1.0)
30–50 years headcount	**62,689**	63,334	61,691	(1.0)
30–50 years women headcount	**27,433**	27,432	26,870	0.0
> 50 years FTE	**7,467**	8,480	7,718	(11.9)
> 50 years headcount	**7,483**	8,497	7,739	(11.9)
> 50 years women headcount	**3,345**	3,771	3,421	(11.3)

Talent management[8]	2024	2023	2022	% change
Global voluntary turnover – FTE	**7,491**	8,200	12,645	(8.7)
Global turnover – FTE	**10,505**	9,712	14,388	8.2
Global voluntary turnover rate (%)	**9.1**	9.7	15.5	(6.7)
Global turnover rate (%)	**12.7**	11.5	17.6	10.5
Men turnover FTE	**5,854**	5,214	8,021	12.3
Men (%)	**13.1**	11.4	18.2	14.7
Women turnover FTE	**4,546**	4,394	6,230	3.5
Women (%)	**12.3**	11.6	16.8	6.0
Women as a % of global turnover FTE	**43.3**	45.2	43.3	(4.3)
Asia turnover FTE	**8,780**	8,293	12,501	5.9
Asia (%)	**12.7**	11.8	18.4	8.0
Africa turnover FTE	**609**	387	523	57.4
Africa (%)	**14.7**	8.6	10.8	71.5
Middle East turnover FTE	**460**	475	523	(3.1)
Middle East (%)	**11.4**	11.4	12.7	0.3
Americas turnover FTE	**171**	120	188	42.9
Americas (%)	**15.1**	10.5	17.8	44.1
Europe turnover FTE	**485**	438	653	10.7
Europe (%)	**11.9**	11.0	17.7	8.4
< 30 years turnover FTE	**2,302**	2,593	4,137	(11.2)
< 30 years (%)	**19.6**	19.2	30.5	2.3
30–50 years turnover FTE	**7,067**	6,242	9,303	13.2
30–50 years (%)	**11.4**	9.9	15.2	14.2
> 50 years turnover FTE	**1,137**	878	947	29.5
> 50 years (%)	**13.3**	11.0	13.1	21.3
Average tenure (years) – Men	**7.8**	7.3	7.1	6.8
Average tenure (years) – Women	**8.4**	7.9	7.6	6.3
Global new hires – FTE[9]	**7,176**	12,145	17,432	(40.9)
Global new hire rate (%)	**8.6**	14.2	21.0	(39.5)
Men new hire FTE	**3,777**	6,875	9,683	(45.1)
Men (%)	**8.4**	14.9	21.7	(43.7)
Women new hire FTE	**3,314**	5,044	7,384	(34.3)
Women (%)	**8.9**	13.2	19.6	(32.5)
Women as a % of global new hires FTE	**46.2**	41.5	42.4	11.2
Asia new hire FTE	**6,077**	10,653	15,441	(43.0)
Asia (%)	**8.7**	14.9	22.4	(41.7)
Africa new hire FTE	**202**	236	463	(14.4)
Africa (%)	**4.8**	5.2	9.3	(7.0)
Middle East new hire FTE	**381**	379	471	0.5
Middle East (%)	**9.3**	9.0	11.3	4.3
Americas new hire FTE	**77**	156	180	(50.6)
Americas (%)	**6.8**	13.7	17.0	(50.2)
Europe new hire FTE	**439**	721	876	(39.0)
Europe (%)	**10.7**	17.8	23.3	(40.2)
< 30 years new hire FTE	**3,109**	4,963	7,673	(37.4)
< 30 years (%)	**25.8**	35.5	54.7	(27.3)
30–50 years new hire FTE	**3,856**	6,841	9,357	(43.6)
30–50 years (%)	**6.2**	10.8	15.2	(43.0)
> 50 years new hire FTE	**211**	341	401	(38.1)
> 50 years (%)	**2.4**	4.2	5.4	(41.9)
Roles filled internally (%)[9]	**45.7**	32.3	37.3	41.6
of which filled by women (%)	**40.7**	41.6	41.0	(2.3)
Absenteeism rate[10] (%)	**1.3**	1.3	1.4	(1.5)
Employee job satisfaction (%)	**81.0**	83.0	80.0	(2.4)

Learning[11]	2024	2023	2022	% change
Employees receiving training (%)	**99.1**	99.5	99.5	(0.4)
Employees receiving training for personal development (%)	**92.7**	96.2	91.6	(3.7)
Women (%)	**92.5**	95.8	90.0	(3.4)
Senior leadership (%)[6]	**88.8**	93.4	94.9	(4.9)
Average number of training hours per employee	**34.8**	38.0	36.9	(8.5)
Women	**33.8**	37.0	35.4	(8.7)
Men	**35.5**	38.8	38.1	(8.4)
Employed workers	**34.9**	38.1	37.1	(8.4)
Fixed-term workers	**25.0**	33.3	21.9	(24.9)
Average cost of training per employee ($)[12]	**702**	730	743	(3.8)

Diversity	2024	2023	2022	% change
% of women who remained employed 12 months after their return from parental leave	**79.5**	75.2	72.4	5.7
% of employees who remained employed by the company 12 months after their return from parental leave	**82.1**	79.1	72.6	3.7
% of Information Technology (IT) and/or Engineering roles filled by women[13]	**24.4**	24.2	24.0	0.7
% of senior leadership and managerial roles filled by women[6,14]	**35.3**	34.6	35.0	1.9
% of middle management roles filled by women[14]	**36.2**	35.5	36.1	2.0
% of non-managerial positions filled by women[14]	**47.2**	47.0	47.6	0.3
% of women total promotions	**47.6**	46.0	46.1	3.5
Executive and non-executive directors[15]				
Men	**7**	8	8	(12.5)
Women	**5**	5	6	–
% of men	**58.3**	61.5	57.1	(5.2)
% of women	**41.7**	38.5	42.9	8.3
White British or other White (including minority-White groups)	**8**	9	11	(11.1)
Asian/Asian British	**4**	4	3	–
Black/African/Caribbean/Black British	**–**	–	–	–
Mixed/multiple ethnic groups	**–**	–	–	–
Other ethnic group	**–**	–	–	–
White British or other White (including minority-White groups) (%)	**66.7**	69.2	78.6	(3.7)
Asian/Asian British (%)	**33.3**	30.8	21.4	8.3
Black/African/Caribbean/Black British (%)	**0.0**	0.0	0.0	–
Mixed/multiple ethnic groups (%)	**0.0**	0.0	0.0	–
Other ethnic group (%)	**0.0**	0.0	0.0	–
Number of senior positions (CEO, CFO, SID and Chair)[16]				
Men	**3**	3	3	–
Women	**1**	1	1	–
White British or other White (including minority-White groups)	**4**	4	4	–
Asian/Asian British	**–**	–	–	–
Black/African/Caribbean/Black British	**–**	–	–	–
Mixed/multiple ethnic groups	**–**	–	–	–
Other ethnic group	**–**	–	–	–
% of Board members who have a cultural background different from the location of the corporate headquarters[17]	**91.7**	84.6	71.4	8.3
Executive management[18]	**15**	14	14	7.1
Men	**9**	7	8	28.6
Women	**6**	7	6	(14.3)
% of men	**60.0**	50.0	57.1	20.0
% of women	**40.0**	50.0	42.9	(20.0)
White British or other White (including minority-White groups)	**6**	5	6	20.0
Asian/Asian British	**6**	6	6	–
Black/African/Caribbean/Black British	**1**	1	1	–

Supplementary information

Diversity	2024	2023	2022	% change
Mixed/multiple ethnic groups	**–**	–	–	–
Not specified/prefer not to say	**1**	2	1	(50.0)
Other ethnic group	**1**	–	–	–
White British or other White (including minority-White groups) (%)	**40.0**	35.7	42.9	12.0
Asian/Asian British (%)	**40.0**	42.9	42.9	(6.7)
Black/African/Caribbean/Black British (%)	**6.7**	7.1	7.1	(6.7)
Mixed/multiple ethnic groups (%)	**0.0**	0.0	0.0	–
Not specified/prefer not to say (%)	**6.7**	14.3	7.1	(53.3)
Other ethnic group (%)	**6.7**	–	–	–
UK senior leadership[6, 19] (% declared)				
UK Black ethnicity	**2.5**	2.5	2.5	0.4
UK ethnic minority	**28.4**	27.8	26.4	2.1
US senior leadership[6, 19] (% declared)				
US Black ethnicity	**3.6**	4.0	4.7	(10.2)
US Hispanic or Latinx ethnicity	**10.9**	10.1	9.9	7.7

Work-related Health & Safety	2024	2023	2022	change
Fatalities[20]	**0**	3	1	(100.0)
Fatalities (rate per million hours worked)[20]	**0**	0.030	0.010	(100.0)
Major injuries[20,21,22,23]	**14**	21	20	(33.3)
Major injuries (rate per million hours worked)[20,24]	**0.08**	0.11	0.11	(27.3)
Recordable work-related injuries[20,25]	**122**	115	83	6.1
Recordable work-related injuries (rate per million hours worked)[20,24]	**0.68**	0.59	0.44	15.3
Work-related ill-health (fatalities)	**–**	–	–	–
Lost Time Injuries (rate per million hours worked)[24]	**0.13**	Not reported	Not reported	–

1 Excludes 868 employees (headcount) from Digital Ventures entities (Appro, Audax, Cashenable, Furaha, Labamu, Letsbloom, Libeara, MyZoi, Solv Ghana, Solv India, Solv Kenya, Solv Malaysia, TASConnect, Zodia Custody, Zodia Markets). Excludes 409 Person of Interest (headcount) following a recategorisation of worker types from 2022, i.e. independent non-executive directors, advisors, external auditors and regulators. Includes employees operating in discontinued/restructured businesses. Percentage change refers to the percentage change from 2023 to 2024. All figures above are presented to 1 decimal place and the corresponding percentage changes are derived from actual data without rounding to 1 decimal place to remain as accurate as possible.

2 Non-outsourced NEWs are resources engaged on a time and materials basis where task selection and supervision is the responsibility of the Bank, such as agency workers.

3 Outsourced NEWs are arrangements with a third party vendor where the delivery is based on a specific service or outcome at an agreed price, irrespective of the number of resources required to perform the service. These resources are not considered as the Group's headcount.

4 The disclosure of gender information is not mandatory in some markets.

5 Management Team (MT) and colleagues who report to them, excluding administrative or executive support roles (personal assistant, business planning managers).

6 Senior leadership is defined as Managing Directors and Bands 4 (including Management Team).

7 Region metrics are now aligned with the geographical regions and all prior periods data has been aligned with these geographical regions.

8 Turnover metrics are based on permanent employed workers only. New hire metrics are based on external new hires. Turnover and new hire metrics are based on average 12-month FTE. These metrics are not shown for the undisclosed gender population due to a small population size. Overall turnover rate in 2024 is in an upward trend, however the voluntary turnover has declined in 2024 compared with 2023.As voluntry turnover declined, the need for hiring reduced accordingly compared with 2023, resulting in fewer new hires.

9 In 2024, the bank launched interventions to drive more headcount and vacancy discipline and increase our focus on an internal first hiring strategy, where possible. The success of these interventions saw a strong uptake in redeploying the banks internal talent resulting in an 13 percentage point increase compared to the prior year.

10 Represents health and disability related absence. Excludes Korea.

11 Learning metrics exclude non-employed workers (NEWs). Training for personal development is defined as all training excluding mandatory or role specific training. Average training hours (including mandatory training) has been updated to include self-declared external training hours and prior periods have been restated for comparison. The strength of our learning agenda is reflected with 99.1% of our employees receiving training in 2024. Across the year, we have consolidated learning programmes to more effectively and efficiently deliver skills and knowledge-building to colleagues. We have further balanced learning campaigns with the ongoing changes in our operating models and transformation agenda. These actions have resulted in a reduction of the number of overall training hours per employee; and while the % of employees receiving training for personal development also declined from 2023, it continued to stay above 2022 trends.

12 Average cost of training per employee includes cost of learning management system.

13 Represents the % of Information Technology (IT) and/or Engineering roles filled by women. IT and/or engineering roles is defined as employees who work in the IT job function, including Engineering roles (excluding Innovation, Transformation & Ventures) and/or certain job families in the Data and Analytics job function.

14 Represents the percentage of women that are in the respective population groups. For the purpose of this metric, managerial/middle management roles are considered as roles which have people leader responsibilities excluding senior leadership. Non-managerial roles do not have people leader responsibilities.

15 Executive and non-executive directors refer to the UK PLC Board. Data has been collected by way of the directors' annual self-declarations.

16 For the purpose of this metric, senior positions in the Board include the Group Chairman, Group Chief Executive, Group Chief Financial Officer and Senior Independent Director.

17 Percentage of Board Members whose cultural background is different from the location of the corporate headquarters (UK).

18 For the purpose of this metric, executive management refers to Management team plus Group Company Secretary as defined by UK Listing Rules. Other Ethnic Group : "All other ethnic groups excluding White, Asian, Black and Mixed"

19 Ethnicity % has been derived based on colleagues who have declared their ethnicity against the overall UK/US population respectively (including colleagues who have not made a declaration).

20 2023 figures have been updated with 5 additional injuries and 1 contractor related fatality recorded in 2024 but occurred in 2023.

21 Per UK Health and Safety Executive definition.

22 The most common type of major injury is fractures (57%).

23 2024 includes three contractor/visitors; 2023 includes 5 contractor/visitors; 2022 includes 1 contractor/visitor.

24 2024 hours worked 179,485,255; 2023 hours worked 192,870,120; 2022 hours worked 188,758,285.

25 2024 includes 20 contractor/visitors; 2023 includes 31 contractor/visitors; 2022 includes 18 contractors/visitor.

Supplementary sustainability information

Sustainability aspirations

1. Mobilise sustainable finance

Pillar	Key performance indicators	Period	Status	2024 progress update
Sustainable Finance	Mobilise $300 billion in sustainable finance[1]	2021–2030	○	Mobilised $121 billion between January 2021 and September 2024. Strong progress was made in 2024. We anticipate that mobilisation of sustainable finance will not be linear and will likely increase over time as the market matures and we help our clients transition. We remain on track for our overall target in 2030.

2. Operationalise interim 2030 financed emissions targets to meet our 2050 net zero ambition

Pillar	Key performance indicators	Period	Status	2024 progress update
Operations	Net zero in our operations (Scope 1 and 2 GHG emissions)	2019–2025	○	We reduced our Scope 1 and 2 emissions by 28% during 2024 to 24,968 tCO_2e. Our real estate (net internal area[2]) decreased by 3.4% during that time. The Group purchased and retired carbon credits for our residual operational Scope 1 and 2 emissions. We remain on track for our overall 2025 target.
	Increase renewable energy sourcing to 100% by 2025 (RE100 compliant)	2022–2025	△	77% of our electricity came from renewable sources across our portfolio after matching consumption with renewable energy certificates (RECs). We continue to work towards purchasing renewable energy in every country possible and are striving to meet our 100% RE100 target by 2025. However, due to market constraints and lack of renewable energy options in some markets within Africa and the Middle East (for example, Bahrain, Botswana, Ghana, Iraq and Tanzania), we may not be able to meet our RE100 aspiration. Despite this, we remain committed to the initiative, however, acknowledging that market constraints may limit our ability to achieve these goals in the short/mid-term, financial or other constraints may reasonably prevent the Group from taking all available steps to meet the target.
	Divert 90% of waste from landfill by 2030	2020–2030	○	In 2024, we reduced our overall waste generated by 18% and achieved 61% avoidance of landfill (up from 52% in 2023).
Suppliers	Direct at least 50% of our total spend[3] with suppliers who have set science-based emissions reduction targets	2023–2027	○	New KPI added on supplier net zero engagement targets to enable the Group to support vendors' development of sustainability goals and allow the Group to be more transparent on emissions.
Financed Emissions	Achieve 2030 interim financed emissions reduction in our highest emitting sectors[4] • -29% in oil and gas (absolute) from a 2020 baseline • -46–67% in power (production intensity) from a 2021 baseline • -22–32% in steel (production intensity) from a 2021 baseline • -85% emissions reduction in thermal coal mining (absolute) from a 2020 baseline • Maintain a 1.5°C compliant production–intensity in aluminum from a 2021 baseline • Reduce our alignment delta in shipping to 0% from a 2021 baseline • -44–63% in automotive manufacturers (physical intensity) from a 2021 baseline • -22% in cement (production intensity) from a 2021 baseline	2020/2021–2030	○	Progress on our net zero sector targets remains on track with reductions in emissions seen in all sectors year–on–year. Reporting against our aviation sector target was resumed during the year following the sale of the aircraft leasing business and the majority of the lending portfolio during the prior period. For further details on our progress towards our interim net zero targets please refer to page 80.

2. Operationalise interim 2030 financed emissions targets to meet our 2050 net zero ambition

Pillar	Key performance indicators	Period	Status	2024 progress update
	• -47–74% in commercial real estate (production intensity) from a 2021 baseline • 33% reduction in aviation sector physical intensity from a 2021 baseline • -15-23% in residential mortgages (production intensity) from a 2021 baseline			
	Set and disclose 2030 financed emissions targets for high-emitting and carbon-intensive sectors in line with Net-Zero Banking Alliance (NZBA) guidelines: • 2024: Develop 2030 target for agriculture to be communicated in our 2024 Annual Report	2021–2024		Targets have been set for agriculture, please refer to page 80 for more information.
Facilitated Emissions	Achieve 2030 interim facilitated emissions reduction in our highest emitting sector: • -27% in oil and gas (absolute) from a 2021 baseline	2021–2030		As part of our net zero roadmap and as announced at our 2024 AGM, the Group has committed to set a facilitated emissions target. We have fulfilled this commitment via setting a standalone absolute emission facilitated target for oil and gas, which currently makes up the majority of emissions within our facilitation portfolio. Please refer to page 88 for more information.

1 We define mobilisation of sustainable finance as any investment or financial service provided to clients that supports: (i) the preservation and/or improvement of biodiversity, nature or the environment; (ii) the long-term avoidance/decrease of GHG emissions, including the alignment of a client's business and operations with a 1.5°C trajectory (known as transition finance); (iii) a social purpose; or (iv) incentivises our clients to meet their own sustainability objectives (known as sustainability-linked finance). It is a measure of total capital mobilised and considers the total value being committed facilities provided.

2 The definition used for measuring real estate is the net internal area (NIA) of our premises. Because the Group's portfolio is constantly changing, divesting and investing according to business needs, NIA often varies between the start and end of an environmental year. Therefore, the NIA of a site is calculated by taking the monthly average area (in square metres) over the entire environmental year. It does not consider the area that falls under ATM, bin collection points, cash vault, warehouse, closed branch space and vacant space. NIA excludes common areas, such as building corridors, common toilets, lift lobbies, lift shafts, lift motor rooms, fire escape staircase, common rises, plant rooms, cleaner's room, common pantries, telecommunications equipment rooms and fuel stores.

3 Spend includes Scope 3, Category 1: Purchased Goods and Services and Capital Goods suppliers excluding non-addressable spend. Addressable spend is defined as external costs incurred by Standard Chartered in the normal course of business where Supply Chain Management has influence over where the spend is placed. It excludes costs such as government and brokerage fees, rates and taxes and employee expenses. It also excludes any Category 1 co-location data centres which are calculated on energy use and reported separately under Scope 3.

4 Refer to the Group's 'Net Zero Methodological White Paper – The journey continues' via **sc.com/sustainabilitylibrary** and our Position Statements available at **sc.com/positionstatements**

3. Enhance and deepen leadership within the sustainability ecosystem

Pillar	Key performance indicators	Period	Status	2024 progress update
Market Integrity, Trust, Conduct and Compliance	Partnering to lead the fight against financial crimes: • Participating in public–private partnerships to contribute to understanding most recent developments, share intelligence and good practices • Contribute to developing typologies and red flags for financial flows	Ongoing		Throughout 2024 the Group's commitment to leading the fight against financial crime was fostered through strong industry and regulatory collaboration. The Group continued positive engagement with international and regional standard-setters, such as the Financial Action Task Force and Wolfsberg Group. Across our geographic footprint we work in partnership with regulators and industry associations to inform and reform financial crime legislation and regulation. The Group promotes effective financial crime compliance and risk identification through participation at financial crime conferences as speakers, panelists and subject matter experts. Public–private partnerships to tackle financial crime remain a key focus of the Group, with ongoing participation to evolve existing partnerships and provide support to countries and bodies seeking to establish new information-sharing arrangements.
	Develop and deliver a targeted outreach programme, including through key international platforms, aimed at safely and transparently reducing barriers to capital mobilisation for sustainable development	2022–2024		The Group continued to proactively engage in policy discussions via a number of major international and regional platforms and conferences. Through these activities, the Group sought to promote robust policy and regulatory frameworks to ensure the credibility and integrity of sustainable finance (including transition finance), and to support private capital mobilisation for sustainable development.
	Execution of at least 12 transactions by 2027 which are aligned with Standard Chartered's sustainability themed Innovation Hubs	2025–2027		With the establishment of the Innovation Hubs, the KPI was introduced to drive deal incubation and ensure impactful transactions that advance the sustainability ecosystem in our markets. Please refer to pages 66-68 for more information on the Innovation Hubs.

4. Drive social impact with our clients and communities

Pillar	Key performance indicators	Period	Status	2024 progress update
People	We aspire to have 35 per cent representation[5] of women at a global senior level[6] by end of 2025	2016–2025	On track	Women leadership representation at the end of 2024 was 33.1%. We remain on track for our overall target in 2025.
	Increase our Culture of Inclusion score to 84.5%[7]	2020–2024	Not achieved	Our Inclusion Index score remains high with a score of 82.1% in 2024. Though colleague sentiment dropped marginally in the 2024 annual My Voice survey (from 83.2% in 2023), the experience of working at the bank remains a broadly positive one. More colleagues feel they can exercise their judgement when making decisions. Most feel treated with respect, combined with the ability to choose a reasonable balance between personal and work life and having access to tools to execute their job. While the Group missed its aspirational 2024 Inclusion Index target of 84.5%, there has been a +5.14ppt overall increase in the Inclusion Index since 2018.
	Grow our employee My Voice score to the question "The way we operate day-to-day is aligned with our sustainability strategy" from 2021 baseline of 84% to 88%	2022–2024	Not achieved	The 2024 My Voice data confirms the 2024 target of 88% was not met. There was a 3ppt drop from 86% in 2023 to 83% in 2024. Despite the My Voice sentiment causing us to miss our target, the successes we have achieved in meeting all of our ambitious external sustainability commitments to date serve as proof points that we are executing on our sustainability strategy.
Communities	Invest 0.75% of prior-year operating profit (PYOP) in our communities	Ongoing	Achieved	Achieved 1.6% PYOP, refer to page 92 for additional details.
	Enable and support a total of 140,000 decent jobs[8] through the following breakdown: • 70,000 jobs accessed by young female participants employment[9] by 2030 • 70,000 direct jobs[10] enabled by supported microbusinesses by 2030	2024–2030	On track	New KPI added to reflect the new community impact strategy and replace the communities KPIs that were achieved in 2023.

5 Subject to local legal requirements
6 Senior level refers to roles that are at least at the level of Executive Director (Band 4) and Managing Directors (Band 3) as of 31 December of each reporting year.
7 The 'Culture of Inclusion' score is based on several questions in the My Voice employee engagement survey that relate to different concepts of inclusion, including being respected and valued for contributions, being heard and involved in decisions, career development and opportunities, and work life balance.
8 Decent jobs/employment: comprise formal employment and self-employment. 'Decent' aligns with the International Labour Organization (ILO) definition, but in recognition of the challenges in many markets to satisfy every criteria for 'decent', our Futuremakers initiative counts those participants who have met minimum wage plus at least two additional ILO criteria.
9 Young female participants remain in decent employment six months post intervention.
10 Direct jobs comprise of paid employment opportunities (direct employees, active associates, contractors, support/gig workers, and the entrepreneurs themselves) directly created by the supported microbusinesses. These may be part-time or full-time, with each job accounted for as a single unit. This KPI is based on actual data collated from project alumni over the seven year period, estimates based on empirical research, and ex-post project evaluations.

Concluded in the year

Achieved Not achieved

Ongoing aspirations

On track Not on track

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
7³⁄₈ per cent non-cumulative irredeemable preference shares of £1	1 April 2025	1 October 2025
8¹⁄₄ 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.

+ Details of voting at the Company's AGM and of proxy votes cast can be found on the Company's website at **sc.com/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.

+ See our latest Country-by-Country report **sc.com/sustainabilitylibrary**

Pillar 3 Reporting

In accordance with the Pillar 3 disclosure requirements, the Group has published the Pillar 3 Disclosures in respect of the year ended 31 December 2024.

+ See our Pillar 3 Disclosures **sc.com/financial-results**

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.

+ If you would like to receive more information, please visit **sc.com/sharecare** or contact the shareholder helpline on **0370 702 0138**

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.

+ Further information can be obtained from the Company's registrars or from ShareGift on **020 7930 3737** or from **sharegift.org**

Bankers' Automated Clearing System (BACS)

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

+ Please register online at **investorcentre.co.uk** or contact our registrar for a dividend mandate form

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. 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.

+ You can check your shareholding at **computershare.com/hk/investors**

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**. 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 this Annual Report and financial statements of the Group. To the extent that any forward-looking statements contained in this document are based on past or current trends and/or activities of the Group, they should not be taken as a representation that such trends or activities will continue in the future.

No statement in this document is intended to be, nor should be interpreted as, a profit forecast or to imply that the earnings of the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Group. Each forward-looking statement speaks only as of the date that it is made. Except as required by any applicable laws or regulations, the Group expressly disclaims any obligation to revise or update any forward-looking statement contained within this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

Please refer to this 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 this 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.

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, Financial review, 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 repaired 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. while 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;

xii. where the Group has used any methodology or tools developed by a third party, the application of the methodology or tools (or consequences of its application) shall not be interpreted as conflicting with any legal or contractual obligations and such legal or contractual obligations shall take precedence over the application of the methodology or tools;

xiii. where the Group has used any underlying data provided or sourced by a third party, the use of the data shall not be interpreted as conflicting with any legal or contractual obligations and such legal or contractual obligations shall take precedence over the use of the data;

xiv. this Important Notice is not limited in applicability to those sections of the document where limitations to data, metrics and methodologies are identified and where this Important Notice is referenced. This Important Notice applies to the whole document;

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

xvi. while all reasonable care has been taken in preparing the information included in this document, neither the Group nor any of its affiliates, directors, officers, employees or agents make any representation or warranty as to its quality, accuracy or completeness, and they accept no responsibility or liability for the contents of this information, including any errors of fact, omission or opinion expressed. 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, employees or agents expressly disclaim any liability and responsibility for any decisions or actions which you may take and for any damage or losses you may suffer from your use of or reliance on the information contained in this document.

Glossary

AT1 or Additional Tier 1 capital
Additional Tier 1 capital consists of instruments other than Common Equity Tier 1 that meet the Capital Requirements Regulation (as it forms part of UK domestic law) criteria for inclusion in Tier 1 capital.

Additional value adjustment
See Prudent valuation adjustment.

Advanced Internal Rating Based (AIRB) approach
The AIRB approach under the Basel framework is used to calculate credit risk capital based on the Group's own estimates of prudential parameters.

Alternative performance measures
A financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

ASEAN
Association of South East Asian Nations (ASEAN) which includes the Group's operations in Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.

AUM or Assets under management
Total market value of assets such as deposits, securities and funds held by the Group on behalf of the clients.

Basel II
The capital adequacy framework issued by the Basel Committee on Banking Supervision (BCBS) in June 2006 in the form of the International Convergence of Capital Measurement and Capital Standards.

Basel III
The global regulatory standards on bank capital adequacy and liquidity, originally issued in December 2010 and updated in June 2011. In December 2017, the BCBS published a document setting out the finalisation of the Basel III framework. The latest requirements issued in December 2017 have been implemented from 2022.

BCBS or Basel Committee on Banking Supervision
A forum on banking supervisory matters which develops global supervisory standards for the banking industry. Its members are officials from 45 central banks or prudential supervisors from 27 countries and territories.

Basic earnings per share (EPS)
Represents earnings divided by the basic weighted average number of shares.

Basis point (bps)
One hundredth of a per cent (0.01 per cent); 100 basis points is 1 per cent.

CRD or Capital Requirements Directive
A capital adequacy legislative package adopted by the PRA. CRD comprises the Capital Requirements Directive and the UK onshored Capital Requirements Regulation (CRR). The package implements the Basel III framework together with transitional arrangements for some of its requirements. CRD IV came into force on 1 January 2014. The EU CRR II and CRD V amending the existing package came into force in June 2019 with most changes starting to apply from 28 June 2021. Only those parts of the EU CRR II that applied on or before 31 December 2020, when the UK was a member of the EU, have been implemented. The PRA recently finalised the UK's version of the CRR II for implementation on 1 January 2022.

Capital-lite income
Income derived from products with low RWA consumption or products which are non-funding in nature.

Capital resources
Sum of Tier 1 and Tier 2 capital after regulatory adjustments.

CGU or Cash-generating unit
The smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Cash shortfall
The difference between the cash flows that are due in accordance with the contractual terms of the instrument and the cash flows that the Group expects to receive over the contractual life of the instrument.

Clawback
An amount an individual is required to pay back to the Group, which has to be returned to the Group under certain circumstances.

Commercial real estate
Includes office buildings, industrial property, medical centres, hotels, malls, retail stores, shopping centres, farm land, multi-family housing buildings, warehouses, garages, and industrial properties. Commercial real estate loans are those backed by a package of commercial real estate assets.

CET1 or Common Equity Tier 1 capital
Common Equity Tier 1 capital consists of the common shares issued by the Group and related share premium, retained earnings, accumulated other comprehensive income and other disclosed reserves, eligible non-controlling interests and regulatory adjustments required in the calculation of Common Equity Tier 1.

CET1 ratio
A measure of the Group's CET1 capital as a percentage of risk-weighted assets.

Contractual maturity
Contractual maturity refers to the final payment date of a loan or other financial instrument, at which point all the remaining outstanding principal and interest is due to be paid.

Countercyclical capital buffer
The countercyclical capital buffer (CCyB) is part of a set of macroprudential instruments, designed to help counter procyclicality in the financial system. CCyB as defined in the Basel III standard provides for an additional capital requirement of up to 2.5 per cent of risk-weighted assets in a given jurisdiction. The Bank of England's Financial Policy Committee has the power to set the CCyB rate for the United Kingdom. Each bank must calculate its 'institution-specific' CCyB rate, defined as the weighted average of the CCyB rates in effect across the jurisdictions in which it has credit exposures. The institution-specific CCyB rate is then applied to a bank's total risk-weighted assets.

Counterparty credit risk
The risk that a counterparty defaults before satisfying its obligations under a derivative, a securities financing transaction (SFT) or a similar contract.

CCF or Credit conversion factor
An estimate of the amount the Group expects a customer to have drawn further on a facility limit at the point of default. This is either prescribed by CRR or modelled by the bank.

CDS or Credit default swaps
A credit derivative is an arrangement whereby the credit risk of an asset (the reference asset) is transferred from the buyer to the seller of protection. A credit default swap is a contract where the protection seller receives premium or interest-related payments in return for contracting to make payments to the protection buyer upon a defined credit event. Credit events normally include bankruptcy, payment default on a reference asset or assets, or downgrades by a rating agency.

Climate Risk Assessment (CRA)
The CRA is an internal assessment conducted on in-scope corporate clients to identify climate risks, across Physical and Transition risks, that may lead to additional credit risks for the Group. The assessment is conducted across four sections, using Group's in house methodology as well as client public disclosures. The CRA produces a BRAG score indicating the level of climate risk of an entity and is supported by long-form analysis of the drivers of this score.

Credit institutions
An institution whose business is to receive deposits or other repayable funds from the public and to grant credits for its own account.

Credit risk mitigation
Credit risk mitigation is a process to mitigate potential credit losses from any given account, customer or portfolio by using a range of tools such as collateral, netting agreements, credit insurance, credit derivatives and guarantees.

Credible Transition Plan (CTP)
A credible climate transition plan is a time-bound, action plan that clearly outlines how a company will invest in or pivot existing assets, operations, and entire business model towards a trajectory that aligns with the most ambitious climate science.

CVA or Credit valuation adjustments
An adjustment to the fair value of derivative contracts that reflects the possibility that the counterparty may default such that the Group would not receive the full market value of the contracts.

Customer accounts
Money deposited by all individuals and companies which are not credit institutions including securities sold under repurchase agreement (see repo/reverse repo). Such funds are recorded as liabilities in the Group's balance sheet under customer accounts.

Days past due
One or more days that interest and/or principal payments are overdue based on the contractual terms.

DVA or Debit valuation adjustment
An adjustment to the fair value of derivative contracts that reflects the possibility that the Group may default and not pay the full market value of contracts.

Debt securities
Debt securities are assets on the Group's balance sheet and represent certificates of indebtedness of credit institutions, public bodies or other undertakings excluding those issued by central banks.

Debt securities in issue
Debt securities in issue are transferable certificates of indebtedness of the Group to the bearer of the certificate. These are liabilities of the Group and include certificates of deposits.

Deferred tax asset
Income taxes recoverable in future periods in respect of deductible temporary differences between the accounting and tax base of an asset or liability that will result in tax deductible amounts in future periods, the carry-forward of tax losses or the carry-forward of unused tax credits.

Deferred tax liability
Income taxes payable in future periods in respect of taxable temporary differences between the accounting and tax base of an asset or liability that will result in taxable amounts in future periods.

Default
Financial assets in default represent those that are at least 90 days past due in respect of principal or interest and/or where the assets are otherwise considered to be unlikely to pay, including those that are credit-impaired.

Defined benefit obligation
The present value of expected future payments required to settle the obligations of a defined benefit scheme resulting from employee service.

Defined benefit scheme
Pension or other post-retirement benefit scheme other than a defined contribution scheme.

Defined contribution scheme
A pension or other post-retirement benefit scheme where the employer's obligation is limited to its contributions to the fund.

Delinquency
A debt or other financial obligation is considered to be in a state of delinquency when payments are overdue. Loans and advances are considered to be delinquent when consecutive payments are missed. Also known as arrears.

Deposits by banks
Deposits by banks comprise amounts owed to other domestic or foreign credit institutions by the Group including securities sold under repo.

Diluted earnings per share (EPS)
Represents earnings divided by the weighted average number of shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Dividend per share
Represents the entitlement of each shareholder in the share of the profits of the Company. Calculated in the lowest unit of currency in which the shares are quoted.

Early alert, purely and non-purely precautionary
A borrower's account which exhibits risks or potential weaknesses of a material nature requiring closer monitoring, supervision, or attention by management. Weaknesses in such a borrower's account, if left uncorrected, could result in deterioration of repayment prospects and the likelihood of being downgraded to credit grade 12 or worse. When an account is on early alert, it is classified as either purely precautionary or non-purely precautionary. A purely precautionary account is one that exhibits early alert characteristics, but these do not present any imminent credit concern. If the symptoms present an imminent credit concern, an account will be considered for classification as non-purely precautionary.

Effective tax rate
The tax on profit/ (losses) on ordinary activities as a percentage of profit/ (loss) on ordinary activities before taxation.

Encumbered assets
On-balance sheet assets pledged or used as collateral in respect of certain of the Group's liabilities.

EU or European Union
The European Union (EU) is a political and economic union of 27 member states that are located primarily in Europe.

Eurozone
Represents the 19 EU countries that have adopted the euro as their common currency.

ECL or Expected credit loss
Represents the present value of expected cash shortfalls over the residual term of a financial asset, undrawn commitment or financial guarantee. This comprises ECL generated by the models, management judgements and individually assessed credit impairment provisions.

Expected loss
The Group measure of anticipated loss for exposures captured under an internal ratings-based credit risk approach for capital adequacy calculations. It is measured as the Group-modelled view of anticipated loss based on probability of default, loss given default and exposure at default, with a one-year time horizon.

Exposures
Credit exposures represent the amount lent to a customer, together with any undrawn commitments.

EAD or Exposure at default
The estimation of the extent to which the Group may be exposed to a customer or counterparty in the event of, and at the time of, that counterparty's default. At default, the customer may not have drawn the loan fully or may already have repaid some of the principal, so that exposure is typically less than the approved loan limit.

ECAI or External Credit Assessment Institution
External credit ratings are used to assign risk-weights under the standardised approach for sovereigns, corporates and institutions. The external ratings are from credit rating agencies that are registered or certified in accordance with the credit rating agencies regulation or from a central bank issuing credit ratings which is exempt from the application of this regulation.

ESG
Environmental, Social and Governance.

FCA or Financial Conduct Authority
The Financial Conduct Authority regulates the conduct of financial firms and, for certain firms, prudential standards in the UK. It has a strategic objective to ensure that the relevant markets function well.

Facilitated Emissions
Facilitated emissions refer to the greenhouse gas emissions that result from the facilitation of financial transactions by financial institutions.

Financed Emissions
Financed emissions are the emissions attributed to a financial institution when financing a client.

Forborne – not impaired loans
Loans where the contractual terms have been modified due to financial difficulties of the borrower, but the loan is not considered to be impaired. See 'Forbearance'.

Forbearance
Forbearance takes place when a concession is made to the contractual terms of a loan in response to an obligor's financial difficulties. The Group classifies such modified loans as either 'Forborne – not impaired loans' or 'Loans subject to forbearance – impaired'. Once a loan is categorised as either of these, it will remain in one of these two categories until the loan matures or satisfies the 'curing' conditions described in Note 8 to the financial statements.

Forborne – not impaired loans
Loans where the contractual terms have been modified due to financial difficulties of the borrower, but the loan is not considered to be impaired. See 'Forbearance'.

Funded/unfunded exposures
Exposures where the notional amount of the transaction is funded or unfunded. Represents exposures where a commitment to provide future funding is made but funds have been released/ not released.

FVA or Funding valuation adjustments
FVA reflects an adjustment to fair value in respect of derivative contracts that reflects the funding costs that the market participant would incorporate when determining an exit price.

G-SIBs or Global Systemically Important Banks
Global banking financial institutions whose size, complexity and systemic interconnectedness mean that their distress or failure would cause significant disruption to the wider financial system and economic activity. The list of G-SIBs is assessed under a framework established by the FSB and the BCBS. In the UK, the G-SIB framework is implemented via the CRD and G-SIBs are referred to as Global Systemically Important Institutions (G-SIIs).

G-SIB buffer
A CET1 capital buffer which results from designation as a G-SIB. The G-SIB buffer is between 1 per cent and 3.5 per cent, depending on the allocation to one of five buckets based on the annual scoring. In the UK, the G-SIB buffer is implemented via the CRD as Global Systemically Important Institutions (G-SII) buffer requirement.

Green and Sustainable Product Framework
Sets out underlying eligible qualifying themes and activities that may be considered ESG .This has been developed with the support of external experts, has been informed by industry and supervisory principles and standards such as the Green Bond Principles and EU Taxonomy for sustainable activities.

Hong Kong regional hub
Standard Chartered Bank (Hong Kong) Limited and its subsidiaries including the primary operating entities in China, Korea and Taiwan. Standard Chartered PLC is the ultimate parent company of Standard Chartered Bank (Hong Kong) Limited.

Interest rate risk
The risk of an adverse impact on the Group's income statement due to changes in interest rates.

IRB or internal ratings-based approach
Risk-weighting methodology in accordance with the Basel Capital Accord where capital requirements are based on a firm's own estimates of prudential parameters.

Internal model approach
The approach used to calculate market risk capital and RWA with an internal market risk model approved by the PRA under the terms of CRD/CRR.

IAS or International Accounting Standard
A standard that forms part of the International Financial Reporting Standards framework.

IASB or International Accounting Standards Board
An independent standard-setting body responsible for the development and publication of IFRS, and approving interpretations of IFRS standards that are recommended by the IFRS Interpretations Committee (IFRIC).

IFRS or International Financial Reporting Standards
A set of international accounting standards developed and issued by the International Accounting Standards Board, consisting of principles-based guidance contained within IFRSs and IASs. All companies that have issued publicly traded securities in the EU are required to prepare annual and interim reports under IFRS and IAS standards that have been endorsed by the EU.

IFRIC
The IFRS Interpretations Committee supports the IASB in providing authoritative guidance on the accounting treatment of issues not specifically dealt with by existing IFRSs and IASs.

Investment grade
A debt security, treasury bill or similar instrument with a credit rating measured by external agencies of AAA to BBB.

Leverage ratio
A ratio introduced under CRD IV that compares Tier 1 capital to total exposures, including certain exposures held off-balance sheet as adjusted by stipulated credit conversion factors. Intended to be a simple, non-risk-based backstop measure.

Liquidation portfolio
A portfolio of assets which is beyond our current risk appetite metrics and is held for liquidation.

LCR or Liquidity coverage ratio
The ratio of the stock of high-quality liquid assets to expected net cash outflows over the following 30 days. High-quality liquid assets should be unencumbered, liquid in markets during a time of stress and, ideally, be central bank eligible.

Loan exposure
Loans and advances to customers reported on the balance sheet held at amortised cost or FVOCI, non-cancellable credit commitments and cancellable credit commitments for credit cards and overdraft facilities

Loans and advances to customers
This represents lending made under bilateral agreements with customers entered into in the normal course of business and is based on the legal form of the instrument.

Loans and advances to banks
Amounts loaned to credit institutions including securities bought under Reverse repo.

LTV or loan-to-value ratio
A calculation which expresses the amount of a first mortgage lien as a percentage of the total appraised value of real property. The loan-to-value ratio is used in determining the appropriate level of risk for the loan and therefore the correct price of the loan to the borrower.

Loans past due
Loans on which payments have been due for up to a maximum of 90 days including those on which partial payments are being made.

Loans subject to forbearance – impaired
Loans where the terms have been renegotiated on terms not consistent with current market levels due to financial difficulties of the borrower. Loans in this category are necessarily impaired. See 'Forbearance'.

Loss rate
Uses an adjusted gross charge-off rate, developed using monthly write-off and recoveries over the preceding 12 months and total outstanding balances.

LGD or Loss given default
The percentage of an exposure that a lender expects to lose in the event of obligor default.

Low returning clients
See 'Perennial sub-optimal clients'.

Malus
An arrangement that permits the Group to prevent vesting of all or part of the amount of an unvested variable remuneration award, due to a specific crystallised risk, behaviour, conduct or adverse performance outcome.

Master netting agreement
An agreement between two counterparties that have multiple derivative contracts with each other that provides for the net settlement of all contracts through a single payment, in a single currency, in the event of default on, or termination of, any one contract.

Mezzanine capital
Financing that combines debt and equity characteristics. For example, a loan that also confers some profit participation to the lender.

MREL or minimum requirement for own funds and eligible liabilities
A requirement under the Bank Recovery and Resolution Directive for EU resolution authorities to set a minimum requirement for own funds and eligible liabilities for banks, implementing the FSB's Total Loss Absorbing Capacity (TLAC) standard. MREL is intended to ensure that there is sufficient equity and specific types of liabilities to facilitate an orderly resolution that minimises any impact on financial stability and ensures the continuity of critical functions and avoids exposing taxpayers to loss.

Net asset value (NAV) per share
Ratio of net assets (total assets less total liabilities) to the number of ordinary shares outstanding at the end of a reporting period.

Net exposure
The aggregate of loans and advances to customers/loans and advances to banks after impairment provisions, restricted balances with central banks, derivatives (net of master netting agreements), investment debt and equity securities, and letters of credit and guarantees.

Net-zero roadmap
Net-zero refers to a condition in which human-caused residual greenhouse gas emissions (GHG) are balanced by human-led removals over a specified period and within specified boundaries. Our Net-zero Roadmap refers to the short and medium-term objectives and quantifiable targets the Group has set to achieve net zero carbon emissions in our operations by 2025 and in our financed emissions by 2050.

NII or Net interest income
The difference between interest received on assets and interest paid on liabilities.

NSFR or Net stable funding ratio
The ratio of available stable funding to required stable funding over a one-year time horizon, assuming a stressed scenario. It is a longer-term liquidity measure designed to restrain the amount of wholesale borrowing and encourage stable funding over a one-year time horizon.

NPLs or non-performing loans
An NPL is any loan that is more than 90 days past due or is otherwise individually impaired. This excludes Retail loans renegotiated at or after 90 days past due, but on which there has been no default in interest or principal payments for more than 180 days since renegotiation, and against which no loss of principal is expected.

Non-linearity
Non-linearity of expected credit loss occurs when the average of expected credit loss for a portfolio is higher than the base case (median) due to the fact that bad economic environment could have a larger impact on ECL calculation than good economic environment.

Normalised items
See 'Underlying/Normalised' on page 56.

Operating expenses
Staff and premises costs, general and administrative expenses, depreciation and amortisation. Underlying operating expenses exclude expenses as described in 'Underlying earnings'. A reconciliation between underlying and statutory earnings is contained in Note 2 to the financial statements.

Operating income or operating profit
Net interest, net fee and net trading income, as well as other operating income. Underlying operating income represents the income line items above, on an underlying basis. See 'Underlying earnings'.

OTC or Over-the-counter derivatives
A bilateral transaction (e.g. derivatives) that is not exchange traded and that is valued using valuation models.

OCA or Own credit adjustment
An adjustment to the Group's issued debt designated at fair value through profit or loss that reflects the possibility that the Group may default and not pay the full market value of the contracts.

Perennial sub-optimal clients
Clients that have returned below 3% return on risk-weighted assets for the last three years.

Physical risks
The risk of increased extreme weather events including flood, drought and sea level rise.

Pillar 1
The first pillar of the three pillars of the Basel framework which provides the approach to calculation of the minimum capital requirements for credit, market and operational risk. Minimum capital requirements are 8 per cent of the Group's risk-weighted assets.

Pillar 2
The second pillar of the three pillars of the Basel framework which requires banks to undertake a comprehensive assessment of their risks and to determine the appropriate amounts of capital to be held against these risks where other suitable mitigants are not available.

Pillar 3
The third pillar of the three pillars of the Basel framework which aims to provide a consistent and comprehensive disclosure framework that enhances comparability between banks and further promotes improvements in risk practices.

Priority Banking
Priority Banking customers are individuals who have met certain criteria for deposits, AUM, mortgage loans or monthly payroll. Criteria varies by country.

Private equity investments
Equity securities in operating companies generally not quoted on a public exchange. Investment in private equity often involves the investment of capital in private companies. Capital for private equity investment is raised by retail or institutional investors and used to fund investment strategies such as leveraged buyouts, venture capital, growth capital, distressed investments and mezzanine capital.

PD or Probability of default
PD is an internal estimate for each borrower grade of the likelihood that an obligor will default on an obligation over a given time horizon.

Probability weighted
Obtained by considering the values the metric can assume, weighted by the probability of each value occurring.

Profit/(loss) attributable to ordinary shareholders
Profit (loss) for the year after non-controlling interests and dividends declared in respect of preference shares classified as equity.

PVA or Prudent valuation adjustment
An adjustment to CET1 capital to reflect the difference between fair value and prudent value positions, where the application of prudence results in a lower absolute carrying value than recognised in the financial statements.

PRA or Prudential Regulation Authority
The Prudential Regulation Authority is the statutory body responsible for the prudential supervision of banks, building societies, credit unions, insurers and a small number of significant investment firms in the UK. The PRA is a part of the Bank of England.

Revenue-based carbon intensity
A measurement of the quantity of greenhouse gases emitted by our clients per USD of their revenue.

Regulatory consolidation
The regulatory consolidation of Standard Chartered PLC differs from the statutory consolidation in that it includes Ascenta IV, Global Digital Asset Holdings Limited, Olea Global group, Partior Holdings Pte. Ltd., SBI Zodia Custody Co. Ltd, Seychelles International Mercantile Banking Corporation Limited., Vault22 Solutions Holdings Ltd, and all of the legal entities in the Currency Fair group on a proportionate consolidation basis. These entities are considered associates for statutory accounting purposes.

The regulatory consolidation further excludes the following entities, which are consolidated for statutory accounting purposes; Audax Financial Technology Pte. Ltd, Furaha Finserve Uganda Limited, Letsbloom India Private Limited, Letsbloom Pte. Ltd., Pegasus Dealmaking Pte. Ltd., PointSource Technologies Pte. Ltd., PT Labamu Sejahtera Indonesia, Qatalyst Pte. Ltd., SCV Research and Development Pte. Ltd., SCV Research and Development Pvt. Ltd., Solv Vietnam Company Limited, Solvezy Technology Ghana Ltd, Solvezy Technology Kenya Limited, Standard Chartered Assurance Limited, Standard Chartered Bancassurance Intermediary Limited, Standard Chartered Bank Insurance Agency (Proprietary) Limited, Standard Chartered Botswana Education Trust, Standard Chartered Isle of Man Limited, TASConnect (Hong Kong) Private Limited, TASConnect (Malaysia) Sdn. Bhd., TASConnect (Shanghai) Financial Technology Pte. Ltd and Tawi Fresh Kenya Limited

Repo/reverse repo
A repurchase agreement or repo is a short-term funding agreement, which allows a borrower to sell a financial asset, such as asset-backed securities or government bonds as collateral for cash. As part of the agreement the borrower agrees to repurchase the security at some later date, usually less than 30 days, repaying the proceeds of the loan. For the party on the other end of the transaction (buying the security and agreeing to sell in the future), it is a reverse repurchase agreement or reverse repo.

Residential mortgage
A loan to purchase a residential property which is then used as collateral to guarantee repayment of the loan. The borrower gives the lender a lien against the property, and the lender can foreclose on the property if the borrower does not repay the loan per the agreed terms. Also known as a home loan.

RoRWA or Return on risk-weighted assets
Profit before tax for year as a percentage of RWA. Profit may be statutory or underlying and is specified where used. See 'RWA' and 'Underlying earnings'.

RWA or Risk-weighted assets
A measure of a bank's assets adjusted for their associated risks, expressed as a percentage of an exposure value in accordance with the applicable standardised or IRB approach provisions.

Risks-not-in-VaR (RNIV)
A framework for identifying and quantifying marginal types of market risk that are not captured in the Value at Risk (VaR) measure for any reason, such as being a far-tail risk or the necessary historical market data not being available.

Roll rate
Uses a matrix that gives average loan migration rate from delinquency states from period to period. A matrix multiplication is then performed to generate the final PDs by delinquency bucket over different time horizons.

Scope 1 emissions
Direct GHG emissions that occur from sources owned or controlled by the Group – i.e., emissions from combustion in owned or controlled boilers, furnaces, vehicles, as well as fugitive emissions from pressure containing equipment at Group locations.

Scope 2 emissions
Indirect GHG emissions from the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the Group.

Scope 3 emissions
All indirect GHG emissions (not included in Scope 2) that occur in the value chain of the Group, arising from sources not controlled by the Group. This comprises of both upstream and downstream value chain emissions and includes absolute financed emissions.

Secured (fully and partially)
A secured loan is a loan in which the borrower pledges an asset as collateral for a loan which, in the event that the borrower defaults, the Group is able to take possession of. All secured loans are considered fully secured if the fair value of the collateral is equal to or greater than the loan at the time of origination. All other secured loans are considered to be partly secured.

Securitisation
Securitisation is a process by which credit exposures are aggregated into a pool, which is used to back new securities. Under traditional securitisation transactions, assets are sold to a structured entity which then issues new securities to investors at different levels of seniority (credit tranching). This allows the credit quality of the assets to be separated from the credit rating of the originating institution and transfers risk to external investors in a way that meets their risk appetite. Under synthetic securitisation transactions, the transfer of risk is achieved by the use of credit derivatives or guarantees, and the exposures being securitised remain exposures of the originating institution.

Senior debt
Debt that takes priority over other unsecured or otherwise more 'junior' debt owed by the issuer. Senior debt has greater seniority in the issuer's capital structure than subordinated debt. In the event the issuer goes bankrupt, senior debt theoretically must be repaid before other creditors receive any payment.

SICR or Significant increase in credit risk
Assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination (after considering the passage of time.

Solo
The solo regulatory group as defined in the Prudential Regulation Authority waiver letter dated 16 September 2024 differs from Standard Chartered Bank Company in that it includes the full consolidation of four subsidiaries, namely Standard Chartered Holdings (International) B.V., Standard Chartered Grindlays PTY Limited, SCMB Overseas Limited, and Corrasi Covered Bonds LLP.

Sovereign exposures
Exposures to central governments and central government departments, central banks and entities owned or guaranteed by the aforementioned. Sovereign exposures, as defined by the European Banking Authority, include only exposures to central governments.

Stage 1
Assets have not experienced a significant increase in credit risk since origination and impairment recognised on the basis of 12 months expected credit losses.

Stage 2
Assets have experienced a significant increase in credit risk since origination and impairment is recognised on the basis of lifetime expected credit losses.

Stage 3
Assets that are in default and considered credit-impaired (non-performing loans).

Standardised approach
In relation to credit risk, a method for calculating credit risk capital requirements using External Credit Assessment Institutions (ECAI) ratings and supervisory risk weights. In relation to operational risk, a method of calculating the operational capital requirement by the application of a supervisory defined percentage charge to the gross income of eight specified business lines.

Structured note
An investment tool which pays a return linked to the value or level of a specified asset or index and sometimes offers capital protection if the value declines. Structured notes can be linked to equities, interest rates, funds, commodities and foreign currency.

Subordinated liabilities
Liabilities which, in the event of insolvency or liquidation of the issuer, are subordinated to the claims of depositors and other creditors of the issuer.

Sustainability Aspirations

Our Sustainability Aspirations are consolidated into four overarching long-term goals, each supported by key performance indicators that we use to measure our progress and outcomes in areas in which we can make a contribution to the delivery of the UN Sustainable Development Goals (SDGs).

Sustainable Finance assets

Assets from clients whose business activities are aligned with the Sustainability Bond Framework, those generated from transactions for which the use of proceeds will be utilised towards eligible themes and activities set out within the Sustainability Bond Framework, or assets generated through our own lending activities to small and medium sized enterprises (SMEs) in eligible markets or through our green mortgage offerings as per the criteria set out in the Sustainability Bond Framework.

Sustainable Finance income

Income generated from Sustainable Finance products and clients as listed in the Green and Sustainable Product Framework. Additional products may be approved throughout the year by the Sustainable Finance Governance Committee.

Sustainability Linked Loan

Any type of loan instrument for which the economic characteristics can vary depending on whether the counterparty achieves ambitious, material and quantifiable predetermined sustainability performance targets (SPTs).

Tier 1 capital

The sum of Common Equity Tier 1 capital and Additional Tier 1 capital.

Tier 1 capital ratio

Tier 1 capital as a percentage of risk-weighted assets.

Tier 2 capital

Tier 2 capital comprises qualifying subordinated liabilities and related share premium accounts.

TLAC or Total loss absorbing capacity

An international standard for TLAC issued by the FSB, which requires G-SIBs to have sufficient loss-absorbing and recapitalisation capacity available in resolution, to minimise impacts on financial stability, maintain the continuity of critical functions and avoid exposing public funds to loss.

Transition risks

The risk of financial impact due to changes in market dynamics or sectoral economics due to governments' response to climate change, as well as competitors and advancements in technology.

UK bank levy

A levy that applies to certain UK banks and the UK operations of foreign banks. The levy is payable each year based on a percentage of the chargeable equities and liabilities on the Group's UK tax resident entities' balance sheets. Key exclusions from chargeable equities and liabilities include Tier 1 capital, insured or guaranteed retail deposits, repos secured on certain sovereign debt and liabilities subject to netting.

Unbiased

Not overly optimistic or pessimistic, represents information that is not slanted, weighted, emphasised, de-emphasised or otherwise manipulated to increase the probability that the financial information will be received favourably or unfavourably by users.

Unlikely to pay

Indications of unlikeliness to pay shall include placing the credit obligation on non-accrued status; the recognition of a specific credit adjustment resulting from a significant perceived decline in credit quality subsequent to the Group taking on the exposure; selling the credit obligation at a material credit-related economic loss; the Group consenting to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, interest or, where relevant fees; filing for the obligor's bankruptcy or a similar order in respect of an obligor's credit obligation to the Group; the obligor has sought or has been placed in bankruptcy or similar protection where this would avoid or delay repayment of a credit obligation to the Group.

VaR or Value at Risk

A quantitative measure of market risk estimating the potential loss that will not be exceeded in a set time period at a set statistical confidence level.

ViU or Value-in-Use

The present value of the future expected cash flows expected to be derived from an asset or CGU.

Write-downs

After an advance has been identified as impaired and is subject to an impairment provision, the stage may be reached whereby it is concluded that there is no realistic prospect of further recovery. Write-downs will occur when, and to the extent that, the whole or part of a debt is considered irrecoverable.

XVA

The term used to incorporate credit, debit and funding valuation adjustments to the fair value of derivative financial instruments. See 'CVA', 'DVA' and 'FVA'.

Designed and produced by **Friend**
www.friendstudio.com

Printed by Park Communications a certified Carbon Neutral print company.

Park works to the EMAS standard and its Environmental Management System is certified to ISO 14001.

This publication has been manufactured using 100% offshore wind electricity sourced from UK wind.

Print product with financial
climate contribution
ClimatePartner.com/13766-2502-1002

This is a certified climate neutral print product for which carbon emissions have been calculated and offset by supporting recognised carbon offset projects. The carbon offset projects are audited and certified according to international standards and demonstrably reduce emissions. The climate neutral label includes a unique ID number specific to this product which can be tracked at www.climatepartner.com, giving details of the carbon offsetting process including information on the emissions volume and the carbon offset project being supported.

100% of the inks used are vegetable oil based, 95% of press chemicals are recycled for further use and, on average 99% of any waste associated with this production will be recycled and the remaining 1% used to generate energy.

This document is printed on Nautilus Superwhite 100% Recycled paper containing 100% recycled fibre. The FSC® label on this product ensures responsible use of the world's forest resources.

FSC
www.fsc.org
RECYCLED
Paper made from recycled material
FSC® C001785

Registered Office: 1 Basinghall Avenue, London EC2V 5DD. Telephone +44 (0) 20 7885 8888.

Principal place of business in Hong Kong: 32nd Floor, 4-4A Des Voeux Road, Central, Hong Kong.

Registered in England No. 966425.

Global headquarters

Standard Chartered Group
1 Basinghall Avenue
London, EC2V 5DD
United Kingdom
+44 (0)20 7885 8888

Digital Annual Report

sc.com/annualreport

Shareholder enquiries

ShareCare information
sc.com/sharecare
+44 (0)370 702 0138

ShareGift information
ShareGift.org
+44 (0)20 7930 3737

Registrar information

UK
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol, BS99 6ZZ
+44 (0)370 702 0138

Hong Kong
Computershare Hong Kong
Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong
computershare.com/hk/investors

Chinese translation

Computershare Hong Kong
Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

Register for electronic communications
investorcentre.co.uk

LSE stock code: STAN.LN
HKSE stock code: 02888