

STANDARD CHARTERED PLC
PRESENTATION OF FINANCIAL INFORMATION
25th July 2023

Standard Chartered PLC (the Group) is reclassifying certain interest expenses and fees between Net Interest Income and Other Income to align with the way it manages its business and the basis on which it already calculates Net Interest Margin; there is no change to total Underlying Income.

The interest expense associated with funding the trading book will in future be deducted from Other Income rather than Net Interest Income. Recent rises in interest rates have materially increased the size of this adjustment, up from \$462 million in 2022 to a guided \$1.7 billion in 2023, making a change in definition more appropriate than continuous adjustment.

And financial guarantee fees in relation to interest-earning assets will in future be reported in Underlying Net Interest Income rather than within Underlying Other Income.

These changes will mean that the Group's Underlying Net Interest Income can be derived simply from the Net Interest Margin and balance sheet amounts without the need for further adjustments.

These adjustments will not be made for the purposes of the statutory Net Interest Income and statutory Other Income disclosures.

The table below reconciles the Group's revised Underlying Net Interest Income and Underlying Other Income on the new basis of preparation from the previously reported disclosures.

	<u>2Q'22</u>	<u>1H'22</u>	<u>FY'22</u>	<u>1Q'23</u>
Old Definition of Underlying Net Interest Income	1,852	3,635	7,584	2,007
Trading Book Funding Cost Adjustment	65	106	463	352
Financial guarantee fees in relation to interest-earning assets	(27)	(47)	(80)	(18)
Revised Definition of Underlying Net Interest Income	1,890	3,694	7,967	2,341
<hr/>				
Old Definition of Underlying Other Income	1,931	4,224	8,178	2,389
Trading Book Funding Cost Adjustment	(65)	(106)	(463)	(352)
Financial guarantee fees in relation to interest-earning assets	27	47	80	18
Revised Definition of Underlying Other Income	1,893	4,165	7,795	2,055
<hr/>				
Old Definition of Underlying Operating Income	3,783	7,859	15,762	4,396
Revised Definition of Underlying Operating Income	3,783	7,859	15,762	4,396
<i>Net Change</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

The re-presentations summarised above have not resulted in any changes to the reported income or balances in total at a Group level.

The financial results for the first half of 2023, which will be announced on Friday 28 July 2023, will be presented on this new basis.

The latest company-compiled consensus has been republished incorporating the updated definition of underlying net interest income and other income and can be found [here](#).

For further information, please contact:

Gregg Powell, Group Head, Investor Relations: +44 (0) 20 7885 5172

Adnan Akhtar, Head of Sell-Side, Investor Relations: +44 (0) 20 7885 7255

Shaun Gamble, Executive Director, Media Relations: +44 (0) 20 7885 5934