IMPORTANT NOTICE

IMPORTANT: You must read the following before continuing. The following applies to the attached offering circular (the "**Offering Circular**") and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In reading, accessing or making any other use of the Offering Circular you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive or access any information from Standard Chartered Bank (in its capacity as the issuer of the securities described herein, the "**Issuer**"), Standard Chartered Bank (in its capacity as the sole manager, the "**Sole Manager**") and you agree that each of the Issuer and the Sole Manager (together with their subsidiaries and their respective affiliates) will rely upon the truth and accuracy of the following representations, acknowledgements and agreements. **IF YOU DO NOT AGREE TO THE TERMS DESCRIBED IN THIS NOTICE, YOU MAY NOT OPEN THE ATTACHED OFFERING CIRCULAR.** The Offering Circular has been prepared solely in connection with the proposed offering to certain institutional investors of the securities described herein. The Offering Circular is subject to completion and amendment.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF DIGITALLY NATIVE NOTES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. ANY DIGITALLY NATIVE NOTES TO BE ISSUED HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE DIGITALLY NATIVE NOTES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Prospective investors should have regard to the factors described under the section of the Offering Circular headed "*Risk Factors*", which includes the risk that the Digitally Native Notes may be subject to bail-in resolution powers which may result in loss absorption by investors.

Confirmation of your representation: In order to be eligible to view the Offering Circular or make an investment decision with respect to the Digitally Native Notes, you must be a person that is not a U.S. person (as defined in Regulation S) and that is outside the United States and not acting for the account or benefit of a U.S. person. By accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to us that you are outside the United States and are not a U.S. person and are not acting for the account or benefit of a U.S. person and that you consent to delivery of the Offering Circular by electronic transmission. You have been sent the Offering Circular on the basis that a) you are a person by whom the Offering Circular may be lawfully accessed in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular to any other person, and b) you consent to delivery of the Offering Circular in electronic form.

Under no circumstances shall the Offering Circular constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities being offered, in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of the Offering Circular who intend to subscribe for or purchase the Digitally Native Notes referred to in the Offering Circular are reminded that any subscription or purchase may only be made on the basis of the information contained (including by incorporation by reference) in the Offering Circular as it may be amended or completed. The Offering Circular may only be provided to persons in the United Kingdom ("**UK**") in circumstances where section 21(1) of the Financial Services and Markets Act 2000 (the "**FSMA**") would not, if it were not an authorised person, apply to the Issuer.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Issuer, the Sole Manager nor any person who controls any such person nor any director, officer, employee, agent or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version available to you on request from the Sole Manager.

The Offering Circular and any other materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Sole Manager or any affiliate of the Sole Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Sole Manager or such affiliate on behalf of the Issuer in such jurisdiction.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Digitally Native Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Digitally Native Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Digitally Native Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Digitally Native Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is not a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the domestic law of the UK by virtue of the EUWA ("**UK MiFIR**"). Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Digitally Native Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Digitally Native Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024 (the "**CCI Regulations**").

UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Digitally Native Notes has led to the conclusion that: (i) the target market for the Digitally Native Notes is only eligible counterparties, as defined in COBS, and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the Digitally Native Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Digitally Native Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Digitally Native Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

The Offering Circular does not constitute a prospectus in compliance with the FCA Handbook Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (the "**PRM**") and in accordance with the Public Offers and Admissions to Trading Regulations 2024 (the "**POATRs**" and, together with the PRM, the "**UK Prospectus Regime**"). The Offering Circular has been prepared solely with regard to the Digitally Native Notes, which are: (i) not to be admitted to listing or trading on a UK regulated market for the purposes of Article 2(1)(13A) of UK MiFIR; and (ii) not to be offered to the public in the UK (other than pursuant to one or more of the exemptions set out in Part 1 of Schedule 1 to the POATRs (except for paragraph 6(a)). The Offering Circular has not been approved or reviewed by any regulator which is a competent authority under the UK Prospectus Regime.

STANDARD CHARTERED BANK

(Incorporated with limited liability in England by Royal Charter with reference number ZC18)

U.S.$200,000,000 Floating Rate Digitally Native Notes due 2029

ISSUE PRICE: 100.000 per cent.

The U.S.$200,000,000 floating rate digitally native notes due 2029 (the "**Digitally Native Notes**") are expected to be issued by Standard Chartered Bank (the "**Issuer**") on 20 August 2026 (the "**Issue Date**").

Application has been made for the Digitally Native Notes to be admitted to trading on the International Securities Market (the "**ISM**") of the London Stock Exchange plc (the "**London Stock Exchange**"). The Digitally Native Notes are a new issue of securities and there is currently no established trading market for the Digitally Native Notes. None of the Issuer, the Trustee, the Agents or the Sole Manager (each as defined in the Conditions herein) can make any assurances that a liquid trading market will develop for the Digitally Native Notes, that the Digitally Native Notes will be able to be sold at a particular time or that the prices the Digitally Native Notes sell for will be favourable. The ISM is not a United Kingdom ("**UK**") regulated market for the purposes of Article 2(1)(13A) of Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") ("**UK MiFIR**").

The ISM is a market designated for qualified investors (as defined in Regulation 16 of the Public Offers and Admissions to Trading Regulations 2024 (SI 2024/105) (the "POATRs"). The London Stock Exchange, as a Recognised Investment Exchange, does not make assessments of investor eligibility. Given that under Regulation 16 of the POATRs, only qualified investors are permitted to trade on the ISM and no qualified investor is permitted to trade on behalf of persons who are not themselves qualified investors, financial intermediaries acting for investors are responsible for ensuring that only investors who are qualified investors as prescribed by Regulation 16 of the POATRs are permitted to trade on the ISM. Securities admitted to trading on the ISM are not admitted to the Official List of the Financial Conduct Authority (the "FCA"). The London Stock Exchange has not approved or verified the contents of this Offering Circular. This Offering Circular comprises admission particulars for the purposes of the admission to trading of the Digitally Native Notes to the ISM, in accordance with the ISM Rulebook effective as of 19 January 2026 (as may be modified and/or supplemented and/or restated from time to time).

The Digitally Native Notes bear interest in respect of the period from (and including) the Issue Date to (but excluding) the Interest Payment Date (as defined below) falling on or nearest to 20 August 2029 at a floating rate equal to the sum of the applicable SOFR Benchmark for each Interest Period and 0.70 per cent. per annum (the "**Margin**"), as determined by the Calculation Agent on each Interest Determination Date and as further described in Condition 4 (*Interest*). Subject as provided herein, interest on the Digitally Native Notes will be payable quarterly in arrear on 20 February, 20 May, 20 August and 20 November in each year (each an "**Interest Payment Date**") commencing on 20 November 2026. Terms used and not defined herein shall have the same meaning as in the Conditions.

Unless previously redeemed and/or purchased and cancelled, the Digitally Native Notes will be redeemed at their principal amount on the Interest Payment Date falling on or nearest to the 20 August 2029. The Issuer may redeem all but not some only of the Digitally Native Notes: (i) on any Interest Payment Date if, 75 per cent. or more of the aggregate principal amount of the Digitally Native Notes originally issued (including any further Digitally Native Notes issued pursuant to Condition 12 (*Further Issues*)) has been redeemed and/or purchased and cancelled; or (ii) on any Interest Payment Date if, as a result of a change in or amendment to the laws or regulations of the UK or any political subdivision or any authority thereof or therein having power to tax or certain other changes affecting taxation, as described in the Conditions (as defined herein), the Issuer has or will become obliged to pay additional amounts in respect of the Digitally Native Notes, or if the Issuer will or would not be entitled to claim a deduction in respect of any payments in respect of the Digitally Native Notes in computing its taxation liabilities or the value of such deduction will or would be materially reduced, or if certain other adverse tax consequences occur in respect of the Digitally Native Notes, in each case at their principal amount plus accrued interest (if any) and in the manner described herein.

The Offering Circular does not constitute a prospectus in compliance with the FCA Handbook Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (the "**PRM**") and in accordance with the POATRs (together with the PRM, being the "**UK Prospectus Regime**"). The Offering Circular has been prepared solely with regard to the Digitally Native Notes, which are: (i) not to be admitted to listing or trading on a UK regulated market for the purposes of Article 2(1)(13A) of UK MiFIR; and (ii) not to be offered to the public in the UK (other than in circumstances where an exemption is available under PRM 1.3 and PRM 1.4 pursuant to one or more of the exemptions set out in Part 1 of Schedule 1 to the POATRs (except for paragraph 6(a)). The Offering Circular has not been approved or reviewed by any regulator which is a competent authority under the UK Prospectus Regime.

THE DIGITALLY NATIVE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES).

The Digitally Native Notes are issued in dematerialised form in the specified denomination of U.S.$200,000 and higher integral multiples of U.S.$1,000 in excess thereof. The Digitally Native Notes will be created upon issue, and in accordance with the Trust Deed and the DNN Agency Agreement, on that part of the securities settlement system operated by Euroclear Bank SA/NV ("**Euroclear**") as a central securities depository under EU Regulation No 909/2014 of 23 July 2014 (as amended from time to time), by means of which the settlement of issuance, transfers and redemption of digitally native notes and related payments are recorded (such part being the "**D-FMI**"). Investors may hold and transfer interests in the Digitally Native Notes through the Securities Clearance Accounts (as defined in the Conditions) of direct participants in the conventional non-D-FMI component of the securities settlement system operated by Euroclear (the "**Euroclear System**") (the "**Legacy Component**").

The Digitally Native Notes are expected to be rated AA- by Fitch Ratings Ltd ("**Fitch UK**").

THE DIGITALLY NATIVE NOTES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S.

INVESTING IN THE DIGITALLY NATIVE NOTES INVOLVES RISKS. INVESTORS SHOULD HAVE REGARD TO AND SHOULD HAVE SUFFICIENT KNOWLEDGE AND EXPERTISE TO EVALUATE THE EFFECT OF OR THE LIKELIHOOD OF THE OCCURRENCE OF THE FACTORS DESCRIBED UNDER THE SECTION HEADED "RISK FACTORS" IN THIS OFFERING CIRCULAR, WHICH INCLUDES THE RISK THAT THE DIGITALLY NATIVE NOTES MAY BE SUBJECT TO BAIL-IN RESOLUTION POWERS, WHICH MAY RESULT IN LOSS ABSORPTION BY INVESTORS.

Sole Manager
Standard Chartered Bank

Offering Circular dated 19 August 2026

IMPORTANT

If you are in any doubt about this Offering Circular you should consult your stockbroker, bank manager, solicitor, certified public accountant or other professional adviser.

The Issuer accepts responsibility for the information contained in this Offering Circular and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Circular is, to the best of the Issuer's knowledge, in accordance with the facts and contains no omission likely to affect its import.

This Offering Circular has been prepared on the basis that any offer of Digitally Native Notes in the UK will be made pursuant to an exception under Part 1 of Schedule 1 to the POATRs (other than paragraph 6(a) of Part 1 of Schedule 1 to the POATRs). Accordingly, any person making or intending to make an offer in the UK of Digitally Native Notes may only do so in circumstances in which no obligation arises for the Issuer or the Sole Manager to publish a prospectus under the PRM or supplement a prospectus in accordance with rule 10 of PRM, in relation to such offer. Neither the Issuer nor the Sole Manager has authorised, nor do they authorise, the making of any offer of Digitally Native Notes in circumstances in which an obligation arises for the Issuer or the Sole Manager to publish or supplement a prospectus for such offer.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference" below).

No person has been authorised to give any information or to make any representation other than as contained in this Offering Circular in connection with the issue or sale of the Digitally Native Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Sole Manager (as defined in "*Overview of the Digitally Native Notes*" below). Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or that there has been no adverse change in the financial position of the Issuer since the date hereof or that any other information supplied in connection with the Digitally Native Notes is correct as of any time after the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Offering Circular and the offering or sale of the Digitally Native Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Sole Manager to inform themselves about and to observe any such restriction.

THE DIGITALLY NATIVE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. SUBJECT TO CERTAIN EXCEPTIONS, THE DIGITALLY NATIVE NOTES MAY NOT BE OFFERED OR SOLD TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")).

THE DIGITALLY NATIVE NOTES ARE BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS AND SALES OF DIGITALLY NATIVE NOTES AND THE DISTRIBUTION OF THIS OFFERING CIRCULAR, SEE "*SUBSCRIPTION AND SALE*".

THE DIGITALLY NATIVE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF DIGITALLY NATIVE NOTES OR THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Sole Manager to subscribe for, or purchase, the Digitally Native Notes.

To the fullest extent permitted by law, none of the Sole Manager, the Trustee or the Agents accept any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by the Sole Manager, the Trustee or the Agents or on their behalf in connection with the Issuer or the issue and offering of the Digitally Native Notes. Each of the Sole Manager, the Agents and the Trustee accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement. Neither this Offering Circular nor any document incorporated by reference nor any other financial statements or information supplied in connection with the Digitally Native Notes is intended to provide the basis of any credit or other evaluation or should be considered as a recommendation by any of the Issuer, the Trustee, the Agents or the Sole Manager that any recipient of this Offering Circular or any other financial statements or information supplied in connection with the Digitally Native Notes or any document incorporated by reference should purchase the Digitally Native Notes. Each potential purchaser of Digitally Native Notes should determine for itself the relevance of the information contained in this Offering Circular, in any document incorporated by reference, or in any other financial statements or information supplied in connection with the Digitally Native Notes and its purchase of Digitally Native Notes should be based upon such investigation as it deems necessary. None of the Sole Manager, the Agents or the Trustee undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Digitally Native Notes of any information coming to the attention of the Sole Manager.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Digitally Native Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 as amended or superseded, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Digitally Native Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Digitally Native Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Digitally Native Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is not a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the domestic law of the UK by virtue of the EUWA ("**UK MiFIR**"). Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Digitally Native Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Digitally Native Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024 (the "**CCI Regulations**").

UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Digitally Native Notes has led to the conclusion that: (i) the target market for the Digitally Native Notes is only eligible counterparties, as defined in COBS, and professional clients, as defined in UK MiFIR; and (ii) all channels for distribution of the Digitally Native Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Digitally Native Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Digitally Native Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Each potential investor in the Digitally Native Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Digitally Native Notes, the merits and risks of investing in the Digitally Native Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

- have an appropriate understanding of distributed ledger technology ("**DLT**") as used by the D-FMI to be able to evaluate the risks associated with the use of the D-FMI in relation to the issuance of the Digitally Native Notes;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Digitally Native Notes and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Digitally Native Notes, including where the currency for principal or interest payments is different from the potential investor's currency, and the possibility that interest may not be paid on the Digitally Native Notes and/or that the entire principal amount of the Digitally Native Notes could be lost, including following the exercise of bail-in resolution powers (as defined herein); and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Digitally Native Notes unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Digitally Native Notes will perform under changing conditions, the resulting effects on the value of the Digitally Native Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (i) the Digitally Native Notes are legal investments for it; (ii) the Digitally Native Notes can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of the Digitally Native Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Digitally Native Notes under any applicable risk-based capital or similar rules.

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to "**HK$**" and "**Hong Kong dollars**" are to the lawful currency of Hong Kong, to "**U.S.$**", "**U.S. Dollars**" and "**cents**" are to the lawful currency of the United States of America, to "**Chinese yuan**", "**Renminbi**" and "**RMB**" are to the lawful currency of the People's Republic of China, to "**Korean won**" are to the lawful currency of the Republic of Korea, to "**TWD**" are to the lawful currency of Taiwan, to "**SGD**" and "**Singapore Dollars**" are to the lawful currency of Singapore and references to "**GBP**", "**Sterling**" and "**£**" are to the lawful currency of the UK. References to "**euro**" and "**€**" are to the single currency introduced pursuant to the treaty establishing the European Community, as amended. References to "**Hong Kong**" shall mean the Hong Kong Special Administrative Region of the People's Republic of China and references to the "**PRC**" shall mean the People's Republic of China (excluding the Hong Kong and Macau Special Administrative Regions and Taiwan).

CLEARING SYSTEMS

It is expected that the Digitally Native Notes will be accepted for clearance through the D-FMI only.

NONE OF THE SOLE MANAGER, THE AGENTS, THE TRUSTEE OR THE ISSUER HAVE ANY RESPONSIBILITY WHATSOEVER WITH RESPECT TO THE FUNCTIONALITY OF THE D-FMI DEVELOPED AND PROVIDED BY EUROCLEAR. NONE OF THE SOLE MANAGER, THE AGENTS, THE TRUSTEE OR THE ISSUER WILL BE LIABLE FOR THE OPERATION BY EUROCLEAR OF THE D-FMI, FOR ANY FAILURE BY EUROCLEAR TO COMPLY WITH ITS OBLIGATIONS UNDER THE D-FMI DOCUMENTATION OR AS D-FMI OPERATOR, OTHER THAN ANY FAILURE CAUSED BY NON-COMPLIANCE BY THE ISSUER OR THE SOLE MANAGER WITH THE D-FMI DOCUMENTATION AND/OR WITH ANY AGREEMENT THAT THEY MIGHT HAVE ENTERED INTO WITH EUROCLEAR IN CONNECTION WITH THE ISSUANCE OF THE DIGITALLY NATIVE NOTES IN THE D-FMI, FOR ANY FAILURE DUE TO THE TECHNOLOGICAL SET UP OF THE D-FMI OR ITS RESULTS, FOR THE D-FMI DOCUMENTATION, OR FOR THE PERFORMANCE OF THE SMART CONTRACTS AS PROGRAMMED BY EUROCLEAR. SEE "*RISK FACTORS*" BELOW FOR CERTAIN INFORMATION RELEVANT TO AN INVESTMENT IN THE DIGITALLY NATIVE NOTES.

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DOCUMENTS INCORPORATED BY REFERENCE

This document should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this document:

1. the section titled "*Alternative Performance Measures*" on page 65 of the Annual Report 2025 of Standard Chartered PLC ("**SCPLC**"), its subsidiaries and subsidiary undertakings (together, the "**SCPLC Group**") (the "**SCPLC 2025 Annual Report – Alternative Performance Measures**");

2. the section titled "*Alternative Performance Measures*" on page 20 of the unaudited condensed consolidated interim report of the SCPLC Group for the six month period ended 30 June 2026 (the "**SCPLC HY 2026 Report – Alternative Performance Measures**");

3. the Issuer's annual report entitled "Directors' Report and Financial Statements 2024", which includes the audited accounts of the Issuer, its subsidiaries and subsidiary undertakings (together, the "**Issuer Group**") for the year ended 31 December 2024 (including the audit report thereon) (the "**Issuer 2024 Report**");

4. the Issuer's annual report entitled "Directors' Report and Financial Statements 2025", which includes the audited accounts of the Issuer Group for the year ended 31 December 2025 (including the audit report thereon) (the "**Issuer 2025 Report**"); and

5. the Issuer's unaudited condensed consolidated interim report of the Issuer Group for the six month period ended 30 June 2026 (the "**Issuer HY 2026 Report**").

Such documents shall be deemed to be incorporated in, and form part of, this document, save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this document. Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this document.

The financial statements of the Issuer Group detailed in paragraphs 3 to 5 above were prepared in accordance with applicable law, UK-adopted international accounting standards and International Financial Reporting Standards as adopted by the European Union ("**EU IFRS**"). The financial statements detailed in paragraphs 3 to 4 above have been prepared in accordance with the requirements of the Companies Act 2006. There are no material differences between UK-adopted international accounting standards and EU IFRS.

Copies of the documents incorporated by reference in this Offering Circular may be obtained from the Issuer at its registered office and may be obtained (without charge) from the website of the Regulatory News Service operated by the London Stock Exchange at: http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

ALTERNATIVE PERFORMANCE MEASURES

Certain alternative performance measures ("**APMs**") are included or referred to in this Offering Circular. APMs are financial measures 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 used by the Issuer Group within its financial publications to supplement disclosures prepared in accordance with UK-adopted international accounting standards and/or EU IFRS (as applicable). The Issuer Group considers that these measures provide useful information to enhance the understanding of financial performance. An explanation of each APM's components and calculation method as they are used by the Issuer Group in each of its financial publications generally can be found in the SCPLC 2025 Annual Report – Alternative Performance Measures section and the SCPLC HY 2026 Report – Alternative Performance Measures section.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements. These statements concern, or may affect, future matters. These may include the Issuer's and its subsidiaries' future strategies, business plans and results and are based on the current expectations of the directors of the Issuer. They are subject to a number of risks and uncertainties that might cause actual results and outcomes to differ materially from expectations outlined in these forward-looking statements. These factors are not limited to regulatory developments but include stock markets, the geopolitical and macroeconomic environment, IT developments and competitive and general operating conditions.

When used in this Offering Circular, the words "*estimate*", "*intend*", "*anticipate*", "*believe*", "*expect*", "*should*" and similar expressions, as they relate to the Issuer, its subsidiaries and their management, are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Issuer does not undertake any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

OVERVIEW OF THE DIGITALLY NATIVE NOTES

This overview must be read as an introduction to this Offering Circular. This overview is a summary of, and is qualified by, the more detailed information set out in this Offering Circular, including the terms and conditions of the Digitally Native Notes which are set out in "Terms and Conditions of the Digitally Native Notes" below. Any decision to invest in the Digitally Native Notes should be based on a consideration of this Offering Circular as a whole, including the documents incorporated by reference herein.

Capitalised terms used in this overview shall, unless the context otherwise requires, have the meanings given to them in "Terms and Conditions of the Digitally Native Notes" below.

Issuer	Standard Chartered Bank.
Description of the Issuer	The SCPLC Group is an international banking and financial services group particularly focused on the markets of Asia, Africa, the Middle East, Europe and the Americas. The Issuer is a wholly owned subsidiary of Standard Chartered PLC. The Issuer Group covers the vast majority of the SCPLC Group's total footprint. The Issuer Group is a core part of, and critical provider of essential services to the SCPLC Group and is fundamental to the delivery of the SCPLC Group's purpose, franchise, and strategy.
Description of the Digitally Native Notes	U.S.$200,000,000 Floating Rate Digitally Native Notes due 2029.
Issue Date	20 August 2026.
Maturity Date	The Interest Payment Date falling on or nearest to 20 August 2029.
Issue Price	100.000 per cent.
Interest Basis	A floating rate equal to the applicable SOFR Benchmark for each Interest Period plus the Margin, as determined by the Calculation Agent on each Interest Determination Date and as further described in Condition 4 (*Interest*). If a Benchmark Event occurs in relation to the SOFR Benchmark (or the daily SOFR used in the calculation thereof), then the interest rate fallback provisions within Condition 4(d) (*Benchmark Discontinuation*) will apply.
Interest Payment Dates	Subject as provided herein, interest on the Digitally Native Notes will be payable quarterly in arrear on 20 February, 20 May, 20 August and 20 November in each year, commencing on 20 November 2026.
Status	The Digitally Native Notes will constitute direct and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Digitally Native Notes shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.
Early Redemption due to taxation reasons	Subject to certain conditions, the Issuer may, at its option, redeem the Digitally Native Notes, in whole but not in part, on any Interest Payment Date at 100 per cent. of their principal amount, together with any accrued but unpaid interest to the date fixed for redemption if certain taxation events occur, as

	further described in Condition 5(b) (*Redemption and Purchase – Redemption for Taxation Reasons*).
Clean-up Redemption	Subject to certain conditions, the Issuer may, at its option, redeem the Digitally Native Notes, in whole but not in part, on any Interest Payment Date at 100 per cent. of their principal amount, together with any accrued but unpaid interest to the relevant date fixed for redemption, if 75 per cent. or more of the aggregate principal amount of the Digitally Native Notes originally issued (and, for these purposes, any further securities issued pursuant to Condition 12 (*Further Issues*) will be deemed to have been originally issued) has been redeemed and/or purchased and cancelled, as further described in Condition 5(c) (*Redemption and Purchase – Clean-up Redemption*).
Enforcement	If: (a) otherwise than for the purposes of a reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved by the Trustee or by an Extraordinary Resolution of the Noteholders, an order is made or an effective resolution is passed for the winding-up of the Issuer; or (b) following the appointment of an administrator of the Issuer, the administrator gives notice of its intention to declare and distribute a dividend, the Trustee may, subject as provided below, at its discretion, give notice to the Issuer that the Digitally Native Notes are, and they shall accordingly thereby forthwith become, immediately due and repayable at their principal amount, plus any accrued interest as provided in the Trust Deed. If default is made in the payment of principal or interest due in respect of the Digitally Native Notes and such default continues for a period of 14 days, the Trustee may (subject to being indemnified and/or prefunded and/or secured to its satisfaction) institute proceedings for the winding-up of the Issuer in England (but not elsewhere) unless, as provided in Condition 8 (*Events of Default)*, such sums were not paid in order to comply with any fiscal or other law, regulation or order of any court of competent jurisdiction or in accordance with independent legal advice as to the validity or applicability of such law, regulation or order.
Withholding Tax	All payments of principal and interest by or on behalf of the Issuer in respect of the Digitally Native Notes shall be made free and clear of, and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event (save in respect of the payment of principal), the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders (after the withholding or deduction) of such an amount as would have been received by them in respect of the Digitally Native Notes in the absence of the withholding or deduction, subject to exceptions as further described in Condition 7 (*Taxation*).
Sole Manager	Standard Chartered Bank.
Trustee	Citibank, N.A., London Branch.

DNN Agent	Citibank, N.A., London Branch.
Calculation Agent	Citibank, N.A., London Branch.
Form	The Digitally Native Notes will be issued in dematerialised form, created upon issue on the D-FMI and in accordance with the Trust Deed and the DNN Agency Agreement in the aggregate principal amount of U.S.$200,000,000.
Denomination	U.S.$200,000 and higher integral multiples of U.S.$1,000 in excess thereof.
Listing	Application has been made for the Digitally Native Notes to be admitted to trading on the ISM.
Clearing	The Digitally Native Notes will be accepted for clearance through Euroclear. The Digitally Native Notes will be issued using the D-FMI, the DLT-based component of the securities settlement system operated by Euroclear.
Issuance process through D-FMI	The DNN Agent shall submit an instruction to the D-FMI Operator to effect the issuance of the Digitally Native Notes on the D-FMI in accordance with the Trust Deed, the DNN Agency Agreement and the D-FMI Documentation. Pursuant to such instruction, simultaneously, (a) an amount equal to the principal amount of the Digitally Native Notes will be debited by the D-FMI Operator from the Securities Wallet of the DNN Agent and credited by the D-FMI Operator to the Securities Wallet of the relevant subscriber (which shall be the Sole Manager); and (b) cash in an amount equal to the purchase price of the Digitally Native Notes will be debited by the D-FMI Operator from the Cash Wallet of the relevant subscriber of the Digitally Native Notes and credited by the D-FMI Operator to the Cash Wallet of the DNN Agent, each of (a) and (b) in accordance with the DNN Agency Agreement and the D-FMI Documentation. The moment in time that each Digitally Native Note will, subject to applicable law, be validly constituted and issued in accordance with the Trust Deed and the DNN Agency Agreement, having the terms and conditions set out in the section "*Terms and Conditions of the Digitally Native Notes*" below, shall be the later to occur of (i) such Digitally Native Note being transferred to another legal entity and (ii) the Issuer receiving the issuance proceeds of such Digitally Native Note. The Sole Manager shall, in accordance with the Operating Procedures of the Euroclear System, give a standing instruction for the full amount of the Digitally Native Notes to be debited from its Securities Wallet and credited to the Securities Wallet of Euroclear (the "**Immobilisation Wallet**"), acting in its capacity as central securities depository under the Co-ordinated Royal Decree No. 62 of 10 November 1967. Such Digitally Native Notes will continue to be immobilised in the Immobilisation Wallet and held by Euroclear for investors holding and transferring interests in the Digitally Native Notes through the Securities Clearance Accounts (as defined in the Conditions) of direct participants in the Legacy Component.
Continuity Plan in case of a D-FMI Event	Pursuant to Condition 14 (*Continuity plan in case of a D-FMI Event*), if a D-FMI Event occurs, the Issuer shall, as soon as reasonably practicable (without the need to consult with or obtain the approval of the Noteholders), but subject to having

	given notice to the D-FMI Operator, the Agents and the Trustee no less than one Brussels business day prior to the notice to be given to Noteholders, subject to the Conditions, convert the Digitally Native Notes into Registered Notes. Any such conversion shall be on terms that the terms and conditions applicable to the Registered Notes shall not be materially less favourable to Noteholders (in the sole opinion of the Issuer) than the terms and conditions applicable to the Digitally Native Notes immediately prior to such conversion, other than by reference to those terms in these Conditions that are applicable only by reason of the digital nature of the Digitally Native Notes. Noteholders should be aware that the Issuer is under no obligation to redeem the Digitally Native Notes early in the case of a D-FMI Event.
Euroclear Participants	Euroclear Participants (as defined below) will not have a direct right to vote in respect of the Digitally Native Notes. Instead, Euroclear Participants will be permitted to act only to the extent that they are enabled by Euroclear to appoint appropriate proxies.
Common Code	261531925
ISIN	XS2615319253
FISN	As set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN.
CFI Code	As set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN.
Ratings	The Digitally Native Notes are expected to be rated AA- by Fitch UK.
Governing law	English law.
Risk Factors	Prospective investors should have regard to the factors described under the section of this Offering Circular headed "*Risk Factors*" below for further information, which includes the risk that the Digitally Native Notes may be subject to the exercise of bail-in resolution powers, which may result in loss absorption by investors. See "*Risk Factors*" below for further information.
Selling Restrictions	The United States, the EEA, the United Kingdom, Hong Kong, the PRC, Japan, France, Italy, The Netherlands, Singapore and such other restrictions as may be required in connection with a particular issue of Digitally Native Notes. See "*Subscription and Sale*" below for further information.
CCI Regulations	No DISC disclosure document has been prepared as the Digitally Native Notes are not available to retail investors in United Kingdom.
EU PRIIPs Regulation	No EU PRIIPs Regulation key information document has been prepared as the Digitally Native Notes are not available to retail investors in the EEA.
LEI code of the Issuer	RILFO74KP1CM8P6PCT96.

RISK FACTORS

The Issuer is a wholly owned subsidiary of Standard Chartered PLC. The Issuer Group covers the vast majority of the SCPLC Group's total footprint. The Issuer Group is a core part of, and critical provider of essential services to the SCPLC Group and is fundamental to the delivery of the SCPLC Group's purpose, franchise, and strategy. Accordingly, the risks relating to the SCPLC Group described below apply equally to the Issuer and the Issuer Group.

The Issuer believes that the following factors, which are specific to the Issuer, may affect its ability to fulfil its obligations under the Digitally Native Notes. All of these factors are contingencies which may or may not occur.

Factors which the Issuer believes may be material for the purpose of assessing the risks relating to the structure and terms of the Digitally Native Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Digitally Native Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Digitally Native Notes for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Digitally Native Notes are exhaustive.

PROSPECTIVE INVESTORS SHOULD HAVE REGARD TO AND SHOULD HAVE SUFFICIENT KNOWLEDGE AND EXPERTISE TO EVALUATE THE EFFECT OF OR THE LIKELIHOOD OF THE OCCURRENCE OF THE FACTORS DESCRIBED IN THE SECTIONS BELOW, WHICH INCLUDE THE RISK THAT THE DIGITALLY NATIVE NOTES MAY BE SUBJECT TO BAIL-IN RESOLUTION POWERS, WHICH MAY RESULT IN LOSS ABSORPTION BY INVESTORS.

Prospective investors should also read the detailed information set out elsewhere in this Offering Circular (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision. Terms and expressions used in these risk factors shall, unless otherwise defined or unless the context requires otherwise, have the meanings given in and be construed in accordance with, the section entitled "Terms and Conditions of the Digitally Native Notes" below.

1. Risks relating to the SCPLC Group and its business operations

1.1 *The SCPLC Group is exposed to geopolitical risks*

The SCPLC Group faces risks associated with geopolitical uncertainty. Global tensions over trade, technology and ideology are manifesting themselves in divergent regulatory standards and compliance regimes, presenting long-term strategic challenges for multinational businesses. Geopolitical tensions or conflicts in areas where the SCPLC Group operates could impact: (i) trade flows; (ii) economic activity and related levels of financial transactions; (iii) the ability of the SCPLC Group's customers to serve their contractual obligations; and (iv) the SCPLC Group's ability to manage capital, liquidity or operations across borders.

In particular:

- The global landscape has shifted and geopolitical conditions continue to evolve. Fluid political and economic alliances are evolving, with the landscape further complicated by ongoing conflicts and tensions in Ukraine and the Middle East. In the near term, geopolitical fragmentation is also hampering collaboration on key global challenges. The erosion of international rules and the organisations that underpin them could undermine coordination efforts on structural global issues, such as climate risk mitigation, or *ad hoc* emergencies. The disempowerment of some international development organisations may also impact future cooperation efforts, including on combatting the potential spread of future pandemics. These trends are prompting reform at multinational institutions, albeit at a slow pace.

- National interests are returning more visibly, with national security or prosperity goals re-shaping engagement within and between countries. Domestic political volatility is increasing across numerous markets. Internationally, alliances are also reorganising. The U.S.'s use of tariffs to achieve both economic and political goals and direct interventions in global conflicts have caused fractures between the U.S. and some of its traditional allies, leaving many long-standing bilateral relationships in a state of flux. The positioning of 'middle powers' is complex and evolving, with a rise in 'mini-lateral' groups of countries that are ideologically or geographically aligned. The negotiating power of these alliances is strengthened where they are located in strategic areas or involve the control of key resources.

- The SCPLC Group may be impacted by direct exposure to countries engaged in conflicts, including hostilities between the U.S., Israel and Iran, which continue to have the potential to escalate further and disrupt our operations in the region. The SCPLC Group may also be impacted by second-order effects from such conflicts on its clients and markets, such as supply disruption or price volatility of agricultural commodities, oil and gas.

- Rising protectionism and a variety of chokepoints, including recurrent disruptions to key transport routes are adding further disruptions to supply chains. Reliance on foreign-sourced critical inputs, including semiconductors, fertilisers, natural resources and rare earth elements, heightens the risk of shortages. These dynamics may disrupt production across sectors, exacerbate economic headwinds, contribute to inflationary pressures and affect the operating environment for the SCPLC Group and its clients.

- The sanctions landscape is also becoming increasingly complex, with potential divergence across regimes requiring heightened awareness in running a compliant, global operation. The malicious use of artificial intelligence ("**AI**")-enabled disinformation could further undermine trust in the political process. Terrorism and cyber warfare are also ongoing threats, with unpredictability exacerbated by the wider range of ideologies at play and enhanced capabilities to disrupt infrastructure in rival countries.

- Relations between the PRC and a number of Western countries (particularly the U.S.) remain fragile, with a significant number of tariffs, sanctions, trade and investment restrictions being imposed by both sides. Examples include the U.S. restrictions on the export of advanced chips and technology/tools for use in the Chinese military and the PRC's limitations on exports of rare earth metals. Therefore, the SCPLC Group, with its notable exposure and presence in the PRC, may be adversely affected by escalating geopolitical tensions between the PRC and Western countries.

The occurrence or continuance of any of the above risks could have a material adverse effect on the SCPLC Group's financial condition, results of operations and, if severe or prolonged, its prospects.

1.2 *The SCPLC Group is exposed to macroeconomic risks*

The SCPLC Group has a presence in 54 markets and is affected by the prevailing economic conditions in each of these markets. Macroeconomic factors have an impact on personal expenditure and consumption, demand for business products and services, the debt service burden of consumers and businesses, the general availability of credit for retail and corporate borrowers and the availability of capital and liquidity for the SCPLC Group. All these factors have impacted and may continue to impact the SCPLC Group's financial condition and results of operations.

In particular:

- While many tariff deals have been struck between the U.S. and the rest of the world, the potential for change remains, with the U.S. administration applying additional tariffs in response to non-economic issues or to achieve leverage in other areas. The relative alignment between the U.S. and the PRC continues to be a major factor and dislocation risks persist with potential adverse impact on export-reliant locations such as South-East Asia.

- The short-term trajectory of interest rates remains uncertain. Tariffs, conflict, supply chain disruption, strong labour markets and higher deficits could be inflationary, leading to rates remaining higher for longer. In contrast, aggressive cuts could further fuel inflation. Developed countries have diminished fiscal flexibility to react due to their high debt levels and social burdens. Fiscal pressures and political fragmentation across parts of Europe, including in major economies, could undermine confidence in the region's economic outlook and the cohesion of the European Union. Volatile interest rates could also impact the SCPLC Group's net interest income outlook. The global landscape remains challenging for businesses, with structural spending still a risk while volatility remains. As other cost pressures such as the Environmental, Social, and Governance ("**ESG**") transition or keeping up with technological advances build, companies may start to feel a squeeze, especially if interest rates do not fall as rapidly as expected.

- Tariff volatility, policy unpredictability and uncertainty over the continued independence of the U.S. Federal Reserve could impact investor perceptions of risk-free assets across global markets and encourage a gradual and steady diversification. In an extreme case, the rest of the world could reduce trade with the U.S., which could result in further weakening of the U.S. dollar, challenging its status as the global reserve currency, or risk premia on traditionally risk-free assets such as U.S. Treasuries.

- Global markets could face a downturn caused by the bursting of the perceived AI bubble, with valuations of key players and significant investment from private credit players in the sector drawing some concern. A correction would have implications for the broader economy, with sectors such as energy, construction and commercial real estate all highly dependent on AI infrastructure growth, particularly data centres. Concentration risk in sectors with an AI nexus is also a source of concern. The private credit sector is also under greater scrutiny, with concerns over default rates and increasing connectedness with traditional banks and the insurance industry. Lack of regulation or transparency, and lower underwriting standards all heighten inherent risks and make the segment more susceptible to downturns and other threats such as fraud.

- While idiosyncratic risks remain, emerging markets are generally seeing improved sentiment as debt restructurings have progressed and acute sovereign default risks have receded in certain markets. Multilateral support mechanisms, alongside bilateral funding, have helped to shore up external positions in several emerging markets. However, trends such as de-dollarisation and disintermediation through alternative payment channels may have a larger impact in emerging markets, and how credit risk is managed in such centres.

- Hong Kong remains the largest profit contributor to the SCPLC Group. Hong Kong's economy grew by 3.5 per cent. in 2025 according to the Hong Kong government, and while growth is expected to continue in 2026, the protectionist trade policies being implemented by the U.S. may disrupt global trade flows and adversely affect Hong Kong's exports of goods.

- The PRC, North Asia and South East Asian economies remain key strategic regions for the SCPLC Group. Although the PRC's 2025 growth was reported at 5 per cent., the International Monetary Fund forecast is for a drop to 4.6 per cent. in 2026 and escalation in tariffs levels could mean a further slide in growth. As a result of the subdued growth rate, the PRC has implemented a co-ordinated package of stimulus measures to boost the economy, with further actions expected through 2026. Given the PRC'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.

The occurrence or continuance of any of the above risks could have a material adverse effect on the SCPLC Group's financial condition, results of operations and, if severe or prolonged, its prospects.

1.3 *The SCPLC Group is exposed to risks arising from new business structures, technology, channels and competition*

Sources of disruption and disintermediation to traditional finance are increasing, with the more established fintech and private credit sectors being joined by increasing use cases for digital assets. Stablecoins could provide alternative payment and deposit channels, with adoption expected to be most prevalent in emerging markets where local currencies are highly volatile. This could lead to deposit outflows from traditional banking products.

While there is increasing regulatory scrutiny on alternative financing providers, such as the Bank of England's ("**BoE**") proposed stress test for the private credit market, there is still a governance gap that could put banks at a competitive disadvantage. Financiers that can harness technology can rapidly improve their market share, as the concept of a hyper-personalised 'segment of one' is increasing in prominence, and may change marketing, client service and distribution channels.

Moreover, the SCPLC Group relies on its dollar clearing operations to serve its clients and the suspension or loss of its licenses may significantly impact the SCPLC Group's ability to compete with other financial institutions.

The expansion of AI capabilities is increasingly pervasive and pivotal to business operations across industries. Traditional finance faces adoption challenges in complying with existing regulation and governance standards. Cost pressures and lack of key skills in the industry could hamper a swift transition. The proactive management of the impact of AI and more nascent technologies such as quantum computing may lead to sunk costs into projects that are ultimately not required or do not become part of daily operations.

The integration of more sophisticated insights utilising big data and AI could enhance the services offered to clients. However, if such capabilities are widely available, it may impact banks' ability to differentiate. AI also has implications on broader considerations such as governance, operational resilience, workforce disruption, the ethical use of data and protecting privacy and security, and the increase in 'shadow AI' or the use of unauthorised AI channels or tools.

There has been a large increase in the use of AI in fraud, scams and spreading misinformation. Also, AI powered deepfakes and autonomously generated malware are changing the nature of cyber threats, in particular increasing the speed of attack. The rapid development of frontier models have raised concerns that critical infrastructure could be at risk if the technology is misused by bad actors. However, the availability and maturity of security and controls continues to lag development of the technology itself. As AI development continues to accelerate, so will the need to provide patches, fixes and updates to existing deployments. There are also potential societal and economic impacts from replacement of jobs, which may be concentrated in some sub-sectors and disproportionately impact junior positions and youth entering the workforce.

An expanding digital footprint and integration of smarter AI systems increases inherent cyber and operational risk, with more opportunities for cybercriminals to gain entry or access to corporate assets, including infrastructure such as cloud and third-party enabled services. These threats extend to our clients, with the SCPLC Group at risk of financial loss if they are materially affected.

While the increased use of partnerships with specialist tech providers is operationally efficient, it increases third-party and model risks and requires enhanced due diligence to ensure secure adoption. Reliance on third parties for critical processes is an increasing regulatory focus and can introduce significant risks if these third parties fail to deliver or face operational issues. As supply chains become more complex and digital, security risks are shifting down to fourth and nth party. This increased interconnectedness is likely to further reduce the tolerance for errors and outages.

Ongoing geopolitical tensions increase the risk of conflict spilling into the cyber domain, including cyber risks from nation-state actors seeking to disrupt operations, access sensitive information or gain strategic advantage. The scale and sophistication of threats continue to increase, with ransomware a persistent concern. The barriers to entry for attacks is reducing, and malicious actors are embracing a new wave of technology with increased potency, such as AI. In the longer term, advances in quantum computing could threaten encryption, one of the core aspects of security, which will necessitate a complex global transition to enhance data architecture. There are also growing data sovereignty requirements to localise data, systems and operations, with data increasingly recognised as being at the centre of global trade.

The adoption of new technologies, products or business models requires clear operating models and risk frameworks. It is essential to upskill the SCPLC Group's people to develop in-house capabilities to manage associated risks. People, process and technology agendas must be viewed holistically to effectively implement new infrastructure and reduce the risk of obsolescence.

The occurrence or continuance of any of the above risks could have a material adverse effect on the SCPLC Group's financial condition, results of operations and, if severe or prolonged, its prospects.

1.4 *Increased data protection and information risks from strategic and wider use of data*

As digital technologies continue to grow in sophistication and become further embedded across the banking and financial services industry, the potential impact profile with regards to data risk is changing. Banks may become more susceptible to technology-related data security risks as well as customer privacy risks. The growing use and evolution of AI and cloud computing solutions are examples of this.

There is an increasing trend of highly organised threat actors, both state-sponsored and through organised crime. Tactics are becoming more sophisticated and attacks more targeted over time. New techniques, and developments of weapons such as ransomware, are available as a service; reducing the cost of complex attack methods. Increasing connectivity is driving growth and new technologies but also increasing the SCPLC Group's cyber-attack surface and possible entry points for cyber criminals.

The SCPLC Group, as well as the industry, continues to face challenges to keep pace with the volume of data related regulatory change, with regulatory requirements and client expectations increasing in areas such as data management, data protection, data sovereignty and data privacy, including the responsible use of data and AI. The EU's suite of digital legislation that includes the EU AI Act 2024, as well as the UK's Artificial Intelligence (Regulation) Bill and India's Digital Personal Data Protection Act exemplify the current focus on regulations that require the responsible and safe use of data. In addition, long-standing regulatory requirements such as the Basel Committee on Banking Supervision's ("**BCBS**") principles for effective risk data aggregation and risk reporting continue to require enhanced controls over data lineage and quality. The increasing adoption of AI technologies within the SCPLC Group, including generative AI and AI systems with advanced capabilities, introduces risks arising from failures, errors, misuse or deficiencies in their design, development, deployment, operation, governance and use. Such technologies may present additional risk considerations due to their ability to generate varied outputs and operate with greater autonomy, and may also give rise to, or amplify, existing risks across the SCPLC Group.

Fluid geopolitical dynamics and the evolution of digital technologies have prompted some governments – such as China's – to issue data sovereignty restrictions. These restrictions which may lead to data localisation or impose conditions on cross-border data flows and may inadvertently give rise to conflicting sets of regulations for the SCPLC Group to navigate or reconcile. Regulatory drivers and requirements vary by market, and the fragmentation of requirements across the SCPLC Group's footprint is growing over time. Fragmentation has also been seen to occur intra-market where, in some instances, there is conflicting guidance or supervisory practice from different regulatory authorities within the same jurisdiction. Such a rapidly evolving regulatory environment requires the SCPLC Group to take a more holistic view of the use, flow and storage of data across our footprint markets. The SCPLC Group, accordingly, as part of regular review, keeps its data and AI management policies, standards and controls updated.

The occurrence or continuance of any of the above risks could have a material adverse effect on the SCPLC Group's financial condition, results of operations and, if severe or prolonged, its prospects.

1.5 *The SCPLC Group is exposed to demographic challenges, including competition for talent and migration trends*

Evolving client expectations and rapid technological development are transforming the workplace, accelerating changes to how people work, connect and collaborate. The future workforce will continue to augment, with a focus on ensuring that human and technical skills intertwine effectively. Advances in technology and digital capabilities, together with changing employee expectations, continue to transform the workplace. Competition for talent with critical skills remains intense and may affect the SCPLC Group's ability to attract, develop and retain colleagues needed to execute its strategy.

Workforce expectations also continue to evolve, with health, wellbeing and purpose becoming top focuses for talent attraction. Maintaining an employee value proposition that caters for multiple generations with differing priorities is a key challenge in building a high-performing, integrated employee base.

Flexible working is an increasingly important factor for colleagues and an overall positive factor in workforce experience. However, there are risks around potential lack of development opportunities from face-to-face interaction, especially for more junior employees. The role of people leaders will continue to evolve to enable the right balance for both individuals and teams.

Developed markets' budgets will be increasingly strained by ageing populations, and nationalistic policies on issues such as immigration could exacerbate the problem. Conversely, emerging markets are experiencing fast-growing, younger workforces. Population growth will put pressure on key resources to fully capitalise on the 'demographic dividend'. Existing fiscal and social vulnerabilities may also hinder emerging markets' ability to turbocharge their growth.

Migration pressures, evolving workforce requirements and lack of fiscal headroom may increase pressure on infrastructure, public services and employment markets. Advances in technology and AI could further disrupt employment patterns and skills demand, potentially amplifying existing demographic challenges. These trends may contribute to social instability and affect economic growth prospects.

Population displacement is rising, which may increase the fragility of societal structures in vulnerable centres. Large scale movement could cause social unrest and increase pressure on public health infrastructure. The ability to react to such external scenarios may be diminished due to broader declines in international institutions and reduced global cooperation. Societal unrest continues to increase, and the threat of terrorist activity and political violence has also heightened over the past 12 months. Net population growth for the 21st century will be in less-developed countries. Proactively planning for these demographic shifts will be essential in maintaining an efficient global business model.

Any failure by the SCPLC Group to monitor and manage risks related to the foregoing demographic trends could have a material adverse effect on the SCPLC Group's financial condition, results of operations and prospects.

1.6 *Changes in tax law and practice may result in adverse tax consequences for the SCPLC Group's business, financial condition, results of operations, prospects and capital position*

Changes in tax law and practice (including in the interpretation of existing tax laws and practice) or to tax rates in any of the countries and territories in which the SCPLC Group operates could increase the SCPLC Group's effective tax rate and have an adverse effect on the SCPLC Group's business, financial condition, results of operations, prospects and capital position.

2. **Credit and traded risk**

2.1 *The SCPLC Group is exposed to risks associated with changes in the credit quality and the recoverability of loans and amounts due from counterparties*

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the SCPLC Group's businesses.

In 2026, ongoing geopolitical developments, changes in the global economic policy and regulatory environment, and continued macroeconomic uncertainty have contributed to a volatile operating environment across several of the SCPLC Group's markets.

In particular, policy measures and announcements across various jurisdictions relating to tariffs, non-tariff measures, including quota and non-quota restrictions, and trade-related licensing requirements may adversely affect economic activity and trade flows and, in turn, could have an impact on the credit quality of the Bank's exposures. The commercial real estate ("**CRE**") sector may be impacted due to decline in property valuation resulting in enhanced refinancing risks. The petrochemical sector and its reliance on hydrocarbon inputs for production may experience pressure on margins due to rising input costs. Commodity traders may also be impacted given the high volatility in commodity prices.

The lack of consumption-driven growth in the PRC and its dependence on overseas markets for economic growth may impact select clients and sectors in the PRC. The green energy sector, including electric vehicle and solar panel industries, is seeing intense competition affecting the margins of companies.

Although the SCPLC Group has limited direct exposure across Corporate and Investment Banking to Ukraine, Iran, Lebanon, and Israel, the SCPLC Group does have considerable exposures to key markets in the Middle East, including, Saudi Arabia, United Arab Emirates, Qatar and Bahrain. The conflict in the Middle East has impacted supplies of crude oil, gas, petrochemicals, and other goods through the Straits of Hormuz and forced some companies to declare force majeure on their contracts. This has caused significant increase in oil and gas prices and disrupted supply chains of several clients across the region. Disruption of supply chains may also delay and cause cost overruns in projects under construction in the region. In addition, the conflict has impacted the operations of airlines and shipping companies globally and a prolonged conflict may have an adverse impact on the real estate and hospitality sector in the region, especially in Dubai.

Countries which are at higher risk of further rating downgrade include Bahrain, Israel, Iraq, Egypt, Türkiye, Kenya, Bangladesh, Pakistan, Sri Lanka, Botswana and Indonesia. Clients based in these markets could see a deterioration in credit grades and increased input and financing costs.

Global markets could experience a downturn caused by the bursting of the perceived AI bubble, with valuations of key players and significant investment from private credit players in the sector drawing some concern. A correction would have implications to the broader economy, with sectors such as energy, construction and CRE all highly dependent on AI infrastructure growth, particularly data centres. Conversely, the AI race is fuelling growth in demand for semiconductor chips, causing concerns about availability and price. Therefore, the SCPLC Group needs to monitor concentration risk in sectors with an AI or semiconductor nexus.

The private credit sector is also under greater scrutiny, with concerns over default rates and increasing connectedness with traditional banks and the insurance industry. Lack of regulation or transparency, and lower underwriting standards all heighten inherent risks and make the sector more susceptible to downturns and other threats such as fraud.

Trends such as de-dollarisation and disintermediation through alternative payment channels may have a larger impact in emerging markets, and how credit risk is managed in such markets.

Any change in global or country-specific economic conditions or asset values, adverse changes in the credit quality of the SCPLC Group's borrowers and counterparties as a result of the foregoing, and adverse changes arising from a deterioration in economic conditions or asset values (including a prolonged or severe deterioration) could reduce the recoverability and value of the SCPLC Group's assets and require an increase in the SCPLC Group level provisions for bad and doubtful debts or write-downs.

Direct or indirect regulatory interventions may also adversely impact the operating environment. These interventions could be based on fundamental policies such as interest rates, money supply control and other factors but could also at times be influenced by political considerations.

The occurrence of any of the above, or a failure by the SCPLC Group to manage these risks effectively, could have a material adverse effect on the SCPLC Group's financial condition, results of operations and, if severe or prolonged, its prospects.

2.2 *The SCPLC Group is exposed to systemic risk resulting from failures by banks, other financial institutions and corporates*

Within the financial services industry, the default of any institution or corporate could lead to significant liquidity problems, losses or defaults by other institutions as the commercial soundness of many financial institutions may be closely correlated because of their credit, trading, clearing or other relationships. This risk is sometimes referred to as "systemic risk", and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms, other financial institutions and exchanges with whom the SCPLC Group deals regularly. In turn, the actual or perceived soundness of these institutions could have an adverse effect on the SCPLC Group's ability to raise new funding, including regulatory capital, and could have a material impact on the SCPLC Group's business, financial condition, results of operations and prospects.

2.3 *The SCPLC Group is exposed to market risk*

The primary categories of market risk for the SCPLC 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 (see the risk factor entitled "*The SCPLC Group is subject to the risk of exchange rate fluctuations and risks associated with exposure to cross-border or foreign*

currency obligations, in each case arising from the geographical diversity of its businesses");

- 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; and
- equity risk: arising from changes in the prices of equities and implied volatilities.

Volatility and dislocation affecting the above asset classes in financial markets in which the SCPLC Group operates, whether unexpected, prolonged or elevated, are factors that have had and may continue to have a material adverse effect on the SCPLC Group's assets, financial condition and results of operations. In particular, these factors have had, and may continue to have, a negative impact on the mark-to-market valuations of assets in the SCPLC Group's Fair Value through Other Comprehensive Income ("**FVOCI**") and trading portfolios. Under Regulation (EU) 575/2013, as amended (the "**CRR**") and as it forms part of the domestic law of the UK by virtue of the EUWA (the "**UK CRR**"), any profit or loss under FVOCI impacts the SCPLC Group's Common Equity Tier 1 capital ("**CET1 capital**" or "**CET1**") position directly. In addition, if such volatility or dislocation were to be severe or prolonged, this may also adversely affect the SCPLC Group's prospects.

Market volatility may also negatively impact certain customers exposed to derivative contracts. While the SCPLC Group seeks to manage customer exposure and risk, the potential losses incurred by certain customers as a result of derivative contracts could lead to an increase in customer disputes and corporate defaults and result in further write-downs or impairments. Failure to manage such risks therefore would have a material adverse effect on the SCPLC Group's financial condition, results of operations and, if such failure is significant or prolonged, its prospects.

2.4 *The SCPLC Group is subject to the risk of exchange rate fluctuations and risks associated with exposure to cross-border or foreign currency obligations, in each case arising from the geographical diversity of its businesses*

As the SCPLC Group's business is conducted in a number of jurisdictions and in a number of currencies (including, for example, U.S. Dollars, Sterling, Korean won, Hong Kong dollars, Singapore dollars, TWD, Chinese yuan, Indian rupees and a number of African currencies), the SCPLC Group's business is subject to the risk of exchange rate fluctuations. The results of operations of SCPLC Group companies are initially reported in the local currencies in which they are domiciled, and these results are then translated into U.S. Dollars at the applicable foreign currency exchange rates for inclusion in the SCPLC Group's consolidated financial statements. The exchange rates between local currencies and the U.S. Dollar have been, and may continue to be, volatile. The SCPLC Group is therefore exposed to movements in exchange rates in relation to non-U.S. Dollar currency receipts and payments, dividend and other income from its subsidiaries and branches, reported profits of subsidiaries and branches and the net asset carrying value of non-U.S. Dollar investments and Risk Weighted Assets ("**RWAs**") attributable to non-U.S. Dollar currency operations.

In addition, the SCPLC Group's exposure to cross-border or foreign currency obligations gives rise to transfer and convertibility risks, which arise from the possibility that a government is unable or unwilling to make foreign currency available for remittance out of the country, thereby preventing, amongst other things, its use in settlement of cross-border arrangements. Unless suitable mitigation is in place to transfer the exposure to an alternative country of risk (e.g. parental support, offshore cash collateral, comprehensive credit insurance), transfer and convertibility risks could result in counterparties being unable to discharge their obligations to the SCPLC Group when due. They could also adversely affect the ability of one member of the SCPLC Group to make remittances to other members of the SCPLC Group.

Any such changes in the economic and market conditions, or a failure by the SCPLC Group to manage such risks effectively, could have a material adverse effect on the SCPLC Group's financial condition, results of operations and, if severe or prolonged, its prospects.

2.5 *The SCPLC Group is exposed to counterparty credit risk*

Counterparty credit risk is the risk that a counterparty in a foreign exchange, interest rate, commodity, equity or credit derivative or repurchase contract defaults either on, or prior to, the maturity date of the relevant contract, and that the SCPLC Group at the time has a claim on the counterparty. This risk arises predominantly in the trading book, but also arises in the non-trading book when hedging with external counterparties is undertaken.

Changes in the credit quality of the counterparties, and adverse changes arising from a deterioration (including a prolonged or severe deterioration) in global or country-specific economic conditions or asset values can impact the counterparty's ability to meet its payment, margin call and collateral posting requirements. The SCPLC Group may also experience these effects if a systemic failure in one or more financial systems were to occur. See further the risk factor entitled *"The SCPLC Group is exposed to systemic risk resulting from failures by banks, other financial institutions and corporates"* for further disclosure on the impact of systemic risk on the SCPLC Group.

In the broad range of trading products and services, the SCPLC Group also faces settlement risk when there is an exchange of value that is not made simultaneously between the counterparties (i.e. where the SCPLC Group delivers value prior to receipt of payment from the counterparty); foreign exchange products are primary contributors to the SCPLC Group's settlement risk profile. There are a broad range of settlement techniques adopted such as Continuous Linked Settlement, settlement via Central Clearing Counterparties ("**CCPs**"), settlement on a netted basis and Delivery-Versus-Payment mechanisms, to reduce, mitigate and monitor settlement risk.

The occurrence of any of the above or a failure by the SCPLC Group to manage these risks effectively, could have a material adverse effect on the SCPLC Group's financial condition, results of operations and, if severe or prolonged, its prospects.

2.6 *The SCPLC Group is exposed to issuer risk*

The SCPLC Group is exposed to the risk of an issuer of marketable securities defaulting, including risks in respect of its underwriting commitments from time to time. Market participants raise capital and funding for their needs through the issuance of bonds, notes, debentures, loans and other forms of negotiable instruments or securities from investors through public or private issuances. Risk arises from the change in value to the investors in such instruments or their derivatives.

The issuer risk has two key components:

- the market price risk, which is the potential change in the value of the instrument resulting from changes in the underlying market risk factors, predominantly interest rates and credit spreads; and

- the risk arising from a potential Jump-to-Default ("**JTD**") of the issuer on its obligation, resulting in the value of the instrument falling to the expected value of the instrument at default.

Any failure in the SCPLC Group's mechanisms to monitor and manage issuer risk sensitivities to the market risk factors and concentration limits across multiple dimensions or losses occurring as a result of an event of default in relation to an issuer or issuers (in each case, whether arising from a JTD or otherwise) could have a material adverse effect on the SCPLC Group's financial condition, results of operations and prospects.

3. Treasury risk

3.1 *The SCPLC Group's business is exposed to risks resulting from restrictions on, and decisions relating to, the management of its balance sheet and capital resources*

The SCPLC Group must ensure the effective management of its capital position in order to operate its business, to grow organically and to pursue its strategy. Future changes that limit the SCPLC Group's ability to manage its balance sheet and capital resources effectively, or capital, strategic, operational or financial decisions taken by the SCPLC Group, could have a material adverse effect on the SCPLC Group's regulatory capital position, financial condition, results of operations and prospects.

For more information on the prudential and capital requirements imposed on the Issuer and the SCPLC Group, see "*Supervision and Regulation - Prudential regulation*".

3.2 *The SCPLC Group is exposed to risks associated with any downgrade to the SCPLC Group's credit ratings*

The SCPLC Group's ability to access the capital markets, and the cost of borrowing in these markets, is significantly influenced by the SCPLC Group's credit ratings. A reference to the SCPLC Group's credit ratings includes: (i) all ratings provided by the agencies including but not limited to, long term and short term ratings, counterparty ratings and instrument ratings; and (ii) any outlooks assigned to those ratings from time to time.

There is no guarantee that the SCPLC Group will not be subject to downgrades to its credit ratings and/or negative changes in the outlook on such ratings. Factors leading to any such downgrade or change in outlook may not be within the control of the SCPLC Group (for example, the deterioration of macroeconomic factors assessments, the occurrence of risks referred to under "*Risks Related to the SCPLC Group and its business operations*", unforeseen events such as the COVID-19 pandemic or actual or perceived systemic risk in the financial services sector, the exercise of subjective judgment by the rating agencies, a change in the methodology or a change in approach used by the rating agencies to rate the SCPLC Group or its securities).

Since November 2015, certain of the SCPLC Group's ratings have periodically been downgraded by Fitch UK, Moody's Investors Service Singapore Pte. Limited and S&P Global Ratings Hong Kong Limited (previously known as S&P Global Ratings Singapore Pte. Ltd.) for various reasons. The impact of these changes has not, to date been considered significant by the SCPLC Group; however, the impact of any future changes to the SCPLC Group's ratings may be material. The ratings agencies each rely on their own methodologies to assess the SCPLC Group's ratings. Common drivers include operating environment, profitability, capital, liquidity, asset risk, government/affiliate support, debt buffers and ESG considerations. Changes in these methodologies or drivers and/or any changes in the rating agencies' subjective assessments of the SCPLC Group could adversely impact the SCPLC Group's ratings. Notwithstanding the rating agency methodologies, rating agencies have also specifically identified a number of factors based on their most recent assessment of the SCPLC Group that could result in a negative change to the SCPLC Group's ratings in the near future, some of which may be referred to in the ratings agencies' public statements on the SCPLC Group's ratings from time to time.

Factors identified by credit ratings agencies in their reports include, but are not limited to, the SCPLC Group's financial performance and balance sheet metrics of the SCPLC Group on which elements of the ratings are based, changes in business mix, reduction in the SCPLC Group's debt buffers, external events affecting the SCPLC Group or the broader banking sector, deterioration in the macro-economic assessments of the SCPLC Group's markets and/or the potential for deterioration in the SCPLC Group's operating environment. If any of these factors materialise or other events occur (for example, a change in the methodology or approach used by any applicable agency that rates the SCPLC Group or its securities) or any other factors not yet identified emerge, they could lead to negative change in the SCPLC Group's ratings.

Although the SCPLC Group currently has a liquid and well-funded balance sheet, any negative change in the SCPLC Group's credit ratings in the future could impact the volume, price and source of its funding, or adversely impact the SCPLC Group's competitive position, all of which could have a material adverse effect on the SCPLC Group's financial condition, results of its operations and/or prospects.

3.3 *The SCPLC Group is exposed to liquidity and funding risks*

Liquidity and funding risks could arise where the SCPLC Group may not have sufficiently stable or diverse sources of funding or financial resources to meet the SCPLC Group's obligations as they fall due.

Although the SCPLC Group currently has a liquid and well-funded balance sheet, liquidity and funding risk is inherent in the banking operations and can be heightened by a number of factors, including: (i) an over-reliance on, or inability to, access a particular source of funding (including, for example, reliance on inter-bank funding); (ii) the extent of mobility of intra-SCPLC Group funding; (iii) changes in credit ratings or market-wide phenomena such as financial market instability (including as a result of the failure of individual financial institutions) or a significant change in interest rates; (iv) natural disasters, including global health crises such as the COVID-19 pandemic; and (v) the risk to the global financial system posed by climate change.

The markets in which the SCPLC Group operates have been or continue to be affected by illiquidity and extreme price volatility, either directly or indirectly through exposures to securities, loans, derivatives and other commitments. Any reoccurrence or prolonged continuation of such conditions could have an adverse effect on the SCPLC Group's financial condition and results of operations and, if severe, its prospects. In addition, any significant increase in the cost of acquiring deposits, inability to further increase deposits or significant outflow of deposits from the SCPLC Group, particularly if it occurs over a short period of time, could have a material adverse impact on the SCPLC Group's financial condition and liquidity position. Changes to legal and regulatory requirements relating to liquidity could also impact the cost of acquiring deposits and/or constrain the SCPLC Group's acceptance of new business across its footprint. This could in turn have an adverse effect upon the SCPLC Group's financial condition and results and, if severe, its prospects. For more information, see the risk factor entitled "*Risks associated with resolution and other regulatory measures - The business and operations of the SCPLC Group may be affected by actions taken by the SCPLC Group's regulators and relevant resolution authorities, including in particular under the Banking Act and the Financial Institutions (Resolution) Ordinance.*"

3.4 *The SCPLC Group is exposed to the risk of regulators imposing new prudential standards, including increased capital, leverage, loss-absorbing capacity and liquidity requirements*

The SCPLC Group meets the minimum capital, leverage, loss-absorbing capacity and liquidity standards under the Prudential Regulation Authority ("**PRA**") Rulebook, the UK CRR and associated technical standards, supervisory and policy statements (together, the "**UK Prudential Regulation Framework**"). The PRA announced on 17 January 2025 that, in consultation with His Majesty's Treasury ("**HM Treasury**"), it had decided to delay the implementation Basel 3.1 standards in the UK. The new implementation date is set for 1 January 2027. Additionally, there will be a transitional period of three years to ensure full implementation by 1 January 2030. The final form rules were published on 20 January 2026 as part of the PRA's policy statement PS1/26. For more information on the implementation of Basel 3.1 in the UK, see "*Supervision and Regulation - Prudential regulation*".

Furthermore, the SCPLC Group is exposed to the risk that the PRA or the BoE or regulators in other jurisdictions where the SCPLC Group operates could (as applicable):

- increase the minimum regulatory requirements or additional capital, loss-absorbing capacity, liquidity or leverage buffers set for the SCPLC Group or any of its regulated firms;
- introduce changes to the basis on which capital, loss-absorbing capacity, liquidity, leverage and RWAs are computed; and/or
- change the manner in which it applies existing requirements to or impose new regulatory requirements on the SCPLC Group or any of its regulated firms.

As a result, the SCPLC Group may be required to raise capital, loss-absorbing capacity and/or liquidity to meet any of the foregoing requirements (or to meet any changes, or changes to the application of, such requirements) or take other actions to ensure compliance, which could have a material adverse impact on the SCPLC Group's financial condition, results of operations and prospects.

The SCPLC Group's ability to maintain its regulatory capital, loss-absorbing capacity and leverage ratios in the longer term could also be affected by a number of factors, including its RWAs and exposures, profitability, exchange rate movements and fair value adjustments. Capital levels and requirements are sensitive to changes in market and economic conditions under the UK Prudential Regulation Framework. Effective requirements for capital and loss-absorbing capacity could increase if economic or financial market conditions worsen.

The SCPLC Group remains a Global Systemically Important Bank ("**G-SIB**") with a 1.0 per cent. G-SIB buffer. If the SCPLC Group were categorised as a G-SIB with a greater than 1 per cent. requirement, the SCPLC Group's minimum CET1 capital requirement would increase. Certain of the SCPLC Group's non-UK entities have been, and others may be, designated domestic systemically-important banks (referred to in the EU and in the UK as other systemically-important institutions, or "**O-SIIs**") in the markets in which they operate in accordance with the approach developed by the BCBS and the Financial Stability Board (the "**FSB**"), which may in the future result in higher capital requirements for them.

The PRA also has additional tools to require firms to hold additional capital, including, for example, a "PRA buffer" that applies in addition to Pillar 1 capital requirements, Pillar 2A capital requirements, and the combined buffer. For more detailed information, refer to the section "*Supervision and Regulation - Prudential regulation*" below. The PRA buffer is intended to absorb losses that may arise under a severe stress scenario. It is understood that, in setting the PRA buffer, the PRA considers results of the Bank Capital Stress Test alongside other firm-specific supervisory judgements. The PRA buffer is applied if and to the extent that the PRA considers existing capital buffers do not adequately address the SCPLC Group's risk profile. The PRA buffer is not disclosed.

The SCPLC Group is subject to a minimum leverage ratio requirement of 3.25 per cent. together with applicable leverage ratio buffers as described in "*Supervision and Regulation – Prudential Regulation*". The SCPLC Group is also required to ensure that the amount of stable sources of funding to which it has access (i.e. liquidity) meets a ratio prescribed by the UK CRR.

Institutions for which bail-in is the appropriate resolution strategy, such as the SCPLC Group, are also required to hold certain amounts of loss-absorbing capital (in the UK and the EU, this is referred to as the minimum requirements for own funds and eligible liabilities ("**MREL**")).

As the parent holding company for the SCPLC Group, SCPLC is subject to direct supervision by the PRA to ensure compliance with consolidated prudential requirements and the PRA will have a range of powers to enforce compliance with these prudential requirements.

If the regulatory capital, leverage, loss-absorbing capacity, liquidity or other requirements applied to the SCPLC Group are increased in the future, this may have an adverse effect on the SCPLC Group's financial condition, results of operations and prospects. In addition, any failure by the SCPLC Group to satisfy such increased requirements could result in regulatory intervention or sanctions (including loss or suspension of a banking license) or significant reputational harm, which in turn may have a material adverse effect on the SCPLC Group's financial condition, results of operations and prospects.

The SCPLC Group may also be impacted by the implementation of further regulations which are currently under consultation or yet to be finalised or transposed (where applicable) into domestic law. An example of this is the UK implementation of Basel 3.1, as referred to above. The SCPLC Group may also be impacted by the implementation of Basel 3.1 in the other jurisdictions in which it operates globally. Such changes in regulation, if implemented and/or when finalised may, directly or indirectly, give rise to increased regulatory capital, leverage, loss-absorbing capacity and liquidity requirements for the SCPLC Group and could materially adversely affect the SCPLC Group's business, financial condition, results of operations and prospects.

For more information on the capital, leverage, loss-absorbing capacity and liquidity requirements imposed on the Issuer and the SCPLC Group, see "*Supervision and Regulation - Prudential regulation*".

4. **Risks associated with resolution and other regulatory measures**

4.1 *The business and operations of the SCPLC Group may be affected by actions taken by the SCPLC Group's regulators and relevant resolution authorities, including in particular under the Banking Act and the Financial Institutions (Resolution) Ordinance*

The wide-ranging powers available to the BoE under the Banking Act 2009, as amended (the "**Banking Act**") (and to other resolution authorities under analogous regimes in other jurisdictions) to intervene and alter the business and operations as well as the capital and debt structure of an unsound or failing bank could have significant consequences for the SCPLC Group's profitability, its competitive strength, its financing costs and the implementation of its global strategy. The BoE has the power (which it is obliged to exercise when specified conditions are determined by it to have been met) to permanently write-down, or convert into CET1 capital, Tier 1 capital instruments, Tier 2 capital instruments and eligible liabilities instruments issued by banks and their holding companies in certain specific cases, including before determining that the relevant institution and/or the group has reached a point of non-viability and before determining to exercise resolution powers. In addition, the bail-in resolution powers that have been given to the BoE include the ability to write-down or convert certain unsecured liabilities into shares of the institution or other securities, to reduce the outstanding amount due under such unsecured liabilities (including reducing such amounts to zero), to cancel such unsecured liabilities or to vary the terms of such unsecured liabilities (e.g. the variation of maturity of a debt instrument).

While the BoE's preferred resolution strategy for the SCPLC Group is to use the bail-in resolution power with a single point of entry at SCPLC, the Hong Kong Monetary Authority (the "**HKMA**") also has powers under the Financial Institutions (Resolution) Ordinance (Cap. 628) (the "**FIRO**") similar to those of the BoE as described above, which could be exercised in relation to all authorized institutions (as defined in the FIRO), as well as their holding companies, in a resolution scenario. While the approach of the HKMA should be to coordinate cross-border resolution action(s) with the SCPLC Group's home resolution authority concerned (in this case, the BoE), there is a risk that the HKMA may take actions which do not align with those of the BoE. For more details on the resolution regime under the FIRO, please refer to "*Supervision and Regulation - Recovery and resolution stabilisation and resolution framework*".

In the event of a failure of the Issuer or another financial institution (for example, the entry into receivership of Silicon Valley Bank, Signature Bank and First Republic Bank in the United States, and the acquisition of Credit Suisse by UBS in 2023), it is possible that governments or regulators may take extraordinary measures or amend or introduce relevant laws or regulations, in each case in a manner that may amend or modify the operation of existing legislation and/or directly or indirectly have an adverse impact on the business and operations of the SCPLC Group.

The exercise or prospective exercise of resolution powers may have a material adverse effect on the SCPLC Group's financial condition, results of operations and prospects.

The cost of the UK bank levy (which could potentially be subject to change, including increases, over time), which was established in the UK to cover the costs of bank resolutions and ensure the effective application of resolution powers, could also represent a material cost to the Issuer or the SCPLC Group. See also "*Changes in law may adversely affect the rights of Noteholders, may adversely affect the Issuer Group's business, financial performance and capital plans or may give the Issuer the right to redeem the Digitally Native Notes*".

Moreover, in order to prepare for the possibility of a bank entering financial difficulty, recovery and resolution planning regimes provide the SCPLC Group's regulators (including any relevant resolution authorities) with powers to require the SCPLC Group to make changes to its legal, capital or operational structures, alter or cease to carry on certain specified activities, or satisfy the minimum requirements for own funds and eligible liabilities. If the SCPLC Group's regulators (including any relevant resolution authorities) ultimately decide that any such changes are necessary or desirable to increase the resolvability and recoverability of the SCPLC Group, the impact of any changes required may have a material effect on capital, liquidity and leverage ratios or on the overall profitability of the SCPLC Group.

For further information on the regulatory resolution regimes to which the Issuer and the SCPLC Group are subject, see "*Supervision and Regulation - Recovery and resolution stabilisation and resolution framework*".

The specific interaction of the resolution and recovery mechanics with the Digitally Native Notes is outlined in the risk factor entitled "*Risks relating to structure – The Digitally Native Notes may be subject to the exercise of bail-in resolution powers or other powers by a relevant resolution authority or other government authorities*" below.

5. Operational and technology, ESG and reputational, compliance (including legal) and conduct risks

5.1 *The SCPLC Group is exposed to operational and technology risks*

Operational and technology risk is the potential for loss resulting from inadequate or failed internal processes, technology events, human error, or from the impact of external events (including legal risks). Operational and technology losses may result from, amongst others, deficient execution capability (the failure to execute client facing transactions appropriately, and failure to design and/or meet product management standards and product-related regulatory requirements). Included within operational and technology risks are risks that threaten the continuity of the services of the SCPLC Group which are being addressed by the development of the SCPLC Group's operational resilience capabilities. These capabilities address such risks as failure to design or maintain appropriate resilience measures for client services and underlying infrastructure and controls to withstand operational disruptions, technology (hardware, software and/or network) failure, failure to manage change projects, failure to meet standards for people management including relevant regulations, and failure to create a safe, secure and healthy environment for staff and clients. Increasing interconnectedness heightens the potential impact of disruptions, while longer-term developments such as quantum computing and data localisation requirements may require significant adaptation. These risks reduce tolerance for errors and outages, with risks to the SCPLC Group extending to clients and third-party suppliers.

In the majority of cases, the SCPLC Group adopts straight through processing to deliver internal or external client requests. In certain situations, processes are dependent on manual interventions (for example, when a bespoke transaction is supported) which expose the SCPLC Group to execution related risks. The SCPLC Group continues to invest in and prioritise process and system enhancements to curtail and limit these risks.

Regulators are also increasingly emphasising the importance of resilient technology infrastructure in terms of mitigating cyber risk and improving reliability. The challenge is in both renewing, and increasing investment into, the SCPLC Group's technology estate to meet the demand for its required performance levels, and resilience capabilities. In addressing the challenge, a balance is required between resilience and agility as new technologies are onboarded while existing systems are maintained. There is no guarantee that the SCPLC Group will be successful in maintaining its technology infrastructure and monitoring the associated risks on an ongoing basis. The SCPLC Group is exposed to the risk of failures in its technology infrastructure which may impact the provision of services to the SCPLC Group's customers and stakeholders. The SCPLC Group is also exposed to the risk of regulatory actions in relation to the adequacy of its technology infrastructure and the costs associated with maintaining it.

Policy statements on operational resilience were issued by the PRA and the FCA in March 2021 highlighting the importance of maintaining client services on an end-to-end basis. The expectation of the SCPLC Group's regulators is for firms to identify important business services, set the maximum tolerable level of disruption (i.e. impact tolerance) for an important business service, perform mapping of important business services to operational resources, test the ability of remaining within these impact tolerances during severe but plausible disruption scenarios, and identify vulnerabilities where impact tolerances cannot be met at present. The operational resilience requirements outlined in these policy statements became effective on 31 March 2025. Further policy statements in relation to reporting operational incidents and material third-party arrangements were issued by the FCA, PRA, and Bank of England on 18 March 2026, and shall take effect from 18 March 2027.

Policy statements have also been published by regulators in different jurisdictions, including, for example, the Monetary Authority of Singapore and the HKMA, that require businesses in those jurisdictions to comply with similar, and in some cases, more stringent, operational resilience requirements to those of the PRA and the FCA. Failure to meet the requirements stated in the policy statements above would impact a firm's ability to protect its services, its clients and the industry in effectively responding and recovering from disruptions when they arise.

For more information on the PRA and the FCA's operational resilience policies, see "*Supervision and Regulation - Cyber security and operational resilience*".

Risks can also arise from engagement of third parties to provide products, services, and goods, which is essential for the SCPLC Group to meet strategic objectives and operate effectively and efficiently. These third parties may expose the SCPLC Group to a broad range of risks including service delivery failure, operational disruption and associated regulatory, financial and reputational impacts. The SCPLC Group manages third-party risks under its third-party risk management policy and standard and processes supported by risk and control self-assessment.

The increasing use of AI-enabled automation across the SCPLC Group's operations, including in relation to change management and the delivery of technology projects, may increase operational and technology risk, for example where automated processes fail, are inadequately tested or governed, or interact with legacy systems and controls in unanticipated ways. In addition, the SCPLC Group's growing reliance on a limited number of third-party AI model providers and cloud and compute infrastructure providers gives rise to concentration risk, including the risk that the failure, degradation or withdrawal of services by any such provider, or a market-wide disruption affecting such providers, could have a disproportionate impact on the SCPLC Group's operations and its ability to deliver services to its customers.

Although the SCPLC Group seeks to manage operational risks in a timely and effective manner through implementation of a framework of policies and standards, the occurrence or continuation of one or more of the foregoing risks which arise in banking activities, or any failure to manage such risks effectively, may have a material adverse effect on the SCPLC Group's financial position, operations and/or prospects.

5.2 *The SCPLC Group's business is subject to ESG risks, which include climate related risks and reputational risks*

ESG and reputational risk is the potential or actual adverse impact on the environment and/or society, the SCPLC Group's financial performance, operations, or the SCPLC Group's name, brand or standing, arising from environmental, social or governance factors, or as a result of the SCPLC Group's actual or perceived actions or inactions.

ESG continues to be a core focus of regulatory policy making across all jurisdictions in which the SCPLC Group operates, with regulators implementing standards, reporting requirements and timelines that can vary significantly, leading to further complexity in ensuring compliance across different jurisdictions. For example, environmental targets are being incorporated into many countries' domestic policies, with increased pressure to set ambitious sustainability goals. Additionally, ESG risk management disclosures, stress testing, transition planning, taxonomy and risk management requirements are also being incorporated into many countries' regulations further emphasising the need for transparency and accountability. In the UK, the BoE published a supervisory statement on Climate Risk (SS3/19) which underwent a further update in November 2024. In December 2025, the BoE published a supervisory statement (SS4/25) setting out further updates to SS3/19, which sets out the expectation for climate risk to be treated as a core prudential risk. The FCA issued policy statement PS23/16 on the Sustainability Disclosure Requirements ("**SDR**") and investment labels which includes an 'Anti-Greenwashing' rule that provides UK regulators with enhanced authority to scrutinise any allegations of greenwashing. For further information, see "*Supervision and Regulation – Climate and Sustainability related regulatory environment*".

Climate, sustainability and other ESG related regulatory developments and the possibility of regulatory fragmentation and shifting geopolitical priorities (such as national security and energy resilience) across regions in which the SCPLC Group operates, together with varying guidance and expectations, may have significant impacts, for example, by increasing potential 'transition' risks for the SCPLC Group's clients, and requiring investment in terms of resources to comply with regulations across the SCPLC Group's markets.

There has been a growing trend of civil claims in connection with adverse environmental and human rights impacts, as well as Non-Governmental Organisations' focus on ESG risk and the decisions taken around thresholds for financing carbon-intensive sectors (e.g. coal, oil and gas, metals and mining), especially with the SCPLC Group's external commitment to 'Net Zero' 2050 targets. Recently, the social impact of the businesses the SCPLC Group finances in alignment with responsible corporate lending, and other governance factors have also been an area of growing focus. Stakeholder scrutiny around greenwashing has accelerated in relation to disclosures and marketing campaigns, as well as in relation to the need for credible transition plans and actual positive impact in sustainable finance. The growing use of AI, including generative AI, also gives rise to increased risk of reputational harm from AI-generated misinformation or deepfakes, whether targeting SCPLC Group, its customers or counterparties.

The introduction of the FCA's policy statement PS23/16 on the SDR and investment labels which includes an 'Anti-Greenwashing' rule provides UK regulators with enhanced authority to scrutinise any allegations of greenwashing. In light of these trends, there are reputational risks if the SCPLC Group is unable to comply with the new regulations, meet expectations on responsible business practices, meet publicly stated sustainability goals, and assist in helping clients' transition. ESG risk management disclosures and taxonomy requirements are also being incorporated into many countries' regulations. The ESG regulatory landscape also continues to evolve, with growing requirements on ESG risk management, stress testing, disclosures, transition planning, taxonomies, and sustainable finance frameworks across many of the SCPLC Group's footprint markets as well as changing attitudes towards ESG, particularly in the United States, which adds complexity in managing a global business.

In addition, many of the SCPLC Group's clients, markets and operations could be particularly susceptible to the physical risks of climate change such as droughts, floods, sea level change and average temperature change. For example, severe weather events have caused increased volatility in commodity prices, exacerbated disruptions in global supply chains, and impacted regions in which the SCPLC Group and its clients operate. 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. Other environmental risks, such as loss of biodiversity, pose incremental challenges to food, health systems and energy security.

Climate risk may impact the loss profile of the SCPLC Group's loan portfolio, as a result of potential disruption or productivity loss to clients' operations due to physical risks or transition risks impacting the profitability of the SCPLC Group's clients' existing business models. Additionally, properties securing loans may be subject to extreme physical risk, impacting the valuation of collateral held. The occurrence or continuance of any of the abovementioned risks could have a material adverse effect on the SCPLC Group's financial condition, results of operations and, if severe or prolonged, its prospects. There is also the possibility of increase in operational risk if extreme weather events impact critical operations of the SCPLC Group.

Beyond ESG, a potential failure in the SCPLC Group's other principal risks may also result in negative shifts in perceptions of the SCPLC Group held by shareholders, other stakeholders of the SCPLC Group or other third parties if not managed effectively. Social media and other modern communication channels that facilitate communication with large audiences in short time frames and with minimal costs, may significantly enhance and accelerate the distribution and effect of damaging information and allegations.

Material damage to the SCPLC Group's reputation could have an adverse impact on the future earning capacity of the SCPLC Group through the loss of current and prospective customers, or through damage to key governmental or regulatory relationships. As such, a failure to manage ESG and reputational risks effectively could materially affect the SCPLC Group's business, operations and prospects.

5.3 *The SCPLC Group is exposed to risks associated with operating in some markets that have relatively less developed judicial and dispute resolution systems*

In some of the markets in which the SCPLC Group operates, judicial and dispute resolution systems are less developed than in North America and Western Europe. In case of a breach of contract, there may be difficulties in enforcing claims against contractual counterparties. Conversely, if claims are made against the SCPLC Group, there may be difficulties in defending such allegations. If the SCPLC Group becomes party to legal proceedings in a market with an insufficiently developed judicial and dispute resolution system, this exacerbates the risk of there being an outcome which is unexpected, and an adverse outcome to such proceedings could have a material adverse effect on the SCPLC Group's business, financial condition, results of operations and prospects.

5.4 The SCPLC Group is exposed to penalties or loss through a failure to comply with laws or regulations

The SCPLC Group is subject to a wide variety of banking and financial services laws and regulations and is supervised by a large number of regulatory and enforcement authorities in the jurisdictions in which it operates. The SCPLC Group is, therefore, exposed to many forms of legal and regulatory risk, which may arise in a number of ways, primarily:

- as a result of changes in applicable laws and regulations or in their application or interpretation; this may cause losses and the SCPLC Group may not be able to predict the timing or form of any current or future regulatory or law enforcement initiatives which are becoming increasingly common for international banks and financial institutions;

- as a result of being subject to extensive laws and regulations which are designed to combat money laundering and terrorist financing, and requiring action to be taken to enforce compliance with sanctions against designated countries, entities and persons, including countries in which, and entities or persons with which, the SCPLC Group may conduct and may have conducted business from time to time;

- in connection with the risk from defective transactions or contracts, either where contractual obligations are not enforceable or do not allocate rights and obligations as intended, or where contractual obligations are enforceable against the SCPLC Group in an unexpected or adverse way, or by defective security arrangements;

- as a result of the title to and ability to control the assets of the SCPLC Group (including the intellectual property of the SCPLC Group, such as its trade names) not being adequately protected; and

- as a result of allegations being made against the SCPLC Group, or claims (including through legal proceedings) being brought against the SCPLC Group; regardless of whether such allegations or claims have merit, the outcome of legal proceedings is inherently uncertain and could result in financial loss (including as a result of the SCPLC Group being liable to pay damages).

Failure to manage legal and regulatory risks properly has, in some cases, resulted (and may, in some cases, continue to result) in a variety of adverse consequences for the SCPLC Group that, individually or in combination, could have an adverse impact on the SCPLC Group's business, financial condition, results of operations and prospects. For example:

- the SCPLC Group has been, and continues to be, subject to litigation, regulatory actions, reviews, requests for information and investigations relating to compliance with applicable laws and regulations;

- the SCPLC Group may incur costs and expenses in connection with legal proceedings and regulatory actions resulting from historical, current and future non-compliance by the SCPLC Group (or its employees, representatives, agents or third-party service providers) with applicable laws and regulations, or a suspicion or perception of such non-compliance (including costs associated with the conduct of such proceedings and any associated liability for damages) and such non-compliance may also give rise to reputational damage; and

- a failure by the SCPLC Group to comply with applicable laws or regulations may result in the SCPLC Group deciding to implement restrictions on its businesses or the markets in which it operates (or offering to relevant regulators to implement such restrictions or accepting proposed restrictions or being required by relevant regulators to do so). These restrictions may be accompanied by a requirement on the SCPLC Group to make periodical attestations to the relevant regulators as to its compliance with the relevant restrictions (and, if the SCPLC Group does not comply with such restrictions, or is unable to give any required attestations, this may give rise to the adverse consequences described above).

Any breach of law, regulation, settlement agreement or order, or non-compliance with or weakness in, the SCPLC Group's policies, standards, systems, controls and assurance for its anti-money laundering, U.S. Bank Secrecy Act of 1970, historical, current and future sanctions, compliance, corruption, fraud, and tax crime prevention efforts may give rise to the adverse consequences described above, any of which could have a material adverse impact on the SCPLC Group, including its reputation, business, results of operations, financial condition and prospects.

Ongoing legal proceedings against the SCPLC Group include:

- Since 2014, the SCPLC Group has been named as a defendant in a series of lawsuits 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 allege 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 the lawsuits specify the amount of damages claimed. The SCPLC 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 SCPLC Group. It is alleged that the individuals breached their duties to the SCPLC Group and caused a waste of corporate assets by permitting the conduct that gave rise to the costs and losses to the SCPLC Group related to legacy conduct and control issues. In February 2022, the New York State Court ruled in favour of SCPLC's motion to dismiss the complaint. In May 2026, the Appellate Division of the New York State Court affirmed the dismissal of the complaint. The plaintiffs are seeking to pursue an appeal.

- 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 SCPLC 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 SCPLC Group by the BMIS bankruptcy trustee and the Fairfield funds' liquidators, in each case seeking to recover funds paid to the SCPLC Group's clients pursuant to redemption requests made prior to BMIS' bankruptcy filing. The total amount sought in these cases exceeds U.S.$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 those dismissals were upheld by the appeal court. The fourth lawsuit has been dismissed and is not the subject of any further appeal. The SCPLC Group continues to defend the lawsuit brought by the BMIS bankruptcy trustee.

- In June 2025, a lawsuit was filed in the Singapore High Court against Standard Chartered Bank (Singapore) Limited ("**Standard Chartered Singapore**"), by three companies now in liquidation that had misappropriated funds from 1Malaysia Development Berhad ("**1MDB**"), seeking U.S.$2.7 billion. The companies allege, among other things, that Standard Chartered Singapore knew or ought to have known that these companies were engaged in the fraud on 1MDB at the time that Standard Chartered Singapore effected transfers instructed by these companies. The companies allege that in doing so, Standard Chartered Singapore breached its mandate and applicable duties. Standard Chartered Singapore had reported the transaction activities of these companies before it closed their accounts in early 2013. Standard Chartered Singapore denies any and all liability and will defend this lawsuit.

The SCPLC 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.

5.5 *The SCPLC Group is exposed to the risks of operating in a highly regulated industry and changes to banking and financial services laws and regulations*

The SCPLC Group's businesses are subject to a complex framework of banking and financial services laws and regulations which give rise to associated legal and regulatory risks, including the effects of changes in laws, regulations, policies, regulatory interpretations and voluntary codes of practice. Legislative and regulatory changes, and changes to governmental or regulatory policy, that could adversely impact the SCPLC Group's business include:

- the monetary and other policies of central banks and regulatory authorities;

- general changes in governmental or regulatory policy, or changes in regulatory regimes that may significantly influence investor decisions in particular markets in which the SCPLC Group operates, may change the structure of those markets and the products offered, or may increase the costs of doing business in those markets;

- changes to other regulatory requirements such as rules on consumer protection and prudential rules relating to capital adequacy and/or liquidity and/or loss-absorbing capacity instruments, charging special levies to fund governmental intervention in response to crises (which may not be tax-deductible for the SCPLC Group), separation of certain businesses from deposit-taking and the breaking-up of financial institutions that are perceived to be too large for regulators to mitigate the systemic risks of their failure or so large and complex that they cannot be effectively managed;

- over-the-counter ("**OTC**") derivatives reforms across the SCPLC Group's markets, designed to contain systemic risk (central clearing, margin requirements, capital) and increase market transparency (real-time reporting, exchange or swap execution facility trading, disclosure and record retention);
- changes in competition and pricing environments;
- further developments in relation to financial reporting, including changes in accounting and auditing standards, corporate governance, conduct of business and employee compensation; and
- new and increased regulations regarding digital assets, cyber security, sustainability and climate risk.

In recent years there has been a substantial increase in the regulation and supervision of the financial services industry in order to seek to prevent future crises and otherwise ensure the stability of institutions or mitigate any risks to financial stability associated with their failure, including the imposition of higher capital and liquidity requirements (including pursuant to Basel III and the UK Prudential Regulation Framework, as defined above), establishing of resolution and recovery planning requirements, increased levies and taxes, requirements to centrally clear certain transactions, heightened disclosure standards, further development of corporate governance and employee compensation regimes and restrictions on certain types of transaction structures.

While there is international regulatory co-operation on the supervision and regulation of internationally active EU and UK banking groups, the SCPLC Group is, and will continue to be, subject to the complexity of complying with existing and new regulatory requirements in each of the jurisdictions in which it operates. Declining international cooperation and an increased focus on competitiveness is increasing regulatory fragmentation, with more inconsistencies and opposing requirements rather than differing national implementation. Where changes in regulation are implemented, they may not be co-ordinated, potentially resulting in the SCPLC Group having to comply with different and possibly conflicting requirements. For example, while the U.S. administration has signalled an intent to relax regulation and its adoption of Basel 3.1 rules may differ from proposed policies and the UK has delayed its implementation of Basel 3.1 to 2027, some Asian markets have gone live with their Basel 3.1 rules as of 2025.

The foregoing matters may adversely impact any number of areas of the SCPLC Group's operations and activities which in turn may have a material adverse effect on its financial condition, results of operations and prospects.

For more information on the regulatory landscape in which the Issuer and the SCPLC Group operates, see "*Supervision and Regulation*".

5.6 *Changes in law or regulation applicable to derivatives may adversely affect the SCPLC Group's business and the SCPLC Group may face increased costs and/or reduced revenues*

Both: (i) the European Market Infrastructure Regulation, formally known as Regulation (EU) No 648/2012 of the European Parliament and the Council on Over-The-Counter Derivatives, Central Counterparties and Trade Repositories, as amended on or prior to 31 December 2020 ("**EMIR**"); and (ii) EMIR as it forms part of the domestic law of the UK by virtue of the EUWA ("**UK MIR**"), impose requirements to report all derivative transactions to authorised or recognised trade repositories and the obligation to clear on authorised or recognised central clearing counterparties certain OTC derivative transactions ("**Transactions**") executed with financial counterparties and non-financial counterparties who exceed certain clearing thresholds. EMIR and UK MIR also introduce a stringent risk mitigation regime for all uncleared Transactions including a requirement to exchange collateral or margin.

The regulatory changes and resulting requirements of EMIR, UK MIR, the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), which established wide-ranging reform of the U.S. regulatory system designed to contain systemic risk, and similar international reform efforts may continue to increase the costs of, and/or reduce the revenue from, engaging in Transactions and related activities for the SCPLC Group. Provisions of the Dodd-Frank Act have also caused or required certain market participants (including the Issuer) to transfer some of their derivatives activities to separate entities. For example, in the CFTC swap dealer and SEC security swap dealer ("**SBSD**") space, the Issuer currently prohibits any subsidiary from transacting in-scope derivatives with U.S. persons or quasi-US Persons (subject to certain exemptions, e.g., non-US branches of US Swap Dealers) specifically to prevent any subsidiary from having to register as a swap dealer or SBSD. In cases where these counterparties are not able (or are unwilling) to face the Issuer, this activity and associated client revenue may be lost at a SCPLC Group level. Accordingly, the ability to enter into and perform Transactions or engage in future Transactions may be affected in both predictable and unpredictable ways, including increasing the costs of or reducing the incentives for engaging in such activities. New regulations may also put restraints on the way the SCPLC Group can conduct its business with regard to derivatives, if those derivatives are not cleared through a central clearing house (or otherwise give rise to new compliance requirements depending on the type of regulation).

For more information on EMIR and UK MIR, see "*Supervision and Regulation - Market infrastructure regulation*".

5.7 *Changes in the Issuer Group's accounting policies or in accounting standards could affect its capital ratios and how it reports its financial condition and results of operations*

The Issuer Group's financial statements for the year ended 31 December 2025 and for the six-month period ended 30 June 2026 were each prepared in accordance with UK-adopted international accounting standards and EU IFRS. There are no significant differences between UK-adopted international accounting standards and EU IFRS. From time to time, the International Accounting Standards Board and/or the UK Endorsement Board may change international accounting standards, which could affect the Issuer Group's capital ratios or how it reports its financial position and performance. In some cases, the Issuer could be required to apply a new or revised standard retroactively, or voluntarily elect to change its accounting policies, resulting in restating prior period financial statements.

Further information on the Issuer Group's accounting policies and accounting standards in issue but not yet effective may be found on pages 91 to 94 of the Issuer 2025 Report and on pages 40 to 41 of Issuer HY 2026 Report. However, any other changes to UK-adopted international accounting standards or EU IFRS, to the extent applicable, that may be proposed in the future, could materially adversely affect the Issuer Group's reported results of operations and financial position.

5.8 *The SCPLC Group is exposed to conduct risk*

"**Conduct Risk**" is defined as the "risk of detriment to the SCPLC Group's clients, investors, shareholders, counterparties, employees, market integrity and competition arising from: (i) activities performed by the SCPLC Group; or (ii) individual behaviour and actions including instances of wilful or negligent misconduct".

Failure to manage Conduct Risk results in a potential failure to: (i) treat the SCPLC Group's clients fairly; (ii) deliver positive outcomes to the SCPLC Group's investors, shareholders, counterparties, employees, markets and competition; (iii) protect the integrity of the markets in which the SCPLC Group operates; and/or (iv) provide employees with a fair and safe working environment that is free from discrimination, exploitation, bullying, harassment and/or inappropriate language; which may lead to regulatory consequences, financial loss and reputational damage. The increasing use of AI in the SCPLC Group's products, services and internal processes may also amplify Conduct Risk. AI-enabled tools and agentic AI functions may produce biased, inaccurate or opaque outcomes, or may be misused, which could result in unfair customer outcomes, poor advice or recommendations, or a failure to treat customers fairly.

The effective management of Conduct Risk takes into consideration the SCPLC Group's culture, its strategy, business model, and the implementation of the three lines of defence model across the SCPLC Group. Effective from January 2021 onwards, the SCPLC Group incorporated Conduct Risk management into its Enterprise Risk Management Framework to reflect the transversal nature of Conduct Risk and ensure that it is always considered as part of the assessment of other principal risks to the SCPLC Group.

The Code of Conduct and Ethics (the "**Code of Conduct**") remains the primary tool to communicate the SCPLC Group's conduct expectations. In October 2023, the SCPLC Group launched the refreshed Code of Conduct to improve alignment with its standards, strengthen the link between ethics, culture, conduct, and the SCPLC Group's strategy.

Although the SCPLC Group seeks to manage Conduct Risk in a timely and effective manner, the occurrence or continuation of one or more of the abovementioned risks, or any failure to manage one or more of such risks effectively, may have a material adverse effect on clients and the SCPLC Group's financial position and operations.

6. **Information and cyber security risk, financial crime risk and model risk**

6.1 *The SCPLC Group is exposed to information and cyber security ("**ICS**") risk*

Cybercrime is rising and becoming more globally coordinated. The threat landscape is volatile, driven by a complex interplay of geopolitical instability, the commoditisation of AI-enabled cybercrime, and increasing global regulatory demand. The resulting challenges, ranging from augmented ransomware and sophisticated supply chain compromise to AI-powered social engineering, elevate cyber risk from an information and communication technology ("**ICT**") concern to a primary operational and systemic threat. The SCPLC Group's business depends on its ability to protect client data and process large volumes of transactions efficiently and with integrity. To effectively manage all its digital assets (including infrastructure, systems, communication services and networks), the SCPLC Group is increasingly reliant on ICS. This increased dependency on its systems and networks for secure processing, storage, and transmission of sensitive information elevates the risk of cybercrime, which could result in operational disruption, extortion and data theft for fraudulent or malicious use. Also, an expanding digital footprint and integration of smarter AI systems increases inherent cyber and operational risk, with more opportunities for cybercriminals to gain entry or access to corporate assets, including infrastructure such as cloud and third-party enabled services.

The adoption of remote and hybrid working arrangements has expanded the threat landscape, and the SCPLC Group is subject to ongoing and increasingly sophisticated cyber threats. Emerging technologies such as AI-enabled novel or augmented attack types, and cross-border tensions further drive the arms race, driving the need to develop more innovative offensive and defensive cyber capabilities. In the longer term, advances in quantum computing could threaten encryption, one of the core aspects of security, with a complex global transition to enhance data architecture.

Policy statements in response to the Digital Operational Resilience Act ("**DORA**") have required a structural shift in risk management. With effect from 17 January 2025, DORA requires financial entities to treat operational resilience as a core governance function, standardising ICS risk management frameworks, enforcing rigorous, threat-led penetration testing, and providing comprehensive oversight of all critical third-party ICT service providers.

Although the SCPLC Group has continuously improved its capabilities to identify and withstand cyber threats and to streamline and instil cyber responsibilities across its operating model, if the SCPLC Group fails to effectively manage its ICS risks, the impact could be significant and may result in reputational damage, business disruption (which, in turn, may result in lost revenue and a loss of customers), data leakage, customer impact and regulatory action. Factors ranging from unmanaged exposures through to challenges in detecting and responding to sophisticated attacks could give rise to these consequences, which, if they occur, could have a material adverse effect on the SCPLC Group's operations, financial condition and prospects.

For more information on how reputational risks may impact the SCPLC Group, see the risk factor entitled "*Operational and technology, ESG and reputational, compliance (including legal) and conduct risks - The SCPLC Group's business is subject to ESG risks, which include climate related risks and reputational risks*".

6.2 *The SCPLC Group is exposed to financial crime risk*

Financial crime risk is defined as the 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, anti-bribery and corruption, and fraud.

The SCPLC Group, through its size and strategic intent, is exposed to financial crime risks. These risks are inherent in the SCPLC Group's operations and may arise from, among other things, the SCPLC Group offering different banking products via multiple channels across regions to diverse customer types; the SCPLC Group's defences being overcome by criminals; and/or regulators assessing deficiencies in the SCPLC Group's design and/or governance over controls operating across the SCPLC Group's client or counterparty due diligence and surveillance. Risks relating to sanctions compliance have been exacerbated by increasingly complex geopolitical tensions and the complex and dynamic nature of sanctions regulations, with potential divergence across and conflicts between regimes. In particular, frequent changes in sanctions imposed by the UK, the U.S. and the EU against a broad range of political and commercial actors, who may have economic or political significance in markets in which the SCPLC Group operates in, as well as retaliatory countermeasures, pose legal, compliance, operational, and reputational challenges to the SCPLC Group and the industry in complying with such regulations in a timely manner and has heightened the risk of potential inadvertent violations. The SCPLC Group maintains an open dialogue with relevant regulators and seeks continuously to enhance its approach in preventing bribery and corruption, money laundering, combating terrorist financing, complying with sanctions and mitigating internal and external fraud risk through its internal controls. While the SCPLC Group and its financial crime compliance controls continue to adapt to incorporate new risk indicators, there is no guarantee that such adaptations will be effective in addressing all financial crime risks.

The occurrence or continuation of one or more of the abovementioned risks, or any failure to manage one or more of such risks effectively, may have a material adverse effect on the SCPLC Group's financial condition, results of operations and prospects.

6.3 *The SCPLC Group is exposed to model risk*

Model risk is defined as the potential loss that may occur as a consequence of decisions or the risk of mis-estimation that could be principally based on the output of models due to errors in the development, implementation or use of such models.

Regulatory focus continues to intensify with: (i) the growing importance of models for business decisions; and (ii) recognition of financial losses due to inadequate models or misuse. Additionally, areas such as Deterministic Quantitative Methods ("**DQM**"), are now in scope for model risk management in certain jurisdictions, including the UK and the United Arab Emirates.

The SCPLC Group's model risk results in part from both the number and complexity of the models used, and the extent of their use within the SCPLC Group. The SCPLC Group uses approximately 1000 in-use models across multiple model families under the scope of the SCPLC Group Model Risk Policy. The model families include: Credit Risk Internal Ratings Based, Market Risk Internal Model Approach and Counterparty Credit Risk Internal Model Method models which are used to calculate regulatory capital as well as IFRS9 models used for the calculation of expected credit loss to meet the SCPLC Group's financial reporting obligations under IFRS9. Other model families include, financial crime compliance, financial markets pricing, capital and liquidity, operational risk, pension risk, economic scenarios, financial projection, climate risk, recommendation systems. algorithmic trading, strategy and talent models.

Models are used across the SCPLC Group for various important processes (such as capital calculation, stress testing and business decisions). Examples of existing and emerging model uses include, but are not limited to:

- financial, public and regulatory reporting and disclosures;
- stress testing, financial and economic forecasting and internal capital adequacy assessments;
- product pricing, hedging, valuations, portfolio allocations, automated trading strategies and execution, economic and market research, and recommending products and services to customers;
- counterparty and credit risk management and client credit decisions; and
- fraud detection, trade and communication surveillance and anti-money laundering controls.

While the origination of Model Risk Management dates back to U.S. regulatory guidance SR 11-7 / OCC-2011-12 (SR 11-7 / OCC-2011-12 Supervisory Guidance on Model Risk Management, issued by the Federal Reserve Board and Office of the Comptroller of the Currency on 4 April 2011), the SCPLC Group has seen a number of other regulatory bodies follow suit, most recently with the UK PRA issuing a supervisory statement (SS 1/23) "Model Risk Management Principles for Banks", with similar themes to SR 11-7. SS 1/23 was issued on 17 May 2023 with an effective date of 17 May 2024, and the SCPLC Group's framework has been enhanced to align with its requirements. On 17 April 2026, SR 26-2 (OCC 2026-13) was released by the U.S. Federal Reserve Board as part of the joint interagency supervisory guidance by the U.S. Federal Reserve Board, Office of the Comptroller of the Currency and Federal Deposit Insurance Corporation. The updated model risk management guidance reflects a more risk-based approach to model risk management and officially replaces the previous SR 11-7 guidance that had been in place since 2011. PRA SS1/23 continues to be the lead regulatory standard the SCPLC Group's model risk framework has been aligned to.

DQMs are defined as tools which meet the model definition, with the exclusion of use of mathematical/financial/economic theories or techniques to perform the processing. DQMs are often referred to as Non-Models ("**NM**") and the terms are used interchangeably. NM generally fall into two types, (a) NM Estimations, where the processing component is purely qualitative in nature (purely based on expert judgment) rather than quantitative, and (b) NM Calculators where the processing component is purely deterministic, e.g., calculator arithmetic, logic trees, etc. While DQMs do not meet the formal definition of a model, they are still an integral part of a business decision process.

AI and machine learning techniques are increasingly adopted as a processing component of models in finance, such as financial crime compliance and credit scoring. The presence of AI processing within a model has the propensity to amplify existing risks, and the SCPLC Group model risk framework was updated in 2021 to ensure these risks are considered as part of model development and validation activities.

Separately, future changes to existing law and regulation (including in order to implement Basel 3.1 with forecast implementation date at the time of publication of 1 January 2027) may affect the SCPLC Group's use of models, which could in turn give rise to increased regulatory capital, leverage, loss-absorbing capacity and liquidity requirements for the SCPLC Group and could materially adversely affect the SCPLC Group's business, financial condition, results of operations and prospects.

The occurrence or continuation of model risk, or any failure to manage such risk effectively, may have a material adverse effect on the SCPLC Group's financial condition, results of operations and prospects.

Factors which are material for the purpose of assessing the market risks associated with the Digitally Native Notes

1. **Risks relating to structure**

The Digitally Native Notes are debt securities and have certain structural features which entail particular risks for potential investors which may apply to other debt securities more generally. Set out below is a description of certain such features.

1.1 *The Digitally Native Notes may be subject to the exercise of bail-in resolution powers or other powers by a relevant resolution authority or other government authorities*

The Digitally Native Notes fall within the scope of the resolution powers (including bail-in resolution powers) set out in the Banking Act.

The determination that the bail-in resolution powers will be exercised in respect of all or part of the principal amount of the Digitally Native Notes may be unpredictable and may be outside of the Issuer's control. Accordingly, trading behaviour in respect of the Digitally Native Notes is not necessarily expected to follow trading behaviour associated with other types of securities. Any final determination, or actual or perceived increase in the likelihood, that such powers will be exercised in respect of the Digitally Native Notes could have an adverse effect on the market price of the Digitally Native Notes.

Potential investors should also consider the risk that a Noteholder may lose all of its investment in the Digitally Native Notes and all of its claims to unpaid interest. Any principal, interest or other amounts written-off as a result of the application of bail-in resolution powers would be irrevocably lost and holders of such Digitally Native Notes would cease to have any claims for: (i) the written-off principal amount of the Digitally Native Notes; and (ii) any unaccrued obligations or claims arising in relation to such amounts. In circumstances where the BoE (as the Resolution Authority) uses its bail-in resolution powers to reduce part of the principal amount of the Digitally Native Notes, the terms of the Digitally Native Notes would continue to apply in relation to the residual principal amount, subject to any modification to the amount of interest payable to reflect the reduction of the principal amount. Bail-in resolution powers could be exercised in respect of the Digitally Native Notes without the Noteholders receiving any compensation for the loss of their investment in the Digitally Native Notes. The Banking Act provides that, other than in certain limited circumstances as set out in the Banking Act, extraordinary governmental financial support will only be available to the Issuer as a last resort once all resolution tools, including the bail-in resolution powers above, have been exploited to the maximum extent possible. Accordingly, it is unlikely that Noteholders will benefit from such support even if it were provided.

If the BoE exercises its bail-in resolution powers, a safeguard applies which is designed to ensure that creditors do not incur greater losses than they would have incurred had the institution been wound up under normal insolvency proceedings immediately before the exercise of the resolution power (the "**no creditor worse off**" principle). Notwithstanding this safeguard, a Noteholder could still lose all of its investment in the Digitally Native Notes in the event that the BoE exercises its bail-in resolution powers in respect of the Digitally Native Notes.

Although the exercise of the bail-in resolution powers under the Banking Act is subject to certain pre-conditions, there remains uncertainty regarding the specific factors (including, but not limited to, factors outside the control of the Issuer or not directly related to the Issuer) which the BoE would consider in deciding whether to exercise such power with respect to the Issuer and securities (including the Digitally Native Notes) issued by it. Given that the relevant provisions of the Banking Act remain largely untested in practice, it will be difficult to predict when, if at all, the exercise of a loss absorption power may occur which would result in a principal write-off or conversion to the Digitally Native Notes or any other securities. Moreover, as the BoE may have considerable discretion in relation to how and when it may exercise such power, holders of the Digitally Native Notes may not be able to refer to publicly available criteria in order to anticipate a potential exercise of such power and consequently its potential effect on the Issuer and the Digitally Native Notes. It is also possible that legislators or regulators may seek to amend the scope, extent or conditions to the exercise of, such powers, either generally or on an institution-specific basis (including in a crisis scenario), which may result in the write-down or conversion of securities (including the Digitally Native Notes) in a broader range of circumstances. The BoE is also not required to provide any advance notice to holders of the Digitally Native Notes of its decision to exercise any resolution powers. Therefore, Noteholders may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on the Issuer, the Issuer Group and the Digitally Native Notes.

Furthermore, Noteholders may have only limited rights to challenge and/or seek a suspension of any decision of the BoE to exercise its resolution powers (including the bail-in tool) or to have that decision reviewed by a judicial or administrative process or otherwise. Accordingly, trading behaviour, including market prices and volatility, in respect of the Digitally Native Notes is not necessarily expected to follow the trading behaviour associated with other types of securities that are not subject to such resolution powers. Further, the amendment of such recovery and resolution powers, and/or any implication or anticipation that they may be used, may have a significant adverse effect on the market price of the Digitally Native Notes, even if such powers are not used.

1.2 *The Issuer may redeem the Digitally Native Notes at the Issuer's option*

The Issuer may opt to redeem all, but not some only, of the Digitally Native Notes at their principal amount together with accrued but unpaid interest, on any Interest Payment Date: (i) for certain taxation reasons, as further described in Condition 5(b) (*Redemption and Purchase – Redemption for Taxation Reason*); or (ii) if 75 per cent. or more of the aggregate principal amount of the Digitally Native Notes originally issued (and, for these purposes, any further securities issued pursuant to Condition 12 (*Further Issues*) will be deemed to have been originally issued) has been redeemed and/or purchased and cancelled, as further described in Condition 5(c) (*Redemption and Purchase – Clean-up Redemption*).

It is not possible to predict whether the events referred to above will occur and lead to circumstances in which the Issuer may elect (in its sole discretion) to redeem the Digitally Native Notes. Where such events have occurred, there can be no guarantee that the Issuer will elect to exercise its option to redeem the Digitally Native Notes. If the Digitally Native Notes are so redeemed, there can be no assurance that Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investment in the Digitally Native Notes. Furthermore, the redemption feature of the Digitally Native Notes may limit their market value, which is unlikely to rise substantially above the price at which the Digitally Native Notes can be redeemed.

1.3 *There is no limit on the amount or type of further securities or indebtedness that the Issuer may issue, incur or guarantee*

There is no restriction on the amount of securities or other liabilities that the Issuer may issue, incur or guarantee and which rank senior to, or *pari passu* with, the Digitally Native Notes. The issue or guaranteeing of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Noteholders during a winding-up or administration and may limit the Issuer's ability to meet its obligations under the Digitally Native Notes.

1.4 *The Trust Deed contains provisions which may permit modification of the Digitally Native Notes without the consent of all investors*

The Trust Deed contains provisions permitting modifications and amendments to the Digitally Native Notes without the consent of Noteholders in certain instances and with the consent of a specified quorum and majority of the outstanding Digitally Native Notes in other circumstances. Valid resolutions passed by such Noteholders will bind all Noteholders including Noteholders who (i) did not attend and vote at the relevant meeting or vote through the electronic consent procedure, or (ii) did not sign the written resolution, and (iii) voted in a manner contrary to the majority. For further information, see Condition 10 (*Meetings of Noteholders, Modification, Waiver and Substitution*).

1.5 *The market value of the Digitally Native Notes may be influenced by unpredictable factors*

Many factors, most of which are beyond the Issuer's control, will influence the market value of the Digitally Native Notes and the price, if any, at which securities dealers may be willing to purchase or sell the Digitally Native Notes in the secondary market, including:

- any credit ratings assigned to the Issuer and the Digitally Native Notes;
- the creditworthiness of the Issuer;
- supply and demand for the Digitally Native Notes;
- actions taken by other issuers of digitally native securities; and
- economic, financial, political or regulatory events or judicial decisions that affect the Issuer or the financial markets generally.

Accordingly, if a Noteholder sells its Digitally Native Notes in the secondary market, it may not be able to obtain a price equal to the principal amount of the Digitally Native Notes or a price equal to the price that it paid for the Digitally Native Notes.

1.6 *Changes in law may adversely affect the rights of Noteholders, may adversely affect the Issuer Group's business, financial performance and capital plans or may give the Issuer the right to redeem the Digitally Native Notes*

The Conditions are based on English law in effect as at the Issue Date. No assurance can be given as to the impact of any possible judicial decision or change to English law or any administrative practice after the Issue Date. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Digitally Native Notes, which may have an adverse effect on an investment in the Digitally Native Notes.

In addition, any changes in law or regulations after the Issue Date that trigger certain adverse tax consequences (as described in Condition 5(b) (*Redemption and Purchase – Redemption for*

Taxation Reasons)) would entitle the Issuer, at its option, to redeem the Digitally Native Notes, in whole but not in part, as more particularly described under Condition 5(b) (*Redemption and Purchase – Redemption for Taxation Reasons*).

Any such legislative and regulatory uncertainty could affect an investor's ability to accurately value the Digitally Native Notes and, therefore, affect the trading price of the Digitally Native Notes given the extent and impact on the Digitally Native Notes that one or more regulatory or legislative changes, including those described above, could have on the Digitally Native Notes.

The financial services industry has been and continues to be the focus of significant regulatory change and scrutiny (for example, that resulting from the enactment in the UK of the Financial Services and Markets Act 2023 (the "**FSMA 2023**") and the Retained EU Law (Revocation and Reform) Act 2023) which may adversely affect the Issuer Group's business, financial performance, capital and risk management strategies. Such regulatory changes and the resulting actions taken to address such regulatory changes may include higher capital and additional loss absorbency requirements and increased powers of competent authorities which together may have an adverse impact on the Issuer Group and may therefore affect the Issuer's performance and financial condition. It is not possible to predict changes to legislation or regulatory rulemaking or the ultimate consequences of any such changes to the Issuer Group or the Noteholders, which could be material to the rights of Noteholders and/or the ability of the Issuer to satisfy its obligations under the Digitally Native Notes.

1.7 *There is no established trading market for the Digitally Native Notes and one may not develop*

The Digitally Native Notes will have no established trading market when issued and, although application will be made for the Digitally Native Notes to be admitted to trading on the ISM, one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Digitally Native Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for the Digitally Native Notes, which may be especially sensitive to interest rates, currency or market risks, are designed for specific investment objectives and strategies, have been structured to meet the investment requirements of limited categories of investors. The Digitally Native Notes may have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a material adverse effect on the market value of the Digitally Native Notes.

1.8 *Investors may need to purchase more Digitally Native Notes to ensure that they hold an amount equal to one or more Specified Denominations*

It is possible that the Digitally Native Notes may be traded in amounts in excess of U.S.$200,000 that are not integral multiples of U.S.$200,000. In such a case a Noteholder who, as a result of trading such amounts, holds a nominal amount of less than the Specified Denomination will not be able to sell or otherwise transfer the residual balance of such holding and would need to purchase a nominal amount of Digitally Native Notes such that it holds an amount equal to U.S.$200,000 in order to do so.

1.9 *The Digitally Native Notes may not be a suitable investment for all investors*

Each potential investor in the Digitally Native Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge, expertise (either alone or with the help of a financial adviser) and experience to make a meaningful evaluation of the Digitally Native Notes (including, an appropriate understanding of DLT as used by the D-FMI to be able to evaluate the risks associated with the use of the D-FMI in relation to the issuance of the Digitally Native Notes), the merits and risks of investing in the Digitally Native Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Digitally Native Notes and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Digitally Native Notes, including where the currency for principal or interest payments is different from the potential investor's currency, and the possibility that interest may not be paid on the Digitally Native Notes and/or that the entire principal amount of the Digitally Native Notes could be lost, including following the exercise of bail-in resolution powers;
- understand thoroughly the terms of the Digitally Native Notes, and be familiar with the behaviour of any relevant financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Digitally Native Notes unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Digitally Native Notes will perform under changing conditions, the resulting effects on the value of the Digitally Native Notes and the impact this investment will have on the potential investor's overall investment portfolio.

1.10 *A downgrade, suspension or withdrawal of the rating assigned by any rating agency to the Digitally Native Notes could cause the liquidity or market value of the Digitally Native Notes to decline*

Upon issuance, the Digitally Native Notes will be rated by nationally recognised statistical ratings organisations and may in the future be rated by additional rating agencies. However, the Issuer is under no obligation to ensure the Digitally Native Notes are rated by any rating agency and any rating initially assigned to the Digitally Native Notes may be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, circumstances relating to the basis of the rating, such as adverse changes to the Issuer's business, so warrant, or if the rating methodology used by any such rating agency is amended. If the Issuer determines no longer to maintain one or more ratings, or if any rating agency lowers or withdraws its rating, such event could reduce the liquidity or market value of the Digitally Native Notes.

1.11 *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Digitally Native Notes. The ratings may not reflect the potential impact of all risks related to structure, market, bail-in resolution powers, additional factors discussed above and other factors that may affect the value of the Digitally Native Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

1.12 *Limited gross-up obligation in respect of the Digitally Native Notes*

Pursuant to the Conditions, the Issuer's obligation to pay additional amounts on the Digitally Native Notes in respect of any withholding or deduction in the UK applies only to payments of interest on the Digitally Native Notes and not to payments of principal in respect of the Digitally Native Notes. As such, the Issuer would not be required to pay any additional amounts to the extent any such withholding or deduction is applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal in respect of any Digitally Native Notes, Digitally Native Noteholders shall only be entitled to the net amount of such payment after deduction of the amount required to be withheld or deducted. The market value of such Digitally Native Notes may be adversely affected as a result.

1.13 *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Digitally Native Notes in U.S. Dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than U.S. Dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the U.S. Dollar or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the U.S. Dollar would decrease: (i) the Investor's Currency-equivalent yield on the Digitally Native Notes; (ii) the

Investor's Currency-equivalent value of the principal payable on the Digitally Native Notes; and (iii) the Investor's Currency-equivalent market value of the Digitally Native Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate and/or an investor's right to receive payments of interest or principal. As a result, investors may receive less interest or principal than expected, or no interest or principal.

1.14 *The Digitally Native Notes are linked to SOFR*

Investors should be aware that if SOFR were discontinued or otherwise unavailable, the rate of interest on the Digitally Native Notes will be determined for the relevant period by the fallback provisions applicable to the Digitally Native Notes. The Conditions provide for certain fallback arrangements where a Benchmark Event has occurred (which, amongst other events, includes (i) the permanent discontinuation of SOFR, (ii) a prohibition against using SOFR in respect of the Digitally Native Notes, or (iii) SOFR being deemed no longer representative of its underlying market). These fallback arrangements may require or result in adjustments to the interest calculation provisions of the Conditions. Even prior to the implementation of any changes to SOFR, or to the interest calculation provisions based on SOFR, uncertainty as to potential changes to SOFR may adversely affect the operation of SOFR during the term of the Digitally Native Notes, as well as potentially adversely affecting both the return on the Digitally Native Notes and the trading market for the Digitally Native Notes.

Where SOFR (or the relevant component part(s) thereof) ceases to be administered, the fallback arrangements referenced in the preceding paragraph will include the possibility that:

(A) the relevant rate of interest (or, as applicable, component thereof) could be set or, as the case may be, determined by reference to a successor rate or an alternative rate (as applicable) determined by an Independent Adviser appointed by the Issuer or, if the Issuer is unable to appoint an Independent Adviser (having used reasonable endeavours) or the Independent Adviser appointed by the Issuer fails to make such determination, the Issuer; and

(B) a SOFR Benchmark Replacement Adjustment may be applied as determined by the relevant Independent Adviser or the Issuer (as applicable),

in each such case, with the Independent Adviser or the Issuer (as applicable) acting in good faith and in a commercially reasonable manner, as more fully described in the Conditions.

No consent of the Noteholders shall be required in connection with effecting any successor rate or alternative rate (as applicable). In addition, no consent of the Noteholders shall be required in connection with any other related adjustments and/or amendments to the Conditions (or any other document) which are made in order to effect any successor rate or alternative rate (as applicable).

In certain circumstances, the ultimate fallback for a particular Interest Period, including where no successor or alternative rate (as applicable) is determined, may be the Interest Rate in respect of the last preceding Interest Period. This may result in the effective application of a fixed rate for the Digitally Native Notes. In addition, due to the uncertainty concerning the availability of successor rates and alternative rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on the Digitally Native Notes. Moreover, any of the above matters or any other significant change to the setting or existence of SOFR could affect the ability of the Issuer to meet its obligations under the Digitally Native Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Digitally Native Notes. Investors should note that the Independent Adviser or the Issuer (as applicable) will have discretion to adjust the relevant successor rate or alternative rate (as applicable) in the circumstances described above. Any such adjustment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, any such adjustment will be favourable to each Noteholder. An Independent Adviser will be required to act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Trustee, the Agents, or the

Noteholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer in such circumstances.

Investors should consider all of these matters when making their investment decision with respect to the Digitally Native Notes.

1.15 *SOFR is used as the reference rate for the Digitally Native Notes and the methodology for its calculation may vary and evolve, which may have an adverse effect on the return on the Digitally Native Notes*

SOFR has become more commonly used as a benchmark rate for bonds in recent years. SOFR is backwards-looking, and the methodology used to calculate it may not be uniform as between issuances, which may result in slightly different interest amounts being determined in respect of otherwise similar securities.

In addition, investors should consider how any mismatch between applicable conventions for the use of SOFR across the bond, derivatives and loan markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of the Digitally Native Notes.

Furthermore, the basis of deriving SOFR may mean that interest on the Digitally Native Notes will only be capable of being determined after the end of the relevant SOFR Observation Period and immediately prior to the relevant Interest Payment Date. This differs from benchmarks calculated on the basis of a forward-looking term, which are determined at the start of the relevant Interest Period. It may be difficult for investors in the Digitally Native Notes to accurately estimate the amount of interest which will be payable on the Digitally Native Notes. Further, if the Digitally Native Notes become due and payable as a result of an event of default under Condition 8(a) (*Events of Default*), the rate of interest payable for the final Interest Period in respect of the Digitally Native Notes shall only be determined on the date on which the Digitally Native Notes become due and payable and shall not be reset thereafter. Investors should consider these matters when making their investment decision with respect to the Digitally Native Notes.

SOFR and any related indices and rates that fall outside the scope of the EU Benchmarks Regulation and UK Benchmarks Regulation may also be subject to changes or discontinuation. For example, the administrator of SOFR may make methodological or other changes that could change its value, including changes related to the method by which it is calculated, eligibility criteria applicable to transactions used to calculate it, or timing related to its publication. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SOFR, in which case a fallback method of determining the Interest Rate of the Digitally Native Notes will apply in accordance with the Conditions (for further information, see the risk factor entitled "*The Digitally Native Notes are linked to SOFR")*. The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing SOFR.

The administrator of SOFR has published historical performance data. Investors should not rely on historical performance data as an indicator of future performance of SOFR.

2. **Risks related to the digitally native nature of the Digitally Native Notes**

The Digitally Native Notes rely on the operation of the D-FMI and related distributed ledger technology infrastructure. Accordingly, investors may be exposed to risks arising from the operation of the D-FMI and the digitally native nature of the Digitally Native Notes. Set out below is a description of certain such risks.

2.1 *The use of the D-FMI to create, issue, transfer and redeem the Digitally Native Notes is a relatively recent development and the D-FMI may contain flaws and limitations*

The Digitally Native Notes will be issued in dematerialised form under English law, created upon issue on the D-FMI, which is that part of the securities settlement system operated by Euroclear as a central securities depository under EU Regulation No 909/2014 of 23 July 2014 (as amended from time to time), by means of which the settlement of Note issuances, transfers and redemptions as well as related payments are recorded.

The D-FMI uses distributed ledger technology. Investors should be aware that distributed ledger technology is comparatively new and untested and is not yet broadly adopted in the financial markets. None of the Issuer, the Sole Manager, the Trustee or any of the Agents has any responsibility or liability in respect of the functionality, availability, compliance with applicable laws, suitability or malfunction of the D-FMI as provided and operated by Euroclear, any responsibility or liability in respect of any failure by Euroclear to comply with its obligations under the D-FMI Documentation or as D-FMI Operator, other than any failure caused by non-compliance by the Issuer or the Sole Manager with the D-FMI Documentation and/or with any agreement that they might have entered into with Euroclear in connection with the issuance of the Digitally Native Notes in the D-FMI, nor any responsibility or liability in respect of any function of the D-FMI that operates in an unexpected manner. As such there could be risks associated with the use of the D-FMI in respect of, inter alia, the creation, issuance, primary distribution and redemption of the Digitally Native Notes which cannot yet be anticipated. Such risks may further materialise as unanticipated variations or combinations of the risks discussed here or as completely new forms of risks.

As with other recently developed software-based products, the computer code underpinning the D-FMI (i.e. the distributed ledger technology and other technologies) and the smart contracts deployed on the D-FMI may contain errors, or function in unexpected ways. See "*The malfunction, unintended function, coding or human error or unexpected functioning of the D-FMI may have adverse consequences on the settlement, the registration and the transfer of the Digitally Native Notes*" below.

The D-FMI uses a new technology which lies outside the control of the Issuer as well as of the Sole Manager, the Trustee and the Agents. As such, the D-FMI may malfunction or function in an unexpected or unintended manner. Technical issues might arise from internal or external causes associated with the development of the D-FMI, for example validation mechanisms, fraudulent uses, hackings, bugs in the smart contracts or any other human or technological malfunction or errors could result in a variety of adverse consequences for the Noteholders, including, but not limited to, delays in transfers of the Digitally Native Notes during the issuance process.

2.2 *The malfunction, unintended function, coding or human error or unexpected functioning of the D-FMI may have adverse consequences on the settlement, the registration and the transfer of the Digitally Native Notes*

In accordance with Condition 1 (*Form, Title and Transfer*), the D-FMI Record contains all relevant data associated with the Digitally Native Notes and the Securities Wallets on D-FMI and the D-FMI Record shall be the sole source for determining information in respect of the Digitally Native Notes and the Securities Wallets on D-FMI at any given time.

Any malfunction, unintended function, coding or human error (including erroneous information or data received by any supporting smart contracts) or unexpected functioning of the D-FMI used for the Digitally Native Notes, and in particular due to possible technological developments, may cause the Digitally Native Notes to malfunction or function in an unexpected or unintended manner and may result in unlawful, delayed or erroneous transfers. Such malfunction, unintended functioning or unexpected functioning may lead to a D-FMI Event and result in the conversion of the Digitally Native Notes, as set out below. The result may also be that the number of Digitally Native Notes in the Immobilisation Wallet (as such term is defined in the D-FMI Documentation) is incorrect, which would cause a reconciliation break between the D-FMI and the related legacy system on the one hand and between the issued outstanding amount as recorded in the D-FMI upon issuance and the position in the Immobilisation Wallet on the other hand. In addition, malfunction, unintended functioning, coding or human error or unexpected functioning of the D-FMI may cause a loss of confidence in the D-FMI and may result in a decline in the market value of the Digitally Native Notes and substantial losses to Noteholders should such Noteholders wish to transfer the Digitally Native Notes on the secondary market before maturity.

As defined in the Conditions, a D-FMI Event means any of the following events: (i) the D-FMI or the D-FMI Operator has been closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise), (ii) the D-FMI Operator announces an intention to permanently cease business in respect of the D-FMI or in fact does so or (iii) any other event or circumstance (including, without limitation, a failure in or disruption of the D-FMI) that impairs the proper or timely functioning of the D-FMI, including (without limitation): (a) with regards to any network functionality or processing and/or validation of one or more transactions on the D-FMI; or (b) a bug, exploit, vulnerability, hacking or other dysfunction in, or event or circumstance affecting, the D-FMI, or the security of the D-FMI, in each case, which event or circumstance is not remedied within 30 days of its occurrence.

Pursuant to Condition 14 (*Continuity plan in case of a D-FMI Event*), if a D-FMI Event occurs, the Issuer shall, as soon as reasonably practicable (without the need to consult with or obtain the approval of the Noteholders), but subject to having given notice to the D-FMI Operator, the Agents and the Trustee no less than one Brussels business day prior to the notice to be given to Noteholders, subject to the Conditions, convert the Digitally Native Notes into Registered Notes. Any such conversion shall be on terms that that the terms and conditions applicable to the Registered Notes shall not be materially less favourable to Noteholders (in the sole opinion of the Issuer) than the terms and conditions applicable to the Digitally Native Notes immediately prior to such conversion, other than by reference to those terms in these Conditions that are applicable only by reason of the digital nature of the Digitally Native Notes. Noteholders should be aware that the Issuer is under no obligation to redeem the Digitally Native Notes early in the case of a D-FMI Event.

If a D-FMI Event occurs, the D-FMI Operator may also be required to take certain measures, such as halting the transfer of all interests in immobilised Digitally Native Notes through the Securities Clearance Accounts of direct participants in the Legacy Component. The occurrence of a D-FMI Event may adversely affect the market value and liquidity of the Digitally Native Notes, and the Issuer has no obligation to consult the Noteholders in connection with any such event.

2.3 *The use of distributed ledger technology to Issue and transfer securities is relatively new and the legal frameworks in the UK and Belgium for the issuance of such securities are relatively untested*

The Digitally Native Notes are governed by English law and transfers of Digitally Native Notes on the D-FMI are subject to applicable Belgian law. It has not been deemed necessary by legislators to substantially amend English and Belgian law in order to accommodate the use of distributed ledger technology in the issuance and transfer of securities but it is impossible to predict the positions that will be taken by certain governments, regulatory authorities, the legislature or the courts in the future. Legislative and regulatory changes may materially adversely affect the use of the D-FMI and the issuance and transfer of Digitally Native Notes. Any such legislative and regulatory changes, or any increased regulatory or governmental scrutiny in relation to the use of distributed ledger technology in the debt capital markets may negatively impact the market value of the Digitally Native Notes.

2.4 *Certain of the terms applicable to the Digitally Native Notes may be replaced or superseded from time to time without any consultation with the Issuer or Noteholders*

Certain of the terms applicable to the Digitally Native Notes depend on the provisions of the D-FMI Documentation and the relevant procedures of the D-FMI Operator. The Issuer has no control over the D-FMI Documentation and the relevant procedures of the D-FMI Operator, which may be replaced or superseded as determined by Euroclear without any consultation with the Issuer or the Noteholders from time to time.

2.5 *Investors in Digitally Native Notes will have to rely on the procedures of Euroclear*

The Digitally Native Notes will be immobilised in the Immobilisation Wallet of Euroclear, acting in its capacity as central securities depository under the Co-ordinated Royal Decree No. 62 of 10 November 1967. Such immobilised Digitally Native Notes will be held by Euroclear for investors holding and transferring interests in the Digitally Native Notes through the Securities Clearance Accounts of direct participants in the Legacy Component.

The Issuer will discharge its payment obligations under the Digitally Native Notes by making payments to, or to the order of, the D-FMI Operator on behalf of each Noteholder. Each person who for the time being is shown in the Securities Clearance Accounts of direct participants in the Legacy Component as the holder of interests in a particular nominal amount of the Digitally Native Notes (each a "**Euroclear Participant**") must look solely to Euroclear (in its capacity as holder of the immobilised Digitally Native Notes) for such Euroclear Participant's share of each payment made by the Issuer to the D-FMI Operator. The Issuer is not responsible for ensuring that Euroclear accounts to each Euroclear Participant for payment(s), which shall be the sole responsibility of Euroclear.

Euroclear Participants will not have a direct right to vote in respect of the Digitally Native Notes. Instead, Euroclear Participants will be permitted to act only to the extent that they are enabled by Euroclear to appoint appropriate proxies. The extent to which, and the manner in which, Euroclear Participants may (i) give instructions to the Trustee to exercise certain rights under the Digitally Native Notes on behalf of the Noteholders or (ii) (where applicable) exercise any other rights in relation to the Digitally Native Notes, will be determined by the rules and procedures of Euroclear and (in certain circumstances) the Trust Deed.

TERMS AND CONDITIONS OF THE DIGITALLY NATIVE NOTES

The issue of the U.S.$200,000,000 floating rate digitally native notes due 2029 (the "**Digitally Native Notes**") by Standard Chartered Bank (the "**Issuer**") was authorised by resolutions of the court of directors of the Issuer passed on 6 and 7 November 2019 and 19 February 2026 and a duly authorised resolution of a committee of the court of directors of the Issuer passed on 23 July 2026. The Digitally Native Notes are constituted by a trust deed (the "**Trust Deed**") dated 20 August 2026 between the Issuer and Citibank, N.A., London Branch (the "**Trustee**" which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Digitally Native Notes. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed. Copies of the Trust Deed and of the digitally native notes agency agreement dated 20 August 2026 relating to the Digitally Native Notes between the Issuer, the Trustee, the digitally native notes agent (the "**DNN Agent**", which expression shall include any successor digitally native notes agent) and the calculation agent (the "**Calculation Agent**", which expression shall include any successor Calculation Agent) (the "**DNN Agency Agreement**"), are available for inspection free of charge by appointment during usual business hours at the registered office of the Trustee (presently at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom) and at the specified office of the DNN Agent upon prior written request and provision of proof of holding and identity in a form satisfactory to the Trustee or the DNN Agent (at the Trustee's or the DNN Agent's option, such inspection may be provided electronically). The Trust Deed and DNN Agency Agreement are also available at the website of the Issuer at https://www.sc.com/en/investors/. "**Agents**" means the DNN Agent, the Calculation Agent and any other agent or agents appointed from time to time with respect to the Digitally Native Notes. The Noteholders (as defined below) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the DNN Agency Agreement.

The following terms used in these terms and conditions (the "**Conditions**", and references to a numbered Condition shall be construed accordingly) shall have the following meanings:

"**Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London and in New York City;

"**D-FMI**" means that part of the securities settlement system operated by Euroclear Bank SA/NV ("**Euroclear**") as a central securities depository under EU regulation No 909/2014 of 23 July 2014, by means of which the settlement of issuance, transfers and redemption of digitally native notes and related payments are recorded.

"**D-FMI Operator**" means the operator from time to time of the D-FMI, which is initially Euroclear.

"**D-FMI Participant**" means a direct participant in the D-FMI, being the person for the time being appearing in the D-FMI Record (as defined below) as holder of a Securities Wallet. Euroclear may be a D-FMI Participant and holder of a Securities Wallet in its capacity as "*vereffeningsinstelling*" under the Co-ordinated Royal Decree of 10 November 1967.

"**Legacy Component**" means the conventional non-D-FMI component of the securities settlement system operated by Euroclear (the "**Euroclear System**").

"**Noteholder**" and "**holder**", each mean, with regard to any Digitally Native Note, the D-FMI Participant for the time being appearing in the D-FMI Record (as defined below) as the holder of the **Securities** Wallet to which such Digitally Native Note is recorded.

"**Securities Clearance Account**" means a securities account opened in connection with the Legacy Component by Euroclear on its books in the name of a direct participant.

"**Securities Wallet**" means the arrangements maintained by the D-FMI Operator in the name of a D-FMI Participant, which records digital securities admitted to the D-FMI as Digitally Native Notes and the rights (if any) of such D-FMI Participant as Noteholder with regard to such Digitally Native Notes per these Conditions.

"**Operating Procedures of the Euroclear System**" means the operating procedures of the Euroclear System as published by Euroclear and in force from time to time, as may be replaced or superseded and as determined by Euroclear.

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Trust Deed.

1. **Form, Specified Denomination and Title**

The Digitally Native Notes are issued on 20 August 2026 (the "**Issue Date**") in dematerialised form, in the specified denomination of U.S.$200,000 and higher integral multiples of U.S.$1,000 in excess thereof. The Digitally Native Notes will be created upon issue on the D-FMI and in accordance with the provisions of the Trust Deed.

The Digitally Native Notes represent contractual obligations of the Issuer and are transferable only through the D-FMI in accordance with Condition 2. Each Noteholder's rights arising under, or in respect of, the Digitally Native Notes are limited accordingly.

The books and records of the D-FMI Operator in the D-FMI, as they relate to the Digitally Native Notes (the "**D-FMI Record**") contain all relevant data associated with the Digitally Native Notes and the Securities Wallets on the D-FMI. The D-FMI Record shall be the sole source for determining information in respect of the D-FMI at any given time. The holders of the Digitally Native Notes from time to time shall be identified exclusively by reference to the D-FMI Record. Although the D-FMI Operator will provide to each Noteholder, the Trustee and the DNN Agent, upon request, a copy of the data in the D-FMI showing the entitlement of such Noteholder to the Digitally Native Notes and any transfer instructions and settlement transactions in relation thereto, no physical certificate or record evidencing entitlements to the Digitally Native Notes will be issued by the D-FMI Operator or otherwise.

Title to each Digitally Native Note will vest in the D-FMI Participant for the time being appearing in the D-FMI Record as the holder of the Securities Wallet to which such Digitally Native Note is recorded. Title to the Digitally Native Notes may be transferred only through the D-FMI. Title to the Digitally Native Notes shall be transferred by way of entry by the D-FMI Operator in the D-FMI Record, and upon the debiting of the Digitally Native Notes from the relevant D-FMI Participant's Securities Wallet and corresponding crediting to the transferee's Securities Wallet, in accordance with these Conditions, the D-FMI Documentation (as defined below), the relevant procedures of the D-FMI Operator and applicable Belgian law. In the event of any inconsistency in the data appearing within different books and/or records of the D-FMI Operator (or otherwise pertaining to the D-FMI), the data given priority in accordance with the Terms and Conditions governing the use of Euroclear and the Operating Procedures of the Euroclear System, as each is published by Euroclear and in force from time to time as may be replaced or superseded and as determined by Euroclear (the "**D-FMI Documentation**") shall prevail.

The D-FMI Operator shall be solely responsible for recording title to, and ownership of (including any transfers of), the Digitally Native Notes and keeping, at all times, the D-FMI Record up to date. Except as ordered by a court of competent jurisdiction or as required by law, the D-FMI Participant for the time being appearing in the D-FMI Record as the holder of the Securities Wallet to which a Digitally Native Note is recorded shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest therein, and all payments on a Digitally Native Note to such Noteholder shall be deemed valid and effectual to discharge the liability of the Issuer in respect of such Digitally Native Note to the extent of the sum or sums so paid in accordance with these Conditions.

The holder of a Digitally Native Note will be recognised by the Trustee as entitled to their Digitally Native Note free from any equity, set-off or counterclaim on the part of the Trustee against the original or any intermediate holder of such Digitally Native Note.

2. **Transfers**

(a) **Transfer:** All transfers of the Digitally Native Notes and entries on the D-FMI will be made in accordance with the D-FMI Documentation, applicable Belgian law, and relevant procedures of the D-FMI Operator. Transfers of the Digitally Native Notes will be effected, and may only be effected, through the D-FMI and may only be between D-FMI Participants. A copy of the D-FMI Documentation and the relevant procedures will be made available during normal business hours by the D-FMI Operator to any Noteholder upon request and is also available on the Euroclear website (https://www.euroclear.com/about/en/business/Keylegaldocuments.html). The D-FMI Documentation and the information set forth therein or elsewhere on the Euroclear website are not a part of, or incorporated by reference into, these Conditions. Interests in any

Digitally Native Notes recorded to a Securities Wallet in the name of the D-FMI Operator may be transferred in the Securities Clearance Accounts within the Legacy Component in accordance with the Operating Procedures of the Euroclear System and applicable Belgian law. A Digitally Native Note (or an interest therein) may only be transferred if the aggregate principal amount of Digitally Native Notes transferred and (where not all of the Digitally Native Notes held by a holder are being transferred) the aggregate principal amount of the balance of the Digitally Native Notes (or interests therein), are equal to the specified denomination of U.S.$200,000 or an integral multiple of U.S.$1,000 in excess thereof. A residual holding of Digitally Native Notes with a denomination of less than the minimum specified denomination of U.S.$200,000 may not be transferred.

(b) **Transfer Free of Charge:** Transfers of the Digitally Native Notes shall be effected without charge by or on behalf of the Issuer or the D-FMI Operator but upon payment of any tax or other governmental charges that may be imposed in relation to it.

(c) **No Exchange of Digitally Native Notes:** The Digitally Native Notes may not be exchanged for bonds in bearer form or in registered form ("**Registered Notes**"), otherwise than as provided for on the occurrence of a D-FMI Event. A "**D-FMI Event**" means any of the following events: (i) the D-FMI or the D-FMI Operator has been closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise), (ii) the D-FMI Operator announces an intention to permanently cease business in respect of the D-FMI or in fact does so or (iii) any other event or circumstance (including, without limitation, a failure in or disruption of the D-FMI) that impairs the proper or timely functioning of the D-FMI, including (without limitation): (a) with regards to any network functionality or processing and/or validation of one or more transactions on the D-FMI; or (b) a bug, exploit, vulnerability, hacking or other dysfunction in, or event or circumstance affecting, the D-FMI, or the security of the D-FMI, in each case, which event or circumstance is not remedied within 30 days of its occurrence.

3. **Status**

(a) **Status:** The Digitally Native Notes constitute direct and unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Issuer under the Digitally Native Notes shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

(b) **Promise to pay:** Subject as provided in these Conditions, the Issuer, for value received, promises to pay to, or to the order of, the holder of each Digitally Native Note, on the Interest Payment Date falling on or nearest to 20 August 2029 (or on such earlier date as the amount payable upon redemption under these Conditions may become repayable in accordance with these Conditions) the amount payable in respect of such Digitally Native Note upon redemption under these Conditions and to pay interest in respect of the Digitally Native Note in accordance with Condition 4, together with such other sums and additional amounts (if any) as may be payable under these Conditions, in accordance with these Conditions.

(c) **Set-off:** Subject to applicable law, no Noteholder may exercise, claim or plead any right of set-off, counter-claim or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Digitally Native Notes and each Noteholder shall, by virtue of being the holder of any Digitally Native Note be deemed to have waived all such rights of such set-off, counter-claim or retention. Notwithstanding the preceding sentence, if any of the amounts owing to any Noteholder by the Issuer under or in connection with the Digitally Native Notes is discharged by set-off, such Noteholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer or, in the event of its winding-up or administration, the liquidator or administrator, as appropriate, of the Issuer and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer, or the liquidator or administrator, as appropriate, of the Issuer and accordingly any such discharge shall be deemed not to have taken place.

4. **Interest**

(a) **Interest Payment Dates:** Each Digitally Native Note bears interest on its outstanding principal amount from and including the Issue Date and such interest will be payable quarterly in arrear on 20 February, 20 May, 20 August and 20 November in each year, commencing on 20 November 2026 (each, an "**Interest Payment Date**"). If any Interest Payment Date would otherwise fall on a day which is not a Business Day, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day (the "**Business Day Convention**").

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "**Interest Period**". For the purposes of this Condition 4, a "**Calculation Period**" is any period of time from and including the first day of such period to but excluding the last (whether or not constituting an Interest Period).

(b) **Interest Payments:** Each Digitally Native Note will cease to bear interest from the due date for redemption unless payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Digitally Native Note up to that day are received by or on behalf of the relevant holder, and (b) the day seven days after the Trustee or the DNN Agent has notified Noteholders of receipt of all sums due in respect of all the Digitally Native Notes up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

(c) **Rate of Interest:** The rate of interest from time to time in respect of each Digitally Native Note (the "**Interest Rate**") for each Interest Period shall be determined by the Calculation Agent at or about 3:00pm (New York City time) (the "**Relevant Time**") on the date which is five U.S. Government Securities Business Days prior to the Interest Payment Date in respect of each Interest Period (the "**Interest Determination Date**") and shall, subject to Condition 4(d) and as provided below, be equal to the SOFR Benchmark plus the Margin in accordance with Condition 4(h), all as determined by the Calculation Agent.

If the Digitally Native Notes become due and payable in accordance with Condition 8(a), the final Interest Determination Date shall, notwithstanding the paragraph above, be deemed to be the date on which the Digitally Native Notes became due and payable (with corresponding adjustments being deemed to be made to the relevant formula or method for calculating the SOFR Benchmark pursuant to this Condition 4(c)) and the Interest Rate on the Digitally Native Notes shall, for so long as any Digitally Native Notes remain outstanding, be that determined on such date.

The "**SOFR Benchmark**" for each Interest Period shall be equal to the value of the SOFR rates for each day during the relevant SOFR Observation Period, determined in accordance with the following formula:

$$\left(\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with 0.000005 being rounded upwards,

where:

"**d**" means the number of calendar days in the relevant SOFR Observation Period;

"**do**" for any SOFR Observation Period, means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

"**i**" means a series of whole numbers from one to do, each representing the relevant U.S. Government Securities Business Days in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period;

"**ni**" for any U.S. Government Securities Business Day "i" in the relevant SOFR Observation Period, means the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day;

"**SOFR Observation Period**" means, in respect of each Interest Period, the period from (and including) the date falling five U.S. Government Securities Business Days preceding the first date in such Interest Period (and the first Interest Period shall begin on and include the Issue Date) to (but excluding) the date falling five U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period (or the date falling five U.S. Government Securities Business Days prior to such earlier date, if any, on which the Digitally Native Notes become due and payable); and

"**SOFRi**" for any U.S. Government Securities Business Day "i" in the relevant SOFR Observation Period, is equal to SOFR in respect of that day "i".

In connection with the SOFR provisions above, the following definitions apply:

"**Bloomberg Screen SOFRRATE Page**" means the Bloomberg screen designated "SOFRRATE" or any successor page or service;

"**NY Federal Reserve**" means the Federal Reserve Bank of New York;

"**NY Federal Reserve's Website**" means the website of the NY Federal Reserve, currently at www.newyorkfed.org, or any successor website of the NY Federal Reserve or the website of any successor administrator of SOFR;

"**Reuters Page USDSOFR**" means the Reuters page designated "USDSOFR=" or any successor page or service;

"**SOFR**" means, with respect to any U.S. Government Securities Business Day, the rate determined by the Calculation Agent or the Independent Adviser, as the case may be, in accordance with the following provision:

(A) the Secured Overnight Financing Rate published at the SOFR Determination Time, as such rate is reported on the Bloomberg Screen SOFRRATE Page, then the Secured Overnight Financing Rate published at the SOFR Determination Time, as such rate is reported on the Reuters Page USDSOFR=, then the Secured Overnight Financing Rate that appears at the SOFR Determination Time on the NY Federal Reserve's Website; or

(B) if the rate specified in (A) above does not appear, the SOFR published on the NY Federal Reserve's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the NY Federal Reserve's Website;

"**SOFR Determination Time**" means approximately 3:00 p.m. (New York City time) on the NY Federal Reserve's Website on the immediately following U.S. Government Securities Business Day; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (SIFMA) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

The "**Margin**" shall be 0.70 per cent. per annum.

(d) **Benchmark Discontinuation:** If a Benchmark Event occurs in relation to the SOFR Benchmark (or the daily SOFR used in the calculation thereof) when the Interest Rate (or any component thereof) remains to be determined by reference to the SOFR Benchmark (or the daily SOFR used in the calculation thereof) then the following provisions shall apply:

(i) The Issuer shall use reasonable endeavours to appoint an Independent Adviser, at the Issuer's own expense, to determine the SOFR Benchmark Replacement (acting in good faith and in a commercially reasonable manner) for the purposes of determining the Interest Rate applicable to the Digitally Native Notes for all future Interest Periods (subject to the subsequent operation of this Condition 4(d)(i) during any other future Interest Period(s)). An Independent Adviser appointed pursuant to this Condition 4(d)(i) shall act in good faith and in a commercially reasonable manner and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Trustee, the DNN Agent, the Calculation Agent or the Noteholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 4(d)(i).

(ii) Subject to paragraph (iii) of this Condition 4(d), if:

(A) the relevant Independent Adviser (acting in good faith and in a commercially reasonable manner), no later than five Business Days prior to the Interest Determination Date relating to the next Interest Period (the "**IA Determination Cut off Date**"), determines the SOFR Benchmark Replacement (acting in good faith and in a commercially reasonable manner) for the purposes of determining the Interest Rate applicable to the Digitally Native Notes for all future Interest Periods, subject to the subsequent operation of this Condition 4(d) during any other future Interest Period(s); or

(B) the Issuer is unable to appoint an Independent Adviser having used reasonable endeavours, or the Independent Adviser appointed by the Issuer in accordance with paragraph (i) of this Condition 4(d) fails to determine the SOFR Benchmark Replacement prior to the relevant IA Determination Cut off Date and the Issuer (acting in good faith and in a commercially reasonable manner), no later than three Business Days prior to the Interest Determination Date relating to the next Interest Period (the "**Issuer Determination Cut off Date**") determines the SOFR Benchmark Replacement (acting in good faith and in a commercially reasonable manner) for the purposes of determining the Interest Rate applicable to the Digitally Native Notes for all future Interest Periods (subject to the subsequent operation of this Condition 4(d) during any other future Interest Period(s)),

then such SOFR Benchmark Replacement shall be the SOFR Benchmark for all future Interest Periods (subject to the subsequent operation of this Condition 4(d) during any other future Interest Period(s)).

Without prejudice to the definition thereof, for the purposes of determining the SOFR Benchmark Replacement, the Independent Adviser or the Issuer will take into account relevant and applicable market precedents as well as any published guidance from relevant associations involved in the establishment of market standards and/or protocols in the international debt capital markets and such other materials as the Independent Adviser or the Issuer, as the case may be, in its sole discretion, considers appropriate.

(iii) Notwithstanding paragraph (ii) of this Condition 4(d), if:

(A) the Independent Adviser appointed by the Issuer in accordance with paragraph (i) of this Condition 4(d) notifies the Issuer prior to the IA Determination Cut off Date that it has determined that no SOFR Benchmark Replacement exists; or

(B) the Independent Adviser appointed by the Issuer in accordance with paragraph (i) of this Condition 4(d) fails to determine the SOFR Benchmark Replacement prior to the relevant IA Determination Cut off Date, without notifying the Issuer as contemplated in sub-paragraph 4(d)(iii)(A) of this Condition 4(d), and the Issuer (acting in good faith and in a commercially reasonable manner) determines prior to the Issuer Determination Cut off Date that no SOFR Benchmark Replacement exists; or (C) the SOFR Benchmark Replacement is not otherwise determined in accordance with paragraph (ii) of this Condition 4(d) prior to the Issuer Determination Cut off Date, then the relevant Interest Rate shall be equal to the Interest Rate applicable to the Digitally Native Notes in respect of the Interest Period last preceding such Interest Period.

This paragraph (iii) shall apply to the relevant Interest Period only. Any subsequent Interest Period(s) shall be subject to the subsequent operation of, and adjustment as provided in, this Condition 4(d).

(iv) Promptly following the determination of the SOFR Benchmark Replacement as described in this Condition 4(d) the Issuer shall give notice thereof pursuant to this Condition 4(d) to the Trustee, the Calculation Agent, the DNN Agent and the Noteholders.

(v) No later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee (with a copy to the Calculation Agent and DNN Agent) a certificate signed by two Authorised Signatories of the Issuer confirming:

(A) that a Benchmark Event has occurred;

(B) the SOFR Benchmark Replacement; and

(C) where applicable, that the Issuer has determined that the waivers and consequential amendments to be effected pursuant to Condition 4(d)(vi) below are required to give effect to this Condition 4(d), in each case as determined in accordance with the provisions of this Condition 4(d). The Trustee, the DNN Agent and the Calculation Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The SOFR Benchmark Replacement specified in such certificate will (in the absence of manifest error in the determination of the SOFR Benchmark Replacement and without prejudice to the Trustee's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the DNN Agent and the Noteholders.

(vi) Subject to receipt by the Trustee of a certificate signed by two Authorised Signatories of the Issuer pursuant to Condition 4(d)(v) above, the Trustee, the Calculation Agent and the DNN Agent shall, at the direction and expense of the Issuer, effect such waivers and consequential amendments to the Trust Deed, the DNN Agency Agreement, these Conditions and any other document as the Issuer, following consultation with the Independent Adviser and acting in good faith, determines may be required to give effect to any application of this Condition 4(d), including, but not limited to:

(A) changes to these Conditions which the relevant Independent Adviser or the Issuer (as applicable) determines may be required in order to follow market practice (determined according to factors including, but not limited to, public statements, opinions and publications of industry bodies and organisations) in relation to such SOFR Benchmark Replacement, including, but not limited to (1) the Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date and/or Relevant Time applicable to the Digitally Native Notes and (2) the method for determining the fallback to the Interest Rate in relation to the Digitally Native Notes if such SOFR Benchmark Replacement is not available; and

(B) any other changes which the relevant Independent Adviser or the Issuer in consultation with the Independent Adviser (as applicable) determines acting in good faith are reasonably necessary to ensure the proper operation and comparability to the SOFR Benchmark of such SOFR Benchmark Replacement, which changes shall apply to the Digitally Native Notes for all future Interest Periods (subject to the subsequent operation of this Condition 4(d)), provided that none of the Trustee, the Calculation Agent or the DNN Agent will be obliged to effect such waivers or amendments where to do so would increase the obligations or duties of, or reduce the protections or rights afforded to, the Trustee, the Calculation Agent or the DNN Agent. None of the Trustee, the Calculation Agent or the DNN Agent shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its Independent Adviser with respect to any waivers or consequential amendments to be effected pursuant to this Condition 4(d)(vi) or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(vii) Subject to receipt by the Trustee of a certificate signed by two Authorised Signatories of the Issuer pursuant to Condition 4(d)(vi) above, no consent of the Noteholders shall be required in connection with effecting the relevant SOFR Benchmark Replacement as described in this Condition 4(d) or such other relevant adjustments pursuant to this Condition 4(d), including for the execution of, or amendment to, any documents or the taking of other steps by the Issuer or any of the parties to the Trust Deed and/or the DNN Agency Agreement (if required).

(viii) As used in this Condition 4(d):

"**Benchmark Event**" means:

(A) the SOFR Benchmark (or the daily SOFR used in the calculation thereof) ceasing to be published for at least five consecutive Business Days or ceasing to exist;

(B) a public statement by the administrator of the SOFR Benchmark (or the daily SOFR used in the calculation thereof) that it has ceased or that it will cease publishing such rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such rate);

(C) a public statement by the supervisor of the administrator of the SOFR Benchmark (or the daily SOFR used in the calculation thereof) that such rate has been or will be permanently or indefinitely discontinued;

(D) a public statement by the supervisor of the administrator of the SOFR Benchmark (or the daily SOFR used in the calculation thereof) that such rate will be prohibited from being used, either generally or in respect of the Digitally Native Notes, or that such use will be subject to restrictions or adverse consequences;

(E) an official announcement by the regulatory supervisor of the administrator of the SOFR Benchmark (or the daily SOFR used in the calculation thereof) that such rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or

(F) it has or will prior to the next Interest Determination Date become unlawful for any Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the SOFR Benchmark (or the daily SOFR used in the calculation thereof);

provided that in the case of (B), (C), (D) or (E) above the Benchmark Event shall occur on the date of the cessation of publication of the SOFR Benchmark (or the daily SOFR used in the calculation thereof), the discontinuation of the SOFR Benchmark (or the daily SOFR used in the calculation thereof), the prohibition of use of the SOFR Benchmark (or the daily SOFR used in the calculation thereof) or the date with effect from which the SOFR Benchmark (or the daily SOFR used in the calculation thereof) will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public announcement and, in each case, not the date of the relevant public statement or official announcement;

"**Corresponding Tenor**" with respect to a SOFR Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then current SOFR Benchmark;

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets appointed by the Issuer at its own expense;

"**ISDA**" means the International Swaps and Derivatives Association, Inc.;

"**ISDA Definitions**" means the 2006 ISDA Definitions published by ISDA or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"**ISDA Fallback Rate**" means the rate to be effective upon the occurrence of a SOFR Index Cessation Event according to (and as defined in) the ISDA Definitions, where such rate may have been adjusted for an overnight tenor, but without giving effect to any additional spread adjustment to be applied according to such ISDA Definitions;

"**ISDA Spread Adjustment**" means the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that shall have been selected by ISDA as the spread adjustment that would apply to the ISDA Fallback Rate;

"**Relevant Governmental Body**" means the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System and/or the NY Federal Reserve, or any successor;

"**SOFR Benchmark**" has the meaning given to that term in Condition 4(c) above;

"**SOFR Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Independent Adviser or (as applicable) the Issuer:

(A) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then current SOFR Benchmark for the applicable Corresponding Tenor and (b) the SOFR Benchmark Replacement Adjustment;

(B) the sum of: (a) the ISDA Fallback Rate and (b) the SOFR Benchmark Replacement Adjustment; or

(C) the sum of: (a) the alternate rate that has been selected by the Independent Adviser or (as applicable) the Issuer as the replacement for the then current SOFR Benchmark for the applicable Corresponding Tenor giving due consideration to any industry accepted rate as a replacement for the then current SOFR Benchmark for U.S. dollar denominated floating rate notes at such time and (b) the SOFR Benchmark Replacement Adjustment;

"**SOFR Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Independent Adviser or (as applicable) the Issuer:

(A) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted SOFR Benchmark Replacement;

(B) if the applicable Unadjusted SOFR Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Spread Adjustment;

(C) the spread adjustment (which may be a positive or negative value or zero) determined by the Independent Adviser giving due consideration to any industry accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then current SOFR Benchmark with the applicable Unadjusted SOFR Benchmark Replacement for U.S. dollar denominated floating rate notes at such time; and

"**Unadjusted SOFR Benchmark Replacement**" means the SOFR Benchmark Replacement excluding the applicable SOFR Benchmark Replacement Adjustment.

(e) **Determination and Publication of Interest Rates:** As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any Interest Rate or make any determination or calculation, the Calculation Agent shall determine the Interest Rate and calculate the Interest Amount for the relevant Interest Period, obtain such quote or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Trustee, the Issuer, the DNN Agent, the Noteholders, any other Calculation Agent appointed in respect of the Digitally Native Notes that is to make a further calculation upon receipt of such information and, if the Digitally Native Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than the fourth Business Day after such determination. Where any Interest Payment Date is subject to adjustment pursuant to the Business Day Convention, the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Digitally Native Notes become due and payable under Condition 8, the accrued interest and the Interest Rate payable in respect of the Digitally Native Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of each Interest Rate and Interest Amount and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(f) **Calculation Agent:** The Issuer will procure that, so long as any Digitally Native Note is outstanding, there shall at all times be a Calculation Agent for the purposes of the Digitally Native Notes. If the Calculation Agent does not at any time for any reason determine or calculate the Interest Rate for an Interest Period or any Interest Amount, the Issuer or an Independent Adviser appointed by the Issuer shall do so and the Calculation Agent shall have no liability for such determination or calculation. In doing so, the Issuer or the Independent Adviser (as applicable) shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(g) **Calculation of Interest:** Interest in respect of each Digitally Native Note shall be calculated per U.S.$1,000 in principal amount of that Digitally Native Note (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount (the

"**Interest Amount**") for any Calculation Period shall be equal to the product of the Interest Rate, the Calculation Amount and the Day Count Fraction for the relevant Calculation Period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards). For these purposes, the "**Day Count Fraction**" will be determined by dividing the actual number of days in the Calculation Period by 360.

(h) **Rounding:** For the purposes of any calculations required pursuant to the Conditions:

(i) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred thousandth of a percentage point (with halves being rounded up);

(ii) all figures shall be rounded to seven significant figures (with halves being rounded up); and

(iii) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes, "unit" means $0.01.

5. **Redemption and Purchase**

(a) **Final Redemption:** Unless previously redeemed or purchased and cancelled, each Digitally Native Note will be redeemed at its principal amount on the Interest Payment Date falling on or nearest to 20 August 2029. The Digitally Native Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition.

(b) **Redemption for Taxation Reasons:** The Issuer may, on giving not less than 15 nor more than 30 days' notice to the Noteholders (copied to the Trustee and the DNN Agent) in accordance with Condition 13 (which notice shall be irrevocable), redeem the Digitally Native Notes in whole, but not in part, on any Interest Payment Date at the principal amount of the Digitally Native Notes (together with any interest accrued to the date fixed for redemption), if the Issuer satisfies the Trustee immediately before the giving of such notice that, as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein having power to tax, or any taxing authority of any taxing jurisdiction to which the Issuer is or has become subject and in respect of which it has given such undertaking as referred to below in this Condition 5(b), including any treaty to which the United Kingdom is a party, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date:

(i) the Issuer has or will become obliged to pay additional amounts as described under Condition 7 and/or any undertaking given in addition thereto or in substitution thereof under the terms of the Trust Deed; or

(ii) the Issuer would not be entitled to claim a deduction in respect of any payments in respect of the Digitally Native Notes in computing its taxation liabilities or the value of the deduction would be materially reduced,

and such consequences cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which, in the case of (i) above, the Issuer would be obliged to pay such additional amounts or, in the case of (ii) above, the Issuer is unable to make such deduction if a payment in respect of the Digitally Native Notes were then due.

Before the publication of any notice of redemption pursuant to this Condition 5(b), the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer stating that the relevant consequences referred to in sub-paragraphs (i) or (ii) above cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall accept such certificate as sufficient evidence of the satisfaction of the conditions set out above and such certificate shall be conclusive and binding on the Trustee and Noteholders.

(c) **Clean-up Redemption**: If 75 per cent. or more of the aggregate principal amount of the Digitally Native Notes originally issued (and, for these purposes, any further securities issued pursuant to Condition 12 will be deemed to have been originally issued) has been redeemed and/or purchased and cancelled, then the Issuer may, at its option (without any requirement for the consent or approval of the Noteholders), and having given not less than 15 nor more than 30 days' notice to the Trustee and the DNN Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not only some) of the Digitally Native Notes on any Interest Payment Date. Any such redemption of Digitally Native Notes shall be at the principal amount of the Digitally Native Notes (together with any interest accrued to the date fixed for redemption).

(d) **Purchase:** The Issuer or any of its Subsidiaries or any Holding Company of the Issuer or any other Subsidiary of such Holding Company may purchase Digitally Native Notes in the open market or otherwise at any price, subject to the requirements (if any) of any stock exchange on which the Digitally Native Notes are listed.

(e) **Cancellation:** All Digitally Native Notes purchased by or on behalf of the Issuer may be cancelled (upon the instruction of the Issuer) by the D-FMI Operator in accordance with the standard procedures of the D-FMI Operator. Any Digitally Native Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Digitally Native Notes shall be discharged.

6. **Payments**

(a) **Method of Payment:** Payments of principal and interest in respect of the Digitally Native Notes shall be made by the Issuer to or to the order of the D-FMI Operator on behalf of each Noteholder, which payment shall discharge the Issuer's payment obligations under these Conditions. The Issuer is not responsible for ensuring that the D-FMI Operator accounts to each Noteholder for the payment, which shall be the responsibility of the D-FMI Operator in accordance with the D-FMI Documentation.

(b) **Payments subject to Fiscal Laws:** All payments will be subject in all cases to: (i) any fiscal or other laws, regulations and directives applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 7; and (ii) any withholding or deduction required pursuant to an agreement described in or entered into pursuant to Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto (a "**FATCA Withholding Tax**"), and the Issuer will not be required to pay any additional amounts on account of any FATCA Withholding Tax. No commission or expenses shall be charged to the Noteholders in respect of such payments.

Without prejudice to the provisions of Condition 7, if any payment made by the Issuer is subject to any deduction or withholding in any jurisdiction, the Issuer shall not be required to pay any additional amount in respect of such deduction or withholding and, accordingly, the Issuer shall be acquitted and discharged of so much money as is represented by any such deduction or withholding as if such sum had been actually paid.

(c) **Appointment of Agents:** The DNN Agent and Calculation Agent initially appointed by the Issuer is Citibank, N.A., London Branch and its specified office is Citigroup Centre, Canada Square, London E14 5LB, United Kingdom. Each of the DNN Agent and the Calculation Agent acts solely as agent of the Issuer and does not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time to terminate the appointment of the DNN Agent and/or the Calculation Agent and appoint replacement or additional Agents in accordance with the DNN Agency Agreement, provided that the Issuer shall at all times maintain a DNN Agent and a Calculation Agent, and such other agents as may be required by any other stock exchange on which the Digitally Native Notes may be listed.

Notice of any such change or any change of the specified office of the DNN Agent or the Calculation Agent shall promptly be given to the Noteholders.

(d) **Non-Business Days:** If any date for payment in respect of any Digitally Native Note is not a Business Day, the holder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment.

7. **Taxation**

All payments of principal and interest by or on behalf of the Issuer in respect of the Digitally Native Notes shall be made free and clear of, and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event (save in respect of the payment of principal), the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders (after the withholding or deduction) of such an amount as would have been received by them in respect of the Digitally Native Notes in the absence of the withholding or deduction; except that no such additional amounts shall be payable in respect of any Digitally Native Note:

(i) to, or to a third party on behalf of, a holder of such Digitally Native Note who is liable to such taxes, duties, assessments or governmental charges by reason of their having some connection with the United Kingdom other than the mere holding of the Digitally Native Note;

(ii) in respect of any claims against the Issuer for payment more than 30 days after the Relevant Date except to the extent that the holder would have been entitled to such additional amounts on making their claim for payment on the thirtieth day after the Relevant Date; or

(iii) if such withholding or deduction may be avoided by the holder complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to any authority of or in the United Kingdom, unless such holder proves that they are not entitled so to comply or to make such declaration or claim.

"**Relevant Date**" means, in respect of any Digitally Native Note, the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further claim in respect of such Digitally Native Note being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such claim being made.

8. **Events of Default**

(a) **Events of Default**:

(i) If: (a) otherwise than for the purposes of a reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved by the Trustee or by an Extraordinary Resolution of the Noteholders, an order is made or an effective resolution is passed for the winding-up of the Issuer; or (b) following the appointment of an administrator of the Issuer, the administrator gives notice of its intention to declare and distribute a dividend, the Trustee may, subject as provided below, at its discretion, give notice to the Issuer that the Digitally Native Notes are, and they shall accordingly thereby forthwith become, immediately due and repayable at their principal amount, plus any accrued interest as provided in the Trust Deed.

(ii) If default is made in the payment of principal or interest due in respect of the Digitally Native Notes and such default continues for a period of 14 days, the Trustee may, subject as provided below, at its discretion and without further notice, institute proceedings in England (but not elsewhere) for the winding-up of the Issuer **provided that** the Issuer shall not be in default if during the 14 days' grace period, it satisfies the Trustee that such sums were not paid (A) in order to comply with any fiscal or other law, regulation or order of any court of competent jurisdiction, in each case applicable to such payment, the Issuer, the DNN Agent or the holder of any Digitally Native Note; or (B) (subject as provided in the Trust Deed) in case of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice as to such validity or applicability given at any time during the said 14 days' grace period by independent legal advisers acceptable to the Trustee.

(b) **Remedies**:

(i) If the Issuer fails to perform, observe or comply with any obligation, condition or provision relating to the Digitally Native Notes binding on it under these Conditions (other than any payment obligations of the Issuer arising from the Digitally Native Notes or the Trust Deed including, without limitation, payment of principal or interest in respect of the Digitally Native Notes and any damages awarded for breach of obligations) the Trustee may, subject as provided below, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce such obligation, condition or provision provided that the Issuer shall not as a consequence of such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

(ii) Subject to applicable laws, no remedy (including the exercise of any right of set-off or analogous event) other than those provided for in Condition 8(a) and paragraph (i) above or submitting a claim in the winding-up or administration of the Issuer will be available to the Trustee or the holders of the Digitally Native Notes.

(c) **Enforcement**: The Trustee need not take any such action or proceedings as referred to in Condition 8(a) and/or Condition 8(b)(i) above unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-fifth in principal amount of the Digitally Native Notes then outstanding and (ii) it shall have been indemnified and/or prefunded and/or secured to its satisfaction. No Noteholder may proceed directly against the Issuer or submit a claim in the winding-up of the Issuer unless the Trustee having become bound so to proceed or being able to submit such a claim, fails to do so in each case within a reasonable time and such failure is continuing.

9. **Prescription**

Claims against the Issuer for payment in respect of the Digitally Native Notes shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10. **Meetings of Noteholders, Modification, Waiver and Substitution**

(a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders (including by way of virtual or hybrid means) to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee, or Noteholders holding not less than 10 per cent. in aggregate principal amount of the Digitally Native Notes for the time being outstanding, may require the Trustee to convene a meeting (subject to the Trustee being indemnified and/or prefunded and/or secured to its satisfaction). The quorum for any meeting convened to consider an Extraordinary Resolution will be one or more persons holding or representing a clear majority in principal amount of the Digitally Native Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Digitally Native Notes held or represented, unless the business of such meeting includes consideration of proposals for the purpose of sub-paragraph 3.2 or 3.8 of Schedule 2 (Provisions for Meetings of Noteholders) the Trust Deed or for the purpose of making a modification to the Trust Deed, the DNN Agency Agreement or the Digitally Native Notes, *inter alia*, (i) to amend the date of maturity or redemption of the Digitally Native Notes or any date for payment of interest on the Digitally Native Notes, (ii) to reduce or cancel the principal amount of the Digitally Native Notes, (iii) to reduce the rate of interest in respect of the Digitally Native Notes or to vary the method for calculating any interest amount in respect of the Digitally

Native Notes, (iv) to change the currency of payment of the Digitally Native Notes, (v) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (vi) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum will be one or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Digitally Native Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed).

The Trust Deed provides that a resolution passed by way of Electronic Consent or in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Digitally Native Notes outstanding shall take effect as an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) **Modification of the Trust Deed:** The Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of these Conditions or any of the provisions of the Trust Deed or the DNN Agency Agreement that is of a formal, minor or technical nature or is made to correct a manifest error or which is necessary to comply with any mandatory provisions of law, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions, the DNN Agency Agreement or any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable in accordance with Condition 13.

(c) **Substitution:** The Trustee may agree in accordance with the terms of the Trust Deed, but without the consent of the Noteholders, to the substitution of a Subsidiary of the Issuer or a Holding Company of the Issuer or another Subsidiary of any such Holding Company or successor in business of the Issuer in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Digitally Native Notes.

In the case of a substitution under this Condition 10, the Trustee may agree, without the consent of the Noteholders, to a change of law governing the Digitally Native Notes and/or the Trust Deed insofar as it relates to such Digitally Native Notes provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of holders of the Digitally Native Notes.

(d) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

11. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings unless indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

12. Further Issues

The Issuer may from time to time without the consent of the Noteholders create and issue further securities either having the same terms and conditions as the Digitally Native Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Digitally Native Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Digitally Native Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Digitally Native Notes. Any further securities forming a single series with the Digitally Native Notes shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed.

13. **Notices**

(a) **Notices to Noteholders**: Notices required to be given to the holders of Digitally Native Notes pursuant to these Conditions shall be delivered to the D-FMI Operator for communication by it to the holders of the Digitally Native Notes. Any such notice shall be deemed to have been given on the day (or such other period thereafter as may be specified) on which such notice was given to the D-FMI Operator. Notices required to be given to the holders of Digitally Native Notes pursuant to these Conditions shall also be published (if such publication is required) in a manner which complies with the rules and regulations of the stock exchange or other relevant authority on which the Digitally Native Notes are for the time being listed and/or admitted to trading. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made.

(b) **Notices from Noteholders**: All notices or instructions to be given by Noteholders pursuant to these Conditions shall be exercised by notice or instruction by the relevant Noteholder to the D-FMI Operator for delivery to the DNN Agent on behalf of the Issuer in accordance with the standard procedures of the D-FMI Operator and the D-FMI Documentation and shall be subject to: (i) the immobilisation by the D-FMI Operator of the relevant Digitally Native Notes in the Securities Wallet of the relevant Noteholder from the date of notification by the Noteholder to the D-FMI Operator that it intends to exercise such rights, until the date that such rights have been exercised so as to prevent exercise more than once of such rights relating to the same Digitally Native Notes; and (ii) where it is necessary for the identity of the relevant Noteholder to be disclosed to the Issuer for the purposes of exercising such rights, the certification of identity by the D-FMI Operator to the DNN Agent of the identity of the relevant Noteholder (or its representative) and the entitlement of the relevant Noteholder (or its representative) to exercise such rights, each in accordance with the D-FMI Documentation, but without any requirement to provide serial or other identifying numbers of such Digitally Native Notes.

Notices and instructions must specify the number of Digitally Native Notes (which need not relate to all the Digitally Native Notes held by such Noteholder, so that a Noteholder may provide different notices or instructions in respect of a single holding of Digitally Native Notes but only up to an aggregate number of Digitally Native Notes held by such Noteholder) to which such notice or instruction relates for the D-FMI Operator to validate the authenticity of such notice or instruction. Notices and instructions will be effective only once validated by the D-FMI Operator and delivered to the DNN Agent on behalf of the Issuer by the D-FMI Operator.

14. **Continuity Plan in case of a D-FMI Event**

(a) If a D-FMI Event occurs, the Issuer shall, as soon as reasonably practicable (without the need to consult with or obtain the approval of the Noteholders), but subject to having given the D-FMI Operator, the Agents and the Trustee no less than one Brussels Business Day's notice prior to the notice to be given to Noteholders (in accordance with Condition 14(b) below), and subject as provided below, convert the Digitally Native Notes into Registered Notes either registered in the name of each holder (as notified to the DNN Agent and Trustee by the D-FMI Operator) or to the order of each such holder (and such holder shall, if requested to do so by the Issuer, order the Registered Notes to be registered in the name of each accountholder or direct participant with entitlement to the Digitally Native Notes through the Legacy Component) or registered in a securities account in the name or for the benefit of each such holder or its nominee at a replacement clearing system or securities account provider that agrees with the Issuer to provide such services to the holders. The Registered Notes will be represented either by a global note (a "**Registered Global Note**") or definitive notes (a "**Definitive Registered Notes**") at the sole discretion of the Issuer and will be issued in accordance with the terms of a supplemental trust deed agreement (the "**Supplemental Trust Deed**") and a supplemental agency agreement (the

"**Supplemental DNN Agency Agreement**") to the Trust Deed and DNN Agency Agreement, respectively, in respect of such Registered Notes to be entered into between the Issuer, the Trustee and the Agents (together with any of their affiliates) or such other agent (together with any affiliates) as the Issuer shall procure (which shall be a reputable financial institution of good standing) in accordance with the terms set out in the Trust Deed and the DNN Agency Agreement. Any conversion of Digitally Native Notes to Registered Notes shall be on terms that the terms and conditions applicable to the Registered Notes shall not be materially less favourable to Noteholders (in the sole opinion of the Issuer) than the terms and conditions applicable to the Digitally Native Notes immediately prior to such conversion, other than by reference to those terms in these Conditions that are applicable only by reason of the digital nature of the Digitally Native Notes (which shall cease to apply upon conversion and shall be replaced with provisions substantially equivalent to those which are applicable to Registered Notes in the terms and conditions of its then-current debt issuance programme (which debt issuance programme is, as at the Issue Date, the U.S.$77,500,000,000 debt issuance programme in respect of which the Issuer and others published a prospectus dated 23 April 2026), and any such conversion of the Digitally Native Notes into Registered Notes (a "**D-FMI Fallback**") shall be in accordance with this Condition.

For the purposes of this Condition 14(a), "**Brussels Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Brussels.

(b) To effect a D-FMI Fallback in accordance with Condition 14(a), (a) no less than 10 Business Days prior to the Cut-Over Date (as defined below), the Issuer shall give the Noteholders notice of: (i) the D-FMI Fallback; (ii) the actions that the Noteholders must take in connection with such D-FMI Fallback; (iii) the deadline by which any relevant instructions must be received by the Issuer in connection with the D-FMI Fallback (the "**Instruction Deadline**"); and (iv) the date on which the D-FMI Fallback shall become effective (the "**Cut-Over Date**") and (b) no less than one Business Day prior to the date the aforementioned notice is given to Noteholders, the Issuer shall give notice to the Trustee and the DNN Agent.

(c) It shall be the responsibility of each Noteholder to carry out the required actions and provide any relevant instructions in the form specified by the Issuer in its notice to Noteholders and within the Instruction Deadline, to enable the Registered Notes to be held by such Noteholder (or to its order) or its nominee in accordance with the D-FMI Fallback. If a Noteholder does not carry out such actions or provide such instructions by the Instruction Deadline, the Issuer shall cause such Registered Notes to which the Noteholder would be entitled to be credited to a suspense account until the necessary actions have been completed and the relevant instructions have been provided.

(d) Upon the receipt of such instructions, the Issuer shall cause such Registered Notes to be delivered in accordance with such instructions, following the expiry of a period of time which shall be equal to the number of days that the Instruction Deadline fell before the Cut-Over Date, which the Issuer had formerly notified to such Noteholders. Any Registered Notes in respect of which no instructions are provided within five years of the Cut-Over Date shall become void and all claims in respect of them shall become prescribed.

(e) No later than notifying the Noteholders of the same, the Issuer shall procure the delivery to the Trustee and the Agents of a certificate signed by two Authorised Signatories of the Issuer certifying that a D-FMI Fallback shall be effected.

The Trustee and Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof.

(f) For the avoidance of doubt and subject to delivery of a notice and certificate in accordance with Conditions 14(a) and 14(e) above, the Trustee and the Agents shall (to the extent applicable), at the direction and expense of the Issuer, without any requirement for the consent or sanction of Noteholders, be obliged to concur with the Issuer in effecting the D-FMI Fallback (including, *inter alia*, by the execution, as applicable, of the Supplemental Trust Deed, the Supplemental DNN Agency Agreement and making such other consequential amendments to the Trust Deed, the DNN Agency Agreement and any other transaction documents to which the Trustee and the Agents are party in connection with the Digitally Native Notes and these Conditions as may be required to give effect to this Condition 14), provided that neither the Trustee nor the Agents (to the extent applicable) shall be obliged so to concur if doing so would impose, in its opinion, more onerous obligations upon it or expose it to any liability against which it is not adequately indemnified and/or prefunded and/or secured to its satisfaction or impose any additional duties, responsibilities or liabilities or reduce or amend its rights and/or the protective provisions afforded to it.

(g) In the event that any of the Agents is unable or unwilling to provide the relevant services in respect of the Registered Notes for any reason, the Issuer and the Trustee (without need for further instruction) shall enter into an agency agreement with the one or more agent(s), which shall be reputable financial institutions of good standing, to perform the roles of the principal paying agent, registrar and transfer agent (to the extent required) in relation to the Registered Notes. In any event, the appointment of the DNN Agent shall be terminated with effect from the Cut-Over Date (the occurrence of which, in the circumstances provided in this paragraph, will be notified in writing by the Issuer to the Trustee and DNN Agent forthwith notwithstanding anything to the contrary contained in this Agreement).

15. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Digitally Native Notes or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

16. **Governing Law and Jurisdiction**

(a) **Governing Law:** The Trust Deed, the Digitally Native Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) **Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Digitally Native Notes and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed and the Digitally Native Notes may be brought in such courts. This Condition is for the benefit of the Trustee only and shall not limit the right of the Trustee to take such proceedings in any other court of competent jurisdiction, nor shall the taking of such proceedings in one or more jurisdictions preclude the taking of such proceedings in any other jurisdiction (whether concurrently or not).

17. **Recognition of UK Bail-in Power**

(a) ***Agreement and acknowledgement with respect to the exercise***

Notwithstanding and to the exclusion of any other term of these Conditions or any other agreements, arrangements or understandings between the Issuer and any Noteholder (or the Trustee on behalf of the Noteholders), by its acquisition of the Digitally Native Notes, each Noteholder acknowledges and accepts that the Amounts Due may be subject to the exercise of the UK Bail-in Power by the Resolution Authority, and acknowledges, accepts, consents, and agrees to be bound by:

(i) the effect of the exercise of the UK Bail-in Power by the Resolution Authority, that may include and result in any of the following, or some combination thereof:

(A) the reduction of all, or a portion, of the Amounts Due;

(B) the conversion of all, or a portion, of the Amounts Due in respect of the Digitally Native Notes into shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the Noteholder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Digitally Native Notes;

(C) the cancellation of the Digitally Native Notes; or

(D) the amendment or alteration of the maturity of the Digitally Native Notes or amendment of the amount of interest payable on the Digitally Native Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and

(ii) the variation of the terms of the Digitally Native Notes, as determined by the Resolution Authority, to give effect to the exercise of the UK Bail-in Power by the Resolution Authority.

(b) ***Definitions***

For the purposes of this Condition 17:

"**Amounts Due**" means the principal amount of, and any accrued but unpaid interest on, the Digitally Native Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the UK Bail-in Power by the Resolution Authority;

"**Resolution Authority**" means the Bank of England or any successor or replacement thereto and/or such other authority in the United Kingdom with the ability to exercise the UK Bail-in Power; and

"**UK Bail-in Power**" means any write-down, conversion, transfer, modification and/or suspension power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in the United Kingdom in effect and applicable in the United Kingdom to the Issuer or other members of the Group, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a resolution regime in the United Kingdom under the Banking Act, as the same has been or may be amended from time to time (whether pursuant to the Financial Services (Banking Reform) Act 2013, secondary legislation or otherwise), pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled, amended, transferred and/or converted into shares or other securities or obligations of the obligor or any other person.

(c) ***Payments of interest and other outstanding Amounts Due***

No repayment or payment of Amounts Due in relation to the Digitally Native Notes will become due and payable or be paid after the exercise of any UK Bail-in Power by the Resolution Authority if and to the extent such amounts have been reduced, converted, written-down, cancelled, amended or altered as a result of such exercise.

(d) ***Event of Default***

Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the UK Bail-in Power by the Resolution Authority with respect to the Issuer, nor, more generally, the exercise of the UK Bail-in Power by the Resolution Authority with respect to the Digitally Native Notes will constitute an event of default under Condition 8.

(e) ***Notice***

Upon the exercise of the UK Bail-in Power by the Resolution Authority with respect to any Digitally Native Notes, the Issuer shall immediately notify the Trustee and the DNN Agent in writing of such exercise and give notice of the same to Noteholders in accordance with Condition 13. Any delay or failure by the Issuer in delivering any notice referred to in this Condition 17(e) shall not affect the validity and enforceability of the UK Bail-in Power.

SUMMARY OF PROCEDURES APPLICABLE TO THE DIGITALLY NATIVE NOTES WHILE IMMOBILISED

The Digitally Native Notes will be immobilised in the Immobilisation Wallet of Euroclear, acting in its capacity as central securities depository under the Co-ordinated Royal Decree No. 62 of 10 November 1967. Such immobilised Digitally Native Notes will be held by Euroclear for Euroclear Participants. The below is a summary of considerations for Euroclear Participants in relation to the Digitally Native Notes that have been immobilised in the Immobilisation Wallet of Euroclear.

Right to payment

Payments of principal and interest in respect of the Digitally Native Notes shall be made by the Issuer to or to the order of the D-FMI Operator on behalf of each D-FMI Participant (as defined in the Conditions) for the time being appearing in the D-FMI Record as the holder of the Securities Wallet to which such Note is recorded (which shall be Euroclear for so long as the Digitally Native Notes are immobilised in the Immobilisation Wallet of Euroclear), which payment shall discharge the Issuer's payment obligations under the terms and conditions of the Digitally Native Notes. The Issuer is not responsible for ensuring that Euroclear accounts to each Euroclear Participant for the payment, which shall remain the responsibility of Euroclear in accordance with the D-FMI Documentation and in particular Condition 6 (*Payments*). Specifically, all payments of principal or interest received by Euroclear with respect to immobilised Digitally Native Notes will be distributed to Euroclear Participants on the basis of the amounts of such interests credited thereto, in the manner and on such dates as may be specified in the Operating Procedures of the Euroclear System.

Exercise of voting rights

Euroclear Participants will not have a direct right to vote in respect of the Digitally Native Notes. Instead, Euroclear Participants will be permitted to act only to the extent that they are enabled by Euroclear to appoint appropriate proxies.

Exercise of other rights

The extent to which, and the manner in which, Euroclear Participants may (i) give instructions to the Trustee to exercise certain rights under the Digitally Native Notes on behalf of the Noteholders or (ii) (where applicable) exercise any other rights in relation to the Digitally Native Notes will be determined by the rules and procedures of Euroclear and (in certain circumstances) the Trust Deed. The exercise of such rights shall be subject to the certification of identity by the D-FMI Operator of the identity of the relevant Euroclear Participant (or its representative) or the entitlement of the relevant Euroclear Participant (or its representative) to exercise such rights, each in accordance with the D-FMI Documentation, but without any requirement to provide serial or other identifying numbers of such Digitally Native Notes.

Occurrence of a D-FMI Event

To effect a D-FMI Fallback in accordance with Condition 14 (*Continuity Plan in the case of a D-FMI Event*), no less than one Brussels business day prior to giving notice to the Noteholders, the Issuer shall give notice to the D-FMI Operator, the Agents and the Trustee. No less than 10 business days prior to the Cut-Over Date (as defined below), the Issuer shall give the Noteholders notice of: (i) the D-FMI Fallback; (ii) the actions that the Noteholders must take in connection with such D-FMI Fallback; (iii) the deadline by which any relevant instructions must be received by the Issuer in connection with the D-FMI Fallback (the "**Instruction Deadline**"); and (iv) the date on which the D-FMI Fallback shall become effective (the "**Cut-Over Date**").

Transfer of interests in the Digitally Native Notes

Following immobilisation of the Digitally Native Notes in Euroclear's Immobilisation Wallet, interests in the Digitally Native Notes may be transferred in the secondary market by way of debit and credit to Securities Clearance Accounts within the Legacy Component in precisely the same manner as is currently the case with other securities cleared at Euroclear.

USE OF PROCEEDS

The net proceeds of the issue of the Digitally Native Notes will be applied by the Issuer for general corporate purposes.

THE ISSUER

The Issuer was incorporated in England with limited liability by Royal Charter on 29 December 1853. The Issuer's issued share capital comprises ordinary shares, all of which are owned by Standard Chartered Holdings Limited, a company incorporated in England and Wales and a wholly-owned subsidiary of Standard Chartered PLC, non-cumulative irredeemable preference shares of U.S.$0.01 each, all of which are owned by Standard Chartered Holdings Limited, and non-cumulative redeemable preference shares of U.S.$5.00 each, all of which are owned by Standard Chartered PLC. The Issuer's principal office and principal place of business in the United Kingdom is at 1 Basinghall Avenue, London EC2V 5DD. The Issuer's reference number is ZC18.

Further information relating to the Issuer and the Issuer Group may be found in the Issuer 2025 Report, throughout the Strategic Report on pages 1 to 15, including the financial information contained in Risk Review on pages 24 to 70 and the financial statements from pages 84 to 205. Further financial information may be found in the Issuer HY 2026 Report.

Subsidiaries

A list of all subsidiary undertakings of the Issuer as at 31 December 2025, including those principally engaged in the business of banking and the provision of other financial services, as well as those involved in non-banking business activities, is presented in Note 39 ("*Related undertakings of the Group*") to the audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2025.

Directors

The current directors of the Issuer and their respective principal outside activities, where significant to the Issuer, are as follows:

M Ramos *Chair of the Issuer*

High-Level Private Sector Advisory Group member of Asian Development Bank. Member of the Group of Thirty, Member of the International Advisory Board of each of the Blavatnik School of Government at Oxford University and the Wits Foundation Board of Governors.

W T Winters, CBE *Chief Executive of the Issuer*

Independent Non-Executive director of Stripe LLC, Board Advisor of the International Rescue Committee, Advisory Group Member of the Integrity Council for Voluntary Carbon Markets and Advisory Council Member of Ant International.

M Costello *Chief Financial Officer of the Issuer*

J Hunt *Independent Non-Executive Director of the Issuer*

Independent non-executive director of Willis Towers Watson plc.

D Jurgens, *Independent Non-Executive Director of the Issuer*

Non-executive director of the World 50 Group and independent non-executive director of Infosys Limited.

L Leong *Independent Non-Executive Director of the Issuer*

Independent non-executive director of Standard Chartered Bank (Hong Kong) Limited and China Resources Land Limited, where he is Chair of the Audit Committee, and non-executive director of Hongkong Land Holdings Limited. Board Member and Executive Committee Member of The Community Chest of Hong Kong and Vice Chair Supervisory Board member and Executive Committee of the Hong Kong Housing Society.

T Phutrakul *Independent Non-Executive Director of the Issuer*

P Rivett *Independent Non-Executive Director of the Issuer*

Independent non-executive director and Chair of the Audit Committee of Nationwide Building Society and Virgin Money UK plc.

S M Apte *Independent Non-Executive Director of the Issuer*

Independent non-executive director of Hillhouse Investments and Singapore Life Pte Ltd. Independent non-executive director and Chair of the Board Risk and Nomination Committee of Keppel Corporation Limited.

Dr L Yueh, CBE *Independent Non-Executive Director of the Issuer*

Independent non-executive director of Segro Plc and the Independent Football Regulator. Chair of Baillie Gifford's The Schiehallion Fund Ltd (listed on the Specialist Fund Segment of the London Stock Exchange).

Full profiles of above directors of the Issuer may be found on sc.com/en/about/our-people.

A C McFadyen *Non-Executive Director of the Issuer*

Non-executive director of Camellia Plc

J Holloway, *Independent Non-Executive Director*

The above appointments have received the necessary regulatory approval.

The business address of the above-mentioned directors should be regarded for the purposes of this Offering Circular as: 1 Basinghall Avenue, London EC2V 5DD, United Kingdom.

There are no existing or potential conflicts of interest between any duties of the directors named above owed to the Issuer and their private interests and/or other duties which would require disclosure in this Offering Circular. The Issuer Group has a control process in place for the purposes of avoiding potential conflicts of interest, as and when they may arise, between any duties of the directors named above to the Issuer and their private interests and/or other duties. There are no such potential conflicts of interest which would require disclosure in this Offering Circular.

SUPERVISION AND REGULATION

The Issuer (as a financial institution) and the SCPLC Group are subject to extensive financial services laws, regulations, administrative actions and policies in the UK, Hong Kong and each other location in which the SCPLC Group operates. These factors impose constraints on business operations, impact financial returns and include (but are not limited to) capital, leverage and liquidity requirements, authorisation, registration and reporting requirements, restrictions on certain activities and conduct of business regulations.

Regulatory developments impact the SCPLC Group globally. Its operations across the world are regulated and supervised by a large number of different regulatory authorities, central banks and other bodies in those jurisdictions where the SCPLC Group has offices, branches or subsidiaries and, in some cases, clients. These authorities impose a variety of requirements and controls designed to provide financial stability, transparency in financial markets and a contribution to economic growth. Requirements to which the SCPLC Group's operations must adhere include those relating to capital and liquidity, disclosure standards and restrictions on certain types of products or transaction structures, recovery and resolution, governance standards, conduct of business and financial crime.

As noted above, the Issuer is a wholly owned subsidiary of Standard Chartered PLC. The Issuer Group covers the vast majority of the SCPLC Group's total footprint. The Issuer Group is a core part of, and critical provider of essential services to the SCPLC Group and is fundamental to the delivery of the SCPLC Group's purpose, franchise, and strategy. On this basis, the summary of the Issuer's and the SCPLC Group's supervision and regulation provided in this section focuses particularly on UK and Hong Kong regulations, as the Issuer considers these to be the principal regulatory landscapes relevant to the SCPLC Group and an investment in the Digitally Native Notes. However, potential investors should note that regulations elsewhere may also have a significant impact on the SCPLC Group due to the location of its operations and, in some cases, clients.

Supervision and regulation in the UK

Regulation and supervision of the SCPLC Group's activities is handled by the PRA (a division of the BoE) and the FCA, which are the SCPLC Group's home regulators in the UK.

The PRA is the UK statutory body responsible for the prudential supervision of banks, building societies, credit unions, insurers and a small number of significant investment firms, generally focusing on capital and liquidity management, governance and risk management and operational resilience. The PRA's consolidated supervision of the SCPLC Group is conducted through a variety of regulatory tools, including (but not limited to) the collection of information by way of prudential returns or cross-firm reviews, reports obtained from skilled persons, regular supervisory visits and regular meetings with management and Directors.

The FCA regulates and supervises the conduct of all UK regulated financial firms (focusing on conduct risk and client outcomes, including market operations, anti-money laundering, fair pricing and financial crime) and acts as prudential supervisor for all UK regulated financial firms which are not prudentially supervised by the PRA. The FCA's supervision of the SCPLC Group is carried out through, among other tools, proactive engagement, regular thematic work, reports obtained from skilled persons and project work based on the FCA's sector assessments.

The SCPLC Group is subject to prudential supervision by the PRA, on a group consolidated basis, and all UK regulated entities within the SCPLC Group, including the Issuer, are subject to conduct and financial crime regulation and supervision by the FCA. The FCA and the PRA also apply the "Senior Managers and Certification Regime" which imposes a regulatory approval, individual accountability and fitness and propriety framework in respect of senior individuals within relevant firms.

The operational responsibilities and decision making in respect of resolution sit with the Resolution Directorate (a division of the BoE that is separate from the PRA). In addition, the Financial Policy Committee (the "**FPC**") of the BoE has influence on the prudential requirements that may be imposed on the banking system through its powers of direction and recommendation.

Prudential regulation

The Issuer and the SCPLC Group are subject to certain standards of the Basel III prudential framework implemented through the PRA rulebook and UK CRR (as amended).

As a financial institution, and amongst other things, these standards require the Issuer to maintain certain levels of regulatory capital, including CET1 capital. At 30 June 2026, the SCPLC Group's overall CET1 capital requirement was 10.3 per cent., comprising Pillar 1 and Pillar 2A requirements together with applicable capital buffers, as further described below.

The SCPLC Group is required, on a consolidated basis, to hold a minimum amount of total regulatory capital of 8 per cent. of RWAs, a minimum amount of tier 1 capital of 6 per cent. of RWAs and a minimum amount of CET1 capital of 4.5 per cent. of RWAs (the "**Pillar 1 capital requirements**").

The PRA also requires the SCPLC Group to hold additional capital to cover risks which the PRA determines are not fully captured by the Pillar 1 capital requirements. The PRA sets this additional capital requirement (the "**Pillar 2A capital requirement**") at least annually, derived from, amongst other things, the SCPLC Group's Internal Capital Adequacy Assessment Process. Under current PRA rules, the Pillar 2A capital requirement must be met with at least 56.25 per cent. CET1 capital, no more than 43.75 per cent. Additional Tier 1 capital and no more than 25 per cent. Tier 2 capital. In addition, the CET1 capital that the SCPLC Group uses to meet its Pillar 1 capital requirements and Pillar 2A capital requirement cannot be counted towards meeting the combined buffer (as defined below). The methodology for Pillar 2A has recently undergone a PRA review. On 28 May 2026, the PRA published a policy statement (PS15/26) which outlines policy and rule changes in respect of credit risk, operational risk and several other risk types. These changes will come into force on 1 January 2027. On 20 January 2026, the PRA published a policy statement (PS2/26) which finalised the retirement of the "refined methodology" for Pillar 2A as part of its wider streamlining of capital setting approaches, with effect from 1 January 2027. The PRA has stated that it will conduct a more in-depth review of individual methodologies within Pillar 2A in the future.

The SCPLC Group is subject to a 'combined buffer', consisting of: (i) a capital conservation buffer of 2.5 per cent. of RWAs; (ii) a countercyclical capital buffer ("**CCyB**"); and (iii) the below SCPLC Group's G-SIB buffer. Each component of the combined buffer is required to be met with CET1 capital. The CCyB is based on rates set by the relevant authorities in jurisdictions where the SCPLC Group has credit exposures; for example, in the UK the FPC has set the UK CCyB rate at 2 per cent.

The SCPLC Group remains a G-SIB with a 1.0 per cent. G-SIB buffer. G-SIBs, such as the SCPLC Group, are subject to a number of additional prudential requirements, including the requirement to hold additional loss-absorbing capacity and additional capital buffers above the level required by UK CRR and the PRA rules. The level of the G-SIB buffer is set in accordance with the FSB framework according to a bank's systemic importance and applied by the PRA. The G-SIB buffer can range from 1 per cent. to 3.5 per cent. of RWAs and must be met with CET1 capital.

The PRA may also impose a "PRA buffer" to cover risks over a forward-looking planning horizon, including with regard to firm-specific stresses or management and governance weaknesses. To the extent the PRA buffer is applicable, it must be met with 100 per cent. CET1 capital, which will be in addition to the CET1 capital used to meet the Pillar 1 capital requirements, Pillar 2A capital requirement and the combined buffer.

The PRA has also imposed requirements in relation to minimum leverage ratios pursuant to which the SCPLC Group is required to meet (i) a minimum leverage ratio requirement set at 3.25 per cent. (calculated, in accordance with the PRA Rulebook) (the "**PRA Leverage Ratio Requirement**"), (ii) an additional leverage ratio buffer ("**ALRB**") that is calibrated at 35 per cent. of the G-SIB buffer rate and (iii) a countercyclical leverage ratio buffer ("**CCLB**") that is calibrated at 35 per cent. of the countercyclical capital buffer rate. At least 75 per cent. of the Tier 1 capital used to meet the PRA Leverage Ratio Requirement must consist of CET1 capital, while the ALRB and CCLB must be met entirely with CET1 capital (and the CET1 capital that is counted towards meeting the PRA Leverage Ratio Requirement must not be counted for the purposes of meeting the ALRB and CCLB). With effect from 1 January 2026, the PRA has also amended the retail-deposit thresholds governing the scope of the leverage ratio regime, increasing the threshold from £50bn to £75bn, and updated the Leverage Ratio Part of the PRA Rulebook accordingly.

The Pillar 1 regulatory capital framework has been, and continues to be, significantly enhanced. The PRA's new rules implementing Basel 3.1 will (i) establish more robust and risk-sensitive standardised approach and internal models approach to market risk (in June 2026, the PRA launched a consultation (CP9/26) on adjustments to the internal model approach for market risk under the Fundamental Review of the Trading Book aimed at supporting international alignment and proportionality), (ii) introduce three new approaches to credit valuation adjustment, (iii) implement a new standardised approach for operational risk, (iv) provide for an output floor requiring reported RWAs calculated under internal model approaches to be a minimum of 72.5 per cent. of fully standardised calculations, (v) enhance the standardised approach and internal ratings-based approach for credit risk and (vi) make changes to the treatment of both funded and unfunded credit protection and the PRA's expectations with respect to credit risk mitigation. The new rules will also include updates to the UK Pillar 3 disclosure requirements and PRA supervisory reporting requirements. The UK implementation of Basel 3.1 is delayed to 1 January 2027, with a transitional period of 3 years to ensure full implementation by 1 January 2030. The final form rules were published on 20 January 2026 as part of the PRA's policy statement PS1/26.

As part of the implementation process, the PRA has finalised its proposals in relation to the remaining Basel III large exposures standards (PS14/25) and a wider banking capital package covering the restatement and modification of a number of UK CRR provisions, including those relating to the definition of own funds which came into force on 1 January 2026 (PS12/25). The remaining relevant definitions and other provisions of UK CRR will be restated within the PRA Rulebook or other policy material such as supervisory statements or statements of policy (under PS3/26 and PS14/26) and primary or secondary legislation (under the Credit Institutions and Investment Firms (Miscellaneous Definitions) (Amendment) Regulations 2026) from 1 January 2027. The Financial Services and Markets Act 2023 (Commencement No. 15 and Saving and Transitional Provisions) Regulations 2026 (SI 2026/682) made on 24 June 2026 bring the revocation of specified Articles of the UK CRR and related assimilated EU law into force on 1 January 2027.

In December 2025, the FPC revisited its assessment of the appropriate capital requirements for the UK banking system and concluded that the appropriate benchmark for the system-wide level of Tier 1 capital requirements (comprising Pillar 1 and Pillar 2A, the capital conservation buffer, the UK component of the CCyB when set at its neutral rate, and systemic buffers for domestically and globally systemic banks) is around 13 per cent. of RWAs, which would be equivalent to a CET1 ratio of around 11 per cent. This updated benchmark is 1 percentage point lower than its previous benchmark of 14 per cent., which is expected to provide banks with greater certainty and confidence to use their existing capital to support lending to the real economy. The FPC's Financial Stability Report (July 2026) describes further steps which the FPC and the PRA are working on to improve the bank capital framework and further support this objective. These include (i) proposals to address unintended consequences in the leverage framework and enhance the releasability and usability of regulatory buffers, and so reduce banks' incentives to have capital in excess of regulatory requirements and buffers; (ii) a package of measures to make the leverage ratio framework more proportionate and more effective by being better targeted (e.g. by removing the CCyB from banks' leverage requirements, moving the calibration of the ALRB for firms with systemic buffers in line with international standards, and making a greater share of leverage requirements and buffers releasable); and (iii) a reform of the bank capital buffer framework, moving towards the goal of a single buffer that is releasable in stress. It should be noted, however, that the above FPC reviews and assessments have not yet resulted in any changes to the Issuer's or the SCPLC Group's regulatory capital requirements – any such changes would be subject to review and consultation by the PRA.

For more information on how changes in prudential standards have or may have an impact on the Issuer and/or the SCPLC Group, see the risk factor entitled "*Treasury risk – The SCPLC Group is exposed to the risk of regulators imposing new prudential standards, including increased capital, leverage, loss-absorbing capacity and liquidity requirements*".

Stress testing

The SCPLC Group and certain of its members are subject to supervisory stress testing exercises in a number of jurisdictions. The tests are designed to assess the resilience of banks to adverse economic or financial developments and ensure that they have robust, forward-looking capital planning processes that account for the risks associated with their business profile. Assessment by regulators is on both a quantitative and qualitative basis, the latter focusing on such elements as data provision, stress testing capability including model risk management and internal management processes and controls.

Recovery and resolution stabilisation and resolution framework

The SCPLC Group is subject to the recovery and resolution stabilisation frameworks developed by its regulators, including (i) those introduced in accordance with Directive 2014/59/EU, as amended (the Bank Recovery and Resolution Directive) (the "**BRRD**"), as it was implemented in the UK law (UK BRRD), (ii) the Banking Act and (iii) the FIRO.

The BoE, as the UK resolution authority, has the power to resolve a UK financial institution (such as SCPLC and/or the Issuer) that is failing or likely to fail by exercising certain stabilisation tools, including

(i) bail-in: the cancellation, transfer or dilution of a relevant entity's equity and write-down or conversion of the claims of a relevant entity's unsecured creditors (including holders of capital instruments) and conversion of those claims into equity as necessary to ensure that the institution (or its successor) is restored to financial viability; (ii) the transfer of all or part of a relevant entity's business to a private sector purchaser; (iii) the transfer of all or part of a relevant entity's business to a "bridge bank" controlled by the BoE; (iv) the transfer of all or part of a relevant entity's business to an "asset management vehicle" controlled by the BoE; and (v) placing the bank in temporary public ownership. When exercising any of its stabilisation powers, the BoE must generally provide that shareholders bear first losses, followed by creditors in accordance with the priority of their claims in insolvency. In order to enable the exercise of its stabilisation powers, the BoE may impose a temporary stay on the rights of creditors to terminate, accelerate or close out contracts, or override events of default or termination rights that might otherwise be invoked as a result of a resolution action and modify contractual arrangements in certain circumstances (including a variation of the terms of any securities). HM Treasury may also amend the law for the purpose of enabling it to use its powers under this regime effectively, potentially with retrospective effect. The Bank Resolution (Recapitalisation) Act 2025 expanded the BoE's powers by enabling the Financial Services Compensation Scheme ("**FSCS**") to provide funds to recapitalise a failing banking institution when a stabilisation power is exercised by the BoE (see "*Resolution Funding and FSCS*" below).

The BoE can exercise its bail-in powers in resolution to permanently write down or convert into CET1 capital, Tier 1 capital instruments, Tier 2 capital instruments and eligible liabilities of a UK financial institution and/or its holding company where the relevant conditions to resolution are met. To support the exercise of these powers and in addition to its capital requirements, the SCPLC Group is required to maintain a prescribed quantum of liabilities in respect of which the BoE could exercise its bail-in powers in order to recapitalise the SCPLC Group ("**Eligible Liabilities**"). The BoE will apply the bail-in powers to the shares and other Eligible Liabilities of a failing institution and/or its holding company in accordance with a hierarchy prescribed by the Banking Act, pursuant to which, for example, subordinated debt instruments are to be written down or converted ahead of senior unsecured debt. The bail-in powers that have been given to the BoE (as the UK resolution authority) include the ability to write down or convert certain unsecured debt instruments into shares of the institution or other securities, to reduce the outstanding amount due under such debt instruments (including reducing such amounts to zero), to cancel such debt instruments or to vary the terms of such debt instruments (e.g. the variation of maturity of a debt instrument). Any financial public support available to support institutions is only to be used as a last resort, after the resolution tools (including the bail-in powers) have been exploited to the maximum extent practicable.

The BoE's preferred approach for the resolution of the SCPLC Group is a bail-in strategy with a single point of entry at SCPLC. Under such a strategy, SCPLC's subsidiaries (such as the Issuer) would remain operational while SCPLC's capital instruments and eligible liabilities would be written down or converted to equity in order to recapitalise the SCPLC Group and allow for the continued provision of services and operations throughout the resolution. The order in which the bail-in tool is applied reflects the hierarchy of capital instruments under UK CRR and otherwise respects the hierarchy of claims in an ordinary insolvency. Accordingly, the more subordinated the claim, the more likely losses will be suffered by owners of the claim.

In addition, the BoE has the power (and is obliged when specified conditions are determined by it to have been met) to permanently write-down, or convert into CET1 capital, Tier 1 capital instruments and Tier 2 capital instruments issued by institutions (including SCPLC) in certain specific cases, including before determining that the relevant institution and/or its group has reached the point of non-viability. Any write-down and/or conversion effected using this power must be carried out in a specific order as set out under the Banking Act, which states (among other things) that CET1 instruments suffer first losses. This power also includes external eligible liabilities if used in combination with a resolution power, and internal eligible liabilities issued by SCPLC's subsidiaries (such as the Issuer) to SCPLC (in which case, it may be used independently of, or in combination with, a resolution power).

The Banking Act and secondary legislation made thereunder provides certain limited safeguards for creditors in specific circumstances. For example, a holder of debt securities issued by an issuer should not suffer a worse outcome than it would in insolvency proceedings. However, this "no creditor worse off" safeguard does not apply in relation to an application of the regulatory capital write down and conversion power in circumstances where a stabilisation power (such as the bail-in power) is not also exercised; holders of debt instruments which are subject to the conversion power may, however, have ordinary shares issued to them by way of compensation. The exercise of regulatory capital write down and conversion powers under the Banking Act or any suggestion that they may be exercised could, therefore, materially adversely affect the rights of the holders of equity and debt securities and the price or value of their investment.

The PRA requires the SCPLC Group to draw up and submit recovery plans, resolvability self-assessments and resolution information. Recovery plans are designed to outline credible actions that authorised firms could implement in the event of severe stress in order to restore their business to a stable and sustainable condition. Removal of potential impediments to an orderly resolution of a banking group or one or more of its subsidiaries is considered as part of the BoE's and PRA's supervisory strategy for each firm, and the PRA can require firms to make significant changes in order to enhance resolvability. The SCPLC Group currently provides the PRA with resolution planning information annually.

Under the Resolvability Assessment Framework, firms are required to have capabilities covering three resolvability outcomes: (i) adequate financial resources; (ii) being able to continue to do business through resolution and restructuring; and (iii) being able to communicate and co-ordinate within the firm and with authorities and markets so resolution and subsequent restructuring are orderly. The latest self-assessment report was submitted by the SCPLC Group to the PRA in October 2023, followed by an update in January 2024. The SCPLC Group also published its latest resolvability disclosures as required by the BoE on 6 August 2024, concurrently with the BoE's publication of its resolvability assessments for the SCPLC Group, which identified a small number of areas for improvement. The timing of future submissions and disclosures has now been moved from fixed two-year cycles to a periodic basis (PS1/25) with the next self-assessment report due to the PRA in October 2026.

The Banking Act also empowers the BoE and PRA to intervene at an appropriately early stage to facilitate the recovery of viable institutions, including powers to direct an institution to remove identified impediments to resolvability, remove and replace board members, implement measures identified in the institution's recovery plan or require changes to the legal or operational structure of the institution.

The PRA requires UK banks (such as the Issuer) to ensure that contracts which are governed by the law of a territory or country other than the UK contain a term whereby the creditor or party to the agreement creating the liability recognises that the liability may be subject to the BoE's write-down and conversion powers, and agrees to be bound by any reduction of the principal or outstanding amount due, conversion or cancellation that is effected by the exercise of those powers. Failure to include such a contractual term will not necessarily prevent the BoE from exercising such powers in respect of the relevant liability, although it may create an impediment to resolution.

While the approach of the HKMA, as Hong Kong's resolution authority, should be to coordinate cross-border resolution action(s) with the resolution authorities concerned, the HKMA may take actions which do not align with those of such resolution authorities. The HKMA may make one or more bail-in instruments (which may include both senior and subordinated in scope unsecured liabilities) in respect of a within scope financial institution (as defined in the FIRO). Such power may also be applied to the holding company of a within scope financial institution (each as defined in the FIRO) in the same way, and to the same extent, as if the holding company were a within scope financial institution (as defined in the FIRO). A bail-in instrument may contain a bail-in provision or make any other provision for, or in connection with, any bail-in provision made by that or another instrument. When exercising a power to make a bail-in provision, the HKMA must have regard to the winding-up hierarchy principles (as defined in the FIRO).

A bail-in provision, in relation to a within scope financial institution (as defined in the FIRO), is any of the following (or any combination of the following): (a) a provision for, or in connection with, cancelling a liability owed by the financial institution; (b) a provision for, or in connection with, modifying, or changing the form of, a liability owed by the financial institution; (c) a provision that an instrument under which the financial institution has a liability is to have effect as if a specified right had been exercised under it; (d) a provision for, or in connection with, cancelling or modifying an instrument under which the financial institution, or a group company of the financial institution, has a liability that the resolution authority considers it appropriate to make in consequence of any provision mentioned in paragraph (a), (b) or (c) that (i) is made in the same bail-in instrument; or (ii) has been made in another bail-in instrument in respect of the financial institution. The reference to cancelling a liability owed by the financial institution includes cancelling an instrument under which the financial institution has a liability. The reference to modifying a liability owed by the financial institution includes modifying the terms (or the effect of the terms) of an instrument under which the financial institution has a liability. The reference to changing the form of a liability owed by the financial institution includes: (i) converting an instrument under which the financial institution owes a liability from one form or class to a form or class of any other kind; (ii) replacing such an instrument with another instrument of a form or class of any other kind; (iii) creating a new security (of any form or class) in connection with the modification of such an instrument; and (iv) converting those liabilities into securities issued by a bridge institution or a holding company of the financial institution that is incorporated in Hong Kong.

In addition, the HKMA may, in a bail-in instrument, exclude a liability or class of liability of a within scope financial institution (as defined in the FIRO), wholly or partly, from the application of any bail-in provision if it is of the opinion that the exclusion is justified on one or more of the following grounds: (a) that it is not reasonably possible to effectively apply the provision to the liability or class within a reasonable time; (b) that the exclusion is necessary and proportionate to meet the resolution objectives; or (c) that the application of the provision in relation to the liability or class would cause a reduction in its value such that the losses borne by other creditors would be higher than if the liability or class were excluded. When deciding whether to exclude a liability or class of liability from the application of a bail-in provision, the HKMA must have regard to the winding up hierarchy principles (as defined in the FIRO).

TLAC and MREL

The Issuer and the SCPLC Group are subject to MREL requirements set by the BoE as the resolution authority, pursuant to the BoE's statement of policy on its approach to setting MREL (the "**MREL SoP**"). The BoE published an updated version of this statement of policy in July 2025 and this updated version came into effect on 1 January 2026. Through this updated policy statement, among other things, the BoE has simplified the UK MREL framework by revoking the UK CRR TLAC provisions and consolidating some of them in the MREL SoP. The PRA has also published final policy statements on amendments to MREL reporting requirements to reflect the MREL policy changes and resulting in a net reduction in the reporting burden on firms (PS9/26) and revisions to MREL disclosure requirements, as part of wider changes to Pillar 3 disclosure (PS11/26).

The SCPLC Group is required to meet an external MREL equivalent to the higher of: (i) two times the sum of its Pillar 1 and Pillar 2A requirements; (ii) the higher of two times its leverage ratio requirement or 6.75 per cent. of leverage exposures; or (iii) 18 per cent. of RWA. SCPLC's material subsidiaries (including the Issuer) are required to meet an internal MREL requirement equal to between 75-90 per cent. of the external requirement that would apply to the subsidiary if it were a resolution entity.

Resolution Funding and FSCS

The BRRD, which established an EU-wide framework for the recovery and resolution of credit institutions and investment firms, introduced a requirement for EU member states to set up a pre-funded resolution financing arrangement with funding equal to 1 per cent. of covered deposits by 31 December 2024 to cover the costs of bank resolutions and ensure the effective application of resolution powers. The UK satisfied its obligations under the BRRD through its existing levy on banks' balance sheet liabilities. In addition, the UK has a statutory compensation fund called the FSCS, which is funded by way of annual levies on most authorised financial services firms. The Bank Resolution (Recapitalisation) Act 2025 introduced a new mechanism for funding the resolution regime under which the BoE can use funds provided by the FSCS as needed in the event of a failure, and subsequently by an ex-post levy on the banking sector, cover costs associated with a resolution in the same way as it currently funds a pay-out or transfer of covered deposits if a firm is placed into insolvency. Following the introduction of this Act, HM Treasury has also published an updated version of the special resolution regime code of practice which sets out details of the proposed recapitalisation payment mechanism.

Structural reform

In the UK, the Financial Services (Banking Reform) Act 2013 put in place a framework for ring-fencing certain operations of large banks. Ring-fencing requires, among other things, the separation of the retail and smaller deposit taking business activities of UK banks into a legally distinct, operationally separate and economically independent entity, which is not permitted to undertake a range of activities. Following an independent review of this regime, it was recommended in the final report published in March 2022 that HM Treasury should review the practicalities of aligning the ring-fencing and resolution regimes. The Financial Services and Markets Act 2000 (Ring-fenced Bodies, Core Activities, Excluded Activities and Prohibitions) (Amendment) Order 2025 came into force on 4 February 2025 and reflects recommendations made, including the introduction of a de minimis level for excluded activities, an increase of the core deposit threshold that determines the scope of the ring-fencing regime, and amendments to the permitted exemptions available to ring-fenced bodies for certain products and services. The SCPLC Group was not subjected to ring-fencing under the Financial Services (Banking Reform) Act 2013, nor is it subject to the adjusted regime under the Financial Services and Markets Act 2000 (Ring-fenced Bodies, Core Activities, Excluded Activities and Prohibitions) (Amendment) Order 2025.

Market infrastructure regulation

In recent years, regulators as well as global standard setting bodies such as the International Organisation of Securities Commissions have focused on improving transparency and reducing risk in markets, particularly risks related to OTC derivative transactions. This focus has resulted in a variety of new regulations across the G20 countries and beyond that require or encourage on-venue trading, clearing, posting of margin and disclosure of pre-trade and post-trade information. In particular, the EU MiFID II Directive has affected many of the markets in which the SCPLC Group operates, the instruments in which it trades and the way it transacts with market counterparties and other customers. Regulation in this area is currently undergoing a review process in both the EU and the UK.

In 2024, changes to EU MiFID II and UK MiFIR came into force following the EU MiFID II / UK MiFIR Review. Amended UK MiFIR came into force on 28 March 2024, EU member states had until 29 September 2025 to transpose the amendments to EU MiFID II. In the UK, FSMA 2023 introduced changes to the UK MiFID framework and put in place key powers for the FCA to take forward important wholesale markets reforms. As part of this process, the Markets in Financial Instruments (Miscellaneous Amendments) Regulations 2025 were made to restate the key definitions within the onshored MiFID Organisation Regulation in UK domestic financial services legislation, with the FCA and the PRA having implemented their rules to replace the firm-facing provisions from this Regulation in their rulebooks (PRA PS16/25; FCA PS25/13).

In the near-term, similar changes will be made to both EU and UK MiFID regimes, for example, transparency obligations applicable to systematic internalisers ("**SIs**") will be significantly reduced, post-trade reporting waterfalls will no longer depend on whether counterparties are SIs, non-equity transparency requirements will be significantly reformed, and rule changes will be in place in the hopes of incentivising consolidated tape providers to come forward with a view to selecting one consolidated tape providers per asset class. In both markets, the most granular detail has been left to the regulators (European Securities and Markets Authority in the EU, and the FCA in the UK). Changes to the UK transparency regime came into force on 1 December 2025 (PS24/14), with certain transitional provisions applying from 31 March 2025.

Regulation of benchmarks

The EU and UK Benchmarks Regulation apply to the administration, contribution and use of benchmarks within the EU and the UK, respectively. Financial institutions within the EU or the UK, as applicable, are prohibited from using benchmarks unless their administrators are authorised, registered or otherwise recognised in the EU or the UK, respectively. However, due to transition measures currently in force in the UK, benchmarks administered by third country entities can continue to be used until 31 December 2030 (for example, benchmarks administered by EU administrators can continue to be used within the UK). Although the EU transition measures ended on 31 December 2025, changes intended to significantly reduce the number of benchmarks in scope of EU law and to reduce the regulatory burden for the majority of benchmark administrators and users came into force on 1 January 2026 under Regulation (EU) 2025/914 amending the EU Benchmarks Regulation, removing "non-significant" benchmarks from scope. In the UK, HM Treasury launched a public consultation in December 2025 on replacing the UK Benchmarks Regulation with a new Specified Authorised Benchmarks Regime, which would regulate only benchmarks designated as systemically important and remove the requirement for firms to use only regulated benchmarks, with the final policy to be confirmed in HM Treasury's response. This consultation closed in March 2026.

Global regulators in conjunction with the industry have developed and are continuing to develop alternatives to inter-bank offered rates and risk-free rate fallback arrangements, including updates to existing, as well as new, applicable legislation.

Regulation of the derivatives market

UK MIR imposes requirements to report all derivative transactions to authorised or recognised trade repositories. UK MIR has introduced requirements designed to improve transparency and reduce the risks associated with the derivatives market. This regime has operational and financial impacts on the SCPLC Group, including by imposing new collateral requirements on a broader range of market participants which has been in effect since 2022.

Access to the clearing services of certain CCPs used by SCPLC Group entities is currently permitted under temporary equivalence and recognition regimes and decisions in the UK and EU. If not extended or made permanent, the EU's equivalence decision for UK CCPs (due to expire at the end of June 2028) could also have operational and financial impacts on the SCPLC Group, as could the removal of temporary recognition of non-UK CCPs by the UK. Following a review of EMIR, the EMIR 3.0 package comprising a regulation and a directive was published in the Official Journal on 4 December 2024. Most of the changes apply from 24 December 2024 with certain exceptions, and EU member states had until 25 June 2026 to implement the directive. Many of the amendments are designed to increase competitiveness of EU CCPs, however there are also more generally applicable provisions including: changes to the calculation of positions for the purposes of the clearing thresholds, including amendments that would mean exchange-traded derivatives on non-equivalent venues (such as UK venues) would no longer fall in-scope of the clearing threshold calculation; and streamlining of the intragroup exemption from the clearing and margining obligations, by removing the requirement for equivalence determinations for third country jurisdictions.

UK MIR will be revoked under FSMA 2023 and replaced by new rules in the regulators' rulebooks. The timing for completing this process is unclear; however, new technical standards on the reporting requirements and procedures for data quality under UK MIR started to apply from 30 September 2024. The new reporting rules extend the level of detail to be reported, require reconciliation by trade repositories of the reports made by each counterparty, and provide for enhanced responsibilities for notifying regulators of errors and omissions. Additionally, regulators moved to extend several temporary exemptions under UK MIR. These include an exemption from clearing for pension schemes, which was established on an indefinite basis; exemptions from clearing and margining for intragroup transactions with counterparties in non-equivalent jurisdictions which is currently set to expire on 31 December 2026 and which HM Treasury and the FCA intend to replace with a permanent, more proportionate and streamlined regime as follows from the draft Over the Counter Derivatives (Intragroup Transactions) Regulations 2026 and the FCA's consultation CP25/30 published on 5 November 2025; and an exemption from margin requirements for certain equity and index options which have been established on an indefinite basis following the FCA's and PRA's policy statements (FCA PS23/25 and PRA PS23/25).

Consumer duty

The FCA's consumer duty now applies to firms' new and existing products or services that are open to sale or renewal and to closed products or services. The duty leads to higher expectations for the standard of care that firms provide to customers and impacts all aspects of the SCPLC Group's retail businesses in the UK, including every customer journey, product and service as well as the SCPLC Group's relationships with partners, suppliers and third parties. As part of the implementation of the consumer duty, the FCA has imposed cross-cutting rules upon firms requiring them to act in good faith towards retail customers, to avoid foreseeable harm towards such customers, and to enable and support such customers in pursuing their financial objectives. In its Feedback Statement FS25/2 published on 25 March 2025, the FCA outlined an "ambitious programme of action" to streamline consumer duty requirements in order to address some potential areas of complexity which create regulatory costs with limited or no consumer benefit.

As a further update on its work, the FCA published a letter to HM Treasury on its plans to address concerns about the application of the consumer duty for firms primarily engaged in wholesale activity, confirming its intention to provide more clarity on its supervisory approach and expectations and further changes to the rules. In September 2025, the FCA set out a four-point action plan to clarify the consumer duty's application to wholesale firms, revise client-categorisation rules, and consult on changes to distribution-chain obligations in 2026.

On 29 June 2026, the FCA published a consultation paper (CP26/23) on changes to the scope and proportionality of the consumer duty which, among other things, are intended to remove business with non-UK customers from the consumer duty's scope, make it clearer where the consumer duty applies, clarify when and how firms can rely on each other when they work together in distribution chains, and how they can apply the consumer duty more proportionately and explain the interaction between the consumer duty and other product governance rules.

Culture, diversity and inclusion

The Issuer's and the SCPLC Group's regulators have enhanced their focus on the promotion of cultural values as a key area for banks, although they generally view the responsibility for reforming culture as primarily sitting with the industry. The BoE, the PRA and the FCA discussed diversity and inclusion in financial services firms as part of their 2021 joint discussion paper, and the FCA published a 2022 policy statement in this regard. Despite this, in 2025, the UK regulators announced that they would not be taking further their proposed rules and expectations aimed at improving diversity and inclusion in regulated firms, but that they will continue to support voluntary industry initiatives. At the same time, the FCA indicated that it would continue to prioritise its work on non-financial misconduct in July 2025. Further guidance published by the FCA in December 2025 is designed to help firms make fair, consistent decisions and take decisive action when minimum standards of behaviour for financial services employees are breached and identify the factors firms should take into account when assessing whether someone is fit and proper for their role. The new rules and guidance on tackling non-financial misconduct in financial services will apply from 1 September 2026.

Climate and Sustainability related regulatory environment

The Issuer's UK regulators have recently focused on climate risk and sustainable finance. The PRA, together with the FCA, has established a Climate Financial Risk Forum to build intellectual capacity and share best practice. It established a number of working groups to develop guides on best practice and recommendations for industry, and have published several guides, starting with the first in June 2020, followed by others thereafter.

In its April 2019 supervisory statement on climate financial risk (SS3/19: Enhancing banks' and insurers' approaches to managing the financial risks from climate change), which was updated in 2024, the PRA made clear that it expects firms to integrate climate related financial risk into their existing risk management frameworks, including requirements to assess climate financial risks, to use scenario analysis and to include all material exposures relating to climate financial risk in their internal capital adequacy assessment process. Following this, climate risk has been integrated into the ESG and Reputational Risk principal risk type outlined in the Enterprise Risk Management Framework and SCPLC's Board has approved a Risk Appetite Statement and associated metrics for ESG and Reputational Risk.

In 2022, the PRA started actively supervising firms against its climate risk-related supervisory expectations and since then overall, the PRA indicates firms have taken positive implementation steps, but further work is required to understand and address climate risks.

On 3 December 2025, the PRA published a policy statement (PS25/25) on managing climate-related risks and issued a supervisory statement SS5/25 which updates earlier PRA's expectations in this regard by replacing SS3/19 in its entirety. SS5/25 is intended to promote effective risk assessment and risk management capabilities and aims to help firms build resilience against climate-related risks and make informed strategic decisions that support their business interests. According to the PRA, the final policy is designed to be implemented proportionately by firms in line with the materiality of a firm's climate-related financial risk exposure, allowing firms to tailor their actions to integrate risk management solutions that best reflect their business operations into risk, capital and governance frameworks. It also requires robust climate-risk scenario analysis integrated in the wider climate risk management approach. Firms have had until 3 June 2026 to carry out an internal review of their current status in meeting the updated expectations set out in SS 5/25. In line with regulatory-mandated timelines, the SCPLC Group has prepared a workplan to meet these expectations, noting that the existing management framework already addresses them in good part.

Climate-related disclosures by listed issuers is another area of focus for the UK regulators. In particular, starting from 1 January 2021 companies are required to include a statement in their annual financial reports setting out whether their disclosures are consistent with the recommendations of the FSB's Taskforce on Climate-related Financial Disclosures ("**TCFD**") or explain if they have not done so. Certain entities are now also obliged to produce a non-financial and sustainability information statement. In January 2026, the government of the United Kingdom ("**UK Government**") published an outcome of its consultation regarding proposals for greater regulatory oversight of third-party assurance services for sustainability-related financial disclosures, which confirmed the plans to establish a voluntary oversight regime for sustainability assurance in the UK, starting with setting up an interim register of sustainability assurance practitioners by mid-2026. The SCPLC Group has published its climate-related financial disclosures, aligning with the TCFD recommendations, since 2018. In line with the "comply or explain" obligation under the FCA's listing rule, for the financial year of 2024, the disclosure was integrated into the 2025 annual report of Standard Chartered PLC.

On 25 February 2026, the Department for Business and Trade published the UK Sustainability Reporting Standards ("**UK SRS**"), comprised of UK SRS S1 and UK SRS S2. UK SRS S1 sets out the general requirements for disclosure of sustainability-related financial information. UK SRS S2 sets out requirements for climate-related disclosures. The Standards are based on the International Sustainability Standards Board (the "**ISSB**") standards (specifically, IFRS S1 and IFRS S2).

In January 2026, the FCA launched a consultation on replacing the current rules for listed companies' climate disclosures, with more proportionate rules to align reporting with current international standards (FCA CP26/5). This consultation closed on 20 March 2026 and the final rules will apply to SCPLC. Since SCPLC is also listed in Hong Kong, SCPLC has also implemented ISSB aligned disclosures for FY2025 as per Hong Kong Stock Exchange requirements.

The FCA's policy statement PS23/16 on the SDR and investment labels regime published at the end of November 2023 introduced the new rules on a fund labelling regime, a disclosure regime, naming and marketing rules, and a general "anti-greenwashing" rule. The implementation of the SDR labelling and disclosure requirements has been staggered with certain ongoing disclosures starting to apply from 2025 and 2026. The policy statement is accompanied by the anti-greenwashing guidance (FG24/3) and guidance on good and poor practice for using labels under the SDR regime that is intended to provide further detail on how to comply with the FCA's rules. The new UK prospectus regime, POATRs, came into force on 19 January 2026 with new rules for sustainability-labelled debt instruments and climate-related disclosures for listed company prospectuses, which have been considered in preparation of this disclosure.

Sector-specific guidance on transition plan disclosure (including for banks) was published by the UK Transition Plan Taskforce ("**TPT**") in April 2024. In October 2024, the Transition Finance Market Review published a report with its final recommendations on scaling an effective and credible transition finance market. In June 2025 the UK Government launched a consultation on how it should approach climate-related transition plan requirements to take forward its commitment to mandate UK-regulated financial institutions to develop and implement credible transition plans. The consultation was closed and its results are expected to be published in H1 2026. The Transition Finance Council has also consulted on draft entity-level transition finance guidelines intended to complement existing disclosure frameworks including those developed by the TPT.

In the EU, the Corporate Sustainability Reporting Directive (the "**CSRD**") obliges EU businesses (including qualifying EU subsidiaries and their non-EU parent companies) to disclose information on environmental and social material impacts, risks and opportunities in their operations and in operations of entities in their upstream and downstream value chain using a double materiality approach.

One of the key provisions of the CSRD is that entities in scope are required to follow the European Sustainability Reporting Standards (the "**ESRS**") when preparing their management report required by the CSRD.

Following the European Commission's proposal in February 2025 to simplify EU sustainability reporting and due diligence requirements (the "**Omnibus I**" package), the Amendment Directive (EU) 2026/470 was formally published in the Official Journal of the European Union on 26 February 2026 and entered into force on 18 March 2026.

As the result of Omnibus I reform and the amendments introduced therein, the European operations of Standard Chartered Bank AG remain outside the scope of the relevant requirements. However, the activities of the Issuer and its subsidiaries (with the Issuer considered a non-EU parent) as a whole fall within the scope of the regulatory framework. In-scope non-EU parent entities are now expected to report for financial year 2028, with first publication in 2029.

The European Commission has committed to adopting revised ESRS by 18 September 2026.

Compliance with climate and sustainability-related regulations and guidelines is expected to result in incremental costs, particularly where there is fragmentation in policies and guidelines among different regulators across the SCPLC Group's footprint, as well as an increased risk of penalties or sanctions for non-compliance with such policies and guidelines.

Cyber security and operational resilience

Regulators in the UK continue to focus on cyber security risk management, operational resilience and overall soundness across all financial services firms, with customer and market expectations of continuous access to financial services remaining at an all-time high.

The operational resilience measures introduced by the PRA and FCA (specifically, the PRA SS1/21 and FCA PS21/3) include expectations for firms and financial market infrastructures ("**FMIs**") to identify their important business services that, if disrupted, could cause intolerable levels of harm to consumers or to market integrity, threaten the viability of firms or cause instability in the financial system. As further clarified by the PRA in its policy statement PS2/22, certain group obligations relating to operational resilience requirements relevant to CRR firms apply directly to the CRR consolidation entities rather than just the individual firms in their group. Operational resilience measures under PRA SS1/21 and FCA PS21/3 came into effect on 31 March 2022 with a fixed three year implementation timeline which ended on 31 March 2025. Starting from this date, firms must be able to remain within their impact tolerances. The PRA has reminded firms of these requirements in its 2025 Dear CEO letter highlighting PRA's operational resilience expectations for UK deposit-takers. In March 2026, the FCA published a set of observations and good and poor practice insights following its review of firms' annual operational resilience self-assessments, which identifies further scope for improvement, particularly in board engagement, the implementation of robust frameworks and the use of evidence-based self-assessment for sector-wide improvement.

Separately, in its policy statement PS16/24, the PRA, together with the FCA and the BoE, issued new rules on operational resilience of critical third parties ("**CTPs**"). These rules took effect on 1 January 2025. While the CTP regime does not impose additional, explicit requirements on firms, it complements their existing requirements and expectations relating to operational resilience and third-party risk management. HM Treasury published guidance in March 2024 setting out its approach and process for designating CTPs (including engagement with the relevant third party and the making of designation regulations). Four entities have been designated as CTPs with effect from 13 July 2026. However, there has been limited immediate impact for firms using those CTPs.

After March 2025, the UK regulators expect that maintaining operational resilience will be a dynamic activity, with firms and FMIs having sound, effective and comprehensive strategies, processes and systems to enable them to address risks for important business services in the event of severe but plausible disruptions.

As a complement to the requirements and expectations on operational resilience, the PRA set out its expectations in respect of outsourcing and third-party risk management to facilitate the adoption of the cloud and other new technologies in an additional supervisory statement PRA SS2/21.

The BoE, the PRA and the FCA have also published their final rules on operational incident and third-party reporting intended to support the operational resilience of the UK financial sector (PRA PS7/26 and FCA PS26/2). The rules will come into force on 18 March 2027.

In October 2025, the BoE, the PRA and the FCA also published a document for firms highlighting observed effective practices of cyber response and recovery capabilities stemming from their own systems or material third-party suppliers, which the regulators encourage firms to consider in order to strengthen operational resilience. A joint statement of the BoE, the FCA and HM Treasury on frontier AI models and cyber resilience published in May 2026 ("**May 2026 Joint Statement**") emphasises that firms should take active steps across several domains (including governance, identification and risk management of vulnerabilities, protection and recovery) to ensure that they have effective protective, detective, threat containment and cyber response capabilities to address faster and more disruptive frontier AI-driven attacks. The FPC's Financial Stability Report (July 2026) also highlights that rapid progress in frontier AI capabilities reinforces the importance of firms acting on the May 2026 Joint Statement, given a significant increase in the risks which frontier AI models present to financial stability from a cyber and operational vulnerabilities perspective. To further enhance the sector's operational resilience capabilities, the BoE and PRA intend to consult on policy relating to the management of ICT and cyber risks in 2026.

The FPC has also undertaken work in this area, with a particular focus on cyber risk. In July 2025, the BoE published the thematic findings from the FPC's 2024 cyber stress test which emphasised the role of data-driven decision-making, effective communication, liquidity planning, and the management of disconnection and reconnection from critical systems and infrastructures. In its letter, the BoE outlined areas for improvement, such as the testing of certain processes, the availability of client data, and alignment in communication strategies.

For more information on how risks relating to cyber security and operational resilience have or may have an impact on the Issuer and/or the SCPLC Group, see the risk factor section entitled "*Operational and technology, ESG and reputational, compliance (including legal) and conduct risks – The SCPLC Group is exposed to operational and technology risks*" and the risk factor entitled "*Information and cyber security risk, financial crime risk and model risk – The SCPLC Group is exposed to information and cyber security ("**ICS**") risk*".

Likewise, the HKMA is similarly focused on cyber security and cyber resilience of Authorized Institutions in Hong Kong.

In 2020, the HKMA completed a holistic review of the Cybersecurity Fortification Initiative ("**CFI**") that was originally launched in 2016 to raise the cyber resilience of Hong Kong's banking system. Cyber Resilience Assessment Framework ("**C-RAF**") is one of the three key pillars within the CFI.

Following the review, the HKMA introduced an upgraded CFI 2.0 to reflect the latest developments in international cyber practices. CFI was further enhanced with a view to streamlining the cyber resilience assessment process while maintaining effective control standards that are commensurate with the latest technology trends. These include incorporating recent international sound practices on cyber incident response and recovery into the enhanced control principles under C-RAF. C-RAF 2.0 followed a phased approach to implementation, with all Authorized Institutions provided with a timeline (through to 2023) to complete the C-RAF 2.0 assessment.

After the launch of CFI 2.0, banks have been identifying security control enhancement opportunities that can be fulfilled by regulatory technology ("**regtech**"). In January 2022, the HKMA issued a Regtech Adoption Practice Guide for cyber risk management. In particular, the guide provides that a holistic cybersecurity programme and roadmap should first be required by banks to justify adoption of a holistic cyber risk management regtech solution.

Further, the HKMA has issued a number of Supervisory Policy Manual modules relating to technology and cybersecurity risk. In the area of operational resilience, the Principles for Operational Resilience set out the expectation that Authorized Institutions are operationally resilient and provide guidance on developing an integrated operational resilience framework. Authorized Institutions were required to establish their operational resilience frameworks by 31 May 2023 and achieve operational resilience by 31 May 2026. In January 2025, the HKMA also issued guidance on good industry practices for implementing operational resilience frameworks under the relevant Supervisory Policy Manual module.

Sanctions and financial crime

The SCPLC Group operates in many countries around the world and is subject to financial crime regulations in the jurisdictions in which it operates.

The SCPLC Group takes a comprehensive, risk-based approach to compliance with applicable financial crime- related laws and regulations, including anti-money laundering, sanctions, anti-bribery and corruption, and fraud laws and regulations. The SCPLC Group's Conduct, Financial Crime and Compliance team is responsible for the establishment and oversight of an effective framework to meet the legal and regulatory obligations in respect of financial crime. In particular, the SCPLC Group has adopted four policies to support its management of financial crime risk, namely (i) the SCPLC Group Anti-Bribery and Corruption Policy, (ii) the SCPLC Group Anti-Money Laundering and Counter Terrorist Financing Policy, (iii) the SCPLC Group Sanctions Policy, and (iv) the SCPLC Group Fraud Risk Management Policy.

The SCPLC Group's Sanctions Policy and Anti-Money Laundering and Counter Terrorist Financing Policy are based on a comprehensive assessment of financial crime risk and are informed by UK, EU, U.S. and UN sanctions and UK anti-money laundering laws and regulations.

The UK Bribery Act 2010 (the "**UK Bribery Act**") introduced a new form of corporate criminal liability focused broadly on a company's failure to prevent bribery on its behalf. The UK Criminal Finances Act 2017 (the "**UK Criminal Finances Act**") introduced corporate criminal offences of failing to prevent the facilitation of UK and overseas tax evasion. The UK Economic Crime and Corporate Transparency Act 2023 ("**ECCTA**") further expanded the criminal liability of companies and partnerships and has now been replaced with the Crime and Policing Act 2026. Among other things, a company or a partnership will be treated as having committed a criminal offence if a "senior manager" of the company or partnership acting within the actual or apparent scope of their authority commits or attempts to commit a "relevant offence" (such offences are specified in the ECCTA and include fraud, bribery, money laundering, tax evasion and financial services offences). These pieces of legislation have broad application and in certain circumstances may have extraterritorial impact on entities, persons or activities located outside the UK, including SCPLC's subsidiaries outside the UK. The UK Bribery Act requires the SCPLC Group to have adequate procedures to prevent bribery which, due to the extraterritorial nature of the Act, makes this both complex and costly. Additionally, the UK Criminal Finances Act requires the SCPLC Group to have reasonable prevention procedures in place to prevent the criminal facilitation of tax evasion by persons acting for, or on behalf of, the SCPLC Group. From 29 June 2026, the Crime and Policing Act 2026 makes provision for corporate liability where a senior manager commits an offence while acting in the scope of their authority, for all crimes, replacing the provisions in the ECCTA which were confined to economic crimes. No defences are available, except for a territorial scope provision which excludes corporate liability where all of the conduct constituting the offence occurs outside the United Kingdom, and the organisation would not commit the offence if that conduct were the organisation's (rather than the senior manager's).

The regulatory environment relating to anti-bribery and corruption continues to evolve. In particular, the EU Anti-Corruption Directive ((EU) 2024/1260) introduced in April 2026 enhanced minimum standards regarding corruption offences, corporate liability, sanctions and enforcement across EU Member States. As the Directive is transposed into national laws over a 2 year period, entities operating within the EU, as well as non-EU organisations with activities, operations, business relationships or other relevant connections to EU Member States, may become subject to expanded corporate liability frameworks. These frameworks include liability arising where corruption offences are committed for the benefit of an organisation by persons in leadership positions or where inadequate supervision, management oversight or control arrangements are determined to have facilitated such conduct. The Directive may therefore increase regulatory, civil and criminal enforcement risks not only for the SCPLC Group's EU operations but also for the wider SCPLC Group and its non-EU entities, including those located in the United Kingdom, depending on the scope of implementation adopted by individual Member States. Compliance with evolving requirements may necessitate enhancements to governance, risk management, monitoring, training and control frameworks and could result in increased compliance costs, regulatory scrutiny, investigations, financial penalties and reputational harm in the event of non-compliance. Unlike certain existing anti-corruption regimes that focus primarily on failure-to-prevent or respondeat superior models of liability, the Directive requires Member States to establish liability for legal persons where a lack of supervision or control by persons in leadership positions makes the commission of a corruption offence possible, potentially broadening the circumstances in which corporate liability may arise.

The UK Sanctions and Anti-Money Laundering Act (the "**UK Sanctions Act**") became law in the UK in 2018. The UK Sanctions Act allows for the adoption of an autonomous UK sanctions regime, as well as a more flexible licensing regime post-Brexit. On 6 July 2020, the UK Government announced the first sanctions that have been implemented independently by the UK outside the auspices of the United Nations and EU. The autonomous UK sanctions regime came into force at 11 p.m. on 31 December 2020. The sanctions apply within the UK and in relation to the conduct of all UK persons wherever they are in the world; they also apply to overseas branches of UK companies.

The UK also announced a new sanctions regime in April 2021 specifically targeting corruption – the Global Anti-Corruption Sanctions Regulations 2021, through which the UK can target people that it has reasonable grounds to suspect have been involved in serious international corruption. U.S. state and federal regulations addressing sanctions may also impact entities, persons or activities located or undertaken outside the U.S.

The U.S. Foreign Corrupt Practices Act, which prohibits, among other things, corrupt payments to foreign government officials, also has extraterritorial effect and so may impact the SCPLC Group's non-U.S. operations.

The SCPLC Group's Anti-Bribery and Corruption Policy requires compliance with all applicable anti-bribery and corruption laws in all markets and jurisdictions in which the SCPLC Group operates. These laws include (but are not limited to), the UK Bribery Act and the U.S. Foreign Corrupt Practices Act.

The external sanctions environment remains dynamic, and sanctions regimes are increasingly complex and less predictable. Since 2022 Russia has been the major target of western sanctions following its invasion of Ukraine, resulting in the imposition of an unprecedented and diverse set of sanctions and trade restrictions that are often complex in nature and are aimed at a broader range of targets or activities. For their involvement in the invasion of Ukraine, similar sanctions have been imposed on Belarus, but to a lesser extent. Increasing tension between the U.S. and the PRC and recent geopolitical events may further contribute to the dynamism of the sanctions environment.

The SCPLC Group is also subject to the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, and as such is required to conduct customer due diligence and to keep appropriate records regarding its customers. In June 2026, the Money Laundering and Terrorist Financing (Amendment) Regulations 2026 were made introducing targeted changes to improve the effectiveness, proportionality and clarity of the UK anti-money laundering/counter-terrorist financing regime, including refinement of customer due diligence requirements, among other things, for unusually complex or unusually large transactions, high risk jurisdictions and pooled client accounts. Allegations of non-compliance with sanctions or anti-money laundering laws and regulations may result in significant investigation, defence, settlement and other costs. Violations of sanctions or anti-money laundering laws and regulations may result in significant fines and penalties, as well as other significant restrictions on operations, including, among other things, restrictions on the ability to clear U.S. Dollar denominated transactions.

For more information on how risks relating to financial crime and sanctions laws and regulations have or may have an impact on the Issuer and/or the SCPLC Group, see the risk factor section entitled "*Operational and technology, reputational and sustainability, compliance (including legal) and conduct risks – The SCPLC Group is exposed to penalties or loss through a failure to comply with laws or regulations*".

Failure to comply with applicable requirements under these regimes could have serious legal, financial and reputational consequences, including fines and potential criminal sanctions.

Payment Services

Recent regulatory developments in the UK payments sector include the introduction of rules requiring reimbursement of victims of Authorised Push Payment ("**APP**") scams, effective from October 2024, under FSMA 2023. Payment service providers must now reimburse customers for APP scams, with a maximum reimbursement of £85,000 and costs split equally between sending and receiving firms. Additionally, the notice period for account closure has been increased to 90 days, and firms are now required to provide reasons for account exit decisions (except in cases involving financial crime), pursuant to The Payment Services and Payment Accounts (Contract Termination) (Amendment) Regulations 2025, which came into force on 28 April 2026.

On 7 November 2025, the Payments Vision Delivery Committee published its strategy for future retail payments infrastructure, which is intended to expand payment choices, promote inclusion, combat financial crime and ensure resilience. A consultation on its future design launched by the Retail Payments Infrastructure Board (RPIB) in June 2026, which is supported by the Payment Vision Delivery Committee's policy paper providing further context, is intended to help inform the blueprint for the UK's next-generation retail payments infrastructure.

The Payments Forward Plan, published in February 2026 brings together ongoing and upcoming work across retail payments, wholesale payments and certain aspects of digital assets, outlines how each initiative supports delivery of the National Payments Vision, and is intended to create space for private sector innovation. In April 2026, HM Treasury has also announced a new package of measures aimed at preparing the UK's payments sector for the future of rapid financial innovation through modernising payments services regulation and driving adoption of tokenised digital assets (including by regulating stablecoins for their use in payments, exploring how payments services regulation should adapt to payments conducted by AI agents and granting the FCA new powers to regulate the future of Open Banking).

Supervision and regulation in Hong Kong

Banking Ordinance (Cap. 155)

The banking industry in Hong Kong is regulated by and subject to the provisions of the Banking Ordinance and to the powers and functions ascribed by the Banking Ordinance to the HKMA, whose principal function is to promote the general stability and effective working of the banking system in Hong Kong. The HKMA seeks to establish a regulatory framework in line with international standards, in particular those issued by the BCBS and the FSB.

The HKMA imposes capital requirements and a leverage ratio on licensed banks (referred to as "authorized institutions") including certain members of the SCPLC Group through the Banking (Capital) Rules (Cap. 155L), liquidity requirements through the Banking (Liquidity) Rules (Cap. 155Q) and exposure limits through the Banking (Exposure Limits) Rules (Cap. 155S), taking into account the latest standards set by the BCBS.

The HKMA adopts a risk-based supervisory approach for authorized institutions based on a policy of 'continuous supervision' through on-site examinations, off-site reviews, prudential meetings, cooperation with external auditors and sharing information with other supervisors. The HKMA requires all authorized institutions to have adequate systems of internal control and requires the institutions' external auditors, upon request, to report on those systems and other matters, such as the accuracy of information provided to the HKMA.

The HKMA aims to ensure that the standards for regulatory disclosure in Hong Kong remain in line with those of other leading financial centres. The Banking (Disclosure) Rules (Cap. 155M) take into account the latest disclosure standards released by the BCBS, which prescribe quarterly, semi-annual and annual disclosure of specified items.

The HKMA has the power to collect prudential data from authorized institutions on a routine or *ad hoc* basis, as well as to require any holding company or subsidiary or sister company of an authorized institution to submit such information as may be required for the exercise of the HKMA's functions under the Banking Ordinance.

The HKMA may revoke authorisation in the event of an institution's non-compliance with the provisions of the Banking Ordinance. The HKMA also has the power to serve a notice of objection on persons if they are no longer deemed to be 'fit and proper' to be controllers of an authorized institution.

Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615)

The HKMA is also the relevant authority under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance ("**AMLO**") for supervising authorized institutions' compliance with the legal and supervisory requirements set out in the AMLO and the Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Authorized Institutions). The HKMA requires all authorized institutions in Hong Kong to establish effective systems and controls to prevent and detect money laundering and terrorist financing, and Hong Kong incorporated authorized institutions to ensure these requirements extend to their overseas branches and subsidiaries.

Securities and Futures Ordinance (Cap. 571)

The Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") regulates (amongst other things) the marketing of, dealing in and provision of advice and asset management services in relation to securities and futures in Hong Kong. Persons engaging in activities regulated by the SFO are required to be licensed by or registered with the Securities & Futures Commission of Hong Kong ("**SFC**"). The HKMA is the frontline regulator for authorized institutions engaging in SFC regulated activities.

The SFO vests the SFC with powers to set and enforce market regulations, including investigating breaches of rules and market misconduct and taking appropriate enforcement action. The SFC is responsible for licensing and supervising intermediaries conducting SFC regulated activities, such as investment advisers, fund managers and brokers. Additionally, the SFC sets standards for the authorisation and regulation of investment products, and reviews and authorises offering documents of retail investment products to be marketed to the public.

Insurance Ordinance (Cap. 41)

Pursuant to the statutory regulatory regime for insurance intermediaries under the Insurance Ordinance, the Insurance Authority has delegated its inspection and investigation powers to the HKMA in relation to insurance related businesses of authorized institutions in Hong Kong, which aims to improve efficiency and minimise regulatory overlap.

Financial Institutions (Resolution) Ordinance (Cap. 628)

The Financial Institutions (Resolution) Ordinance ("**FIRO**") established the legal basis for a cross-sector resolution regime in Hong Kong, under which the HKMA is the resolution authority for banking sector entities (including all authorized institutions). The HKMA is also designated as the lead resolution authority for cross-sectoral groups in Hong Kong that include banking sector entities within the scope of the FIRO.

Protection of Critical Infrastructures (Computer Systems) Ordinance (Cap. 653)

The HKMA is also a designated authority under the Protection of Critical Infrastructures (Computer Systems) Ordinance (Cap. 653) ("**PCICSO**") for the banking and financial services sector, including for authorized institutions. Authorized institutions designated as critical infrastructure operators under the PCICSO are subject to statutory requirements relating to the protection of critical computer systems, including governance, risk management, audit, emergency response and incident reporting requirements.

Data protection

Most countries in which the SCPLC Group operates have comprehensive laws requiring fairness, openness and transparency about the collection and use of personal information, and protection against loss and unauthorised or improper access or use. Regulations regarding data protection are increasing in number, as well as levels of enforcement, as manifested in increased amounts of fines and the severity of other penalties. It is expected that personal privacy and data protection will continue to receive attention and focus from regulators, as well as public scrutiny and attention.

The data protection framework in the UK is primarily governed by (i) the General Data Protection Regulation ("**GDPR**") to the extent it forms part of the domestic law of the UK by virtue of the EUWA, the Data Protection, Privacy and Electronic Communication (Amendments etc.) (EU Exit) Regulations 2019 ("**UK GDPR**"), and (ii) the Data Protection Act 2018, as they may be amended or replaced by the laws of England and Wales from time to time.

The GDPR created a broadly harmonised privacy regime across EU member states, introducing mandatory breach notifications, enhanced individual rights, a need to openly demonstrate compliance, and significant penalties for breaches. The extraterritorial effect of the GDPR means entities established outside the EU may fall within the Regulation's ambit when offering goods or services to (or monitoring the behaviour of) European based customers or clients. Following the UK's withdrawal from the EU, the UK continues to apply the GDPR framework through the UK GDPR.

The GDPR has become a model for similar data privacy laws in a number of other countries around the world. Similar data privacy laws have been passed, proposed or taken effect in Brazil, the Dubai International Financial Centre, Japan, India, the PRC, Thailand, South Africa, certain states in the U.S. (including California), Australia and Vietnam.

Data protection in Hong Kong is regulated primarily under the Personal Data (Privacy) Ordinance (Cap. 486) of Hong Kong (the "**PDPO**"). The Office of the Privacy Commissioner for Personal Data was established under PDPO as the dedicated data privacy regulator. It regulates personal data controlled by a data user by reference to specified data protection principles which data users must observe.

TAXATION

The comments below are of a general nature based on the Issuer's understanding of current tax law and practice in the UK as applied in England and Wales, and the current published practice of HM Revenue & Customs (which may not be binding on HM Revenue & Customs and which may be subject to change, sometimes with retrospective effect), in each case, as at the latest practicable date before the date of this Offering Circular and may be subject to change at any time, possibly with retroactive effect. They are not exhaustive and do not constitute legal or tax advice.

Except as described under "*Withholding tax under Foreign Account Tax Compliance Act*", they do not address United States tax consequences to non-U.S. holders because non-U.S. holders generally will not be subject to United States tax consequences in respect of the Digitally Native Notes. However, a non-U.S. holder who is (i) engaged in a United States trade or business to which its income with respect to the Digitally Native Notes is "effectively connected", (ii) present in the United States for 183 or more days during the taxable year, or (iii) otherwise subject to United States taxation generally, should consult its own tax advisor regarding United States tax consequences. All non-U.S. holders and investors should read "*Withholding tax under Foreign Account Tax Compliance Act*". The comments below do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. They relate only to the position of persons who are the absolute beneficial owners of their Digitally Native Notes and may not apply to certain classes of persons such as dealers, to whom special rules may apply. They relate to the deduction from payments of interest on the Digitally Native Notes for or on the account of tax in the UK. Prospective Noteholders who may be unsure of their tax position or who may be subject to tax in any other jurisdiction should consult their own professional advisers. In particular, Noteholders should be aware that the tax legislation of any jurisdiction where a Noteholder is resident or otherwise subject to taxation (as well as the jurisdictions discussed below) may have an impact on the tax consequences of an investment in the Digitally Native Notes including in respect of any income received from the Digitally Native Notes.

UK

Withholding of tax on interest

Yearly interest paid by the Issuer on the Digitally Native Notes may be paid without withholding or deduction for or on account of United Kingdom income tax **provided that** the Issuer continues to be a bank within the meaning of section 991 of the Income Tax Act 2007 ("**ITA**") and **provided that** the interest on the Digitally Native Notes is paid in the ordinary course of business within the meaning of section 878 of ITA.

While the Digitally Native Notes are admitted to trading on a "multilateral trading facility operated by a regulated recognised stock exchange" within the meaning of section 987 of the Income Tax Act 2007 ("**ITA**"), payments of interest on the Digitally Native Notes may be made without withholding or deduction for or on account of UK income tax. The ISM is a multilateral trading facility operated by a regulated recognised stock exchange for these purposes. Accordingly, for so long as the Digitally Native Notes continue to be admitted to trading on the ISM, payments of interest on the Digitally Native Notes may be made without withholding or deduction for or on account of UK income tax.

In other cases, subject to the availability of any other exception, yearly interest on the Digitally Native Notes will generally be paid under deduction of UK income tax at the relevant rate (currently at the basic rate of 20 per cent., and with effect from and including 6 April 2027, at the savings basic rate of 22 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, the Noteholder can apply to HM Revenue & Customs to issue a notice to the Issuer to pay interest to the Noteholder without any withholding or deduction for or on account of tax (or for interest to be paid with tax withheld or deducted at the rate provided for in the relevant double tax treaty).

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to "interest" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or principal" which may prevail under any other law or which may be created by the terms and conditions of the Digitally Native Notes or any related documentation.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuer pursuant to Condition 10(c) (*Meetings of Noteholders, Modification, Waiver and Substitution – Substitution*) (or otherwise) and does not consider the tax consequences of any such substitution.

United States

Withholding tax under Foreign Account Tax Compliance Act

A 30 per cent. withholding tax will be imposed on certain payments made to certain non-U.S. financial institutions that fail to comply with the requirements of the rules commonly referred to as "**FATCA**", including the registration, information reporting and certification requirements in respect of their direct and indirect U.S. security holders and/or U.S. accountholders. Based on regulations released by the U.S. Treasury Department, as well as an agreement entered into between the United States government and the UK Government and guidance issued by HM Revenue and Customs regarding the implementation of that agreement, the Issuer generally will not be required to identify or report information with respect to the holders of the Digitally Native Notes, although other non-U.S. financial institutions (such as banks or custodians) through which a holder holds the Digitally Native Notes may be required to do so. In addition, in the case of holders who (i) are non-U.S. financial institutions that have not agreed to comply with the requirements of FATCA such as information reporting in respect of their direct and indirect U.S. security holders and/or U.S. accountholders or (ii) hold Digitally Native Notes directly or indirectly through such non-compliant non-U.S. financial institutions or have otherwise failed to establish an exemption from this withholding, the Issuer may be required to withhold on a portion of payments treated as "**foreign passthru payments**", a term that has not been defined in FATCA provisions, on the Digitally Native Notes. Accordingly, such Noteholder could be subject to withholding if, for example, its bank or broker is subject to withholding because it fails to comply with these requirements even though the holder itself might not otherwise have been subject to withholding. However, such withholding would generally not apply to payments made before the date that is two years after the date on which final regulations defining the term "**foreign passthru payments**" are published in the U.S. Federal Register, subject to certain exceptions. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Therefore, since the rules for implementing such withholding on the Digitally Native Notes have not yet been written, including rules about how such withholding would be applied pursuant to an intergovernmental agreement, it is unclear at this time what the impact of any such withholding would be on holders of the Digitally Native Notes. You should consult your own tax advisors regarding the relevant U.S. law and other official guidance on FATCA withholding.

Holders are urged to consult their tax advisors and any banks or brokers through which they will hold the Digitally Native Notes as to the consequences of these rules to them.

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in a Subscription Agreement dated 19 August 2026 (the "**Subscription Agreement**"), between the Issuer and the Sole Manager, the Sole Manager agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe for the Digitally Native Notes.

The Issuer will pay to the Sole Manager a commission as agreed between the Issuer and the Sole Manager in respect of Digitally Native Notes subscribed by them. The Issuer has agreed to reimburse the Sole Manager for certain of their expenses incurred in connection with the issuance of the Digitally Native Notes.

The Issuer has agreed to indemnify the Sole Manager against certain liabilities in connection with the offer and sale of the Digitally Native Notes. The Subscription Agreement entitles the Sole Manager to terminate and be released and discharged from their obligations under the Subscription Agreement in certain circumstances prior to payment for the Digitally Native Notes being made to the Issuer.

The Digitally Native Notes are a new issue of securities and there is currently no established trading market for the Digitally Native Notes. The Sole Manager has advised the Issuer that it intends to make a market in the Digitally Native Notes, but they are not obligated to do so. The Sole Manager may discontinue any market making in the Digitally Native Notes at any time in its sole discretion. Accordingly, the Issuer can make no assurances that a liquid trading market will develop for the Digitally Native Notes, that the Digitally Native Notes will be able to be sold at a particular time or that the prices the Digitally Native Notes sell for will be favourable.

United States

The Digitally Native Notes have not been and will not be registered under the Securities Act or may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Sole Manager has represented and agreed, except as permitted by the Subscription Agreement, that it will not offer or sell Digitally Native Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of an identifiable tranche of which such Digitally Native Notes are a part (the "**Distribution Compliance Period**") within the United States or to, or for the account or benefit of, U.S. persons and, at or prior to confirmation of sale of Digitally Native Notes, it will have sent to each distributor, dealer, or person receiving a selling concession, fee or other remuneration to which it sells Digitally Native Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Digitally Native Notes within the United States or to, or for, the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Digitally Native Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Digitally Native Notes, an offer or sale of such Digitally Native Notes within the United States by any dealer (whether or not participating in the offering of the Digitally Native Notes) may violate the registration requirements of the Securities Act.

This Offering Circular has been prepared by the Issuer for use in connection with the offer and sale of the Digitally Native Notes outside the United States to non-U.S. persons and for the listing of the Digitally Native Notes on the ISM. The Issuer and the Sole Manager reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the number of Digitally Native Notes which may be offered. This Offering Circular does not constitute an offer to any person in the United States or to any U.S. person. Distribution of this Offering Circular by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, other than those persons, if any, retained to advise such non-U.S. person with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, other than those persons, if any, retained to advise such non-U.S. person is prohibited.

UK

The Sole Manager has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Digitally Native Notes in circumstances in which section 21(1) of the FSMA does not, or, in the case of the Issuer, would not, if it was not an authorised person, apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Digitally Native Notes in, from or otherwise involving the UK.

Prohibition of Sales to EEA Retail Investors

The Sole Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Digitally Native Notes to any retail investor in the EEA. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or

(ii) a customer within the meaning of Directive (EU) 2016/97 as amended or superseded (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II.

Prohibition of Sales to UK Retail Investors

The Sole Manager has represented and agreed that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Digitally Native Notes to any retail investor in the United Kingdom. For the purposes of this provision, the expression "retail investor" means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the domestic law of the UK by virtue of the EUWA.

Hong Kong

The Sole Manager has represented and agreed that (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Digitally Native Notes other than (a) to "**professional investors**" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "**prospectus**" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**CWUMPO**") or which do not constitute an offer to the public within the meaning of the CWUMPO; and (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Digitally Native Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Digitally Native Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "**professional investors**" as defined in the SFO and any rules made under the SFO.

PRC

The Sole Manager has represented and agreed that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Digitally Native Notes directly or indirectly in the PRC (for this purpose, excluding Hong Kong, Macau and Taiwan) as part of the initial distribution of the Digitally Native Notes, except as permitted by applicable laws of the PRC. This Offering Circular, the Digitally Native Notes and any material or information contained or incorporated by reference herein relating to the Digitally Native Notes have not been, and will not be, submitted to or approved/verified by or registered with the China Securities Regulatory Commission ("**CSRC**") or other relevant governmental and regulatory authorities in the PRC pursuant to relevant laws and regulations and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Digitally Native Notes in the PRC, except as permitted by applicable laws of the PRC. Neither this Offering Circular nor any material or information contained or incorporated by reference herein relating to the Digitally Native Notes constitutes an offer to sell or the solicitation of an offer to buy any securities in the PRC, except as permitted by applicable laws of the PRC.

The Digitally Native Notes may only be invested by PRC investors that are authorised to engage in the investment in the Digitally Native Notes of the type being offered or sold. PRC investors are responsible for informing themselves about and observing all legal and regulatory restrictions, obtaining all relevant government regulatory approvals/licenses, verification and/or registrations themselves, including, but not limited to, any which may be required from the People's Bank of China, the State Administration of Foreign Exchange, CSRC, the National Financial Regulatory Administration, their respective successor authorities and other relevant regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, all relevant foreign exchange regulations and/or overseas investment regulations.

Japan

The Digitally Native Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "**Financial Instruments and Exchange Act**"). Accordingly, the Sole Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Digitally Native Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other applicable laws, regulations and ministerial guidelines of Japan.

France

The Sole Manager has represented and agreed that it has only offered or sold, and will only offer or sell, directly or indirectly, Digitally Native Notes in France to qualified investors (*investisseurs qualifiés*), as referred to in Article L.411-2 1° of the French *Code monétaire et financier* and defined in Article 2(e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, as amended, and it has only distributed or caused to be distributed and will only distribute or cause to be distributed, in France to such qualified investors, this Offering Circular or any other offering material relating to the Digitally Native Notes.

Italy

The Sole Manager has represented and agreed that it has not made any offer, sale or delivery and that it will not make any offer, sale or delivery of the Digitally Native Notes in the Republic of Italy.

The Netherlands

The Sole Manager has represented and agreed that it will not make an offer of Securities in The Netherlands unless such offer is made exclusively to persons who or legal entities which are qualified investors (*gekwalificeerde beleggers*) as defined in section 1:1 of the Financial Supervision Act (*Wet op het financieel toezicht*) of The Netherlands.

Singapore

The Sole Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Sole Manager has represented and agreed that it has not offered or sold any Digitally Native Notes or caused the Digitally Native Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Digitally Native Notes or cause the Digitally Native Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Digitally Native Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

General

No action has been taken in any jurisdiction by the Sole Manager or the Issuer that would permit a public offering of any of the Digitally Native Notes, or possession or distribution of this Offering Circular or any other offering or publicity material relating to the Digitally Native Notes, in any country or jurisdiction where action for that purpose is required.

The Sole Manager has agreed that it will, to the best of its knowledge and belief, comply with all relevant securities laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Digitally Native Notes or has in its possession or distributes this Offering Circular or any other offering material, in all cases at its own expense.

The Sole Manager and the Issuer are the same legal entity; however, various departments and divisions of the Sole Manager or its affiliates have performed investment banking, financial advisory, commercial banking and other services for the Issuer (in its capacity as the treasury function) from time to time for which they have received customary fees and expenses. In addition, in the ordinary course of their business activities, the Sole Manager and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve debt securities and/or instruments of the Issuer or the Issuer's affiliates. If the Sole Manager or its affiliates has a lending relationship with the Issuer, the Sole Manager or its affiliates may hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, the Sole Manager and its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Digitally Native Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Digitally Native Notes offered hereby. The Sole Manager and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

GENERAL INFORMATION

1. Application will be made for the Digitally Native Notes to be admitted to trading on the ISM on or about 24 August 2026.

2. The Issuer has obtained all necessary consents, approvals and authorisations in the UK in connection with the issue and performance of the Digitally Native Notes. The issue of the Digitally Native Notes was authorised by resolutions of the Issuer's Court of Directors passed on 6 and 7 November 2019 and 19 February 2026 and of a duly authorised resolution of a committee of the Issuer's Court of Directors passed on 23 July 2026.

3. There has been no significant change in the financial or trading position of the Issuer and its subsidiaries since 30 June 2026, being the end of the last financial period for which financial information of the Issuer and its subsidiaries has been published (as set out in the Issuer HY 2026 Report). There has been no material adverse change in the prospects of the Issuer and its subsidiaries since 31 December 2025, being the date of its last published audited financial statements (as set out in the Issuer 2025 Report).

4. As discussed in the "*Legal and regulatory matters*" section on page 72 of the Issuer HY 2026 Report (which is incorporated by reference herein), the Issuer 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, there are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) in the twelve months preceding the date of this Offering Circular of which the Issuer is aware which may have, or have had in the recent past, a significant effect on its ability to meet its obligations to Noteholders.

   - Since 2014, the SCPLC Group has been named as a defendant in a series of lawsuits 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 allege 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 the lawsuits specify the amount of damages claimed. The SCPLC 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 SCPLC Group. It is alleged that the individuals breached their duties to the SCPLC Group and caused a waste of corporate assets by permitting the conduct that gave rise to the costs and losses to the SCPLC Group related to legacy conduct and control issues. In February 2022, the New York State Court ruled in favour of the Issuer's motion to dismiss the complaint. In May 2026, the Appellate Division of the New York State Court affirmed the dismissal of the complaint. The plaintiffs are seeking to pursue an appeal.

   - Bernard Madoff's 2008 confession to running a Ponzi scheme through BMIS gave rise to a number of lawsuits against the SCPLC 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 SCPLC Group by the BMIS bankruptcy trustee and the Fairfield funds' liquidators, in each case seeking to recover funds paid to the SCPLC Group's clients pursuant to redemption requests made prior to BMIS' bankruptcy filing. The total amount sought in these cases exceeds U.S.$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 those dismissals were upheld by the appeal court. The fourth lawsuit has been dismissed and is not the subject of any further appeal. The SCPLC Group continues to defend the lawsuit brought by the BMIS bankruptcy trustee.

   - In June 2025, a lawsuit was filed in the Singapore High Court against Standard Chartered Singapore, by three companies now in liquidation that had misappropriated funds from 1MDB, seeking U.S.$2.7 billion. The companies allege, among other things, that Standard Chartered Singapore knew or ought to have known that these companies were engaged in the fraud on 1MDB at the time that Standard Chartered Singapore effected transfers instructed by these companies. The companies allege that in doing so, Standard Chartered Singapore breached its mandate and applicable duties. Standard Chartered Singapore had reported the transaction activities of these companies before it closed their accounts in early 2013. Standard Chartered Singapore denies any and all liability and will defend this lawsuit.

The SCPLC 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.

5. The Digitally Native Notes will be accepted for clearance through the D-FMI. Prior to their inscription in the books of Euroclear, the Digitally Native Notes will be issued using the D-FMI operated by Euroclear. The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Brussels, Belgium. The International Securities Identification Number ("**ISIN**") for the Digitally Native Notes is XS2615319253. The Common Code applicable to the Digitally Native Notes is 261531925. The FISN of the Digitally Native Notes will be as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN. The CFI Code of the Digitally Native Notes represented by Digitally Native Notes will be as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN.

6. From the date of this document and for so long as any Digitally Native Notes are outstanding, the following documents will be available, at the website of the Issuer (https://www.sc.com/en/investors/):

   (i) the Royal Charter, Bye-Laws and Rules of the Issuer;

   (ii) copies of each of the documents incorporated by reference herein, being:

      (a) the SCPLC 2025 Annual Report – Alternative Performance Measures;

      (b) the SCPLC HY 2026 Report – Alternative Performance Measures;

      (c) the Issuer 2024 Report;

      (d) the Issuer 2025 Report; and

      (e) the Issuer HY 2026 Report; and

   (iii) a copy of this Offering Circular or any further offering circular or supplementary offering circular relating to the Digitally Native Notes.

7. Copies of the latest annual reports and accounts and of the latest unaudited interim reports of the Issuer and of the SCPLC Group may be obtained, and copies of the Trust Deed and DNN Agency Agreement will be available for inspection, at the specified offices of the DNN Agent during normal business hours by appointment upon prior written request and provision of proof of holding and identity in a form satisfactory to the DNN Agent, so long as any of the Digitally Native Notes is outstanding. At the DNN Agent's discretion, such inspection may be provided electronically.

8. Ernst & Young LLP ("**EY**") (chartered accountants and a member of the Institute of Chartered Accountants in England and Wales (the "**ICAEW**")), was formally appointed as independent auditors for the Issuer at the Annual General Meeting of Standard Chartered Bank held on 16 April 2020. Following this, EY was re-appointed as independent auditors for the Issuer at the Annual General Meetings of the Issuer held on 10 May 2024 and 15 May 2025 and undertook the audit of accounts of the Issuer for the years ended 31 December 2024 and 31 December 2025. EY audited and rendered unqualified audit reports on the accounts of the Issuer for the years ended 31 December 2024 and 31 December 2025. The reports of EY each contained the following statement: "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". EY was also re-appointed as

independent auditors for the Issuer at the Annual General Meeting of the Issuer held on 7 May 2026, in respect of the audit of accounts of the Issuer for the year ended 31 December 2026.

9. The Issuer's Legal Entity Identifier is RILFO74KP1CM8P6PCT96.

10. Certain information in this Offering Circular has been provided by third parties. In particular, any information in this Offering Circular relating to the D-FMI has been provided by Euroclear and has not been checked by the Issuer (or the Sole Manager, the Trustee or any of the Agents) for accuracy. The Issuer has correctly reproduced any such information provided by third parties.

REGISTERED OFFICE OF THE ISSUER

Standard Chartered Bank
1 Basinghall Avenue
London EC2V 5DD
United Kingdom
Telephone: +44 20 7885 8888

SOLE MANAGER

Standard Chartered Bank
1 Basinghall Avenue
London EC2V 5DD
United Kingdom

LEGAL ADVISERS

To the Issuer
as to English Law

Clifford Chance LLP
10 Upper Bank Street
London, E14 5JJ
United Kingdom

To the Sole Manager as to English Law

Linklaters LLP
20 Ropemaker Street
London EC2Y 9AR
United Kingdom

To the Trustee as to English Law

Linklaters LLP
20 Ropemaker Street
London EC2Y 9AR
United Kingdom

AUDITORS

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London E14 5EY
United Kingdom

TRUSTEE, DNN AGENT AND CALCULATION AGENT
Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom