

Supplementary financial information

Five-year summary¹

	2021 \$million	2020 \$million	2019 \$million	2018 \$million	2017 \$million
Operating profit before impairment losses and taxation	3,777	4,374	4,484	3,142	4,008
Impairment losses on loans and advances and other credit risk provisions	(254)	(2,325)	(908)	(653)	(1,362)
Other impairment	(372)	(98)	(136)	(182)	(179)
Profit before taxation	3,347	1,613	3,713	2,548	2,415
Profit/(loss) attributable to shareholders	2,315	724	2,303	1,054	1,219
Loans and advances to banks ²	44,383	44,347	53,549	61,414	78,188
Loans and advances to customers ²	298,468	281,699	268,523	256,557	282,288
Total assets	827,818	789,050	720,398	688,762	663,501
Deposits by banks ²	30,041	30,255	28,562	29,715	30,945
Customer accounts ²	474,570	439,339	405,357	391,013	370,509
Shareholders' equity	46,011	45,886	44,835	45,118	46,505
Total capital resources ³	69,282	67,383	66,868	65,353	68,983
Information per ordinary share					
Basic earnings/(loss) per share	61.3c	10.4c	57.0c	18.7c	23.5c
Underlying earnings per share	76.2c	36.1c	75.7c	61.4c	47.2c
Dividends per share ⁴	–	–	22.0c	17.0c	–
Net asset value per share	1,456.4c	1,409.3c	1,358.3c	1,319.3c	1,366.9c
Net tangible asset value per share	1,277.0c	1,249.0c	1,192.5c	1,167.7c	1,214.7c
Return on assets ⁵	0.3%	0.1%	0.3%	0.3%	0.2%
Ratios					
Statutory return on ordinary shareholders' equity	4.2%	0.8%	4.2%	1.4%	1.7%
Statutory return on ordinary shareholders' tangible equity	4.8%	0.9%	4.8%	1.6%	2.0%
Underlying return on ordinary shareholders' equity	5.3%	2.6%	5.6%	4.6%	3.5%
Underlying return on ordinary shareholders' tangible equity	6.0%	3.0%	6.4%	5.1%	3.9%
Statutory cost to income ratio (excluding UK Bank Levy)	73.6%	68.1%	68.7%	76.6%	70.7%
Statutory cost to income ratio (including UK Bank Levy)	74.3%	70.4%	70.9%	78.8%	72.2%
Underlying cost to income ratio (excluding UK Bank levy)	69.8%	66.4%	65.9%	67.7%	69.3%
Underlying cost to income ratio (including UK Bank levy)	70.5%	68.7%	68.2%	69.9%	70.8%
Capital ratios:					
CET 1 ⁶	14.1%	14.4%	13.8%	14.2%	13.6%
Total capital ⁶	21.3%	21.2%	21.2%	21.6%	21.0%

¹ The amounts for the financial year ended 2017 are presented in line with IAS 39 and, therefore, not on a comparable basis to the current financial year presented in accordance with IFRS 9

² Excludes amounts held at fair value through profit or loss

³ Shareholders' funds, non-controlling interests and subordinated loan capital

⁴ Dividend paid during the year per share

⁵ Represents profit attributable to shareholders divided by the total assets of the Group

⁶ Unaudited

Analysis of underlying performance by key market

The following tables provide information for key markets in which the Group operates. The numbers are prepared on a management view. Refer to Note 2 for details.

	2021								
	Hong Kong \$million	Korea \$million	China \$million	Singapore \$million	India \$million	Indonesia \$million	UAE \$million	UK \$million	US \$million
Operating income	3,440	1,102	1,087	1,608	1,282	213	546	895	818
Operating expenses	(2,008)	(772)	(765)	(1,054)	(744)	(175)	(362)	(721)	(533)
Operating profit before impairment losses and taxation	1,432	330	322	554	538	38	184	174	285
Credit impairment	(251)	(14)	(49)	88	(23)	(3)	58	58	27
Other impairment	–	2	(301)	(1)	1	–	–	96	–
Profit from associates and joint ventures	–	–	175	–	–	–	–	–	–
Underlying profit before taxation	1,181	318	147	641	516	35	242	328	312
Total assets employed	177,460	67,311	37,908	94,881	28,416	4,836	19,224	193,807	68,148
Of which: loans and advances to customers ¹	89,063	45,323	18,014	56,454	14,991	2,257	8,937	52,878	19,375
Total liabilities employed	166,727	58,406	35,637	93,884	20,509	3,769	13,922	149,064	70,648
Of which: customer accounts ¹	141,256	47,867	27,618	75,154	14,730	2,622	11,466	105,490	37,407

	2020								
	Hong Kong \$million	Korea \$million	China \$million	Singapore \$million	India \$million	Indonesia \$million	UAE \$million	UK \$million	US \$million
Operating income	3,485	1,046	926	1,562	1,245	309	579	946	783
Operating expenses	(1,959)	(723)	(667)	(977)	(680)	(176)	(409)	(673)	(525)
Operating profit before impairment losses and taxation	1,526	323	259	585	565	133	170	273	258
Credit impairment	(199)	(43)	(112)	(474)	(227)	(84)	(277)	(128)	(30)
Other impairment	(55)	3	(1)	–	(1)	–	(3)	9	–
Profit from associates and joint ventures	–	–	163	–	–	–	–	–	–
Underlying profit/(loss) before taxation	1,272	283	309	111	337	49	(110)	154	228
Total assets employed	167,080	69,214	41,827	88,246	28,272	4,968	19,856	174,346	63,330
Of which: loans and advances to customers ¹	78,398	42,636	16,877	53,444	14,258	2,212	10,316	45,803	18,103
Total liabilities employed	160,976	60,329	36,713	83,554	20,728	3,494	14,324	133,862	65,307
Of which: customer accounts ¹	135,487	44,748	26,319	63,303	15,058	2,382	11,720	81,198	36,717

¹ Loans and advances to customers and customer accounts includes FVTPL and repurchase agreements

Analysis of operating income by product and segment

The following tables provide a breakdown of the Group's underlying operating income by product and client segment.

	2021			Total \$million
	Corporate, Commercial & Institutional Banking \$million	Consumer, Private & Business Banking \$million	Central & other items (segment) \$million	
Transaction Banking	2,505	87	–	2,592
Trade	1,102	51	–	1,153
Cash Management	1,403	36	–	1,439
Financial Markets	4,921	–	–	4,921
Macro Trading	2,216	–	–	2,216
Credit Markets	1,823	–	–	1,823
Credit Trading	437	–	–	437
Financing Solutions & Issuance	1,386	–	–	1,386
Structured Finance	480	–	–	480
Financing & Securities Services	387	–	–	387
DVA	15	–	–	15
Lending & Portfolio Management	968	40	–	1,008
Wealth Management	1	2,224	–	2,225
Retail Products	1	3,357	–	3,358
Credit Cards & Personal Loans (CCPL) & other unsecured lending	–	1,272	–	1,272
Deposits	1	859	–	860
Mortgage & Auto	–	1,036	–	1,036
Other Retail Products	–	190	–	190
Treasury	–	–	698	698
Other	11	25	(125)	(89)
Total underlying operating income	8,407	5,733	573	14,713

	2020 (Restated) ¹			Total \$million
	Corporate, Commercial & Institutional Banking ¹ \$million	Consumer, Private & Business Banking ¹ \$million	Central & other items (segment) \$million	
Transaction Banking	2,745	93	–	2,838
Trade	951	43	–	994
Cash Management	1,794	50	–	1,844
Financial Markets	4,912	–	–	4,912
Macro Trading	2,532	–	–	2,532
Credit Markets	1,621	–	–	1,621
Credit Trading	404	–	–	404
Financing Solutions & Issuance	1,217	–	–	1,217
Structured Finance	382	–	–	382
Financing & Securities Services	364	–	–	364
DVA	13	–	–	13
Lending & Portfolio Management	846	38	–	884
Wealth Management	1	1,989	–	1,990
Retail Products	1	3,565	–	3,566
Credit Cards & Personal Loans (CCPL) & other unsecured lending	–	1,211	–	1,211
Deposits	1	1,456	–	1,457
Mortgage & Auto	–	750	–	750
Other Retail Products	–	148	–	148
Treasury	–	–	635	635
Other	(20)	6	(46)	(60)
Total underlying operating income	8,485	5,691	589	14,765

¹ Following the Group's change in organisational structure, there has been an integration of Corporate & Institutional Banking and Commercial Banking to Corporate, Commercial & Institutional Banking; Private Banking and Retail Banking to Consumer, Private & Business Banking. Further, certain clients have been moved between the two new client segments. Prior period has been restated

Average balance sheets and yields and volume and price variances

Average balance sheets and yields

For the purposes of calculating net interest margin the following adjustments are made:

- Statutory net interest income is adjusted to remove interest expense on amortised cost liabilities used to provide funding to the Financial Markets business
- Financial instruments measured at fair value through profit or loss are classified as non-interest earning
- Premiums on financial guarantees purchased to manage interest earning assets are treated as interest expense

In the Group's view this results in a net interest margin that is more reflective of banking book performance.

The following tables set out the average balances and yields for the Group's assets and liabilities for the periods ended 31 December 2021 and 31 December 2020 under the revised definition of net interest margin. For the purpose of these tables, average balances have been determined on the basis of daily balances, except for certain categories, for which balances have been determined less frequently. The Group does not believe that the information presented in these tables would be significantly different had such balances been determined on a daily basis.

Average assets

	2021				
	Average non-interest earning balance \$million	Average interest earning balance \$million	Interest income \$million	Gross yield interest earning balance %	Gross yield total balance %
Cash and balances at central banks	23,612	55,991	92	0.16	0.12
Gross loans and advances to banks	22,335	45,953	490	1.07	0.72
Gross loans and advances to customers	56,582	307,552	7,574	2.46	2.08
Impairment provisions against loans and advances to banks and customers	–	(6,013)	–	–	–
Investment securities	32,250	155,925	2,090	1.34	1.11
Property, plant and equipment and intangible assets	8,869	–	–	–	–
Prepayments, accrued income and other assets	111,564	–	–	–	–
Investment associates and joint ventures	2,330	–	–	–	–
Total average assets	257,542	559,408	10,246	1.83	1.25

	2020				
	Average non-interest earning balance \$million	Average interest earning balance \$million	Interest income \$million	Gross yield interest earning balance %	Gross yield total balance %
Cash and balances at central banks	18,185	43,210	113	0.26	0.18
Gross loans and advances to banks	27,684	54,142	801	1.48	0.98
Gross loans and advances to customers	51,322	291,432	8,558	2.94	2.50
Impairment provisions against loans and advances to banks and customers	–	(6,526)	–	–	–
Investment securities	28,313	144,112	2,820	1.96	1.64
Property, plant and equipment and intangible assets	9,787	–	–	–	–
Prepayments, accrued income and other assets	116,263	–	–	–	–
Investment associates and joint ventures	2,122	–	–	–	–
Total average assets	253,676	526,370	12,292	2.34	1.58

Average liabilities

	2021				
	Average non-interest bearing balance \$million	Average interest bearing balance \$million	Interest expense \$million	Rate paid bearing balance %	Rate paid total balance %
Deposits by banks	18,486	27,402	136	0.50	0.30
Customer accounts:					
Current accounts and savings deposits	51,104	262,191	848	0.32	0.27
Time and other deposits	54,658	149,367	1,348	0.90	0.66
Debt securities in issue	6,288	59,135	566	0.96	0.87
Accruals, deferred income and other liabilities	115,477	1,149	53	4.61	0.05
Subordinated liabilities and other borrowed funds	–	16,525	497	3.01	3.01
Non-controlling interests	343	–	–	–	–
Shareholders' funds	51,307	–	–	–	–
	297,663	515,769	3,448	0.67	0.42
Adjustment for Financial Markets funding costs			(97)		
Financial guarantee fees on interest earning assets			99		
Total average liabilities and shareholders' funds	297,663	515,769	3,450	0.67	0.42
2020					
	Average non-interest bearing balance \$million	Average interest bearing balance \$million	Interest expense \$million	Rate paid bearing balance %	Rate paid total balance %
Deposits by banks	17,899	27,178	237	0.87	0.53
Customer accounts:					
Current accounts and savings deposits	43,729	226,278	1,140	0.50	0.42
Time and other deposits	58,789	154,865	2,531	1.63	1.18
Debt securities in issue	6,883	52,391	836	1.60	1.41
Accruals, deferred income and other liabilities	122,194	1,169	59	5.05	0.05
Subordinated liabilities and other borrowed funds	–	16,170	637	3.94	3.94
Non-controlling interests	319	–	–	–	–
Shareholders' funds	50,377	–	–	–	–
	300,190	478,051	5,440	1.14	0.70
Adjustment for Financial Markets funding costs			(173)		
Financial guarantee fees on interest earning assets			104		
Total average liabilities and shareholders' funds	300,190	478,051	5,371	1.12	0.69

Net interest margin

	2021 \$million	2020 \$million
Interest income (statutory)	10,246	12,292
Average interest earning assets	559,408	526,370
Gross yield (%)	1.83	2.34
Interest expense (statutory)	3,448	5,440
Adjustment for Financial Markets funding costs	(97)	(173)
Financial guarantee fees on interest earning assets	99	104
Adjusted interest expense used to fund financial instruments held at fair value	3,450	5,371
Average interest-bearing liabilities	515,769	478,051
Rate paid (%)	0.67	1.12
Net yield (%)	1.16	1.22
Net interest income adjusted for Financial Markets funding costs and Financial guarantee fees on interest earning assets	6,796	6,921
Net interest margin (%)	1.21	1.31

Volume and price variances

The following table analyses the estimated change in the Group's net interest income attributable to changes in the average volume of interest-earning assets and interest-bearing liabilities, and changes in their respective interest rates for the years presented. Volume and rate variances have been determined based on movements in average balances and average exchange rates over the year and changes in interest rates on average interest-earning assets and average interest-bearing liabilities.

	2021 versus 2020		
	(Decrease)/increase in interest due to:		Net increase/(decrease) in interest \$million
	Volume \$million	Rate \$million	
Interest earning assets			
Cash and unrestricted balances at central banks	21	(42)	(21)
Loans and advances to banks	(87)	(224)	(311)
Loans and advances to customers	418	(1,402)	(984)
Investment securities	158	(888)	(730)
Total interest earning assets	510	(2,556)	(2,046)
Interest bearing liabilities			
Subordinated liabilities and other borrowed funds	11	(151)	(140)
Deposits by banks	1	(102)	(101)
Customer accounts:			
Current accounts and savings deposits	123	(420)	(297)
Time and other deposits	(50)	(1,134)	(1,184)
Debt securities in issue	65	(335)	(270)
Total interest bearing liabilities	150	(2,142)	(1,992)
	2020 versus 2019		
	(Decrease)/increase in interest due to:		Net increase/(decrease) in interest \$million
	Volume \$million	Rate \$million	
Interest earning assets			
Cash and unrestricted balances at central banks	37	(253)	(216)
Loans and advances to banks	(102)	(931)	(1,033)
Loans and advances to customers	442	(2,659)	(2,217)
Investment securities	191	(982)	(791)
Total interest earning assets	568	(4,825)	(4,257)
Interest bearing liabilities			
Subordinated liabilities and other borrowed funds	44	(163)	(119)
Deposits by banks	(4)	(498)	(502)
Customer accounts:			
Current accounts and savings deposits	233	(1,148)	(915)
Time and other deposits	(213)	(1,409)	(1,622)
Debt securities in issue	49	(333)	(284)
Total interest bearing liabilities	109	(3,551)	(3,442)

Supplementary people information

Global ¹	2021	2020	% change
Full-time equivalent (FTE)	81,904	83,601	(2.0)
Headcount (year end)	81,957	83,657	(2.0)
Employed workers (permanent)	80,605	82,084	(1.8)
of which female	36,644	37,245	(1.6)
Fixed term workers (temporary)	1,352	1,573	(14.0)
of which female	637	768	(17.1)
Non-employed workers (NEW)	13,845	11,632	19.0
Non-outsourced NEW ²	6,130	5,765	6.3
Outsourced NEW ³	7,715	5,867	31.5
Headcount (12-month average)	82,736	84,740	(2.4)
Male			
FTE	44,033	45,198	(2.6)
Headcount	44,045	45,210	(2.6)
Full-time	44,002	45,172	(2.6)
Part-time	43	38	13.2
Female			
FTE	37,240	37,969	(1.9)
Headcount	37,281	38,013	(1.9)
Full-time	37,138	37,860	(1.9)
Part-time	143	153	(6.5)
Undisclosed ⁴			
FTE	631	434	45.4
Headcount	631	434	45.4
Full-time	630	433	45.5
Part-time	1	1	–
Nationalities	132	131	0.8
Position type	2021	2020	% change
Executive and non-executive director	13	13	–
of which female	4	4	–
Management team and their direct reports ⁵	116	129	(10.1)
of which female	33	41	(19.5)
Senior leadership ⁶	4,227	4,196	0.7
of which female	1,299	1,236	5.1
Rest of Employees	77,730	79,461	(2.2)
of which female	35,982	36,777	(2.2)
Employment type	2021	2020	% change
Business FTE	30,595	34,883	(12.3)
Business headcount	30,614	34,905	(12.3)
Business female headcount	15,866	18,016	(11.9)
Support services FTE	51,308	48,717	5.3
Support services headcount	51,343	48,752	5.3
Female support services headcount	21,415	19,997	7.1

Region	2021	2020	% change
Asia FTE	67,840	68,357	(0.8)
Asia headcount	67,870	68,385	(0.8)
Asia female headcount	31,470	31,610	(0.4)
Asia employed workers headcount	66,968	67,449	(0.7)
Asia fixed term workers headcount	902	936	(3.6)
Asia full time headcount	67,774	68,300	(0.8)
Asia part time headcount	96	85	12.9
AME FTE	9,372	10,694	(12.4)
AME headcount	9,373	10,695	(12.4)
AME female headcount	4,100	4,652	(11.9)
AME employed workers headcount	8,999	10,139	(11.2)
AME fixed term workers headcount	374	556	(32.7)
AME full time headcount	9,369	10,691	(12.4)
AME part time headcount	4	4	–
EA FTE	4,691	4,550	3.1
EA headcount	4,714	4,577	3.0
EA female headcount	1,711	1,751	(2.3)
EA employed workers headcount	4,638	4,496	3.2
EA fixed term workers headcount	76	81	(6.2)
EA full time headcount	4,627	4,474	3.4
EA part time headcount	87	103	(15.5)
Age	2021	2020	% change
< 30 years FTE	14,063	15,979	(12.0)
< 30 years headcount	14,069	15,984	(12.0)
< 30 years female headcount	7,623	8,409	(9.3)
30-50 years FTE	60,891	60,881	0.0
30-50 years headcount	60,919	60,912	0.0
30-50 years female headcount	26,583	26,641	(0.2)
> 50 years FTE	6,949	6,741	3.1
> 50 years headcount	6,969	6,761	3.1
> 50 years female headcount	3,075	2,963	3.8

Talent management ⁷	2021	2020	% change
Global voluntary turnover – FTE	10,214	6,001	70.2
Global turnover – FTE	13,160	8,088	62.7
Global voluntary turnover rate (%)	12.5%	7.3%	71.7
Global turnover rate (%)	16.0%	9.8%	63.1
Male turnover FTE	7,332	4,386	67.2
Male (%)	16.5%	9.9%	67.0
Female turnover FTE	5,736	3,673	56.2
Female (%)	15.4%	9.7%	58.9
Asia turnover FTE	11,004	6,588	67.0
Asia (%)	16.3%	9.8%	66.3
AME turnover FTE	1,454	1,046	39.1
AME (%)	14.3%	9.6%	49.5
EA turnover FTE	703	454	54.7
EA (%)	15.7%	10.6%	47.9
< 30 years turnover FTE	3,712	2,561	44.9
< 30 years (%)	24.2%	14.1%	71.9
30-50 years turnover FTE	8,144	4,765	70.9
30-50 years (%)	13.5%	8.2%	65.4
> 50 years turnover FTE	1,304	762	71.2
> 50 years (%)	19.9%	12.6%	57.4
Average tenure (years) – Male	7.2	7.1	1.3
Average tenure (years) – Female	7.7	7.6	1.7
Global new hires – FTE	12,660	8,639	46.6
Global new hire rate (%)	15.1%	10.2%	47.8
Male new hire FTE	6,758	4,963	36.2
Male (%)	15.0%	11.0%	36.4
Female new hire FTE	5,580	3,423	63.0
Female (%)	14.7%	8.8%	66.7
Asia new hire FTE	11,387	7,591	50.0
Asia (%)	16.7%	11.1%	50.2
AME new hire FTE	431	366	17.8
AME (%)	4.0%	3.2%	27.5
EA new hire FTE	842	682	23.5
EA (%)	18.5%	15.8%	17.1
< 30 years new hire FTE	5,857	4,020	45.7
< 30 years (%)	36.7%	21.1%	74.0
30-50 years new hire FTE	6,514	4,433	46.9
30-50 years (%)	10.7%	7.5%	42.5
> 50 years new hire FTE	290	186	55.6
> 50 years (%)	4.3%	3.0%	43.8
Roles filled internally (%)	40.8%	39.6%	3.1
of which filled by females (%)	42.8%	41.1%	4.1
Employees with completed performance appraisal (%)	99.9%	97.7%	2.3
Absenteeism rate ⁸ (%)	1.6%	1.3%	23.3

Learning ⁹	2021	2020	% change
Employees receiving training (%)	99.4%	99.5%	(0.1)
Employees receiving training for personal development (%)	91.7%	91.5%	0.2
Female (%)	91.2%	89.9%	1.5
Senior leadership (%) ⁶	96.2%	94.5%	1.8
Average number of training hours per employee	37.6	31.8	18.0
Female	36.9	30.3	21.9
Employed workers	37.6	31.9	18.1
Fixed term workers	34.0	27.3	24.5
Average cost of training per employee (\$) ¹⁰	708	567	24.9
Work-related Health & Safety	2021	2020	% change
Fatalities ¹¹	0	1	–
Fatalities (rate per million hours worked)	0	0.01	–
Major injuries ^{11,12,13,14}	24	23	4.3
Major injuries (rate per million hours worked ¹⁵)	0.13	0.12	4.5
Recordable work-related injuries ¹⁶	79	84	(6.0)
Recordable work-related injuries (rate per million hours worked ¹⁵)	0.43	0.45	(5.8)
Work-related ill-health (fatalities)	0	–	–

1 Excludes 247 employees (headcount) from Solv and Zai (formerly known as Currency Fair Assembly Payments) entities

2 Non-outsourced NEWs are resources engaged on a time and materials basis where task selection and supervision is the responsibility of the Bank, such as agency workers. References to total number of colleagues in this report include employees plus non-outsourced NEWs

3 Outsourced NEWs are arrangements with a third party vendor where the delivery is based on a specific service or outcome at an agreed price, irrespective of the number of resources required to perform the service. These resources are not considered as the Group's headcount

4 The disclosure of gender information is not mandatory in some markets

5 Management team (MT) and colleagues who report to them, excluding administrative or executive support roles (personal assistant, business planning managers). Includes Group Head of Internal Audit.

6 Senior leadership is defined as Managing Directors and Bands 4 (including Management Team)

7 Turnover metrics are based on permanent employed workers only. New hire metrics are based on external new hires. Turnover and new hire metrics for the undisclosed gender population is not shown due to small population size

8 Represents health and disability related absence, including quarantine and vaccination leave in respect of COVID-19. Excludes Korea

9 Learning metrics have been updated to exclude non-employed workers (NEWs) and 2020 has been updated for comparison. Training for personal development is defined as all training excluding mandatory or role specific training.

10 Average cost of training per employee includes cost of learning management system

11 Includes commuting

12 Per UK HSE definition

13 Most common types of major injury are fractures (52%)

14 2021 includes 4 contractors/visitors. 2020 includes 1 contractor/visitor

15 2021 hours worked = 184,997,097 . 2020 hours worked = 185,313,634.

16 2021 includes 23 contractors/visitors. 2020 includes 14 contractors/visitors

Supplementary sustainability information

Pillar 1: Business

Employees trained in environmental and social risk management

	2021	2020	2019
Employees trained ¹	1,280	1,604	1,149

1 Employees targeted for training are those in client-facing roles and relevant support teams

Environmental and social risk management

	2021	2020	2019
Number of transactions reviewed	547	402	321
Number of clients reviewed	786	688	804

Equator Principles

	Project finance mandates			Project-related corporate loans			Project-related refinance ⁴			Project advisory mandates ⁵
	Cat A ¹	Cat B ²	Cat C ³	Cat A	Cat B	Cat C	Cat A	Cat B	Cat C	
Total 2019	6	7	–	1	1	2	–	–	–	–
Total 2020	4	8	–	2	1	–	–	–	–	–
Total 2021	8	12	3	1	6	0	0	1	0	

2021

Sector

Mining	0	0	0	0	0	0	0	0	0	0
Infrastructure	2	3	3	1	6	0	0	0	0	0
Oil & Gas	2	0	0	0	0	0	0	0	0	0
Renewables	2	9	0	0	0	0	0	1	0	0
Telecoms	0	0	0	0	0	0	0	0	0	0
Power	2	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0

Region

GCNA	0	0	2	0	3	0	0	0	0	0
ASA	3	4	1	0	0	0	0	0	0	0
Americas	4	2	0	1	3	0	0	0	0	0
EA	1	6	0	0	0	0	0	1	0	0

Designation⁵

Designated	0	6	1	0	0	0	0	1	0	0
Non-Designated	8	6	2	1	6	0	0	0	0	0

Independent Review

Yes	8	12	1	1	2	0	0	1	0	0
No	0	0	2	0	4	0	0	0	0	0

1 'Cat A' or Category A are projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented

2 'Cat B' or Category B are projects with potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures

3 'Cat C' or Category C are projects with minimal or no adverse environmental and social risks and/or impacts

4 In line with Equator Principles 4, Standard Chartered now reports those transactions that trigger Project Related Refinance

5 'Designation' is split into designated and non-designated countries. Designated countries are deemed by the Equator Principles to have robust environmental and social governance, legislation systems and institutional capacity designed to protect their people and the natural environment. Non-designated countries are countries that are not found on the list of designated countries. The list of countries can be found at www.equator-principles.com

6 Standard Chartered did not participate in any Project Advisory mandates that triggered the applicability of the Equator Principles in 2021

Pillar 2: Operations

Environment

	See footnote:	2021		2020		2019	
		Measured	Scaled Up	Measured	Scaled Up	Measured	Scaled Up
Offices reporting		838		756		164	–
Net internal area of occupied property (m ²)		976,520	998,571	933,132	1,050,414	825,088	1,154,999
Green lease clause inclusion (%)	1	85		85		82	–
Occupied net internal area where data is collected (%)		98		89		71	–
Headcount	2	80,318	81,957	74,316	83,657	73,094	84,398
Annual operating income from 1 October to 30 September (\$m)		–	14,541	–	15,233	–	15,200
Greenhouse gas emissions – Absolute (tonnes CO₂eq/year)							
Scope 1 emissions (combustion of fuels)		2,834	2,902	3,589	3,988	3,435	4,542
Scope 2 emissions (purchased electricity – location based)		80,835	82,761	102,477	113,870	98,383	141,771
Scope 2 emissions (purchased electricity – market based)	3	73,016	74,906				
Scope 1 & 2 emissions (location based)		83,669	85,662	106,066	117,858	101,818	146,313
Scope 1 & 2 emissions (UK and offshore area only)	4	–	–				
Scope 3 emissions with distance uplift (air travel)	5	3,410	3,654	31,617	33,930	87,295	94,043
Scope 3 emissions (outsourced Global Data Centre)			43,132	–	29,562	–	46,362
Scope 1, 2 & 3 emissions (location based)		87,079	132,448	137,683	181,350	189,113	286,718
Greenhouse gas emissions – Intensity							
Scope 1 & 2 emissions/headcount (tonnes CO ₂ eq/headcount/year)		1.04	1.05	1.43	1.41	1.39	1.73
Scope 1 & 2 emissions/\$m operating income (tonnes CO ₂ eq/\$m/year)			5.89	–	7.74	–	9.63
Scope 3 emissions/headcount with distance uplift (tonnes CO ₂ eq/headcount/year)		0.04	0.04	0.40	0.41	1.11	1.11
Scope 1, 2 & 3 emissions/headcount (tonnes CO ₂ eq/headcount/year)		1.08	1.62	1.85	2.17	2.59	3.40
Scope 1, 2 & 3 emissions/\$m operating income (tonnes CO ₂ eq/\$m/year)			9.11	–	11.91	–	18.86
Environmental resource efficiency							
Energy							
Indirect non-renewable energy consumption (GWh/year)	6	139.3	142.4	163.6	184.2	153.5	222.6
Indirect renewable energy consumption (GWh/year)		26.8	27.5	12.5	14.1	16.4	17.0
Direct non-renewable energy consumption (GWh/year)		12.2	12.4	14.6	16.5	14.4	18.8
Direct renewable energy consumption (GWh/year)	7	0.7	0.7	0.70	0.80	0.50	0.80
Energy consumption (GWh/year)	8	179	183	191.5	215.6	184.3	258.3
Energy consumption (GWh/year) (UK and offshore area only)		5	5				
Energy consumption/Headcount (kWh/Headcount/year)		2,229	2,233	2,260	2,544	2,522	3,061
Water							
Water consumption (ML/year)	9	256	384	363	483	425	654
Water consumption in regions of high or extremely high water stress (%)	10	30	30				
Water consumption/headcount (m ³ /headcount/year)		3	5	4	6	6	8
Waste							
Waste (ktonnes/year)		2.21	3.5	3.67	5.4	4.8	–
Waste per colleague (kg/headcount/year)		28	43	43	65	66	–
Waste reused or recycled (%)		32		23	–	35	–

- 1 Percentage of green lease clause inclusion in all new and renewed leases within the reporting year.
- 2 Refers to the Group's headcount as at 31 December 2021.
- 3 This is a new reporting addition for 2021. Market-based data is unavailable for previous years. All aggregate and intensity emissions figures use location based data as their foundation.
- 4 This is a location based consumption value emission. This is zero, as all energy consumed in the UK is from verified renewable sources.
- 5 Measured Scope 3 flight emissions are drawn from reliable data collected from 35 countries, based on seating class and distance flown. This data is then scaled up to reflect the portion of the portfolio we do not gather measurements from. As we operate largely outside of the UK, all flights domestic or international with flight distance of less than 785km, labelled by the Department for Business, Energy and Industrial Strategy (DBEIS) as domestic flights, have been classified as short haul. All flights with distance flown ranging from 785 to 3,700km, labelled by DBEIS as short haul have been classified as medium haul. All flights with a distance flown in excess of 3,700km are classified as long haul. Note that 2020 scaled up flight emissions, along with associated totals and intensity metrics have been restated due to an error made in previous reporting periods. This was an immaterial change of less than one per cent.
- 6 We measured data from 98% of our properties to calculate our energy use across our properties. This is then scaled up to reflect the portion of the portfolio we do not gather measurements from. Warehouses, empty land, car parks, unoccupied sites for business continuity purposes, residential properties, space occupied by automated teller machines, vaults and space sub-let to tenants are excluded from this extrapolation. Figures for renewable, non-renewable and total energy in GWh are rounded to one decimal place – therefore some discrepancies in rounded sum totals may arise. Total consumption figures have been verified as accurate from source data. This also applies to previous periods which are therefore restated to the same level of detail. Further detail on the types of energy included within these calculations can be found at sc.com/environmentcriteria.
- 7 In 2021, reporting has changed to GWh for this metric. In previous years this was reported in MWh.
- 8 This value represents the total energy of heating, cooling and electricity consumption globally. Total energy use is normalised to reflect periods of vacancy in certain sites during the reporting period.
- 9 We measured data from 67% of our properties to calculate our water use across our properties. This is then scaled up to reflect the portion of the portfolio we do not gather measurements from.
- 10 Areas of high and extremely high water stress determined according to WRI Aqueduct tool. As accessed on 10 Jan 2022, these countries are South Africa, Saudi Arabia, Bahrain, Oman, Qatar, UAE, Pakistan, India, Thailand and China. This is a new reporting addition for 2021, data is unavailable for previous years.
- 11 We measured data from 63% of our properties to calculate our waste across our properties. This is then scaled up to reflect the portion of the portfolio we do not gather measurements from.

Additional notes on environment data

The emissions within our inventory correspond to a reporting period of 1 October 2020 to 30 September 2021. This is to allow sufficient time for independent assurance to be gained prior to the publication of results. Accordingly, the operating income used in this inventory corresponds to the same period rather than the calendar year used in financial reporting. This is consistent with international carbon reporting practice.

We use an independent third-party assurance provider to verify our greenhouse gas (GHG) emissions. In 2021, our measured Scope 1 and Scope 2 emissions, as well as waste and water consumption, were assured by Global Documentation Ltd, ensuring the accuracy and credibility of our reporting.



Read our environment reporting criteria at sc.com/environmentcriteria



Read our independent assurance report at sc.com/environmentalassurance

Pillar 2: Operations

Financial crime prevention

Completion rates of Financial Crime Risk training

	2021 %	2020 %	2019 %
Internal Financial Crime Risks			
Group total	99.6	99.9	99.9
Asia	99.5		
Governance body	NA		
Employees – Employed Workers	99.5		
Employees – Fixed term workers	99.8		
AME	99.8		
Governance body	NA		
Employees – Employed Workers	99.9		
Employees – Fixed term workers	99.7		
EA	99.8		
Governance body	100		
Employees – Employed Workers	99.8		
Employees – Fixed term workers	100		
External Financial Crime Risks			
Group total	99.6	99.9	99.9
Asia	99.6		
Governance body	NA		
Employees – Employed Workers	99.6		
Employees – Fixed term workers	99.8		
Business Partners	100		
AME	99.9		
Governance body	NA		
Employees – Employed Workers	99.9		
Employees – Fixed term workers	99.7		
Business Partners	100		
EA	99.8		
Governance body	100		
Employees – Employed Workers	99.8		
Employees – Fixed term workers	100		
Business Partners	100		

Additional notes on financial crime prevention data

With the introduction of alignment to GRI and WEF metrics, enhanced data related to employee categories and regions has been provided for 2021. Total training rates have been provided for previous periods, for which regional and category breakdowns are not available.

In 2020, the Financial Crime Compliance (FCC) e-learning courses merged into External and Internal Financial Crime Risk courses which cover anti-money laundering (AML), sanctions, anti bribery and corruption (ABC) and fraud risks. 2019 reported data provides the total employees completing three separate e-learning courses on sanctions, AML and ABC.

Governance body refers to Standard Chartered PLC Board members. All Board members are reported under EA region.

Employed workers are permanent employees of Standard Chartered PLC. Fixed term workers are employed for a fixed period.

Business partners refers to suppliers and third parties that received our Supplier Charter in 2021. The Supplier Charter communicates our expectations and minimum standards with regards to ABC and financial crime.

Computing method: $(\text{Completed} + \text{Due}) / (\text{Total Population} - \text{Untagged}) = \text{rate of Completion}$.

Data is the "Tagged" population.

Pillar 3: Communities

Community expenditure

Total (\$million)	2021	2020	2019
Cash contributions	28.1	71.5	27.5
Employee time (non-cash item)	11.4	11.6	16.9
Gifts in kind (non-cash item) ¹	2.6	1.1	0.3
Management costs	4.7	4.4	4.5
Total (direct investment by the Group)	46.8	88.6	49.2
Leverage ²	1.9	7.1	1.9
Total (incl. leverage)	48.7	95.7	51.1
Percentage of prior year operating profit (% PYOP)	3	2.58	2.01

1 Gifts in kind comprises all non-monetary donations

2 Leverage data relates to the proceeds from staff and other fundraising activity

2022 Sustainability Aspirations

Pillar one: Business

Theme	Aspiration	Target Date
Green and Transition Finance Achieving a just transition will require directing capital and specialised support to the regions that need it most to drive sustainable economic growth    	Mobilise \$300 billion aligned to our Green and Sustainable Product Framework and Transition Finance Framework including contribution from existing target to: Mobilise project financing services for \$40 billion of infrastructure projects that promote sustainable development that align to our verified Green and Sustainable Product Framework Launch and grow green mortgages in key markets across our footprint	Jan 2021 – Dec 2030 Jan 2020 – Dec 2024 Jan 2022 – Dec 2023
Climate Climate change is one of today's greatest challenges and addressing it is essential to promote sustainable economic growth   	Measure, manage and reduce emissions associated with our financing via the implementation of our net zero roadmap Only provide financial services to clients who are: - by 2024, less than 80% dependent on thermal coal (based on % revenue); - by 2025, are less than 60% dependent on thermal coal (based on % revenue); - by 2027, are less than 40% dependent on thermal coal (based on % revenue); - by 2030, are less than 5% dependent on thermal coal (based on % revenue) Achieve emissions reduction in our most carbon-intensive sectors of: 63% in Power (Scopes 1 and 2 intensity); 33% in Steel Producers (Scopes 1 and 2 intensity); 33% in Mining (ex Coal) (Scopes 1 and 2 intensity); 30% in Oil and Gas (Scopes 1, 2 and 3 intensity), and; 85% emissions reduction in coal mining (Scopes 1, 2 and 3 absolute) Measure and report mortgage emissions with a view to setting targets by 2023	Jan 2022 – Dec 2022 Jan 2020 – Jan 2030 Jan 2020 – Dec 2030 Jan 2022 – Dec 2023
Entrepreneurs Entrepreneurs are the heart of local economies, creating jobs and empowering people  	Provide \$15 billion of financing to small business clients (Business Banking) Provide \$3 billion of financing to microfinance institutions	Jan 2020 – Dec 2024 Jan 2020 – Dec 2024
Commerce Trade creates jobs and contributes to economies by enabling people to connect across borders  	Bank 10,000 of our clients' international and domestic networks of suppliers and buyers through banking the ecosystem programmes	Jan 2020 – Dec 2024
Impact Finance Innovative financial products and partnerships can help us solve global development challenges and improve the lives of millions in our markets   	Double sustainable investing assets under management from mutual funds only to a more holistic proposition including exchange traded funds (ETFs), bonds, equities, structured products, discretionary portfolio mandates (DPMs) and insurance-linked plans (ILPs) Integrate ESG considerations in wealth management advisory activities	Jun 2021 – Dec 2025 Jan 2021 – Dec 2025

Pillar two: Operations

Theme	Aspiration	Target Date
People Our people are our greatest asset, and our diversity drives our business success 	Increase gender representation to 35% women in senior roles	Sep 2016 – Dec 2025
	Increase our 'Culture of Inclusion' score to 84.5%	Jan 2020 – Dec 2024
	Embed an integrated health and wellbeing strategy to support building and re-skilling a future-ready, diverse workforce	Jan 2020 – Dec 2022
	Create Diversity & Inclusion Supplier Plans for all our markets to support 40% of our newly onboarded suppliers being diverse	Jan 2022 – Dec 2025
	Grow our employee My Voice score to the question "the way that we operate day-to-day is aligned with our vision of being the world's most sustainable and responsible bank" from 2021 baseline of 84% to 88%	Jan 2022 – Dec 2024
	Support at least 50% of all employees to complete our learning programme on Sustainability	Jan 2022 – Dec 2022
	Support at least 70% of relevant employees to complete our Sustainable Finance training programme	
Environment Reducing our own impact on the environment will protect our planet for the benefit of our communities 	Reduce annual Scope 1 & 2 greenhouse gas emissions to net zero by 2025	Jan 2019 – Dec 2025
	Source all energy from renewable sources	Jan 2020 – Dec 2025
	Achieve and maintain flight emissions 28% lower than our 2019 baseline of 94,000 tonnes	Jan 2021 – Dec 2023
	Reduce waste per colleague to 40kg/FTE/year	Jan 2020 – Dec 2025
	Recycle 90% of waste	Jan 2020 – Dec 2025
	Offset all residual emissions from our operations (Scope 1 and 2, Scope 3 flights, waste and data centres), doubling our average cost from \$7.65 in 2021 to \$15 per tonne in 2022	Jan 2022 – Dec 2022
Conduct and Compliance By partnering proactively and effectively, we can drive the right outcomes for clients and communities 	Tackle financial crimes by contributing to developing typologies and red flags for financial flows, training frontline staff to identify potential suspicious transactions and participating in public-private partnerships to share intelligence and good practices	Ongoing
	Develop and deliver a targeted outreach programme, including through key international platforms, aimed at safely and transparently reducing barriers to capital mobilisation for sustainable development	Jan 2022 – Dec 2024

Pillar three: Communities

Theme	Aspiration	Target Date
Communities Everyone deserves economic opportunities that enable them to learn, earn and grow 	Invest 0.75% of prior year operating profit (PYOP) in our communities	Ongoing
	Raise \$75 million for Futuremakers by Standard Chartered	Jan 2019 – Dec 2023
	Education: Reach 1 million girls and young women through Goal	Jan 2006 – Dec 2023
	Employability: Reach 100,000 young people	Jan 2019 – Dec 2023
	Increase participation for employee volunteering to 55%	Jan 2020 – Dec 2023

Shareholder information

Dividend and interest payment dates

Ordinary shares	Final dividend
Results and dividend announced	17 February 2022
Ex-dividend date	24 (UK) 23 (HK) February 2022
Record date for dividend	25 February 2022
Last date to amend currency election instructions for cash dividend*	12 April 2022
Dividend payment date	12 May 2022

* In either US dollars, sterling, or Hong Kong dollars

Preference shares	1st half yearly dividend	2nd half yearly dividend
7 $\frac{3}{8}$ per cent non-cumulative irredeemable preference shares of £1 each	1 April 2022	1 October 2022
8 $\frac{1}{4}$ per cent non-cumulative irredeemable preference shares of £1 each	1 April 2022	1 October 2022
6.409 per cent non-cumulative redeemable preference shares of \$5 each	30 January and 30 April 2022	30 July and 30 October 2022
7.014 per cent non-cumulative redeemable preference shares of \$5 each	30 January 2022	30 July 2022

Annual General Meeting

The Annual General Meeting (AGM) will be held on Wednesday 4 May 2022 at 11:00 UK time (18:00 Hong Kong time). Further details regarding the format, location and business to be transacted at the meeting will be disclosed within the 2022 Notice of AGM.



Details of voting at the Company's AGM and of proxy votes cast can be found on the Company's website at sc.com/agm

Interim results

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

Country-by-Country Reporting

In accordance with the requirements of the Capital Requirements (Country-by-Country Reporting) Regulations 2013, the Group will publish additional country-by-country information in respect of the year ended 31 December 2021, on or before 31 December 2022. We have also published our approach to tax and tax policy.



This information will be available on the Group's website at sc.com

ShareCare

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



If you would like to receive more information, please visit our website at sc.com/shareholders or contact the shareholder helpline on **0370 702 0138**.

Donating shares to ShareGift

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



Further information can be obtained from the Company's registrars or from ShareGift on **020 7930 3737** or from sharegift.org

Bankers' Automated Clearing System (BACS)

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



Please register online at investorcentre.co.uk or contact our registrar for a dividend mandate form.

Registrars and shareholder enquiries

If you have any enquiries relating to your shareholding and you hold your shares on the UK register, please contact our registrar Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ or call the shareholder helpline number on 0370 702 0138.

If you hold your shares on the Hong Kong branch register and you have enquiries, please contact Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.



You can check your shareholding at computershare.com/hk/investors

Substantial shareholders

The Company and its shareholders have been granted partial exemption from the disclosure requirements under Part XV of the Securities and Futures Ordinance (SFO). As a result of this exemption, shareholders no longer have an obligation under Part XV of the SFO (other than Divisions 5, 11 and 12 thereof) to notify the Company of substantial shareholding interests, and the Company is no longer required to maintain a register of interests of substantial shareholders under section 336 of the SFO. The Company is, however, required to file with The Stock Exchange of Hong Kong Limited any disclosure of interests made in the UK.

Taxation

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

Previous dividend payments (unadjusted for the impact of the 2015/2010/2008 rights issues)

Dividend and financial year	Payment date	Dividend per ordinary share	Cost of one new ordinary share under share dividend scheme
Final 2008	15 May 2009	42.32c/28.4693p/HK\$3.279597	£8.342/\$11.7405
Interim 2009	8 October 2009	21.23c/13.25177p/HK\$1.645304	£13.876/\$22.799
Final 2009	13 May 2010	44.80c/29.54233p/HK\$3.478306	£17.351/\$26.252
Interim 2010	5 October 2010	23.35c/14.71618p/HK\$1.811274/INR0.984124 ¹	£17.394/\$27.190
Final 2010	11 May 2011	46.65c/28.272513p/HK\$3.623404/INR1.9975170 ¹	£15.994/\$25.649
Interim 2011	7 October 2011	24.75c/15.81958125p/HK\$1.928909813/INR1.13797125 ¹	£14.127/\$23.140
Final 2011	15 May 2012	51.25c/31.63032125p/HK\$3.9776083375/INR2.6667015 ¹	£15.723/\$24.634
Interim 2012	11 October 2012	27.23c/16.799630190p/HK\$2.111362463/INR1.349803950 ¹	£13.417/\$21.041
Final 2012	14 May 2013	56.77c/36.5649893p/HK\$4.4048756997/INR2.976283575 ¹	£17.40/\$26.28792
Interim 2013	17 October 2013	28.80c/17.8880256p/HK\$2.233204992/INR1.6813 ¹	£15.362/\$24.07379
Final 2013	14 May 2014	57.20c/33.9211444p/HK\$4.43464736/INR3.354626 ¹	£11.949/\$19.815
Interim 2014	20 October 2014	28.80c/17.891107200p/HK\$2.2340016000/INR1.671842560 ¹	£12.151/\$20.207
Final 2014	14 May 2015	57.20c/37.16485p/HK\$4.43329/INR3.514059 ¹	£9.797/\$14.374
Interim 2015	19 October 2015	14.40c/9.3979152p/HK\$1.115985456/INR0.86139372 ¹	£8.5226/\$13.34383
Final 2015	No dividend declared	N/A	N/A
Interim 2016	No dividend declared	N/A	N/A
Final 2016	No dividend declared	N/A	N/A
Interim 2017	No dividend declared	N/A	N/A
Final 2017	17 May 2018	11.00c/7.88046p/HK\$0.86293/INR0.653643340 ¹	£7.7600/\$10.83451
Interim 2018	22 October 2018	6.00c/4.59747p/HK\$0.46978/INR0.3696175 ¹	£6.7104/\$8.51952
Final 2018	16 May 2019	15.00c/11.569905p/HK\$1.176260/INR0.957691650 ¹	N/A
Interim 2019	21 October 2019	7.00c/5.676776p/HK\$0.548723/INR0.425028600 ¹	N/A
Final 2019	Dividend withdrawn	N/A	N/A
Interim 2020	No dividend declared	N/A	N/A
Final 2020	20 May 2021	9.00c/6.472413p/HK\$0.698501	N/A
Interim 2021	22 October 2021	3.00c/2.204877p/HK\$0.233592	N/A

¹ The INR dividend is per Indian Depository Receipt. In March 2020, the Group announced the termination of the IDR programme. The IDR programme was formally delisted from the BSE Limited (formerly the Bombay Stock Exchange) and National Stock Exchange of India Limited with effect from 22 July 2020

Chinese translation

If you would like a Chinese version of the 2021 Annual Report please contact Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

二〇二一年年報之中文譯本可向香港中央證券登記有限公司索取，地址：香港灣仔皇后大道東183號合和中心17M樓。

Shareholders on the Hong Kong branch register who have asked to receive corporate communications in either Chinese or English can change this election by contacting Computershare.

If there is a dispute between any translation and the English version of this Annual Report, the English text shall prevail.

Electronic communications

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

Important notices

Forward-looking statements

This document may contain 'forward-looking statements' that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as 'may', 'could', 'will', 'expect', 'intend', 'estimate', 'anticipate', 'believe', 'plan', 'seek', 'continue' or other words of similar meaning.

By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. Recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements. There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. The factors that could cause actual results to differ materially from those described in the forward-looking statements include (but are not limited to): changes in global, political, economic, business, competitive and market forces or conditions; future exchange and interest rates; changes in environmental, social or physical risks; legislative, regulatory and policy developments; the development of standards and interpretations; the ability of the Group to mitigate the impact of climate change effectively; risks arising out of health crisis and pandemics; changes in tax rates, future business combinations or dispositions; and other factors specific to the Group. Any forward-looking statement contained in this document is based on past or current trends and/or activities of the Group and should not be taken as a representation that such trends or activities will continue in the future.

No statement in this document is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Group. Each forward-looking statement speaks only as of the date of the particular statement. Except as required by any applicable laws or regulations, the Group expressly disclaims any obligation to revise or update any forward-looking statement contained within this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

Financial instruments

Nothing in this document shall constitute, in any jurisdiction, an offer or solicitation to sell or purchase any securities or other financial instruments, nor shall it constitute a recommendation or advice in respect of any securities or other financial instruments or any other matter.

Caution regarding climate and environment related information

Some of the climate and environment related information in this document is subject to certain limitations, and therefore the reader should treat the information provided, as well as conclusions, projections and assumptions drawn from such information, with caution. The information may be limited due to a number of factors, which include (but are not limited to): a lack of reliable data; a lack of standardisation of data; and future uncertainty. The information includes externally sourced data that may not have been verified. Furthermore, some of the data, models and methodologies used to create the information is subject to adjustment which is beyond our control, and the information is subject to change without notice.

Main awards and accolades in 2021

The Banker

Transaction Banking Awards 2021

- Transaction Bank of the Year for Trade Finance

Corporate Treasurer Award 2021

- Best Transaction Bank South Asia
- Best Transaction Bank China and Hong Kong
- Best Trade Finance Bank South Asia
- Best Trade Finance Bank China and Hong Kong

GTR

Deal of the Year 2021

- Deal of the Year (Tanzania Standard Gauge Railway)
- Deal of the Year (TDB)

Leader in Trade 2021

- Leaders in Trade for Innovation

Asiamoney Awards

- Best for ESG in Asia
- Best International Private Bank (Singapore)
- Best International Private Bank (India)
- Best international Bank (Bangladesh)

Asiamoney Middle East Awards

- Best International Bank (Middle East)

The Asset

Triple A Treasury, Trade, SSC and Risk Management Awards 2021

- Best Renminbi Bank
- Best in Treasury and Working Capital – LLCs
- Best in Working Capital and Trade Finance
- Best in Treasury and Cash Management, MENA
- Best in Working Capital Trade Finance, North Asia and South Asia and MENA

- Best Cash Management Bank, Bangladesh, Pakistan, Sri Lanka, Vietnam
- Best Supply Chain Bank, Pakistan
- Best Specialist: Liquidity Management Bank, China, Hong Kong, Taiwan
- Best Transaction Bank, China
- Best Trade Finance Bank, Hong Kong, India, South Korea, Sri Lanka
- Best in Treasury and Working Capital – SMEs, South Korea
- Best E-Solutions Partner, Hong Kong, South Korea, Vietnam

The Asset Triple A Infrastructure Awards 2021

- Project Finance House of the Year (Vietnam)
- Green Project of the Year (Vietnam)
- Renewable Energy Deal of the Year – Solar (Vietnam)
- Best Sustainability Effort (Vietnam)

TMI Awards for Innovation & Excellence in Treasury 2021



- Best Bank for Cash & Liquidity Management APAC
- Best Bank for Trade & Financial Supply Chain APAC
- Technology & innovation Awards: Best Customer Experience
- Technology & Innovation Awards: Highly Commended for Solution Innovation
- Treasury4Good Awards: Best Employee Engagement Project
- Treasury4Good Awards: Highly commended: Best Sustainable SCF Solution
- Treasury4 Good Awards: Highly Commended: Best Supply Chain Solution
- Corporate Recognition Technology Awards Best Virtual Accounts Solution
- Corporate Recognition Awards Best Trade Finance Solution
- Corporate Recognition Technology Awards: Best Blockchain Solution
- Corporate Recognition Awards: Best Accounts Receivable Solution

Treasury Today Asia

Adam Smith Awards Asia 2021

- Highly Commended: First Class Relationship Management
- Highly Commended: Best AR Solution
- Highly Commended: Best AP Solution
- Highly Commended: First Class Relationship Management
- Top Treasury Team 2021 – Shell Treasury Centre East Pte Ltd
- Best E-Cash Solution – DHL
- Best Working Capital Management Solution – SAIC HK International Finance Ltd

The Digital Banker 'Global Retail Banking Innovation Awards'

Global

- Best Automated Advisory Service
- Best Frictionless CRM
- Best Machine Learning Initiative
- Outstanding Digital Acceleration in response to Covid-19
- Outstanding Client onboarding & Account Opening

Regional

- Best Digital Bank – Africa

Country

- Best Digital Bank – 8 markets
- Best Islamic Retail Bank – 4 markets

Global Finance 'World's Best Digital Bank' Awards

- Best Consumer Digital Bank – Africa
- Best Consumer Digital Bank – 11 markets
- Best Islamic Digital Bank – Asia-Pacific
- Best Bill Payment and Presentment (global)
- Best Open Banking APIs – Mox Bank (global)

Global Private Banking Innovation Awards

- Best Private Bank – AI and Big Data

MEA Finance Awards 2021

- Best Technology Executive of the Year, Financial Services – Mohamed Abdel Razek, CIO, Standard Chartered Bank
- Best M&A deal
- Best Global Bank in Middle East (second year in a row)
- Best Overall Wealth Management Service in the Middle East

Middle East and Africa Retail Banking Innovation Awards 2021

- Excellence in Digital Wealth Management
- Best Digital Financial Inclusion Initiative

Diversity & inclusion and employer awards

Bloomberg

- Sixth consecutive year on Bloomberg Gender Equality Index

EDGE

- Second-highest level of EDGE Strategy Certification in Malaysia and Sri Lanka



Empower Ethnic Minority Role Models

- 50 Advocates list – Jeremy Amias
- Ethnic Minority Executives list – Fenil Khiroya
- Ethnic Minority Future Leaders list – Donna Hill

European Diversity Awards

- Supplier Diversity Programme of the Year

Financial Times

- Recognised on list of European Leaders for Workplace Diversity and Inclusion



Forbes

- Recognised as a World's Best Employer



HERoes Women Role Model Lists

- Women Executives – Jaine Mwai, Michele Sun San Wee, Souad Benkradda
- Women Future Leaders – Ankita Gupta and Swastika Somaddar
- Advocate Executives – Simon Cooper

India Workplace Equality Index

- Gold Employer

OUTstanding LGBT+ Executive List

- Carmen Muller, Sunil Daswani

Refinitiv Diversity and Inclusion Index

- Placed Top 100



Sustainability indices



We participate in the Workforce Disclosure Initiative and in 2021 scored a top 10 per cent response.



FTSE4Good



We participate in the CDP Climate questionnaire, scoring a B in 2021.

Further detail on our indices and analysts ratings can be found at sc.com/ESGratings

Sustainability and community engagement awards

ADB – TSCFP Awards

- Most Responsive Bank Against COVID-19 (Confirming Bank) Award (Sri Lanka)

BT Banking Awards

- Best CSR Bank (Bangladesh)

China Sustainability Tribune

- Sustainability Development Solution Award (China)

Community Chest Awards

- Charity Gold Award (Standard Chartered Singapore)

CorpComms Awards

- Best International Campaign – Zeronomics
- Best Sustainability Campaign – Zeronomics

The Economic Observer

- Sustainable Finance Contribution Award (China)

The Excellent Magazine

- Best Social Inclusion (Taiwan)

Global Brands magazine

- Best CSR Bank (Bangladesh)

PRWeek Global Awards

- Best Global Content Award – Opportunity 2030

PRCA City & Financial Awards

- Best Strategic Communications/Corporate Brand Campaign – Opportunity 2030

Singapore President

- Community Spirit Platinum Award (Singapore)

Taiwan Advertisers' Association and Brain Magazine

- Best CSR-Social Engagement – Silver Award (Futuremakers, Taiwan)

Glossary

Absolute financed emissions

A measurement of our attributed share of our clients greenhouse gas emissions.

AT1 or Additional Tier 1 capital

Additional Tier 1 capital consists of instruments other than Common Equity Tier 1 that meet the Capital Requirements Regulation (as it forms part of UK domestic law) criteria for inclusion in Tier 1 capital.

Additional value adjustment

See Prudent valuation adjustment.

Advanced Internal Rating Based (AIRB) approach

The AIRB approach under the Basel framework is used to calculate credit risk capital based on the Group's own estimates of prudential parameters.

Alternative performance measures

A financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

ASEAN

Association of South East Asian Nations (ASEAN) which includes the Group's operations in Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.

AUM or Assets under management

Total market value of assets such as deposits, securities and funds held by the Group on behalf of the clients.

Basel II

The capital adequacy framework issued by the Basel Committee on Banking Supervision (BCBS) in June 2006 in the form of the International Convergence of Capital Measurement and Capital Standards.

Basel III

The global regulatory standards on bank capital adequacy and liquidity, originally issued in December 2010 and updated in June 2011. In December 2017, the BCBS published a document setting out the finalisation of the Basel III framework. The latest requirements issued in December 2017 will be implemented from 2022.

BCBS or Basel Committee on Banking Supervision

A forum on banking supervisory matters which develops global supervisory standards for the banking industry. Its members are officials from 45 central banks or prudential supervisors from 27 countries and territories.

Basic earnings per share (EPS)

Represents earnings divided by the basic weighted average number of shares.

Basis point (bps)

One hundredth of a per cent (0.01 per cent); 100 basis points is 1 per cent.

CRD or Capital Requirements Directive

A capital adequacy legislative package adopted by the PRA. CRD comprises the Capital Requirements Directive and the UK onshored Capital Requirements Regulation (CRR). The package implements the Basel III framework together with transitional arrangements for some of its requirements. CRD IV came into force on 1 January 2014. The EU CRR II and CRD V amending the existing package came into force in June 2019 with most changes starting to apply from 28 June 2021. Only those parts of the EU CRR II that applied on or before 31 December 2020, when the UK was a member of the EU, have been implemented. The PRA recently finalised the UK's version of the CRR II for implementation on 1 January 2022.

Capital-lite income

Income derived from products with low RWA consumption or products which are non-funding in nature.

Capital resources

Sum of Tier 1 and Tier 2 capital after regulatory adjustments.

CGU or Cash-generating unit

The smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Cash shortfall

The difference between the cash flows that are due in accordance with the contractual terms of the instrument and the cash flows that the Group expects to receive over the contractual life of the instrument.

Clawback

An amount an individual is required to pay back to the Group, which has to be returned to the Group under certain circumstances.

Commercial real estate

Includes office buildings, industrial property, medical centres, hotels, malls, retail stores, shopping centres, farm land, multi-family housing buildings, warehouses, garages, and industrial properties. Commercial real estate loans are those backed by a package of commercial real estate assets.

CET1 or Common Equity Tier 1 capital

Common Equity Tier 1 capital consists of the common shares issued by the Group and related share premium, retained earnings, accumulated other comprehensive income and other disclosed reserves, eligible non-controlling interests and regulatory adjustments required in the calculation of Common Equity Tier 1.

CET1 ratio

A measure of the Group's CET1 capital as a percentage of risk-weighted assets.

Contractual maturity

Contractual maturity refers to the final payment date of a loan or other financial instrument, at which point all the remaining outstanding principal and interest is due to be paid.

Countercyclical capital buffer

The countercyclical capital buffer (CCyB) is part of a set of macroprudential instruments, designed to help counter procyclicality in the financial system. CCyB as defined in the Basel III standard provides for an additional capital requirement of up to 2.5 per cent of risk-weighted assets in a given jurisdiction. The Bank of England's Financial Policy Committee has the power to set the CCyB rate for the United Kingdom. Each bank must calculate its 'institution-specific' CCyB rate, defined as the weighted average of the CCyB rates in effect across the jurisdictions in which it has credit exposures. The institution-specific CCyB rate is then applied to a bank's total risk-weighted assets.

Counterparty credit risk

The risk that a counterparty defaults before satisfying its obligations under a derivative, a securities financing transaction (SFT) or a similar contract.

CCF or Credit conversion factor

An estimate of the amount the Group expects a customer to have drawn further on a facility limit at the point of default. This is either prescribed by CRR or modelled by the bank.

CDS or Credit default swaps

A credit derivative is an arrangement whereby the credit risk of an asset (the reference asset) is transferred from the buyer to the seller of protection. A credit default swap is a contract where the protection seller receives premium or interest-related payments in return for contracting to make payments to the protection buyer upon a defined credit event. Credit events normally include bankruptcy, payment default on a reference asset or assets, or downgrades by a rating agency.

Credit institutions

An institution whose business is to receive deposits or other repayable funds from the public and to grant credits for its own account.

Credit risk mitigation

Credit risk mitigation is a process to mitigate potential credit losses from any given account, customer or portfolio by using a range of tools such as collateral, netting agreements, credit insurance, credit derivatives and guarantees.

CVA or Credit valuation adjustments

An adjustment to the fair value of derivative contracts that reflects the possibility that the counterparty may default such that the Group would not receive the full market value of the contracts.

Customer accounts

Money deposited by all individuals and companies which are not credit institutions including securities sold under repurchase agreement (see repo/reverse repo). Such funds are recorded as liabilities in the Group's balance sheet under customer accounts.

Days past due

One or more days that interest and/or principal payments are overdue based on the contractual terms.

DVA or Debit valuation adjustment

An adjustment to the fair value of derivative contracts that reflects the possibility that the Group may default and not pay the full market value of contracts.

Debt securities

Debt securities are assets on the Group's balance sheet and represent certificates of indebtedness of credit institutions, public bodies or other undertakings excluding those issued by central banks.

Debt securities in issue

Debt securities in issue are transferable certificates of indebtedness of the Group to the bearer of the certificate. These are liabilities of the Group and include certificates of deposits.

Deferred tax asset

Income taxes recoverable in future periods in respect of deductible temporary differences between the accounting and tax base of an asset or liability that will result in tax deductible amounts in future periods, the carry-forward of tax losses or the carry-forward of unused tax credits.

Deferred tax liability

Income taxes payable in future periods in respect of taxable temporary differences between the accounting and tax base of an asset or liability that will result in taxable amounts in future periods.

Default

Financial assets in default represent those that are at least 90 days past due in respect of principal or interest and/or where the assets are otherwise considered to be unlikely to pay, including those that are credit-impaired.

Defined benefit obligation

The present value of expected future payments required to settle the obligations of a defined benefit scheme resulting from employee service.

Defined benefit scheme

Pension or other post-retirement benefit scheme other than a defined contribution scheme.

Defined contribution scheme

A pension or other post-retirement benefit scheme where the employer's obligation is limited to its contributions to the fund.

Delinquency

A debt or other financial obligation is considered to be in a state of delinquency when payments are overdue. Loans and advances are considered to be delinquent when consecutive payments are missed. Also known as arrears.

Deposits by banks

Deposits by banks comprise amounts owed to other domestic or foreign credit institutions by the Group including securities sold under repo.

Diluted earnings per share (EPS)

Represents earnings divided by the weighted average number of shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Dividend per share

Represents the entitlement of each shareholder in the share of the profits of the Company. Calculated in the lowest unit of currency in which the shares are quoted.

Early alert, purely and non-purely precautionary

A borrower's account which exhibits risks or potential weaknesses of a material nature requiring closer monitoring, supervision, or attention by management. Weaknesses in such a borrower's account, if left uncorrected, could result in deterioration of repayment prospects and the likelihood of being downgraded to credit grade 12 or worse. When an account is on early alert, it is classified as either purely precautionary or non-purely precautionary. A purely precautionary account is one that exhibits early alert characteristics, but these do not present any imminent credit concern. If the symptoms present an imminent credit concern, an account will be considered for classification as non-purely precautionary.

Effective tax rate

The tax on profit/ (losses) on ordinary activities as a percentage of profit/(loss) on ordinary activities before taxation.

Encumbered assets

On-balance sheet assets pledged or used as collateral in respect of certain of the Group's liabilities.

EU or European Union

The European Union (EU) is a political and economic union of 27 member states that are located primarily in Europe.

Eurozone

Represents the 19 EU countries that have adopted the euro as their common currency.

ECL or Expected credit loss

Represents the present value of expected cash shortfalls over the residual term of a financial asset, undrawn commitment or financial guarantee.

Expected loss

The Group measure of anticipated loss for exposures captured under an internal ratings-based credit risk approach for capital adequacy calculations. It is measured as the Group-modelled view of anticipated loss based on probability of default, loss given default and exposure at default, with a one-year time horizon.

Exposures

Credit exposures represent the amount lent to a customer, together with any undrawn commitments.

EAD or Exposure at default

The estimation of the extent to which the Group may be exposed to a customer or counterparty in the event of, and at the time of, that counterparty's default. At default, the customer may not have drawn the loan fully or may already have repaid some of the principal, so that exposure is typically less than the approved loan limit.

ECAI or External Credit Assessment Institution

External credit ratings are used to assign risk-weights under the standardised approach for sovereigns, corporates and institutions. The external ratings are from credit rating agencies that are registered or certified in accordance with the credit rating agencies regulation or from a central bank issuing credit ratings which is exempt from the application of this regulation.

ESG

Environment, Social and Governance.

FCA or Financial Conduct Authority

The Financial Conduct Authority regulates the conduct of financial firms and, for certain firms, prudential standards in the UK. It has a strategic objective to ensure that the relevant markets function well.

Forbearance

Forbearance takes place when a concession is made to the contractual terms of a loan in response to an obligor's financial difficulties. The Group classifies such modified loans as either 'Forborne – not impaired loans' or 'Loans subject to forbearance – impaired'. Once a loan is categorised as either of these, it will remain in one of these two categories until the loan matures or satisfies the 'curing' conditions described in Note 8 to the financial statements.

Forborne – not impaired loans

Loans where the contractual terms have been modified due to financial difficulties of the borrower, but the loan is not considered to be impaired. See 'Forbearance'.

Funded/unfunded exposures

Exposures where the notional amount of the transaction is funded or unfunded. Represents exposures where a commitment to provide future funding is made but funds have been released/ not released.

FVA or Funding valuation adjustments

FVA reflects an adjustment to fair value in respect of derivative contracts that reflects the funding costs that the market participant would incorporate when determining an exit price.

G-SIBs or Global Systemically Important Banks

Global banking financial institutions whose size, complexity and systemic interconnectedness mean that their distress or failure would cause significant disruption to the wider financial system and economic activity. The list of G-SIBs is assessed under a framework established by the FSB and the BCBS. In the UK, the G-SIB framework is implemented via the CRD and G-SIBs are referred to as Global Systemically Important Institutions (G-SIIs).

G-SIB buffer

A CET1 capital buffer which results from designation as a G-SIB. The G-SIB buffer is between 1 per cent and 3.5 per cent, depending on the allocation to one of five buckets based on the annual scoring. In the UK, the G-SIB buffer is implemented via the CRD as Global Systemically Important Institutions (G-SII) buffer requirement.

Green and Sustainable Product Framework

Sets out underlying eligible qualifying themes and activities that may be considered green, social or sustainable. This has been co-authored with a third party verifier (Sustainalytics) and has been informed by industry and supervisory principles and standards such as the Green Bond Principles and EU Taxonomy.

Hong Kong regional hub

Standard Chartered Bank (Hong Kong) Limited and its subsidiaries including the primary operating entities in China, Korea and Taiwan. Standard Chartered PLC is the ultimate parent company of Standard Chartered Bank (Hong Kong) Limited.

Interest rate risk

The risk of an adverse impact on the Group's income statement due to changes in interest rates.

IRB or internal ratings-based approach

Risk-weighting methodology in accordance with the Basel Capital Accord where capital requirements are based on a firm's own estimates of prudential parameters.

Internal model approach

The approach used to calculate market risk capital and RWA with an internal market risk model approved by the PRA under the terms of CRD/CRR.

IAS or International Accounting Standard

A standard that forms part of the International Financial Reporting Standards framework.

IASB or International Accounting Standards Board

An independent standard-setting body responsible for the development and publication of IFRS, and approving interpretations of IFRS standards that are recommended by the IFRS Interpretations Committee (IFRIC).

IFRS or International Financial Reporting Standards

A set of international accounting standards developed and issued by the International Accounting Standards Board, consisting of principles-based guidance contained within IFRSs and IASs. All companies that have issued publicly traded securities in the EU are required to prepare annual and interim reports under IFRS and IAS standards that have been endorsed by the EU.

IFRIC

The IFRS Interpretations Committee supports the IASB in providing authoritative guidance on the accounting treatment of issues not specifically dealt with by existing IFRSs and IASs.

Investment grade

A debt security, treasury bill or similar instrument with a credit rating measured by external agencies of AAA to BBB.

Leverage ratio

A ratio introduced under CRD IV that compares Tier 1 capital to total exposures, including certain exposures held off-balance sheet as adjusted by stipulated credit conversion factors. Intended to be a simple, non-risk-based backstop measure.

Liquidation portfolio

A portfolio of assets which is beyond our current risk appetite metrics and is held for liquidation.

LCR or Liquidity coverage ratio

The ratio of the stock of high-quality liquid assets to expected net cash outflows over the following 30 days. High-quality liquid assets should be unencumbered, liquid in markets during a time of stress and, ideally, be central bank eligible.

Loan exposure

Loans and advances to customers reported on the balance sheet held at amortised cost or FVOCI, non-cancellable credit commitments and cancellable credit commitments for credit cards and overdraft facilities.

Loans and advances to customers

This represents lending made under bilateral agreements with customers entered into in the normal course of business and is based on the legal form of the instrument.

Loans and advances to banks

Amounts loaned to credit institutions including securities bought under Reverse repo.

LTV or loan-to-value ratio

A calculation which expresses the amount of a first mortgage lien as a percentage of the total appraised value of real property. The loan-to-value ratio is used in determining the appropriate level of risk for the loan and therefore the correct price of the loan to the borrower.

Loans past due

Loans on which payments have been due for up to a maximum of 90 days including those on which partial payments are being made.

Loans subject to forbearance – impaired

Loans where the terms have been renegotiated on terms not consistent with current market levels due to financial difficulties of the borrower. Loans in this category are necessarily impaired. See 'Forbearance'.

Loss rate

Uses an adjusted gross charge-off rate, developed using monthly write-off and recoveries over the preceding 12 months and total outstanding balances.

LGD or Loss given default

The percentage of an exposure that a lender expects to lose in the event of obligor default.

Low returning clients

See 'Perennial sub-optimal clients'.

Malus

An arrangement that permits the Group to prevent vesting of all or part of the amount of an unvested variable remuneration award, due to a specific crystallised risk, behaviour, conduct or adverse performance outcome.

Master netting agreement

An agreement between two counterparties that have multiple derivative contracts with each other that provides for the net settlement of all contracts through a single payment, in a single currency, in the event of default on, or termination of, any one contract.

Mezzanine capital

Financing that combines debt and equity characteristics. For example, a loan that also confers some profit participation to the lender.

MREL or minimum requirement for own funds and eligible liabilities

A requirement under the Bank Recovery and Resolution Directive for EU resolution authorities to set a minimum requirement for own funds and eligible liabilities for banks, implementing the FSB's Total Loss Absorbing Capacity (TLAC) standard. MREL is intended to ensure that there is sufficient equity and specific types of liabilities to facilitate an orderly resolution that minimises any impact on financial stability and ensures the continuity of critical functions and avoids exposing taxpayers to loss.

Net asset value (NAV) per share

Ratio of net assets (total assets less total liabilities) to the number of ordinary shares outstanding at the end of a reporting period.

Net exposure

The aggregate of loans and advances to customers/loans and advances to banks after impairment provisions, restricted balances with central banks, derivatives (net of master netting agreements), investment debt and equity securities, and letters of credit and guarantees.

Net Zero

The aim of reaching net zero carbon emissions from our operations by 2025 and from our financing by 2050.

NII or Net interest income

The difference between interest received on assets and interest paid on liabilities.

NSFR or Net stable funding ratio

The ratio of available stable funding to required stable funding over a one-year time horizon, assuming a stressed scenario. It is a longer-term liquidity measure designed to restrain the amount of wholesale borrowing and encourage stable funding over a one-year time horizon.

NPLs or non-performing loans

An NPL is any loan that is more than 90 days past due or is otherwise individually impaired. This excludes Retail loans renegotiated at or after 90 days past due, but on which there has been no default in interest or principal payments for more than 180 days since renegotiation, and against which no loss of principal is expected.

Non-linearity

Non-linearity of expected credit loss occurs when the average of expected credit loss for a portfolio is higher than the base case (median) due to the fact that bad economic environment could have a larger impact on ECL calculation than good economic environment.

Normalised items

See 'Underlying/Normalised' on page 85.

Operating expenses

Staff and premises costs, general and administrative expenses, depreciation and amortisation. Underlying operating expenses exclude expenses as described in 'Underlying earnings'. A reconciliation between underlying and statutory earnings is contained in Note 2 to the financial statements.

Operating income or operating profit

Net interest, net fee and net trading income, as well as other operating income. Underlying operating income represents the income line items above, on an underlying basis. See 'Underlying earnings'.

OTC or Over-the-counter derivatives

A bilateral transaction (e.g. derivatives) that is not exchange traded and that is valued using valuation models.

OCA or Own credit adjustment

An adjustment to the Group's issued debt designated at fair value through profit or loss that reflects the possibility that the Group may default and not pay the full market value of the contracts.

Perennial sub-optimal clients

Clients that have returned below 3% return on risk-weighted assets for the last three years

Physical risks

The risk of increased extreme weather events including flood, drought and sea level rise.

Pillar 1

The first pillar of the three pillars of the Basel framework which provides the approach to calculation of the minimum capital requirements for credit, market and operational risk. Minimum capital requirements are 8 per cent of the Group's risk-weighted assets.

Pillar 2

The second pillar of the three pillars of the Basel framework which requires banks to undertake a comprehensive assessment of their risks and to determine the appropriate amounts of capital to be held against these risks where other suitable mitigants are not available.

Pillar 3

The third pillar of the three pillars of the Basel framework which aims to provide a consistent and comprehensive disclosure framework that enhances comparability between banks and further promotes improvements in risk practices.

Priority Banking

Priority Banking customers are individuals who have met certain criteria for deposits, AUM, mortgage loans or monthly payroll. Criteria varies by country.

Private equity investments

Equity securities in operating companies generally not quoted on a public exchange. Investment in private equity often involves the investment of capital in private companies. Capital for private equity investment is raised by retail or institutional investors and used to fund investment strategies such as leveraged buyouts, venture capital, growth capital, distressed investments and mezzanine capital.

PD or Probability of default

PD is an internal estimate for each borrower grade of the likelihood that an obligor will default on an obligation over a given time horizon.

Probability weighted

Obtained by considering the values the metric can assume, weighted by the probability of each value occurring.

Profit (loss) attributable to ordinary shareholders

Profit (loss) for the year after non-controlling interests and dividends declared in respect of preference shares classified as equity.

PVA or Prudent valuation adjustment

An adjustment to CET1 capital to reflect the difference between fair value and prudent value positions, where the application of prudence results in a lower absolute carrying value than recognised in the financial statements.

PRA or Prudential Regulation Authority

The Prudential Regulation Authority is the statutory body responsible for the prudential supervision of banks, building societies, credit unions, insurers and a small number of significant investment firms in the UK. The PRA is a part of the Bank of England.

Revenue-based carbon intensity

A measurement of the quantity of greenhouse gases emitted by our clients per USD of their revenue.

Regulatory consolidation

The regulatory consolidation of Standard Chartered PLC differs from the statutory consolidation in that it includes Ascenta IV, Olea Global Pte. Ltd, Seychelles International Mercantile Banking Corporation Limited., and all of the legal entities in the Currency Fair group on a proportionate consolidation basis. These entities are considered associates for statutory accounting purposes.

The regulatory consolidation further excludes the following entities, which are consolidated for statutory accounting purposes; Autumn Life Pte. Ltd., Cardspal Pte. Ltd. Discovery Technology Services Pte. Ltd, Nexco Pte. Ltd, SCV Research and Development Pte. Ltd., Standard Chartered Assurance Limited, Standard Chartered Insurance Limited, Corasi Covered Bonds LLP, Pegasus Dealmaking Pte. Ltd., Standard Chartered Botswana Education Trust, Standard Chartered Bancassurance Intermediary Limited, Standard Chartered Bank Insurance Agency (Proprietary) Limited, Standard Chartered Research and Technology India Private Limited, Standard Chartered Trading (Shanghai) Limited.

Repo/reverse repo

A repurchase agreement or repo is a short-term funding agreement, which allows a borrower to sell a financial asset, such as asset-backed securities or government bonds as collateral for cash. As part of the agreement the borrower agrees to repurchase the security at some later date, usually less than 30 days, repaying the proceeds of the loan. For the party on the other end of the transaction (buying the security and agreeing to sell in the future), it is a reverse repurchase agreement or reverse repo.

Residential mortgage

A loan to purchase a residential property which is then used as collateral to guarantee repayment of the loan. The borrower gives the lender a lien against the property, and the lender can foreclose on the property if the borrower does not repay the loan per the agreed terms. Also known as a home loan.

RoRWA or Return on risk-weighted assets

Profit before tax for year as a percentage of RWA. Profit may be statutory or underlying and is specified where used. See 'RWA' and 'Underlying earnings'.

RWA or Risk-weighted assets

A measure of a bank's assets adjusted for their associated risks, expressed as a percentage of an exposure value in accordance with the applicable standardised or IRB approach provisions.

Risks-not-in-VaR (RNIV)

A framework for identifying and quantifying marginal types of market risk that are not captured in the Value at Risk (VaR) measure for any reason, such as being a far-tail risk or the necessary historical market data not being available.

Roll rate

Uses a matrix that gives average loan migration rate from delinquency states from period to period. A matrix multiplication is then performed to generate the final PDs by delinquency bucket over different time horizons.

Scope 1 emissions

Arise from the consumption of energy from direct sources during the use of property occupied by the Group. On-site combustion of fuels such as diesel, liquefied petroleum gas and natural gas is recorded using meters or, where metering is not available, collated from fuel vendor invoices. Emissions from the combustion of fuel in Group-operated transportation devices, as well as fugitive emissions, are excluded as being immaterial.

Scope 2 emissions

Arise from the consumption of indirect sources of energy during the use of property occupied by the Group. Energy generated off-site in the form of purchased electricity, heat, steam or cooling is collected as kilowatt hours consumed using meters or, where metering is not available, collated from vendor invoices. For leased properties we include all indirect and direct sources of energy consumed by building services (amongst other activities) within the space occupied by the Group. This can include base building services under landlord control but over which we typically hold a reasonable degree of influence. All data centre facilities with conditioning systems and hardware remaining under the operational control of the Group are included in the reporting. This does not include energy used at outsourced data centre facilities which are captured under Scope 3.

Scope 3 emissions

Occur as a consequence of the Group's activities but arising from sources not controlled by the Group. Business air travel data is collected as person kilometres travelled by seating class by employees of the Group. Data are drawn from country operations that have processes in place to gather accurate employee air travel data from travel management companies. Flights are categorised as short, medium or long haul trips. Emissions from other potential Scope 3 sources such as electricity transmission and distribution line losses are not currently accounted for on the basis that they cannot be calculated with an acceptable level of reliability or consistency. The Group does however capture Scope 3 emissions from outsourced data centres managed by third parties.

Secured (fully and partially)

A secured loan is a loan in which the borrower pledges an asset as collateral for a loan which, in the event that the borrower defaults, the Group is able to take possession of. All secured loans are considered fully secured if the fair value of the collateral is equal to or greater than the loan at the time of origination. All other secured loans are considered to be partly secured.

Securitisation

Securitisation is a process by which credit exposures are aggregated into a pool, which is used to back new securities. Under traditional securitisation transactions, assets are sold to a structured entity which then issues new securities to investors at different levels of seniority (credit tranching). This allows the credit quality of the assets to be separated from the credit rating of the originating institution and transfers risk to external investors in a way that meets their risk appetite. Under synthetic securitisation transactions, the transfer of risk is achieved by the use of credit derivatives or guarantees, and the exposures being securitised remain exposures of the originating institution.

Senior debt

Debt that takes priority over other unsecured or otherwise more 'junior' debt owed by the issuer. Senior debt has greater seniority in the issuer's capital structure than subordinated debt. In the event the issuer goes bankrupt, senior debt theoretically must be repaid before other creditors receive any payment.

SICR or Significant increase in credit risk

Assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination (after considering the passage of time).

Solo

The solo regulatory group as defined in the Prudential Regulation Authority waiver letter dated 10 August 2020 differs from Standard Chartered Bank Company in that it includes the full consolidation of nine subsidiaries, namely Standard Chartered Holdings (International) B.V., Standard Chartered MB Holdings B.V., Standard Chartered UK Holdings Limited, Standard Chartered Grindlays PTY Limited, SCMB Overseas Limited, Standard Chartered Capital Management (Jersey) LLC, Cerulean Investments L.P., SC Ventures Innovation Investment L.P. and SC Ventures G.P. Limited.

Sovereign exposures

Exposures to central governments and central government departments, central banks and entities owned or guaranteed by the aforementioned.

Stage 1

Assets have not experienced a significant increase in credit risk since origination and impairment recognised on the basis of 12 months expected credit losses.

Stage 2

Assets have experienced a significant increase in credit risk since origination and impairment is recognised on the basis of lifetime expected credit losses.

Stage 3

Assets that are in default and considered credit-impaired (non-performing loans).

Standardised approach

In relation to credit risk, a method for calculating credit risk capital requirements using External Credit Assessment Institutions (ECAI) ratings and supervisory risk weights. In relation to operational risk, a method of calculating the operational capital requirement by the application of a supervisory defined percentage charge to the gross income of eight specified business lines.

Structured note

An investment tool which pays a return linked to the value or level of a specified asset or index and sometimes offers capital protection if the value declines. Structured notes can be linked to equities, interest rates, funds, commodities and foreign currency.

Subordinated liabilities

Liabilities which, in the event of insolvency or liquidation of the issuer, are subordinated to the claims of depositors and other creditors of the issuer.

Sustainability Aspirations

A series of targets and metrics by which we aim to promote social and economic development, and deliver sustainable outcomes in the areas in which we can make the most material contribution to the delivery of the UN Sustainable Development Goals.

Sustainable Finance assets

Assets from clients whose activities are aligned with the Green and Sustainable Product Framework and/or from transactions for which the use of proceeds will be utilised directly to contribute towards eligible themes and activities set out within the Green and Sustainable Product Framework.

Sustainable Finance revenue

Revenue from clients whose activities are aligned with the Green and Sustainable Product Framework and/or from transactions for which proceeds will be utilised directly to contribute towards eligible themes and activities set out within the Green and Sustainable Product Framework and/or from approved 'labelled' transactions such as any transaction referred to as "green", "social", "sustainable", "SDG (sustainable development goal) aligned", "ESG", "transition", "COVID-19 facility" or "COVID-19 response" which have been approved by the Sustainable Finance Governance Committee.

Tier 1 capital

The sum of Common Equity Tier 1 capital and Additional Tier 1 capital.

Tier 1 capital ratio

Tier 1 capital as a percentage of risk-weighted assets.

Tier 2 capital

Tier 2 capital comprises qualifying subordinated liabilities and related share premium accounts.

TLAC or Total loss absorbing capacity

An international standard for TLAC issued by the FSB, which requires G-SIBs to have sufficient loss-absorbing and recapitalisation capacity available in resolution, to minimise impacts on financial stability, maintain the continuity of critical functions and avoid exposing public funds to loss.

Transition risks

The risk of changes to market dynamics or sectoral economics due to governments' response to climate change.

UK bank levy

A levy that applies to certain UK banks and the UK operations of foreign banks. The levy is payable each year based on a percentage of the chargeable equities and liabilities on the Group's UK tax resident entities' balance sheets. Key exclusions from chargeable equities and

liabilities include Tier 1 capital, insured or guaranteed retail deposits, repos secured on certain sovereign debt and liabilities subject to netting.

Unbiased

Not overly optimistic or pessimistic, represents information that is not slanted, weighted, emphasised, de-emphasised or otherwise manipulated to increase the probability that the financial information will be received favourably or unfavourably by users.

Unlikely to pay

Indications of unlikelihood to pay shall include placing the credit obligation on non-accrued status; the recognition of a specific credit adjustment resulting from a significant perceived decline in credit quality subsequent to the Group taking on the exposure; selling the credit obligation at a material credit-related economic loss; the Group consenting to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, interest or, where relevant fees; filing for the obligor's bankruptcy or a similar order in respect of an obligor's credit obligation to the Group; the obligor has sought or has been placed in bankruptcy or similar protection where this would avoid or delay repayment of a credit obligation to the Group.

VaR or Value at Risk

A quantitative measure of market risk estimating the potential loss that will not be exceeded in a set time period at a set statistical confidence level.

ViU or Value-in-Use

The present value of the future expected cash flows expected to be derived from an asset or CGU.

Write-downs

After an advance has been identified as impaired and is subject to an impairment provision, the stage may be reached whereby it is concluded that there is no realistic prospect of further recovery. Write-downs will occur when, and to the extent that, the whole or part of a debt is considered irrecoverable.

XVA

The term used to incorporate credit, debit and funding valuation adjustments to the fair value of derivative financial instruments. See 'CVA', 'DVA' and 'FVA'.