

Financial review

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Championing Tomorrow's Banking

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

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

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Financial summary

Statement of results

	2024 \$million	2023 \$million	Change ¹ %
Underlying performance			
Operating income	19,696	17,378	13
Operating expenses	(11,790)	(11,136)	(6)
Credit impairment	(557)	(528)	(5)
Other impairment	(588)	(130)	nm
Profit from associates and joint ventures	50	94	(47)
Profit before taxation	6,811	5,678	20
Profit attributable to ordinary shareholders ²	4,276	3,581	19
Return on ordinary shareholders' tangible equity (%)	11.7	10.1	160bps
Cost-to-income ratio (excluding bank levy) (%)	59.4	63.4	404bps
Reported performance			
Operating income	19,543	18,019	8
Operating expenses	(12,502)	(11,551)	(8)
Credit impairment	(547)	(508)	(8)
Goodwill & other impairment	(588)	(1,008)	42
Profit from associates and joint ventures	108	141	(23)
Profit before taxation	6,014	5,093	18
Taxation	(1,972)	(1,631)	(21)
Profit for the period	4,042	3,462	17
Profit attributable to parent company shareholders	4,050	3,469	17
Profit attributable to ordinary shareholders ²	3,593	3,017	19
Return on ordinary shareholders' tangible equity (%)	9.7	8.4	130bps
Cost-to-income ratio (%)	64.0	64.1	13bps
Net interest margin (%) (adjusted)	1.94	1.67	27bps
Balance sheet and capital			
Total assets	849,688	822,844	3
Total equity	51,284	50,353	2
Average tangible equity attributable to ordinary shareholders ²	36,876	36,098	2
Loans and advances to customers	281,032	286,975	(2)
Customer accounts	464,489	469,418	(1)
Risk-weighted assets	247,065	244,151	1
Total capital	53,091	51,741	3
Total capital ratio (%)	21.5	21.2	30bps
Common Equity Tier 1	35,190	34,314	3
Common Equity Tier 1 ratio (%)	14.2	14.1	19bps
Advances-to-deposits ratio (%) ³	53.3	53.3	nm
Liquidity coverage ratio (%)	138	145	(670)bps
UK leverage ratio (%)	4.8	4.7	10bps
	Cents	Cents	Change ¹
Information per ordinary share			
Earnings per share – underlying ⁴	168.1	128.9	39.2
– reported ⁴	141.3	108.6	32.7
Net asset value per share ⁵	1,781	1,629	152
Tangible net asset value per share ⁵	1,541	1,393	148
Number of ordinary shares at period end (millions)	2,408	2,637	(9)

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

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

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

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

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

Operating income by product

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

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

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

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

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

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

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

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

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

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

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

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

Profit before tax by client segment

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

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

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

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

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

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

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

Adjusted net interest income and margin

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

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

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

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

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

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

- Average interest-earning assets were down by \$33 billion primarily due to a reduction in Treasury assets following on from an increase in demand for funding of trading book assets, the impact of FX translation and a decrease in underlying average loans and advances to customers driven by a decline in mortgages. Gross yields increased 41 basis points compared with the prior year due to the impact of higher average interest rates and an improved balance sheet mix

- Average interest-bearing liabilities were broadly stable year-on-year as growth in WRB customer accounts was offset by the impact of FX translation and managed outflow of more expensive CIB and Treasury balances. The rate paid on liabilities decreased 5 basis points in spite of higher average interest rates and elevated passthrough rates on CIB deposits reflecting the impacts of the increased trading book funding cost adjustment, deposit insurance reclassification and roll-off of the loss-making short-term hedges as well as improved mix with strong growth in WRB deposits

Credit risk summary

Income Statement (Underlying view)

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

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

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

Balance sheet

	2024 \$million	2023 \$million	Change ¹ %
Gross loans and advances to customers²	285,936	292,145	(2)
Of which stage 1	269,102	273,692	(2)
Of which stage 2	10,631	11,225	(5)
Of which stage 3	6,203	7,228	(14)
Expected credit loss provisions	(4,904)	(5,170)	(5)
Of which stage 1	(483)	(430)	12
Of which stage 2	(473)	(420)	13
Of which stage 3	(3,948)	(4,320)	(9)
Net loans and advances to customers	281,032	286,975	(2)
Of which stage 1	268,619	273,262	(2)
Of which stage 2	10,158	10,805	(6)
Of which stage 3	2,255	2,908	(22)
Cover ratio of stage 3 before/after collateral (%) ³	64/78	60/76	4/2
Credit grade 12 accounts (\$million)	969	2,155	(55)
Early alerts (\$million)	5,559	5,512	1
Investment grade corporate exposures (%) ³	74	73	1
Aggregate top 20 corporate exposures as a percentage of Tier 1 capital ^{3,4}	61	62	(1)

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

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

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

4 Excludes repurchase and reverse repurchase agreements

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

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

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

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

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

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

Restructuring, goodwill impairment and other items

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

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

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

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

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

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

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

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

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

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

Balance sheet and liquidity

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

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

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

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

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

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

Risk-weighted assets

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

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

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

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

Capital base and ratios

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

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

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

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

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

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

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

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

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

Underlying versus reported results reconciliations

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

Operating income by client segment

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

Net interest income and non NII

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

Profit before taxation (PBT)

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

Profit before taxation (PBT) by client segment

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

Return on tangible equity (RoTE)

	2024 \$million	2023 \$million
Average parent company shareholders' equity	44,478	43,549
Less: Preference share premium	(1,494)	(1,494)
Less: Average intangible assets	(6,108)	(5,957)
Average ordinary shareholders' tangible equity	36,876	36,098
Profit for the period attributable to equity holders	4,042	3,462
Non-controlling interests	8	7
Dividend payable on preference shares and AT1 classified as equity	(457)	(452)
Profit for the period attributable to ordinary shareholders	3,593	3,017
Items normalised:		
Restructuring	441	14
Goodwill & other impairment ¹	–	850
Net losses/(gains) on sale of businesses	232	(262)
Ventures FVOCI unrealised gains net of tax	39	69
DVA	24	(17)
Other items ²	100	–
Tax on normalised items	(114)	(21)
Underlying profit for the period attributable to ordinary shareholders	4,315	3,650
Underlying return on tangible equity (%)	11.7	10.1
Reported return on tangible equity (%)	9.7	8.4

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

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

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

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

Net charge-off ratio

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

Earnings per ordinary share (EPS)

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

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

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

Alternative performance measures

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

Advances-to-deposits/customer advances-to-deposits

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

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

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

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

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

Cover ratio after collateral/cover ratio including collateral:

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

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

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

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

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

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

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

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

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

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

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

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

RoTE or Return on Ordinary Shareholders' Tangible Equity:

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

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

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

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

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

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

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