

Group Chairman's statement

“The strength of our performance reflects not only the progress we are making but stronger external confidence and understanding of our business”

Dr José Viñals
Group Chairman



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

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

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

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

Performance with purpose

In my statement last year, I highlighted that our growth must be achieved in a strong, safe and sustainable manner, while

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

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

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

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

societal changes through our Stands: Accelerating Zero, Lifting Participation and Resetting Globalisation.

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

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

Confident and accountable

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

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

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

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

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

Each of our Board members brings valuable personal perspectives and the weight of their experience in terms of expertise in markets and industries. The multi-faceted

diversity of our Board remains critically important, and while all appointments are based on merit, they must also be representative of the diverse clients we serve and markets in which we operate.

From possibilities to prosperity

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

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

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

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

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

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

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



Dr José Viñals

Group Chairman

21 February 2025