

Financial statements

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Case study

Streamlining FX transactions for our clients

In January 2025, we launched SC PrismFX, a new platform providing clients with transactional FX solutions for cross-border payments.

The platform is available across more than 130 currencies and 40 markets and is designed to simplify transactional FX by offering greater transparency, control and efficiency across pricing, execution and workflow.

SC PrismFX is available for financial institutions, non-banking financial institutions, PayTech and corporate clients globally.

 Read more: sc.com/prismfx

Independent Auditor's Report to the members of Standard Chartered PLC

Opinion

In our opinion:

- Standard Chartered PLC's Group financial statements and Parent Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards (UK IAS) and International Financial Reporting Standards (IFRS) as adopted by the European Union (EU IFRS);
- the Parent Company financial statements have been properly prepared in accordance with UK IAS as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Standard Chartered PLC (the 'Company' or the 'Parent Company') and its subsidiaries, interests in associates, and jointly controlled entities (together with the Company—the 'Group') for the year ended 31 December 2025 which comprise:

Group	Company
Consolidated income statement for the year ended 31 December 2025;	Balance sheet as at 31 December 2025;
Consolidated statement of comprehensive income for the year then ended;	Cash flow statement for the year then ended;
Consolidated balance sheet as at 31 December 2025;	Statement of changes in equity for the year then ended; and
Consolidated statement of changes in equity for the year then ended;	Related notes 1 to 41 to the financial statements, including: material accounting policy information.
Consolidated cash flow statement for the year then ended;	
Related notes 1 to 41 to the financial statements, including: material accounting policy information;	
Information marked as 'audited' within the Directors' remuneration report from page 180 to page 206; and	
Risk Review and Capital Review disclosures marked as 'audited' from page 218 to page 308.	

The financial reporting framework that has been applied in their preparation is applicable law and UK IAS and EU IFRS; and as regards the Parent Company financial statements, UK IAS as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Company and we remain independent of the Group and the Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- performing a risk assessment to identify factors that could impact the going concern basis of accounting, including consideration of principal and emerging risks;
- assessing management's going concern assessment, including the Group's forecast capital, liquidity and leverage ratios over the period of twelve months from 24 February 2026, to evaluate the headroom against minimum regulatory requirements and the risk appetite set by the directors;
- engaging EY economic specialists to assess and challenge the reasonableness of assumptions used to develop the forecasts in the Corporate Plan (5-year forward looking plan of the business) and evaluating the accuracy of historical forecasting;
- assessing the Group's funding plan and repayment plan for funding instruments maturing over the period of twelve months from 24 February 2026;
- understanding and evaluating credit rating agency ratings;

- engaging EY prudential regulatory specialists to evaluate the results of management’s stress testing on funding, liquidity, and regulatory capital;
- reviewing correspondence with prudential regulators and authorities for matters that may impact the going concern assessment; and
- evaluating the going concern disclosure included in note 1 to the financial statements to assess that the disclosure was appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group’s and the Parent Company’s ability to continue as a going concern for a period of twelve months from 24 February 2026.

In relation to the Group’s and the Parent Company’s reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors’ statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group’s and the Parent Company’s ability to continue as a going concern.

Overview of our audit approach

Audit scope	<ul style="list-style-type: none"> • We performed an audit of the complete financial information of 10 components in 8 countries and audit procedures on specific balances for a further 6 components in 5 countries. • We performed central procedures for certain audit areas and balances as outlined in Tailoring the scope section of our report.
Key audit matters	<ul style="list-style-type: none"> • Credit impairment • Basis of accounting and impairment assessment of China Bohai Bank (interest in associate) • Valuation of financial instruments held at fair value with higher risk characteristics.
Materiality	<ul style="list-style-type: none"> • Overall Group materiality of \$390m which represents 5% of adjusted profit before tax.

An overview of the scope of the Parent Company and Group audits

Tailoring the scope

In the current year, our audit scoping has been updated to reflect the new requirements of ISA (UK) 600 (Revised). We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures, with input from our component auditors, to identify and assess risks of material misstatement of the Group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered our understanding of the Group and its business environment, the applicable financial framework, the Group’s system of internal control at the entity level, the existence of centralised processes, the IT application environment, and any relevant internal audit results.

We took a centralised approach to auditing certain processes and controls, as well as the substantive testing of specific balances. This included audit work over the Group’s Global Business Services shared services centre (SSC), Corporate and Investment Banking SSC, Credit Impairment SSC and Global Technology.

We determined that centralised audit procedures can be performed across certain components for the key audit matters outlined later in this report, and for other audit areas, including: Revenue recognition; Management override of controls; Technology costs; Impairment of goodwill; Going concern and long-term viability; Hedge accounting; Climate risk; Share based payments; Taxation; Legal and regulatory matters; Centralised reconciliations; Onerous contracts, including impairment of leased properties; IT matters; and certain transformation programmes.

In addition to the above areas, for select components in Germany, Japan, Hong Kong, Côte d’Ivoire and Saudi Arabia, we, the primary audit engagement team (“the Primary Audit Team”) performed certain procedures centrally over the cash balances as at 31 December 2025. These components are separate to those described below.

We identified 16 components in 13 countries as individually relevant to the Group due a significant risk or an area of higher assessed risk of material misstatement of the Group financial statements being associated with the components, or due to financial size of the component relative to the Group.

For those individually relevant components, we identified the significant accounts where audit work needed to be performed at these components by applying professional judgement, having considered the Group’s significant accounts on which centralised procedures are performed, the reasons for identifying the financial reporting component as an individually relevant component and the size of the component’s account balance relative to the Group significant financial statement account balance.

Independent Auditor's Report to the members of Standard Chartered PLC

We then considered whether the remaining Group significant account balances that are not subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the Group financial statements. We did not identify additional scope required as we assessed the residual risk to not be material.

Having identified the components for which work will be performed, we determined the scope to assign to each component.

Of the 16 components selected, we designed and performed audit procedures on the entire financial information of 10 components ("full scope components"). For 6 components, we designed and performed audit procedures on specific significant financial statement account balances or disclosures of the financial information of the component ("specific scope components").

	Group's Absolute PBT		Group's Total assets		Group's Absolute Operating Income	
	2025	2024	2025	2024	2025	2024
Full Scope	66%	64%	87%	87%	68%	72%
Specific Scope	10%	10%	5%	5%	10%	9%
Specified Procedures	0%	2%	0%	0.30%	0%	2%
Total	76%	76%	92%	92%	78%	83%

Of the remaining components that together represent 24% of the Group's absolute PBT, none are individually greater than 2.3%. For certain of these components, we performed other procedures at the Group level which included: performing analytical reviews at the Group financial statement level, evaluating entity level controls, performing audit procedures on the centralised shared service centres, testing of consolidation journals and intercompany eliminations, inquiring with certain overseas EY teams on the outcome of prior year local statutory audits (where audited by EY) to identify any potential risks of material misstatement to the Group financial statements. We also had regard for the extent of centralised procedures in respect of key audit matters.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, the Primary Audit Team, or by component auditors from other firms operating under our instruction. All of the direct components of the Group (full or specific scope) were audited by EY global network firms. There was one non-EY component team auditing a single component in a single location, which was instructed by a direct component of the Group.

Audit procedures were performed on 3 full scope components (including the audit of the Company) directly by the Primary Audit Team (EY London) in the United Kingdom. Where components were audited by the Primary Audit Team, this was under the direction and supervision of the Senior Statutory Auditor. For the remaining 13 components, where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to determine that sufficient and appropriate audit evidence had been obtained as a basis for our opinion on the Group as a whole.

In addition to the above, the Primary Audit Team also performed full-scope audit procedures on components related to the Group consolidation process.

In addition, the Group has centralised processes and controls over key areas in its shared service centres. Members of the Primary Audit Team undertook direct oversight, review and coordination of our shared service centre audits. The Primary Audit Team continued to follow a programme of planned visits to component teams and shared service centres. During the current year's audit cycle, visits were undertaken by the Primary Audit Team to the component teams in the following locations:

- Hong Kong
- India (including the shared services centre)
- Mainland China (including the shared services centre)
- Malaysia (including the shared services centre)
- Republic of Korea
- Singapore (including the shared services centre)
- United Arab Emirates
- United States of America
- Kenya

These visits involved discussing the audit approach with the component team and any issues arising from their work, meeting with local management, attending planning and closing meetings, and reviewing relevant audit working papers on risk areas. In addition to the site visits, the Primary Audit Team interacted regularly with the component and SSC audit teams, where appropriate, during various stages of the audit, reviewed relevant working papers and deliverables to the Primary Audit Team, and was responsible for the scope and direction of the audit process.

The Primary Audit Team also undertook video conference meetings with component and SSC audit teams and management. These virtual meetings involved discussing the audit approach and any issues arising from their work, as well as performing remote reviews of key audit workpapers.

This, together with the procedures performed at the Group level, gave us sufficient and appropriate evidence for our opinion on the Group and Company financial statements.

Climate change

Stakeholders are increasingly interested in how climate change will impact the economy, including the banking sector, and further how this may consequently impact the valuation of assets and liabilities held on bank balance sheets. The Group manages climate Risk according to the characteristics of the impacted principal risk types. The assessment of that risk by the Group is explained on pages 287 to 302 in the 'Risk Review and Capital Review' section, and on pages 66 to 128 in the 'Sustainability review' section as well as on pages 450 to 465 in the 'Supplementary sustainability information' section of the Annual Report, where management has also explained their climate commitments.

All of these disclosures form part of the 'Other information', rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on 'Other information'.

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in the 'Sustainability review' section of the Annual Report how they have reflected the impact of climate change in their financial statements, including how this aligns with their commitment to the aspirations of the Paris Agreement to achieve net zero emissions by 2050. Significant judgements and estimates relating to climate change are included in the section 'Climate change impact on the Group's balance sheet' of note 1 to the financial statements. As stated in these disclosures, the Group has considered Climate change to be an area which can impact accounting estimates and judgements through the uncertainty of future events and the impact of that uncertainty on the Group's assets and liabilities.

Risk

Credit Impairment

Refer to the Audit Committee Report (page 163); Note 8 of the financial statements; and relevant credit risk disclosures (including pages 233 to 276).

At 31 December 2025, the Group reported a credit impairment balance sheet provision of \$4,408m million (2024: \$5,267 million), and an income statement charge of \$672 million (2024: \$547 million).

Determining expected credit losses is highly judgemental and subjective as a result of the significant uncertainty associated with the estimation of expected future credit losses. Assumptions with increased complexity in respect of the timing and measurement of expected credit losses (ECL) include:

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating whether management's assessment of the impact of climate risk has been appropriately reflected in the valuation of assets and liabilities, where material and where it can be reliably measured, following the currently effective requirements of UK IAS and EU IFRS. This was in the context of the Group's process being limited, given that this is a highly evolving area, as a result of limitations in the data available and the nascent modelling capabilities, and as the Group considers how it further embeds its climate ambitions into the planning process.

As part of this evaluation, we performed our own risk assessment, supported by our climate change specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability, and the associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work, we have considered the impact of climate change on the financial statements to impact certain key audit matters. Details of our procedures and findings are included in our explanation of key audit matters below.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Our response to the risk

We evaluated the adequacy of the design of the Group's controls over material ECL balances. Operating effectiveness was tested for those controls upon which we placed reliance.

We performed an overall stand-back assessment of the ECL allowance in total and by stage. We considered the overall level of geopolitical risk and consequent economic uncertainty, credit quality of the Group's portfolios, the impact of sovereign risk, challenges facing the Commercial Real Estate sector, and the uncertainty owing to the US trade and tariff policy. We performed peer benchmarking to the extent that this was considered relevant and investigated and sought explanations for any areas identified as being outliers. Our assessment also included the evaluation of the macroeconomic environment by considering trends in the economies and countries to which the Group is exposed.

Risk

Staging – The determination of what constitutes a significant increase in credit risk and default and consequent complete and timely allocation of qualifying assets to the appropriate stage in accordance with IFRS 9.

Modelled output – Appropriateness of accounting interpretations, modelling assumptions, modelling techniques and the data used to determine the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) used to calculate the ECL.

Multiple economic scenarios – The determination of the appropriateness of economic variables, the future forecasting of these variables and the approach to determine both the base case forecast and the Monte Carlo Simulation. The assessment of non-linearity produced by the Monte Carlo simulation, the benchmarking of the output to the discrete scenarios and the evaluation of the need for any overlays.

Management overlays and post-model adjustments

– Appropriateness, completeness and valuation of risk event overlays to capture risks not identified by the credit impairment models, including the consideration of the risk of management override.

Individually assessed ECL allowances – Measurement of individual provisions including the assessment of probability weighted recovery scenarios, existence and valuation of collateral, and expected future cashflows.

In 2025, the most material factors impacting the ECL were geopolitical uncertainty, the impact of the US tariffs, and the idiosyncratic risks at a sovereign and sector level. In addition, we considered the impact of climate as part of impairment provisioning.

Overall, economic uncertainty remains elevated with a consequent increased risk to the downside and therefore in line with the prior year there continues to be an elevated risk of a material misstatement.

Our response to the risk

Staging – We evaluated the criteria used to allocate financial assets within the scope of IFRS 9 to stage 1, 2 or 3. We reperformed the staging distribution for all relevant financial assets. We performed sensitivity analysis to assess the impact of changes to the quantitative thresholds on the EAD and ECL. We reperformed the Group's staging effectiveness and investigated any differences or anomalies.

To test the completeness of the identification of significant increase in credit risk, we challenged the credit risk ratings (including appropriate operation of quantitative backstops) for a sample of performing accounts and other accounts exhibiting risk characteristics such as financial difficulty, deferral of payment, late payment and heightened risk accounts appearing on the watchlist.

Modelled output – With the support of EY credit risk modelling specialists, we performed a risk assessment over the models used in the ECL calculation using independently determined quantitative and qualitative criteria, and applied this risk rating to select a sample of models to test. For the selected models, we assessed the reasonableness of underlying assumptions, methodology and model build. This included evaluating model design and formulae, model implementation and validation, model monitoring, sensitivity testing and independently recalculating the Probability of Default, Loss Given Default and Exposure at Default parameters for a sample of higher risk models.

To evaluate data quality, we performed sample testing over the completeness and accuracy of key data elements assessed to be material to the modelled ECL output, back to source evidence. We sample tested material data adjustments to the modelled output.

Economic scenarios – In collaboration with our economic specialists, we challenged the completeness and appropriateness of the macroeconomic variables used as inputs to the ECL models.

Our economic specialists assisted in evaluating the reasonableness of the base forecast for a sample of macroeconomic variables most pertinent to the Group's ECL calculation. Procedures performed included benchmarking the forecast for a sample of macroeconomic variables to peers, historical data analysis and examination of a variety of global external sources.

Our response to the risk

We assessed the appropriateness of the output of the Monte Carlo simulation by performing a sensitivity test across a sample of economic variables, spanning multiple markets, using an independent challenger model.

We assessed the reasonableness of the non-linearity produced by the Monte Carlo simulation and the appropriateness of management's overlay. Our economists assessed and challenged the Group's choice of discrete scenarios to benchmark the output from the Monte Carlo model and determine the sensitivity analysis as set out on pages 266 to 270 in the annual report. This challenge included the choice of discrete scenarios, the weights applied to each scenario and the quantum of the non-linearity overlay. We also performed a stand-back assessment by benchmarking the non-linearity and overall ECL charge and provision coverage to peers.

Management overlays and post model adjustments

– We challenged the completeness and appropriateness of overlays used for risks not captured by the models and evaluated the outcome of model monitoring procedures that highlighted model deficiencies including the need for post model adjustments. We focused our challenge on idiosyncratic risks at a sector and sovereign level, including the impact of climate, and the results of model monitoring procedures. Our procedures included assessing the need for management overlays and post model adjustments, evaluating the assumptions and judgments used to determine these taking current market conditions into account, and computing independent ranges where appropriate.

Individually assessed ECL allowances – We selected a sample of individually assessed provisions and challenged management's level of provisioning by performing recalculation procedures. These procedures included challenging management's forward looking economic assumptions, the appropriateness of the recovery outcomes, cashflow profiles and timings, and the individual probability weightings used for each scenario.

We also engaged our valuation specialists to independently assess the value of collateral used in management's calculations on a sample basis.

In conjunction with our technical accounting experts, we considered the appropriateness of the accounting treatment applied for material loan restructurings.

Independent Auditor's Report to the members of Standard Chartered PLC

Key observations communicated to the Audit Committee

We communicated that the Group's ECL provisions were reasonably estimated and materially in compliance with IFRS 9. We highlighted the following matters to the Audit Committee that contributed to our overall conclusion:

- Our evaluation of the appropriateness of the significant increase in credit risk triggers, and the results of our staging reperformance.
- Our assessment of the appropriateness of the Group's models to generate the ECL including the appropriateness and validity of the data used in the models.
- Our evaluation of the completeness and appropriateness of economic variables, the choice of discrete scenarios, the weightings applied to these scenarios, and the outcome of our challenger model.
- Our assessment of the appropriateness of post model adjustments and overlays, including idiosyncratic overlays relating to sectors, sovereigns, climate and non-linearity.
- For individually assessed ECL allowances, the overall reasonableness of the provisions, including assumptions applied, and collateral valuations.

We continued to highlight to the Committee that there remains increased uncertainty and volatility in determining expected credit losses due to the elevated risks in the macroeconomic and geopolitical landscape.

How we scoped our audit to respond to the risk and involvement with component teams

For the purposes of determining the scope of work to be conducted centrally and by component teams, we considered the following:

- The Group's gross exposure and ECL by market
- The Group's and EY's independent sovereign risk assessment
- Market of origin for individual defaulted exposures
- The Group's material IFRS 9 systems and processes, including modelled ECL, and where those systems and process were located

Based on this assessment, we determined that specific credit related procedures were required to be performed centrally, and by 8 full scope and 5 specific scope locations.

The Group Audit Team's involvement with the component teams and procedures performed are detailed in the "Involvement with component teams" section of our report.

Risk

Basis of accounting and impairment assessment of China Bohai Bank (Interest in Associate)

Refer to the Audit Committee Report (page 163) and Note 32 of the financial statements.

- Interest in Associate – China Bohai Bank \$883 million (2024: \$738 million).
- Cumulative impairment: \$1,485 million (2024: \$1,459 million).

At 31 December 2025, the Group's share of China Bohai Bank's market capitalisation was \$523m lower than the carrying value of \$883m.

We focused on judgements and estimates, including the appropriateness of the equity accounting treatment under IAS 28 and the assessment of whether the investment was impaired.

Basis of accounting

The Group holds a 16.26% stake in China Bohai Bank and equity accounts for the investment as an associate, on the grounds that the Group is able to exercise significant influence over China Bohai Bank.

IAS 28 states that if the entity holds, directly or indirectly, less than 20% of the voting power of the investee, it is presumed that the entity does not have significant influence, unless such influence can be clearly demonstrated.

There is a risk that the equity accounting treatment may not be appropriate, if the Group cannot demonstrate that it exerts significant influence over China Bohai Bank.

Our response to the risk

We obtained an understanding of management's process and evaluated the design of controls for the accounting and impairment assessment of China Bohai Bank. Our audit strategy was fully substantive.

Basis of accounting

We evaluated the evidence that the Group presented to demonstrate that it exercises significant influence over China Bohai Bank, through Board representation, membership of Board Committees and sharing of technical expertise.

We observed certain meetings alongside Group management and China Bohai Bank management to identify facts and circumstances impacting the assessment of significant influence exercised by the Group.

Impairment testing

We assessed the appropriateness of the Group's VIU methodology for compliance with accounting standards. We tested the mathematical accuracy of the VIU model and engaged our valuation and modelling specialists to support the audit team in calculating an independent range for the VIU.

We performed audit procedures to assess the reasonableness of the Group's forecast of the future cashflows relating to Bohai, and other key assumptions with regard to the relevance and reliability of data inputs.

Risk

Our assessment of the risk in respect of significant influence has not changed compared to the prior year.

Impairment testing

At 31 December 2025, China Bohai Bank's market capitalisation was significantly lower than the carrying value of the investment. Financial performance in 2025 reflected ongoing market pressures, resulting in muted results. In addition, China Bohai Bank did not pay a dividend for a third year.

These matters are indicators of impairment.

Impairment of the investment in China Bohai Bank is determined by comparing the carrying value to the higher of value in use (VIU) and fair value less costs to sell. The VIU is modelled by reference to future cashflow forecasts (forecast profit, including a haircut for regulatory capital), exit multiples, discount rate and macroeconomic assumptions such as forward market interest rate curves. The assumptions underpinning management's assessment of the VIU are subject to estimation uncertainty and consequently, there is a risk that if the judgements and assumptions are inappropriate, the investment in China Bohai Bank may be misstated.

Our assessment of the risk in respect of impairment has not changed compared to the prior year.

Our response to the risk

We performed a stand-back assessment to determine whether the carrying value of the Group's investment in China Bohai Bank was reasonable. We considered the macroeconomic environment in China, ratings agency reports and public disclosures by Bohai. We benchmarked the forecasts to broker reports published for comparable companies.

We assessed the appropriateness of disclosures in the annual report in relation to China Bohai Bank, including the impact of reasonably possible changes in key assumptions on the carrying value of the investment.

Key observations communicated to the Audit Committee

On the basis of the evidence, we concluded that the Group continues to maintain significant influence over China Bohai Bank as at 31 December 2025. We highlighted our assessment of the impairment methodology and our view on significant assumptions to the VIU.

We concluded that the Interest in Associate – China Bohai Bank balance and the associated financial statement disclosures were not materially misstated as at 31 December 2025.

How we scoped our audit to respond to the risk and involvement with component teams

We performed centralised audit procedures over the risk, with the support of EY Hong Kong and a non-EY Component audit team in performing certain procedures to address the risk.

The Group Audit Team's involvement with the component teams and procedures performed are detailed in the Involvement with component audit teams' section of our report.

Risk

Valuation of financial instruments held at fair value with higher risk characteristics (Level 3 and certain Level 2 portfolios)

Refer to the Audit Committee Report (page 163) and Note 13 to the financial statements.

At 31 December 2025, the Group reported financial assets measured at fair value of \$370,745 million (2024: \$348,408 million), and financial liabilities at fair value of \$157,801 million (2024: \$167,526 million), of which financial assets of \$12,338 million (2024: \$8,053 million) and financial liabilities of \$5,133 million (2024: \$4,937 million) are classified as Level 3 in the fair value hierarchy.

The fair value of financial instruments with higher risk characteristics involves the use of management judgement in the selection of valuation models and techniques, pricing inputs and assumptions and fair value adjustments.

Our response to the risk

We evaluated the design and operating effectiveness of controls relating to the valuation of financial instruments, including Independent Price Verification (IPV), model validation, fair value adjustments, and significant deal review.

Among other procedures, we engaged our valuation specialists to assist the audit team in performing the following testing on a risk-assessed sample basis:

- Test valuations dependent on complex models by independently revaluing Level 3 and certain Level 2 derivative financial instruments (including those embedded within customer accounts, debt securities in issue, and deposits by banks) to assess the appropriateness of models and the adequacy of assumptions and inputs used by the Group;

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Risk

A higher level of estimation uncertainty is involved for financial instruments valued using complex models; pricing inputs that have limited observability; and fair value adjustments, including Credit Valuation Adjustments for illiquid counterparties.

We considered the following portfolios presented a higher level of estimation uncertainty:

- Derivatives: Level 3 and certain Level 2 derivatives (including those embedded within customer accounts, debt securities in issue, and deposits by banks) whose valuation involves the use of complex models; and
- Other Level 3 financial instruments: equity shares, loans and advances to customers, reverse repurchase agreements and other similar secured lending, and debt securities and other eligible bills with unobservable pricing inputs.

The level of risk remains consistent with the prior year.

Our response to the risk

- Test valuations of other Level 3 financial instruments with higher estimation uncertainty, such as equity shares, loans and advances to customers, reverse repurchase agreements and other similar secured lending, and debt securities and other eligible bills. Where appropriate, we compared management's valuation to our own independently developed range;
- Assessed the appropriateness and observability of pricing inputs as part of the IPV process and recognition of day 1 P&L; and
- Compared the methodology used for fair value adjustments to current market practice. We revalued a sample of valuation adjustments, compared market inputs to third party data, and challenged the basis for determining illiquid credit spreads.

Where differences between our independent valuation and management's valuation were outside our thresholds, we performed additional testing to assess the impact on the valuation of financial instruments.

Throughout our audit procedures we considered the continuing uncertainty arising from the current macroeconomic environment. In addition, we assessed whether there were any indicators of aggregate bias in financial instrument marking and methodology assumptions.

We also assessed management's disclosures regarding fair value measurement.

Key observations communicated to the Audit Committee

We concluded that assumptions used by management to estimate the fair value of financial instruments with higher risk characteristics, and the recognition of related income, were reasonable. We highlighted the following matters to the Audit Committee:

- We did not identify material differences arising from our independent testing of valuations dependent on complex models;
- The fair values of other Level 3 financial instruments, valued using pricing inputs with limited observability, were not materially misstated as at 31 December 2025 based on our independent calculations; and
- Valuation adjustments, including Credit Valuation Adjustments for illiquid counterparties, were appropriate, based on our analysis of market data and benchmarking of pricing information.

How we scoped our audit to respond to the risk and involvement with component teams

We performed centralised audit procedures over this risk. These procedures were performed by the Primary Team and CIB SSC team, covering over 99% of the risk amount.

In the prior year, our auditor's report included a key audit matter in relation to the impairment of investments in subsidiaries. Following a re-assessment, in the current year, we no longer consider it a key audit matter.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be \$390 million (2024: \$340 million), which is 5% (2024: 5%) of adjusted profit before tax. This reflects statutory profit before tax adjusted for certain non-recurring items. We believe that adjusted profit before tax provides us with the most appropriate and relevant measure for the users of the financial statements, given the Group is profit-making, it is consistent with the wider industry, and it is the standard for listed and regulated entities. This increase from prior year is driven by an increase in our materiality basis of adjusted profit before tax and is reflected in all materiality thresholds discussed below.

We determined materiality for the Parent Company to be \$351 million (2024: \$306 million), which represents 90% of Group materiality (2024: 90%) and equates to 0.6% (2024: 0.6%) of the equity of the Parent company. We believe that equity provides us with the most appropriate measure for the users of the Parent Company's financial statements, given that the Parent Company is primarily a holding company.

Starting basis	• Reported profit before tax – \$6,963m
Adjustments	• Non-recurring items: \$842m
Materiality	• Adjusted profit before tax – \$7,805m • Materiality of \$390m (5% of adjusted profit before tax)

During the course of our audit, we reassessed initial materiality. This assessment resulted in a higher final materiality calculated based on the actual financial performance of the Group for the year. There were no changes to the basis for materiality from the planning stage.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% (2024: 50%) of our planning materiality, namely \$195m (2024: \$170m). We have set performance materiality at this percentage due to a variety of risk factors, such as the expectation of misstatements, internal control environment considerations, and other factors such as the global complexity of the Group.

Audit work was undertaken at component locations for the purpose of responding to the assessed risks of material misstatement of the Group financial statements. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was \$19m to \$46m (2024: \$16m to \$46m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of \$20m (2024: \$17m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Annual Report set out on pages 1 to 478, including the Strategic report (pages 1 to 52), the Financial Review (pages 53 to 65), the Sustainability Review (pages 66 to 128), the Directors' report (pages 129 to 216), including the information not marked as 'audited' in the Directors' remuneration report (pages 180 to 206) and Other statutory and regulatory disclosures (pages 207 to 216), the Statement of directors' responsibilities (page 217), the information not marked as 'audited' in the Risk review and Capital review section (pages 218 to 308), and the Supplementary information (pages 435 to 478), other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 334;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on pages 51 to 52;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 52;
- Directors' statement on fair, balanced and understandable set out on page 217;

- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 212;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 212 to 213; and
- The section describing the work of the audit committee set out on pages 161 to 169.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 217, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (UK-adopted IAS and EU IFRS, the Companies Act 2006 and the UK Corporate

Governance Code, the Financial Conduct Authority (FCA) Listing Rules, the Main Board Listing Rules of the Hong Kong Stock Exchange), regulations and supervisory requirements of the Prudential Regulation Authority (PRA), FRC, FCA and other overseas regulatory requirements, including but not limited to regulations in its major markets such as Mainland China, Hong Kong, India, Republic of Korea, Singapore, the United Arab Emirates, the United States of America, and the relevant tax compliance regulations in the jurisdictions in which the Group operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to regulatory capital and liquidity, conduct, financial crime including anti-money laundering, sanctions and market abuse recognising the financial and regulated nature of the Group's activities.

- We understood how the Group is complying with those frameworks by performing a combination of inquiries of senior management and those charged with governance as required by auditing standards, review of board and certain committee meeting minutes, gaining an understanding of the Group's approach to governance, inspection of regulatory correspondence in the year and engaging with internal and external legal counsel. We also engaged EY financial crime and forensics specialists to perform procedures on areas relating to anti-money laundering, whistleblowing, and sanctions compliance. Through these procedures, we became aware of actual or suspected non-compliance. The identified actual or suspected non-compliance was not sufficiently significant to our audit that would have resulted in it being identified as a key audit matter.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by considering the controls that the Group has established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud. Our procedures to address the risks identified also included incorporation of unpredictability into the nature, timing and/or extent of our testing, challenging assumptions and judgements made by management in their significant accounting estimates and journal entry testing.
- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved inquiries of the Group's internal and external legal counsel, money laundering reporting officer, internal audit, certain senior management executives, and focused testing on a sample basis, including journal entry testing. We also performed inspection of key correspondence from the relevant regulatory authorities as well as review of board and committee minutes.
- For instances of actual or suspected non-compliance with laws and regulations, which have a material impact on the financial statements, these were communicated by management to the Group audit engagement team and component teams (where applicable) who performed audit procedures such as inquiries with management,

sending confirmations to external legal counsel, substantive testing and meeting with regulators.

Where appropriate, we involved specialists from our firm to support the audit team.

- The Group is authorised to provide banking, insurance, mortgages and home finance, consumer credit, pensions, investments and other activities. The Group operates in the banking industry which is a highly regulated environment. As such, the Senior Statutory Auditor considered the experience and expertise of the Group audit engagement team, the component teams and the shared service centre teams to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the audit committee, we were re-appointed by the Company on 8 May 2025 to audit the financial statements for the year ending 31 December 2025 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is six years, covering the years ending 31 December 2020 to 31 December 2025.
- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Micha Missakian

Senior statutory auditor
for and on behalf of Ernst & Young LLP, Statutory Auditor

London

24 February 2026

Financial statements

Consolidated income statement

For the year ended 31 December 2025

	Notes	2025 \$million	2024 \$million
Interest income		24,547	27,862
Interest expense		(18,592)	(21,496)
Net interest income	3	5,955	6,366
Fees and commission income		5,349	4,623
Fees and commission expense		(1,100)	(889)
Net fee and commission income	4	4,249	3,734
Net trading income	5	10,294	9,615
Other operating income	6	444	(172)
Operating income		20,942	19,543
Staff costs		(9,109)	(8,510)
Premises costs		(434)	(401)
General administrative expenses		(2,591)	(2,465)
Depreciation and amortisation		(1,170)	(1,126)
Operating expenses	7	(13,304)	(12,502)
Operating profit before impairment losses and taxation		7,638	7,041
Credit impairment	8	(672)	(547)
Goodwill, property, plant and equipment and other impairment	9	(65)	(588)
Profit from associates and joint ventures	32	62	108
Profit before taxation		6,963	6,014
Taxation	10	(1,866)	(1,972)
Profit for the year		5,097	4,042
Profit attributable to:			
Non-controlling interests	29	12	(8)
Parent company shareholders		5,085	4,050
Profit for the year		5,097	4,042
		cents	cents
Earnings per share:			
Basic earnings per ordinary share	12	195.4	141.3
Diluted earnings per ordinary share	12	189.6	137.7

The notes on pages 330 to 434 form an integral part of these financial statements.

Financial statements

Consolidated statement of comprehensive income

For the year ended 31 December 2025

	Notes	2025 \$million	2024 \$million
Profit for the year		5,097	4,042
Other comprehensive income/(loss):			
Items that will not be reclassified to income statement:		198	(181)
Own credit losses on financial liabilities designated at fair value through profit or loss		(154)	(426)
Equity instruments at fair value through other comprehensive income		371	71
Actuarial (loss)/gain on retirement benefit obligations	30	(11)	52
Revaluation surplus		5	25
Taxation relating to components of other comprehensive income	10	(13)	97
Items that may be reclassified subsequently to income statement:		1,520	(389)
Exchange differences on translation of foreign operations:			
Net gains/(losses) taken to equity		788	(1,423)
Net gains on net investment hedges	14	129	678
Share of other comprehensive (loss)/income from associates and joint ventures	32	(28)	9
Debt instruments at fair value through other comprehensive income			
Net valuation gains taken to equity		296	283
Reclassified to income statement	6	10	237
Net impact of expected credit losses		22	(35)
Cash flow hedges:			
Net movements in cash flow hedge reserve	14	368	(101)
Taxation relating to components of other comprehensive income	10	(65)	(37)
Other comprehensive income/(loss) for the year, net of taxation		1,718	(570)
Total comprehensive income for the year		6,815	3,472
Total comprehensive income attributable to:			
Non-controlling interests	29	45	(22)
Parent company shareholders		6,770	3,494
Total comprehensive income for the year		6,815	3,472

Financial statements

Consolidated balance sheet

As at 31 December 2025

	Notes	2025 \$million	2024 \$million
Assets			
Cash and balances at central banks	13,35	77,746	63,447
Financial assets held at fair value through profit or loss	13	195,257	177,517
Derivative financial instruments	13,14	65,782	81,472
Loans and advances to banks	13,15	43,901	43,593
Loans and advances to customers	13,15	286,788	281,032
Investment securities	13	166,956	144,556
Other assets	20	67,931	43,468
Current tax assets	10	574	663
Prepayments and accrued income		3,058	3,207
Interests in associates and joint ventures	32	1,426	1,020
Goodwill and intangible assets	17	6,231	5,791
Property, plant and equipment	18	2,559	2,425
Deferred tax assets	10	493	414
Retirement benefit schemes in surplus		154	151
Assets classified as held for sale	21	1,099	932
Total assets		919,955	849,688
Liabilities			
Deposits by banks	13	30,846	25,400
Customer accounts	13	530,161	464,489
Repurchase agreements and other similar secured borrowing	13,16	7,757	12,132
Financial liabilities held at fair value through profit or loss	13	89,597	85,462
Derivative financial instruments	13,14	68,204	82,064
Debt securities in issue	13,22	72,858	64,609
Other liabilities	23	46,655	44,681
Current tax liabilities	10	709	726
Accruals and deferred income		7,358	6,896
Subordinated liabilities and other borrowed funds	13,27	8,834	10,382
Deferred tax liabilities	10	752	567
Provisions for liabilities and charges	24	401	349
Retirement benefit schemes in deficit		323	266
Liabilities included in disposal groups held for sale	21	914	381
Total liabilities		865,369	798,404
Equity			
Share capital and share premium account	28	6,614	6,695
Other reserves		10,406	8,724
Retained earnings		29,573	28,969
Total parent company shareholders' equity		46,593	44,388
Other equity instruments	28	7,528	6,502
Total equity excluding non-controlling interests		54,121	50,890
Non-controlling interests	29	465	394
Total equity		54,586	51,284
Total equity and liabilities		919,955	849,688

The notes on pages 330 to 434 form an integral part of these financial statements.

These financial statements were approved by the Board of directors and authorised for issue on 24 February 2026 and signed on its behalf by:

Maria Ramos
Group Chair

Bill Winters
Group Chief Executive

Consolidated statement of changes in equity

For the year ended 31 December 2025

	Ordinary share capital and share premium account \$million	Preference share capital and share premium account \$million	Capital and merger reserves ¹ \$million	Own credit adjustment reserve \$million	Fair value through other comprehensive income reserve – debt \$million	Fair value through other comprehensive income reserve – equity \$million	Cash-flow hedge reserve \$million	Translation reserve \$million	Retained earnings \$million	Parent company shareholders' equity \$million	Other equity instruments \$million	Non-controlling interests \$million	Total \$million
As at 01 January 2024	5,321	1,494	17,453	100	(690)	330	91	(8,113)	28,459	44,445	5,512	396	50,353
Profit for the year	-	-	-	-	-	-	-	-	4,050	4,050	-	(8)	4,042
Other comprehensive (loss)/ income ¹⁰	-	-	-	(377)	442	(26) ⁸	(87)	(735)	227 ^{2,9}	(556)	-	(14)	(570)
Distributions	-	-	-	-	-	-	-	-	-	-	-	(43)	(43)
Other equity instruments issued, net of expenses	-	-	-	-	-	-	-	-	-	-	1,568	-	1,568
Redemption of other equity instruments	-	-	-	-	-	-	-	-	-	-	(553)	-	(553)
Treasury shares net movement	-	-	-	-	-	-	-	-	(168)	(168)	-	-	(168)
Share option expense, net of taxation	-	-	-	-	-	-	-	-	269	269	-	-	269
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(780)	(780)	-	-	(780)
Dividends on preference shares and AT1 securities	-	-	-	-	-	-	-	-	(457)	(457)	-	-	(457)
Share buyback ⁶	(120)	-	120	-	-	-	-	-	(2,500)	(2,500)	-	-	(2,500)
Other movements	-	-	-	(1)	7	-	-	210 ³	(131) ⁴	85	(25)	63 ⁵	123
As at 31 December 2024	5,201	1,494	17,573	(278)	(241)	304	4	(8,638)	28,969	44,388	6,502	394	51,284
Profit for the year	-	-	-	-	-	-	-	-	5,085	5,085	-	12	5,097
Other comprehensive (loss)/income ¹⁰	-	-	-	(134)	284	236 ⁸	311	885	103 ^{2,9}	1,685	-	33	1,718
Distributions	-	-	-	-	-	-	-	-	-	-	-	(50)	(50)
Other equity instruments issued, net of expenses	-	-	-	-	-	-	-	-	-	-	1,989	-	1,989
Redemption of other equity instruments	-	-	-	-	-	-	-	-	-	-	(1,000)	-	(1,000)
Treasury shares net movement	-	-	-	-	-	-	-	-	(452)	(452)	-	-	(452)
Share option expense, net of taxation	-	-	-	-	-	-	-	-	220	220	-	-	220
Dividends on ordinary shares	-	-	-	-	-	-	-	-	(954)	(954)	-	-	(954)
Dividends on preference shares and AT1 securities	-	-	-	-	-	-	-	-	(527)	(527)	-	-	(527)
Share buyback ⁷	(81)	-	81	-	-	-	-	-	(2,800)	(2,800)	-	-	(2,800)
Other movements	-	-	-	-	(27)	-	-	46	(71)	(52)	37	76 ⁵	61
As at 31 December 2025	5,120	1,494	17,654	(412)	16	540	315	(7,707)	29,573	46,593	7,528	465	54,586

1 Includes capital reserve of \$5 million (31 December 2024: \$5 million), capital redemption reserve of \$538 million (31 December 2024: \$457 million) and merger reserve of \$17,111 million (31 December 2024: \$17,111 million).

2 Includes actuarial (loss)/gain, net of taxation on Group defined benefit schemes.

3 December 2024 movement includes realisation of translation adjustment loss from sale of SCB Zimbabwe Limited (\$190 million), SCB Angola S.A. (\$31 million), SCB Sierra Leone Limited (\$25 million) transferred to other operating income.

4 Mainly includes movements related to Ghana hyperinflation.

5 Movements are primarily from non-controlling interest (refer note 29).

6 During 2024, the Group announced the following share buybacks: a share buyback of up to \$1,000 million in February 2024, which was completed in June 2024; and a share buyback of up to \$1,500 million in July 2024, which was completed in January 2025 (refer note 28 for share buyback announced in July 2024).

7 During 2025, the Group announced the following share buybacks: a share buyback of up to \$1,500 million in February 2025, which was completed in July 2025; and a share buyback of up to \$1,300 million in July 2025, which was completed in January 2026 (refer note 28).

8 Includes \$348 million (31 December 2024: \$72 million) mark-to-market gain on equity instruments (net of tax), \$103 million (31 December 2024: \$174 million) relating to transfer of gain on sale of equity investment to retained earnings and reversal of deferred tax liability \$9 million (31 December 2024: \$76 million reversal of deferred tax asset). For movement in deferred tax refer Note 10.

9 Includes \$103 million (31 December 2024: \$174 million) gain on sale of equity investment in other comprehensive income reserve transferred to retained earnings partly offset by \$9 million (31 December 2024: \$13 million) capital gain tax.

10 All the amounts are net of tax.

Note 28 includes a description of each reserve.

The notes on pages 330 to 434 form an integral part of these financial statements.

Financial statements

Cash flow statement

For the year ended 31 December 2025

	Notes	Group		Company	
		2025 \$million	2024 \$million	2025 \$million	2024 (Restated) ² \$million
Cash flows from operating activities:					
Profit before taxation		6,963	6,014	4,544	3,424
Adjustments for non-cash items and other adjustments included within income statement	34	1,985	2,668	(3,083)	(1,670)
Change in operating assets	34	(28,128)	(66,431)	(1,234)	682
Change in operating liabilities	34	57,919	39,373	1,954	(137)
Contributions to defined benefit schemes	30	(94)	(68)	-	-
UK and overseas taxes paid	10	(1,804)	(2,045)	-	-
Net cash from/(used in) operating activities		36,841	(20,489)	2,181	2,299
Cash flows from investing activities:					
Internally generated capitalised software	17	(1,037)	(953)	-	-
Disposal of Internally generated capitalised software	17	7	5	-	-
Purchase of property, plant and equipment	18	(320)	(456)	-	-
Disposal of property, plant and equipment	18	30	56	-	-
Disposal of held for sale property, plant and equipment	21	128	53	-	-
Acquisition of investment associates, and joint ventures	32	(104)	(12)	-	-
Dividends received from subsidiaries, associates and joint ventures	32,34	47	36	5,160	4,101
Disposal of investment in subsidiaries, associates, and joint ventures ¹		48	74	-	-
Purchase of investment securities		(208,814)	(217,448)	(223)	(1,287)
Disposal and maturity of investment securities		191,697	230,098	1,127	1,273
Net cash (used in)/from investing activities		(18,318)	11,453	6,064	4,087
Cash flows from financing activities:					
Exercise of share options		56	33	56	33
Purchase of own shares		(508)	(201)	(508)	(201)
Cancellation of shares including share buyback		(2,719)	(2,500)	(2,719)	(2,500)
Premises and equipment lease liability principal payment		(205)	(205)	-	-
Issue of Additional Tier 1 Capital net of expenses	28	1,989	1,568	1,989	1,568
Redemption of Tier 1 Capital	28	(1,000)	(553)	(1,000)	(553)
Interest paid on subordinated liabilities	34	(421)	(519)	(410)	(505)
Repayment of subordinated liabilities	34	(2,174)	(1,517)	(2,174)	(1,517)
Proceeds from issue of senior debts	34	11,583	11,044	7,955	7,422
Repayment of senior debts	34	(9,364)	(11,185)	(4,752)	(6,222)
Interest paid on senior debts	34	(1,892)	(1,366)	(1,576)	(1,367)
Net cash inflow from non-controlling interest	29	40	55	-	-
Distributions and dividends paid to non-controlling interests, preference shareholders and AT1 securities		(577)	(500)	(527)	(457)
Dividends paid to ordinary shareholders		(954)	(780)	(954)	(780)
Net cash used in financing activities		(6,146)	(6,626)	(4,620)	(5,079)
Net increase/(decrease) in cash and cash equivalents		12,377	(15,662)	3,625	1,307
Cash and cash equivalents at beginning of the year		89,928	107,635	11,601	10,294
Effect of exchange rate movements on cash and cash equivalents		2,617	(2,045)	-	-
Cash and cash equivalents at end of the year	35	104,922	89,928	15,226	11,601

1 2025 includes disposal of Standard Chartered Bank Cameroon S.A. (\$29 million), Standard Chartered Tanzania Nominees Limited – WRB business (\$13 million), Standard Chartered Bank Gambia Limited (\$6 million). 2024 balance includes disposal of SCB Zimbabwe Limited (\$24 million), SCB Angola S.A. (\$10 million), SCB Sierra Leone Limited (\$17 million), Shoal limited (\$17 million) and Autumn life Pte. Ltd (\$6 million).

2 Refer to note 34 for details of the restatement.

Interest received was \$24,303 million (31 December 2024: \$28,224 million), interest paid was \$18,573 million (31 December 2024: \$21,776 million).

Company balance sheet

As at 31 December 2025

	Notes	2025 \$million	2024 \$million
Non-current assets			
Investments in subsidiary undertakings	32	63,442	61,593
Current assets			
Derivative financial instruments	39	239	112
Financial assets held at fair value through profit or loss	39	18,475	19,049
Investment securities	39	4,904	5,808
Amounts owed by subsidiary undertakings	39	15,226	11,601
Total current assets		38,844	36,570
Current liabilities			
Derivative financial instruments	39	777	1,065
Amounts owed to subsidiary undertakings	39	225	35
Financial liabilities held at fair value through profit or loss	39	17,498	16,852
Other creditors		1,278	959
Total current liabilities		19,778	18,911
Net current assets		19,066	17,659
Total assets less current liabilities		82,508	79,252
Non-current liabilities			
Debt securities in issue	39	21,231	18,167
Subordinated liabilities and other borrowed funds	39	6,831	7,661
Total non-current liabilities		28,062	25,828
Total assets less liabilities		54,446	53,424
Equity			
Share capital and share premium account	28	6,614	6,695
Other reserves		17,623	17,538
Retained earnings		22,685	22,691
Total shareholders' equity		46,922	46,924
Other equity instruments		7,524	6,500
Total equity		54,446	53,424

The Company has taken advantage of the exemption in section 408 of the Companies Act 2006 not to present its individual statement of comprehensive income and related notes that form a part of these financial statements. The Company profit for the period after tax is \$4,534 million (31 December 2024: \$3,408 million).

The notes on pages 330 to 434 form an integral part of these financial statements.

These financial statements were approved by the Board of directors and authorised for issue on 24 February 2026 and signed on its behalf by:

Maria Ramos
Group Chair

Bill Winters
Group Chief Executive

Financial statements

Company statement of changes in equity

For the year ended 31 December 2025

	Share capital and share premium account \$million	Capital and merger reserve ¹ \$million	Own credit adjustment \$million	Cash flow hedge reserve \$million	Retained earnings \$million	Other equity instruments \$million	Total \$million
As at 1 January 2024	6,815	17,453	(8)	(36)	22,952	5,510	52,686
Profit for the year ²	-	-	-	-	3,408	-	3,408
Other comprehensive (loss)/income ⁵	-	-	(11)	20	-	-	9
Other equity instruments issued, net of expenses	-	-	-	-	-	1,568	1,568
Treasury shares net movement	-	-	-	-	(168)	-	(168)
share option expenses	-	-	-	-	250	-	250
Dividends on ordinary shares	-	-	-	-	(780)	-	(780)
Dividends on preference share and AT1 securities	-	-	-	-	(457)	-	(457)
Redemption of other equity instruments	-	-	-	-	-	(553)	(553)
Share buyback ³	(120)	120	-	-	(2,500)	-	(2,500)
Other movements	-	-	-	-	(14)	(25)	(39)
As at 31 December 2024	6,695	17,573	(19)	(16)	22,691	6,500	53,424
Profit for the year ²	-	-	-	-	4,534	-	4,534
Other comprehensive (loss)/income ⁵	-	-	(10)	14	-	-	4
Other equity instruments issued, net of expenses	-	-	-	-	-	1,989	1,989
Treasury shares net movement	-	-	-	-	(452)	-	(452)
Share option expenses	-	-	-	-	219	-	219
Dividends on ordinary shares	-	-	-	-	(954)	-	(954)
Dividends on preference share and AT1 securities	-	-	-	-	(527)	-	(527)
Redemption of other equity instruments	-	-	-	-	-	(1,000)	(1,000)
Share buyback ⁴	(81)	81	-	-	(2,800)	-	(2,800)
Other movements	-	-	-	-	(26)	35	9
As at 31 December 2025	6,614	17,654	(29)	(2)	22,685	7,524	54,446

1 Includes capital reserve of \$5 million (31 December 2024: \$5 million), capital redemption reserve of \$538 million (31 December 2024: \$457 million) and merger reserve of \$17,111 million (31 December 2024: \$17,111 million).

2 Includes dividend received of \$2,299 million (2024: \$2,395 million) from Standard Chartered Holdings Limited.

3 During 2024, the Group announced the following share buybacks: a share buyback of up to \$1,000 million in February 2024, which was completed in June 2024; and a share buyback of up to \$1,500 million in July 2024, which was completed in January 2025 (refer to note 28 for share buyback announced in July 2024).

4 During 2025, the Group announced the following share buybacks: a share buyback of up to \$1,500 million in February 2025, which was completed in July 2025; and a share buyback of up to \$1,300 million in July 2025, which was completed in January 2026 (refer note 28).

5 All the amounts are net of tax.

Note 28 includes a description of each reserve.

The notes on pages 330 to 434 form an integral part of these financial statements.

Notes to the financial statements

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Notes to the financial statements

1. Accounting policies

Statement of compliance

The Group financial statements consolidate Standard Chartered PLC (the Company) and its subsidiaries (together referred to as the Group) and equity account the Group's interests in associates and jointly controlled entities. The parent company financial statements present information about the Company as a separate entity.

The Group financial statements have been prepared in accordance with UK-adopted international accounting standards and International Financial Reporting Standards (IFRS) (Accounting Standards) as adopted by the European Union (EU IFRS), as there are no applicable differences for the periods presented. The Company financial statements have been prepared in accordance with UK-adopted international accounting standards as applied in conformity with section 408 of the Companies Act 2006. The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

The following parts of the Risk review and Capital review form part of these financial statements:

a) Risk review: Disclosures marked as 'audited' from the start of the Credit Risk section to the end of Other principal risks in the same section.

b) Capital review: Tables marked as 'audited' from the start of 'CRD Capital base' to the end of 'Movement in total capital', excluding 'Total risk-weighted assets'.

Basis of preparation

The consolidated and Company financial statements have been prepared on a going concern basis and under the historical cost convention, as modified by the revaluation of cash-settled share-based payments, fair value through other comprehensive income, and financial assets and liabilities (including derivatives) at fair value through profit or loss.

The consolidated financial statements are presented in United States dollars (\$), being the presentation currency of the Group and functional currency of the Company, and all values are rounded to the nearest million dollars, except when otherwise indicated.

Re-presentation of segmental information

During the period there has been a change with respect to the classification of income attributable to geographic markets which has been re-presented to ensure recognition is in line with transfer pricing principles for services performed including origination, structuring, booking, and risk management. This is necessary to align the presentation of the disclosure of geographic markets' operating income with client segments in line with the Regulatory News Service (RNS) filing on Re-Presentation of Financial Information issued on 2 April 2025. Prior period amounts have been re-presented in line with the current year basis of preparation to align with the information reviewed by the Chief Operating Decision Maker (CODM). Where the re-presentation has impacted disclosure, it is included within the footnotes in the following sections and tables:

- Statement of results table
- Group Chief Financial Officer's review, Summary of financial performance table
- Financial review tables including the following: Operating income by product, profit before tax by client segment, Adjusted net interest income and margin, and Restructuring, DVA, FFG and other items
- Supplementary financial information tables including the following: Underlying performance by client segment, Corporate & Investment Banking, Wealth & Retail Banking, Ventures, Central & other items, Underlying performance by key market, and Quarterly underlying operating income by product
- Underlying versus reported results reconciliations, Net interest income and Non NII table
- Movement in risk-weighted assets
- Risk review: Movement tables for Corporate & Investment Banking (audited), Wealth & Retail Banking (audited), and Wealth & Retail Banking – Secured (audited)
- Risk review: Credit impairment charge (audited)
- Notes to the financial statements: Note 2 Segmental information and Note 4 Net fees and commission

Comparatives

Certain comparatives on the Company Cash flow Statement have been restated to align with the current year presentation. This restatement has no impact to the Company's Income Statement, Statement of Comprehensive Income, Balance Sheet and Statement of Changes in Equity. Details of these changes are set out in the relevant sections and notes below:

- Cash flow statement
- Note 34 Cash flow statement

Change in accounting policy

Prior year amounts for certain Credit risk tables (required by IFRS 7 – Financial Instruments: Disclosures) within the Risk review on pages 218 to 308 were also represented for a change in accounting policy for the presentation of the Group's geo-geographic disclosures to align to information reported to key management personnel. These disclosures changed from being based on a management view, which was principally the location from which a client relationship is managed, to being based on a view reflecting the location in which exposures are financially booked. This change provides more relevant information because it more closely reflects the Group's exposure to risk presented to key management personnel. The change impacted the following tables: Loans and advances analysis by client segment, credit quality and key geography, Forborne and other modified loans by key geography, and Industry and Retail Products analysis of loans and advances by key geography – Corporate & Investment Banking and Central & other items. The most significant impact of this change was in net loans and advances to customers in the UK, which increased by \$14.6 billion. This amount was re-classified from a number of geographic locations. There has been no impact to Earnings Per Share or Diluted Earnings per Share from this change. Refer to the bridge tables in Note 40 on page 428 for a reconciliation between the tables previously disclosed at 31 December 2024 and the re-presented tables in these financial statements.

Significant and other accounting estimates and judgements

In determining the carrying amounts of certain assets and liabilities, the Group makes assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The Group's estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. Further information about key assumptions concerning the future, and other key sources of estimation uncertainty and judgement, are set out in the relevant disclosure notes for the areas set out under the relevant headings below:

Significant accounting estimates and critical judgements

Significant accounting estimates and judgements represent those items that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year. Significant accounting estimates and judgements are:

- Expected credit loss calculations (Note 8)
- Financial instruments measured at fair value (Note 13)
- Investments in subsidiary undertakings, joint ventures and associates – China Bohai associate accounting and impairment analysis (Note 32)

Macroeconomic and geopolitical uncertainty is already embedded in the estimate of forward-looking cash flows that affect the estimate of Expected credit loss calculations and impact the recoverability of certain assets, including of goodwill, deferred tax assets and investments in subsidiary undertakings.

Other areas of accounting estimate and judgement

Other areas of accounting estimate and judgement do not meet the definition under IAS 1 of significant accounting estimates or critical accounting judgements, but the recognition of certain material assets and liabilities are based on assumptions and/or are subject to long-term uncertainties. The other areas of accounting estimate and judgement are:

- Taxation (Note 10)
- Goodwill and intangible assets – Goodwill impairment and Capitalisation of internally generated software intangibles (Note 9 and Note 17)
- Provisions for liabilities and charges – Other provisions (Note 24)
- Legal and regulatory matters (Note 26)
- Retirement benefit obligations (Note 30)
- Share-based payments (Note 31)

Notes to the financial statements

1. Accounting policies continued

Climate change impact on the Group's balance sheet

Climate, and the impact of climate on the Group's balance sheet is considered as an area which can impact accounting estimates and judgments through the uncertainty of future events and the impact of that uncertainty on the Group's assets and liabilities, performance, or cash flows.

The Group has assessed the impact of climate risk on the financial report. This is set out within the non-financial and sustainability information statement on page 50 and the Sustainability Review, which incorporate the Group's climate-related disclosures which align with the recommendations from the Task Force for Climate related Financial Disclosures (TCFD) and Hong Kong Listing Requirements. Further risk disclosures have been provided in the Principal Risks and Uncertainties section of the Annual Report where the Group has described how it manages climate risk, which manifests through the Group's business and operations and impact the relevant Principal Risk Types (PRTs). This is managed via the ESGR Risk Type framework.

The areas of impact where judgements and the use of estimates have been applied were credit risk and the impact on lending portfolios; ESG features within issued loans and bonds; physical risk on our mortgage lending portfolio; and the corporate plan, in respect of which forward looking cash flows impact the recoverability of certain assets, including of goodwill, deferred tax assets and investments in subsidiary undertakings. However, these did not result in any material change to this year's balance sheet or income statement.

Transition risk, as our clients move to lower carbon emitting revenues, (either by virtue of legislation, technological advancement, or changing end customer preference) is considered with reference to client transition pathways and manifests over a longer term than the maturity of the loan book (up to 2050). The setting of net zero targets, which covers our 12 highest emitting sectors, manages transition risk. Net zero targets, climate risk questionnaires which are used to assess clients for transition risks and the credibility of their transition plan (CTP) enable the portfolio managers to work with our clients on their transition and deploy capital to those clients which are engaged and have adequate transition pathways. All of these actions manage the Group's transition risk and engage clients before transition risk manifests itself into credit losses. We have also evaluated transition risk to achieve net zero in our own operations. We use scenario analysis to evaluate how various Transition Risk scenarios impact Loan Impairment intensities. These scenarios consider climate transition costs including the impact of rising carbon prices, technology investment costs and changes in carbon intensities.

While physical risk is included within the majority of our mortgage lending decisions, we have also applied scenario analysis against the pathways of different temperature outcomes to examine exposure concentration risk in key markets subject to the extreme risk of floods and storms to assess the acute physical risk, and sea level rise to assess the chronic physical risk. Stranded assets analysis was conducted for residential mortgages to identify properties that are expected to become uninhabitable and/or unusable due to increased frequency and intensity of physical risk events from acute and chronic risks. We evaluate the physical risk vulnerabilities of our existing sites, both existing and new on a periodic basis. Across 2025 we focused on sites hosting important business services, especially those vulnerable to extreme Physical Risks, to strengthen resilience, and have initiated an evaluation of Physical Risk vulnerabilities at our primary supplier's delivery sites to proactively address potential business disruptions. Additionally, we assess the impact of climate risk on the classification of financial instruments under IFRS 9, when Environmental, Social or Governance (ESG) triggers may affect the cash flows received by the Group under the contractual terms of the instrument.

The ESGR Risk team has performed a quantitative assessment of the impact of climate risk on the IFRS 9 ECL provision. This assessment was performed across both the CIB and WRB portfolios. The climate risk impact assessment on IFRS 9 business as usual ECL has been conducted based on internal climate risk models for six Corporate priority sectors (Oil and Gas, Power, Steel, Mining, Shipping, and Automotive), one Generic Carbon Elasticity Model (CEM) for the remaining Corporate sectors, an enhanced Sovereign Climate Probability of Default (PD) model, newly developed Project Finance (PF) and Shipping Finance (SF) PD models, and Retail Mortgages Loss Given Default (LGD) models (for top four countries). The top-down approach is used for the remaining portfolios without internal climate risk models. The impact assessment resulted in only an immaterial ECL increase across CIB and WRB, which has been recorded as a management overlay for the 2025 year end.

The Group's corporate plan has a five-year outlook and considers the highest emitting sectors the Group finances. The majority of the Group sector targets are production/physical intensities which allow continued levels of lending as long as the products the client produce have a decreasing carbon cost. For coal mining and oil and gas, these sectors have absolute targets which represent a decreasing carbon budget. Coal mining is an immaterial book, while for oil and gas lending is being actively monitored on a portfolio basis towards lower carbon counterparties and technologies. The corporate plan is shorter term than many of the climate scenario outlooks but seeks to capture the nearer term performance as required by recoverability models. The Group has for the fourth time in the 2026 corporate plan included anticipated credit impairment charges, now across eleven NZ sectors (Aviation, Auto, Power, Oil and Gas, Commercial Real Estate, Cement, Agriculture, Shipping, Aluminium, Steel and Coal). This addition of credit impairment has not in itself, materially impacted the recoverability of assets supported by discounted cash flow models (such as Value in Use) which utilise the corporate plan.

The Group has progressively strengthened its scenario analysis capabilities with the modelling of Climate Risk impact over a 30-year period across multiple dimensions including scenario data and pathways across CIB and WRB portfolios. While we have taken the first step in our journey to transition from our reliance on vendor models to in-house capabilities, challenges underpin the scenario analysis, such as reliance on nascent methodologies, dependencies on first generation models and data limitations. Notwithstanding these challenges, our work to date, using certain assumptions and proxies, indicates that our business is resilient to all Network of Central Banks and Supervisors for Greening the Financial System (NGFS) scenarios that were explored.

The Group, although acknowledging the limitations of current data available, increasing sophistication of models evolving and nascent nature of climate impacts on internal and client assets, considers Climate Risk to have limited quantitative impact in the immediate term, and as a longer-term risk is expected to be addressed through its business strategy and financial planning as the Group implements its net zero journey. Accordingly, the Group does not currently anticipate any significant residual impact on its financial position, performance or cashflows over the short, medium or long term.

While providing more detail would be market sensitive, the Group current and anticipated future performance of opportunities can be seen in the progression of our Sustainable Finance mobilisation, assets and liabilities, and revenue, as described within the Sustainability Review.

IFRS and Hong Kong accounting requirements

As required by the Hong Kong Listing Rules, an explanation of the differences in accounting practices between UK-adopted international accounting standards and EU IFRS, and Hong Kong Financial Reporting Standards is required to be disclosed. There would be no significant differences had these accounts been prepared in accordance with Hong Kong Financial Reporting Standards.

New accounting standards adopted by the Group

There were no new accounting standards or interpretations adopted by the Group that had a material effect on the Group's Financial Statements in 2025.

IFRS 18 Presentation and Disclosure in Financial Statements

The new standard IFRS 18 was issued in April 2024 and is effective for annual reporting periods beginning on or after 1 January 2027 but earlier application is permitted. This new standard replaces IAS 1 Presentation of Financial Statements and amends IAS 7 Statement of Cash Flows. IFRS 18 introduces three defined categories for income and expenses – operating, investing and financing – to improve the structure of the income statement, and requires all companies to provide new defined subtotals, including operating profit. IFRS 18 will require disclosure of explanations of company-specific measures that are related to the income statement, referred to as management-defined performance measures. IFRS 18 sets out enhanced guidance on how to organise information and whether to provide it in the primary financial statements or in the notes. The Group will apply IFRS 18 for annual reporting periods beginning on 1 January 2027 and while the Group assessment remains ongoing, it is currently not expected to have a material impact on the Group's financial statements other than changes in the presentation of the primary statements.

Notes to the financial statements

1. Accounting policies continued

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments which amended requirements related to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. The amendments are not expected to have a material impact on the Group's financial statements.

Going concern

These financial statements were approved by the Board of directors on 24 February 2026. The directors have made an assessment of the Group's ability to continue as a going concern. This assessment has been made having considered the current macroeconomic and geopolitical headwinds, including:

- Review of the Group Strategy and Corporate Plan, including the annual budget.
- An assessment of the actual performance to date, loan book quality, credit impairment, legal and regulatory matters, compliance matters, recent regulatory developments.
- Consideration of stress testing performed, including the Group Recovery Plan (RP) which include the application of stressed scenarios. Under the tests and through the range of scenarios, the results of these exercises and the RP demonstrate that the Group has sufficient capital and liquidity to continue as a going concern and meet minimum regulatory capital and liquidity requirements.
- Analysis of the capital position of the Group, including the capital and leverage ratios, and Internal Capital Adequacy Assessment Process (ICAAP), which summarises the Group's capital and risk assessment processes, assesses its capital requirements and the adequacy of resources to meet them.
- Analysis of the funding and liquidity position of the Group, including the Internal Liquidity Adequacy Assessment Process (ILAAP), which considers the Group's liquidity position, its framework and whether sufficient liquidity resources are being maintained to meet liabilities as they fall due, was also reviewed. Further, funding and liquidity was considered in the context of the risk appetite metrics, including the LCR ratio.
- The level of debt in issue, including redemptions and issuances during the year, debt falling due for repayment in the next 12 months and further planned debt issuances, including the appetite in the market for the Group's debt
- The Group's portfolio of debt securities held at amortised cost.
- A detailed review of all principal risks as well as topical and emerging risks.

Based on the analysis performed, the directors confirm they are satisfied that the Group has adequate resources to continue in business for a period of at least 12 months from 24 February 2026.

For this reason, the Group continues to adopt the going concern basis of accounting for preparing the financial statements.

2. Segmental information

Basis of preparation

Underlying segment and market performance is based on arms-length transfer pricing and reflects the underlying profitability including related capital and infrastructure costs. Income attribution to segment and markets is based on their contribution to the revenue generated across the network, considering factors such as booking location, trader and sales effort. Treasury outcomes such as MREL, FTP, Structural Hedges and Liquidity Pool which segments can directly benefit, influence, and optimise are allocated to individual business segments. The analysis reflects how the client segments and markets are managed internally to drive better decision-making, resource allocation and return outcomes.

Disclosures have been re-presented as explained in Note 1 'Re-presentation of segmental information'. The effect of the change has impacted the classification of cost and income across client segments.

Client segments

The Group's segmental reporting is in accordance with IFRS 8 Operating Segments and is reported consistently with the internal performance framework and as presented to the Group's Management Team.

Restructuring and other items excluded from underlying results

The Group's reported IFRS performance is adjusted for certain items to arrive at alternative performance measures. These items include 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 consistent performance period by period. The alternative performance measures are not within the scope of IFRS and not a substitute for IFRS measures. These adjustments are set out below.

Restructuring and other items loss of \$937 million primarily relate to the exits in AME, Debit Valuation Adjustment (DVA), and 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, Fit For Growth costs that are primarily severance costs, costs of staff working on FFG initiatives, legal and professional fees and an additional provision with respect to a proposed penalty amount with regards to the Korea equity-linked securities (ELS) matter and the settlement of a litigation matter.

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

	2025						
	Underlying \$million	Restructuring ¹ \$million	FFG ¹ \$million	DVA \$million	Net loss on businesses disposed of/ held for sale ² \$million	Other items ^{3,4,5} \$million	Reported \$million
Operating income ⁴	20,894	(24)	–	(31)	(10)	113	20,942
Operating expenses ⁵	(12,347)	(289)	(510)	–	–	(158)	(13,304)
Operating profit/(loss) before impairment losses and taxation	8,547	(313)	(510)	(31)	(10)	(45)	7,638
Credit impairment	(676)	4	–	–	–	–	(672)
Other impairment	(42)	(2)	(21)	–	–	–	(65)
Profit from associates and joint ventures	71	(9)	–	–	–	–	62
Profit/(loss) before taxation	7,900	(320)	(531)	(31)	(10)	(45)	6,963
	2024						
Operating income	19,696	103	–	(24)	(232)	–	19,543
Operating expenses	(11,790)	(456)	(156)	–	–	(100) ³	(12,502)
Operating profit/(loss) before impairment losses and taxation	7,906	(353)	(156)	(24)	(232)	(100)	7,041
Credit impairment	(557)	10	–	–	–	–	(547)
Other impairment	(588)	–	–	–	–	–	(588)
Profit from associates and joint ventures	50	58	–	–	–	–	108
Profit/(loss) before taxation	6,811	(285)	(156)	(24)	(232)	(100)	6,014

1 FFG (Fit for Growth) charge previously reported within Restructuring has been re-presented as a separate item.

2 Net loss on businesses disposed of/held for sale 2025 include Cameroon and Gambia loss on business disposal \$5 million each, 2024 include \$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 and \$15 million loss on the Aviation business disposal.

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

4 Other items 2025 operating income include gain on sale of office space.

5 Other items 2025 operating expenses include a provision relating to the Korea equity-linked securities and the settlement of a litigation matter.

Notes to the financial statements

2. Segmental information continued Underlying performance by client segment

	2025					2024 ¹				
	Corporate & Investment Banking \$million	Wealth & Retail Banking \$million	Ventures \$million	Central & other items \$million	Total \$million	Corporate & Investment Banking \$million	Wealth & Retail Banking \$million	Ventures \$million	Central & other items \$million	Total \$million
Operating income	12,394	8,464	415	(379)	20,894	11,935	8,021	183	(443)	19,696
External	11,718	3,619	416	5,141	20,894	10,480	3,533	184	5,499	19,696
Inter-segment	676	4,845	(1)	(5,220)	–	1,455	4,488	(1)	(5,942)	–
Operating expenses	(6,509)	(4,982)	(461)	(395)	(12,347)	(6,334)	(4,749)	(460)	(247)	(11,790)
Operating profit/(loss) before impairment losses and taxation	5,885	3,482	(46)	(774)	8,547	5,601	3,272	(277)	(690)	7,906
Credit impairment	(4)	(595)	(59)	(18)	(676)	120	(623)	(73)	19	(557)
Other impairment	(6)	(4)	(23)	(9)	(42)	(290)	(112)	(18)	(168)	(588)
Profit from associates and joint ventures	–	–	(39)	110	71	–	–	(17)	67	50
Underlying profit/(loss) before taxation	5,875	2,883	(167)	(691)	7,900	5,431	2,537	(385)	(772)	6,811
Restructuring & Other items ^{2,5}	(525)	(456)	(4)	48	(937)	(234)	(315)	(3)	(245)	(797)
Reported profit/(loss) before taxation	5,350	2,427	(171)	(643)	6,963	5,197	2,222	(388)	(1,017)	6,014
Total assets	516,923	130,489	8,335	264,208	919,955	485,680	122,357	6,259	235,392	849,688
Of which: loans and advances to customers	205,493	126,980	2,660	14,453	349,586	197,582	119,263	1,388	21,324	339,557
Loans and advances to customers	142,698	126,978	2,659	14,453	286,788	139,063	119,257	1,388	21,324	281,032
Loans held at fair value through profit or loss (FVTPL) ³	62,795	2	1	–	62,798	58,519	6	–	–	58,525
Total liabilities	491,976	256,332	6,276	110,785	865,369	477,385	220,416	5,277	95,326	798,404
Of which: customer accounts ⁴	319,670	252,033	5,773	7,698	585,174	297,690	216,662	5,028	3,883	523,263

- 1 Segment results have been re-presented in line with the RNS on Re-Presentation of Financial Information issued on 2 April 2025.
- 2 Other items 2025 include gains on sale of office space and include a provision relating to the Korea equity-linked securities and the settlement of a litigation matter. Other items 2024 include \$100 million charge relating to Korea equity-linked securities (ELS) portfolio, \$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 and \$15 million loss on the Aviation business disposal. Refer to the Restructuring, FFG (Fit for Growth), DVA and Other items table on page 58.
- 3 Loans held at FVTPL includes \$50,443 million (2024: \$51,441 million) of reverse repurchase agreements.
- 4 Customer accounts includes \$19,414 million (2024: \$21,772 million) of FVTPL and \$35,599 million (2024: \$37,002 million) of repurchase agreements.
- 5 Restructuring, FFG (Fit for Growth), DVA, Other items have been combined and are now disclosed as one line item i.e. 'Restructuring and Other items'.

Operating income by client segment

	2025					2024				
	Corporate & Investment Banking \$million	Wealth & Retail Banking \$million	Ventures \$million	Central & other items \$million	Total \$million	Corporate & Investment Banking ¹ \$million	Wealth & Retail Banking ¹ \$million	Ventures \$million	Central & other items ¹ \$million	Total \$million
Underlying versus reported:										
Underlying operating income	12,394	8,464	415	(379)	20,894	11,935	8,021	183	(443)	19,696
Restructuring	(14)	1	–	(11)	(24)	69	23	–	11	103
DVA	(31)	–	–	–	(31)	(24)	–	–	–	(24)
Other items ^{2,3}	–	–	–	103	103	–	–	–	(232)	(232)
Reported operating income	12,349	8,465	415	(287)	20,942	11,980	8,044	183	(664)	19,543
Additional segmental income:										
Net interest income	1,397	5,126	115	(683)	5,955	2,090	5,175	100	(999)	6,366
Net fees and commission income	2,091	2,192	61	(95)	4,249	1,938	1,855	52	(111)	3,734
Net trading and other income	8,861	1,147	239	491	10,738	7,952	1,014	31	446	9,443
Reported operating income	12,349	8,465	415	(287)	20,942	11,980	8,044	183	(664)	19,543

- 1 Segment results have been re-presented in line with the RNS on Re-Presentation of Financial Information issued on 2 April 2025.
- 2 Other items 2024 include \$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 and \$15 million loss on the Aviation business disposal.
- 3 Other items 2025 include \$113 million gains on sale of office space and \$10 million loss on business disposal.

Reported operating income by geography

	Hong Kong \$million	Korea \$million	China \$million	Taiwan \$million	Singapore \$million	India \$million	UAE \$million	UK \$million	US \$million	Other \$million	Group \$million
2025	5,547	1,135	1,159	563	3,311	1,643	1,191	912	1,254	4,227	20,942
2024	4,797	1,085	1,327	577	2,573	1,323	837	278	1,288	5,458	19,543

Reported operating income by geography is based on the revenues attributed to all foreign countries in total from which the Group derives revenues.

3. Net interest income

Accounting policy

Interest income for financial assets held at either fair value through other comprehensive income or amortised cost, and interest expense on all financial liabilities held at amortised cost is recognised in profit or loss using the effective interest method.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. For floating-rate financial instruments, periodic re-estimation of cash flows that reflect the movements in the market rates of interest alters the effective interest rate. Where the estimates of cash flows have been revised, the carrying amount of the financial asset or liability is adjusted to reflect the actual and revised cash flows, discounted at the instruments original effective interest rate. The adjustment is recognised as interest income or expense in the period in which the revision is made as long as the change in estimates is not due to credit issues.

Interest income for financial assets that are either held at fair value through other comprehensive income or amortised cost that have become credit-impaired subsequent to initial recognition (stage 3) and have had amounts written off, is recognised using the credit adjusted effective interest rate. This rate is calculated in the same manner as the effective interest rate except that expected credit losses are included in the expected cash flows. Interest income is therefore recognised on the amortised cost of the financial asset including expected credit losses. Should the credit risk on a stage 3 financial asset improve such that the financial asset is no longer considered credit-impaired, interest income recognition reverts to a computation based on the rehabilitated gross carrying value of the financial asset.

	2025 \$million	2024 \$million
Balances at central banks	2,126	2,520
Loans and advances to banks	2,209	2,368
Loans and advances to customers	14,045	16,179
Debt securities	4,855	5,165
Other eligible bills	1,210	1,495
Accrued on impaired assets (discount unwind)	102	135
Interest income	24,547	27,862
Of which: financial instruments held at fair value through other comprehensive income	3,745	3,773
Deposits by banks	664	806
Customer accounts	13,878	16,276
Debt securities in issue	3,432	3,610
Subordinated liabilities and other borrowed funds	552	744
Interest expense on IFRS 16 lease liabilities	66	60
Interest expense	18,592	21,496
Net interest income	5,955	6,366

Notes to the financial statements

4. Net fees and commission

Accounting policy

The Group can act as trustee or in other Fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. The assets and income arising thereon are excluded from these financial statements, as they are not assets and income of the Group.

The Group applies the following practical expedients:

- information on amounts of transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations at the end of the reporting period is not disclosed as almost all fee-earning contracts have an expected duration of less than one year
- promised consideration is not adjusted for the effects of a significant financing component as the period between the Group providing a service and the customer paying for it is expected to be less than one year
- incremental costs of obtaining a fee-earning contract are recognised upfront in 'Fees and commission expense' rather than amortised, if the expected term of the contract is less than one year.

The determination of the services performed for the customer, the transaction price, and when the services are completed depends on the nature of the product with the customer. The main considerations on income recognition by product are as follows:

Transaction Banking

The Group recognises fee income associated with transactional trade and cash management at the point in time the service is provided. The Group recognises income associated with trade contingent risk exposures (such as letters of credit and guarantees) over the period in which the service is provided.

Payment of fees is usually received at the same time the service is provided. In some cases, letters of credit and guarantees issued by the Group have annual upfront premiums, which are amortised on a straight-line basis to fee income over the year.

Global Markets

The Group recognises fee income at the point in time the service is provided. Fee income is recognised for a significant non-lending service when the transaction has been completed and the terms of the contract with the customer entitle the Group to the fee. This includes fees such as structuring and advisory fees. Fees are usually received shortly after the service is provided.

Syndication fees are recognised when the syndication is complete, defined as achieving the final approved hold position. Fees are generally received before completion of the syndication, or within 12 months of the transaction date.

Securities services include custody services, fund accounting and administration, and broker clearing. Fees are recognised over the period the custody or fund management services are provided, or as and when broker services are requested.

Wealth Management

Upfront consideration on bancassurance agreements is amortised straight-line over the contractual term. Commissions for bancassurance activities are recorded as they are earned through sales of third-party insurance products to customers. These commissions are received within a short time frame of the commission being earned. Target-linked fees are accrued based on percentage of the target achieved, provided it is assessed as highly probable that the target will be met. Cash payment is received at a contractually specified date after achievement of a target has been confirmed.

Upfront and trailing commissions for managed investment placements are recorded as they are confirmed. Income from these activities is relatively even throughout the period, and cash is usually received within a short time frame after the commission is earned.

Retail Products

The Group recognises most income at the point in time the Group is entitled to the fee, since most services are provided at the time of the customer's request.

In most of our retail markets there are circumstances under which fees are waived, income recognition is adjusted to reflect customer's intent to pay the annual fee. The Group defers the fair value of reward points on its credit card reward programmes, and recognises income and costs associated with fulfilling the reward at the time of redemption.

	2025 \$million	2024 \$million
Fees and commissions income	5,349	4,623
Of which:		
Financial instruments that are not fair valued through profit or loss	1,566	1,436
Trust and other fiduciary activities	793	632
Fees and commissions expense	(1,100)	(889)
Of which:		
Financial instruments that are not fair valued through profit or loss	(376)	(245)
Trust and other fiduciary activities	(68)	(50)
Net fees and commission	4,249	3,734

	2025					2024				
	Corporate & Investment Banking \$million	Wealth & Retail Banking \$million	Ventures \$million	Central & Other Items \$million	Total \$million	Corporate & Investment Banking \$million	Wealth & Retail Banking ¹ \$million	Ventures ¹ \$million	Central & Other Items ¹ \$million	Total \$million
Transaction Services	1,591	-	-	-	1,591	1,456	-	-	-	1,456
Payments & Liquidity	642	-	-	-	642	634	-	-	-	634
Securities & Prime Services	346	-	-	-	346	254	-	-	-	254
Trade & Working Capital	603	-	-	-	603	568	-	-	-	568
Global Banking	1,091	-	-	-	1,091	937	-	-	-	937
Lending & Financial Solutions	673	-	-	-	673	633	-	-	-	633
Capital Markets & Advisory	418	-	-	-	418	304	-	-	-	304
Global Markets	51	-	-	-	51	36	-	-	-	36
Macro Trading	1	-	-	-	1	(3)	-	-	-	(3)
Credit Trading	50	-	-	-	50	40	-	-	-	40
Valuation & Other Adj	-	-	-	-	-	(1)	-	-	-	(1)
Wealth solutions	-	2,006	-	-	2,006	-	1,598	-	-	1,598
Investment Products	-	1,252	-	-	1,252	-	929	-	-	929
Bancassurance	-	754	-	-	754	-	669	-	-	669
Deposits & Mortgages	-	211	-	-	211	-	222	-	-	222
CCPL & Other Unsecured Lending	-	282	-	-	282	-	321	-	-	321
Ventures	-	-	89	-	89	-	-	78	-	78
Digital Banks	-	-	54	-	54	-	-	43	-	43
SCV	-	-	35	-	35	-	-	35	-	35
Treasury & Other	-	28	-	-	28	-	27	-	(52)	(25)
Fees and commission income	2,733	2,527	89	-	5,349	2,429	2,168	78	(52)	4,623
Fees and commission expense	(642)	(335)	(28)	(95)	(1,100)	(491)	(313)	(26)	(59)	(889)
Net fees and commission	2,091	2,192	61	(95)	4,249	1,938	1,855	52	(111)	3,734

1 Products have been re-presented in line with the RNS on Re-Presentation of Financial Information issued on 2 April 2025 with no change in total income.

Upfront bancassurance consideration amounts are amortised on a straight-line basis over the contractual period to which the consideration relates. Deferred income on the balance sheet in respect of these activities is \$363 million (31 December 2024: \$419 million), which will be earned evenly over the remaining life of the contract until June 2032. For the twelve months ended 31 December 2025, \$56 million of fee income was released from deferred income (31 December 2024: \$56 million).

Notes to the financial statements

5. Net trading income

Accounting policy

Gains and losses arising from changes in the fair value of financial instruments held at fair value through profit or loss are recorded in net trading income in the period in which they arise. This includes contractual interest receivable or payable.

When the initial fair value of a financial instrument held at fair value through profit or loss relies on unobservable inputs, the difference between the initial valuation and the transaction price is amortised to net trading income as the inputs become observable or over the life of the instrument, whichever is shorter. Any unamortised 'day one' gain is released to net trading income if the transaction is terminated.

Income is recognised from the sale and purchase of trading positions, margins on market making and customer business and fair value changes.

	2025 \$million	2024 \$million
Net trading income	10,294	9,615
Significant items within net trading income include:		
Gains on instruments held for trading ¹	8,267	7,418
Gains on financial assets mandatorily at fair value through profit or loss	5,468	5,392
(Losses)/gains on financial assets designated at fair value through profit or loss	(10)	8
Losses on financial liabilities designated at fair value through profit or loss	(3,476)	(3,252)

1 Includes \$87 million gain (31 December 2024: \$583 million gain) from the translation of foreign currency monetary assets and liabilities.

6. Other operating income

	2025 \$million	2024 \$million
Other operating income/(loss) includes:		
Rental income from operating lease assets	33	40
Net loss on disposal of fair value through other comprehensive income debt instruments	(10)	(237)
Net loss on amortised cost financial assets	(43)	(27)
Net gain/(loss) on sale of businesses	242 ¹	(210) ²
Dividend income	10	5
Other ³	212	257
Other operating income/(loss)	444	(172)

1 Includes \$241 million gain from disposal of businesses (\$238 million gain from Standard Chartered Research and Technology India Private Limited; and \$13 million gain from WRB business in SCB Tanzania, partly offset by \$5 million loss from Standard Chartered Bank Gambia Limited and \$5 million loss from Standard Chartered Bank Cameroon S.A.) of which \$20 million relates to realisation of translation adjustment loss. Total cash consideration received from the disposal was \$48 million (\$13 million: SCB Tanzania, \$6 million: Standard Chartered Bank Gambia Limited, \$29 million: Standard Chartered Bank Cameroon S.A.

2 2024 balance mainly includes loss on disposal of Africa subsidiaries \$217 million (\$172 million: SCB Zimbabwe Limited, \$26 million: SCB Angola S.A. and \$19 million: SCB Sierra Leone Limited) of which \$246 million relates to realisation of translation adjustment loss, partly offset by gain of \$17 million from disposal of Venture entities (Shoal limited and Autumn life Pte. Ltd). Total cash consideration received was \$74 million (\$24 million: SCB Zimbabwe Limited, \$10 million: SCB Angola S.A., \$17 million: SCB Sierra Leone Limited, \$17 million: Shoal Limited and \$6 million: Autumn life Pte. Ltd).

3 2025 balance includes \$133 million gain on disposal of property, plant and equipment, IAS 29 adjustment Ghana hyperinflationary impact (\$8 million) and immaterial balances across other geographies. 2024 balance includes IAS 29 adjustment Ghana hyperinflationary impact (\$139 million), Research and development expenditure credit (\$32 million), Rebates/incentives received from VISA card (\$25 million), Gain on disposal of property, plant and equipment (\$23 million), Mark-to-market gains from deferred compensation income (\$17 million), and immaterial balances across other geographies.

On 26 June 2025, the Group disposed of its entire interest in Standard Chartered Research and Technology India Private Limited (SCRTIPL), a subsidiary, as part of a combined share swap and primary investment transaction (the Solv India transaction or the transaction). The transaction has resulted in the Group recognising Jumbotail Technologies Private Limited as an associate.

The carrying amount of the net assets of SCRTIPL at the date of the Solv India transaction was \$16 million. The Group recognised a gain on the transaction of \$238 million. The consideration received in the combined share swap was \$344 million, including a primary cash investment of \$80 million. Disposal costs were approximately \$9 million.

The gain on disposal arose because the carrying value of the subsidiary's net assets was exceeded by the consideration received. No impairment of OCI balances was required. The disposal has resulted in the recycling of \$3 million of Currency Translation Adjustments to profit and loss.

The Group elected to apply the 12-month measurement exemption to finalise the purchase price allocation. The allocation is incomplete at 31 December 2025 as additional analysis is required to finalise the nature and value of intangible assets.

7. Operating expenses

	2025 \$million	2024 \$million
Staff costs:		
Wages and salaries	6,962	6,567
Social security costs	286	246
Other pension costs (Note 30)	518	451
Share-based payment costs (Note 31)	399	334
Other staff costs	944	912
	9,109	8,510
Premises and equipment expenses:	434	401
General administrative expenses:		
UK bank levy	52	90
Other general administrative expenses	2,539	2,375
	2,591	2,465
Depreciation and amortisation:		
Property, plant and equipment:		
Premises	315	299
Equipment	166	128
Intangibles:		
Software	687	695
Acquired on business combinations	2	4
	1,170	1,126
Total operating expenses	13,304	12,502

Other staff costs include redundancy expenses of \$193 million (31 December 2024: \$186 million). Further costs in this category include training, travel costs and other staff-related costs. The Group has recognised \$15 million of accelerated share based payment expense relating to the amendment of vesting schedules as allowed for by the PRA Policy Statement on Remuneration Reform (dated 15 October 2025).

Details of directors' pay, benefits, pensions and interests in shares are disclosed in the Directors' remuneration report on page 180.

Transactions with directors, officers and other related parties are disclosed in Note 36.

Operating expenses include research expenditures of \$1,210 million (31 December 2024: \$1,187 million), which was recognised as an expense in the year. In addition to this, there was a provision relating to the Korea equity-linked securities and the settlement of a litigation matter.

The UK bank levy is applied to chargeable equity and liabilities on the balance sheet of UK operations. Key exclusions from chargeable equity and liabilities include Tier 1 capital, insured or guaranteed retail deposits, repos secured on certain sovereign debt and liabilities subject to netting. The rates are 0.10 per cent for short-term liabilities and 0.05 per cent for long-term liabilities.

Notes to the financial statements

8. Credit impairment

Accounting policy

Significant accounting estimates and judgements

The Group's expected credit loss (ECL) calculations are outputs of complex models with a number of underlying assumptions. The significant judgements in determining expected credit loss include:

- The Group's criteria for assessing if there has been a significant increase in credit risk;
- Development of expected credit loss models, including the choice of inputs relating to macroeconomic variables;
- Determining estimates of forward looking macroeconomic forecasts;
- Evaluation of management overlays and post-model adjustments;
- Determination of recovery scenarios and probability weightings for Stage 3 individually assessed provisions.

The calculation of credit impairment provisions also involves expert credit judgement to be applied by the credit risk management team based upon counterparty information they receive from various sources including relationship managers and on external market information. Details on the approach for determining expected credit loss can be found in the credit risk section, under IFRS 9 Methodology (see page 264).

Estimates of forecasts of key macroeconomic variables underlying the expected credit loss calculation can be found within the Risk review, Key assumptions and judgements in determining expected credit loss.

Expected credit losses

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

A cash shortfall is 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.

Measurement

ECL are computed as unbiased, probability-weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information including that which is forward-looking.

For material portfolios, the estimate of expected cash shortfalls is determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD). There may be multiple default events over the lifetime of an instrument. Further details on the components of PD, LGD and EAD are disclosed in the Credit risk section. For less material loan portfolios, the Group has adopted less sophisticated approaches based on historical roll rates or loss rates.

Forward-looking economic assumptions are incorporated into the PD, LGD and EAD where relevant and where they influence credit risk, such as GDP growth rates, interest rates, house price indices and commodity prices among others. These assumptions are incorporated using the Group's most likely forecast for a range of macroeconomic assumptions. These forecasts are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally, and are consistent with those used for budgeting, forecasting and capital planning.

To account for the potential non-linearity in credit losses, multiple forward-looking scenarios are incorporated into the range of reasonably possible outcomes for all material portfolios. For example, where there is a greater risk of downside credit losses than upside gains, multiple forward-looking economic scenarios are incorporated into the range of reasonably possible outcomes, both in respect of determining the PD (and where relevant, the LGD and EAD) and in determining the overall ECL amounts. These scenarios are determined using a Monte Carlo approach centred around the Group's most likely forecast of macroeconomic assumptions.

The period over which cash shortfalls are determined is generally limited to the maximum contractual period for which the Group is exposed to credit risk. However, for certain revolving credit facilities, which include credit cards or overdrafts, the Group's exposure to credit risk is not limited to the contractual period. For these instruments, the Group estimates an appropriate life based on the period that the Group is exposed to credit risk, which includes the effect of credit risk management actions such as the withdrawal of undrawn facilities.

Accounting policy continued

For credit-impaired financial instruments, the estimate of cash shortfalls may require the use of expert credit judgement.

The estimate of expected cash shortfalls on a collateralised financial instrument reflects the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, regardless of whether foreclosure is deemed probable.

Cash flows from unfunded credit enhancements held are included within the measurement of expected credit losses if they are part of, or integral to, the contractual terms of the instrument (this includes financial guarantees, unfunded risk participations and other non-derivative credit insurance). Although non-integral credit enhancements do not impact the measurement of expected credit losses, a reimbursement asset is recognised to the extent of the ECL recorded if this is virtually certain to be received.

Cash shortfalls are discounted using the effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired instruments (POCI)) on the financial instrument as calculated at initial recognition or if the instrument has a variable interest rate, the current effective interest rate determined under the contract.

Instruments	Location of expected credit loss provisions
Financial assets held at amortised cost	Loss provisions: netted against gross carrying value ¹
Financial assets held FVOCI – Debt instruments	Other comprehensive income (FVOCI expected credit loss reserve) ²
Loan commitments	Provisions for liabilities and charges ³
Financial guarantees	Provisions for liabilities and charges ³

- 1 Purchased or originated credit-impaired assets do not attract an expected credit loss provision on initial recognition. An expected credit loss provision will be recognised only if there is an increase in expected credit losses from that considered at initial recognition.
- 2 Debt and treasury securities classified as fair value through other comprehensive income (FVOCI) are held at fair value on the face of the balance sheet. The expected credit loss attributed to these instruments is held as a separate reserve within other comprehensive income (OCI) and is recycled to the profit and loss account along with any fair value measurement gains or losses held within FVOCI when the applicable instruments are derecognised.
- 3 Expected credit loss on loan commitments and financial guarantees is recognised as a liability provision. Where a financial instrument includes both a loan (i.e. financial asset component) and an undrawn commitment (i.e. loan commitment component), and it is not possible to separately identify the expected credit loss on these components, expected credit loss amounts on the loan commitment are recognised together with expected credit loss amounts on the financial asset. To the extent the combined expected credit loss exceeds the gross carrying amount of the financial asset, the expected credit loss is recognised as a liability provision.

Recognition

12 months expected credit losses (Stage 1)

Expected credit losses are recognised at the time of initial recognition of a financial instrument and represent the lifetime cash shortfalls arising from possible default events up to 12 months into the future from the balance sheet date. Expected credit losses continue to be determined on this basis until there is either a significant increase in the credit risk of an instrument or the instrument becomes credit-impaired. If an instrument is no longer considered to exhibit a significant increase in credit risk, expected credit losses will revert to being determined on a 12-month basis.

Significant increase in credit risk (Stage 2)

Significant increase in credit risk is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination (after taking into account the passage of time). Significant does not mean statistically significant nor is it assessed in the context of changes in expected credit loss. Whether a change in the risk of default is significant or not is assessed using a number of quantitative and qualitative factors, the weight of which depends on the type of product and counterparty. Financial assets that are 30 or more days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk. For less material portfolios where a loss rate or roll rate approach is applied to compute expected credit loss, significant increase in credit risk is primarily based on 30 days past due.

Quantitative factors include an assessment of whether there has been significant increase in the forward-looking probability of default (PD) since origination. A forward-looking PD is one that is adjusted for future economic conditions to the extent these are correlated to changes in credit risk. We compare the residual lifetime PD at the balance sheet date to the residual lifetime PD that was expected at the time of origination for the same point in the term structure and determine whether both the absolute and relative change between the two exceeds predetermined thresholds. To the extent that the differences between the measures of default outlined exceed the defined thresholds, the instrument is considered to have experienced a significant increase in credit risk.

Notes to the financial statements

8. Credit impairment continued

Accounting policy continued

Qualitative factors assessed include those linked to current credit risk management processes, such as lending placed on non-purely precautionary early alert (and subject to closer monitoring).

A non-purely precautionary early alert account is one which exhibits material credit concerns which may result in a default by the client if left unaddressed, requiring closer monitoring, supervision, or attention by management. Indicators could include a rapid erosion of position within the industry, concerns over management's ability to manage operations, weak/deteriorating operating results, liquidity strain and overdue balances among other factors.

Credit-impaired (or defaulted) exposures (Stage 3)

Financial assets that are credit-impaired (or in default) represent those that are at least 90 days past due in respect of principal and/or interest. Financial assets are also considered to be credit-impaired where the obligors are unlikely to pay on the occurrence of one or more observable events that have a detrimental impact on the estimated future cash flows of the financial asset. It may not be possible to identify a single discrete event but instead the combined effect of several events may cause financial assets to become credit-impaired.

Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or borrower;
- Breach of contract such as default or a past due event;
- For economic or contractual reasons relating to the borrower's financial difficulty, the lenders of the borrower have granted the borrower concession(s) that lenders would not otherwise consider. This would include forbearance actions;
- Pending or actual bankruptcy or other financial reorganisation to avoid or delay discharge of the borrower's obligation(s);
- The disappearance of an active market for the applicable financial asset due to financial difficulties of the borrower;
- Purchase or origination of a financial asset at a deep discount that reflects incurred credit losses.

Lending commitments to a credit-impaired obligor that have not yet been drawn down are included to the extent that the commitment cannot be withdrawn. Loss provisions against credit-impaired financial assets are determined based on an assessment of the present value of expected cash shortfalls (discounted at the instrument's original effective interest rate) under a range of scenarios, including the realisation of any collateral held where appropriate. The Group's definition of default is aligned with the regulatory definition of default as set out in the UK's onshored capital requirements regulations (Art 178).

Expert credit judgement

For Corporate & Investment banking and Private banking, borrowers are graded by credit risk management on a credit grading (CG) scale from CG1 to CG14. Once a borrower starts to exhibit credit deterioration, it will move along the credit grading scale in the performing book. When a borrower is classified as CG12 (which is the lowest performing book and credit grade and is a qualitative trigger for significant increase in credit risk (see page 275) it will continue to be primarily managed by relationship managers in the CIB unit with support from Stressed Asset Group (SAG) for certain accounts. SAG is the Group's specialist recovery unit, which is independent of the Client Coverage/Relationship Managers.

Borrowers graded CG12 exhibit well-defined weaknesses in areas such as management and/or performance but there is no current expectation of a loss of principal or interest at this stage and there is no indication of unlikelihood to repay (it is still a performing asset). Where the impairment assessment indicates that there will be a loss of principal on a loan in the likely scenario, the borrower is graded a CG14 while borrowers of other credit-impaired loans are graded CG13. Instruments graded CG13 or CG14 are regarded as stage 3.

Credit-impaired accounts are managed by SAG. Where a portion of exposure is considered not recoverable, a stage 3 credit impairment provision is raised. This stage 3 provision is the difference between the loan-carrying amount and the probability-weighted present value of estimated future cash flows, reflecting a range of scenarios (typically the 'upside', 'downside' and 'likely' recovery outcomes). Where the exposure is secured by collateral, the values used will incorporate the impact of forward-looking economic information on the value recoverable collateral and time to realise the same.

Accounting policy continued

The individual circumstances of each client are considered when SAG estimates future cashflows and the timing of future recoveries which involves significant judgement. All available sources, such as cash flow arising from operations, selling assets or subsidiaries, realising collateral or payments under guarantees, are considered. In any decision relating to the raising of provisions, the Group attempts to balance economic conditions, local knowledge and experience, and the results of independent asset reviews. The individual impairment provisions (viz. those not directly from a model) are approved by Stressed Assets Risk (SAR) who are in the Second Line of Defence.

For financial assets which are not individually significant, such as the Retail Banking portfolio or small business loans, which comprise a large number of homogeneous loans that share similar characteristics, statistical estimates and techniques are used, as well as credit scoring analysis.

Wealth, Retail and Business Banking clients are considered credit-impaired where they are more 90 days past due, or if the borrower files for bankruptcy or other forbearance programme, the borrower is deceased or the business is closed in the case of a small business, or if the borrower surrenders the collateral, or there is an identified fraud on the account. Additionally, if the account is unsecured and the borrower has other credit accounts with the Group that are considered credit-impaired, the account may also be credit-impaired.

Techniques used to compute impairment amounts use models which analyse historical repayment and default rates over a time horizon. Where various models are used, judgement is required to analyse the available information provided and select the appropriate model or combination of models to use.

The core components in determining credit-impaired expected credit loss provisions are the value of gross charge-off and recoveries. Gross charge-off and/or loss provisions are recognised when it is established that the account is unlikely to pay through the normal process. Recovery of unsecured debt post credit impairment is recognised based on actual cash collected, either directly from clients or through the sale of defaulted loans to third-party institutions. Release of credit impairment provisions for secured loans is recognised if the loan outstanding is paid in full (release of full provision), or the provision is higher than the loan outstanding (release of the excess provision).

Expert credit judgement is also applied to determine whether any post-model adjustments are required for credit risk elements which are not captured by the models.

Modified financial instruments

Where the original contractual terms of a financial asset have been modified for credit reasons and the instrument has not been derecognised (an instrument is derecognised when a modification results in a change in cash flows that the Group would consider substantial), the resulting modification loss is recognised within credit impairment in the income statement with a corresponding decrease in the gross carrying value of the asset. If the modification involved a concession that the bank would not otherwise consider, the instrument is considered to be credit-impaired and is considered forborne.

Expected credit loss for modified financial assets that have not been derecognised and are not considered to be credit-impaired will be recognised on a 12-month basis, or a lifetime basis, if there is a significant increase in credit risk. These assets are assessed (by comparison to the origination date) to determine whether there has been a significant increase in credit risk subsequent to the modification. Although loans may be modified for non-credit reasons, a significant increase in credit risk may occur. In addition to the recognition of modification gains and losses, the revised carrying value of modified financial assets will impact the calculation of expected credit losses, with any increase or decrease in expected credit loss recognised within impairment.

Forborne loans

Forborne loans are those loans that have been modified in response to a customer's financial difficulties. Forbearance strategies assist clients who are temporarily in financial distress and are unable to meet their original contractual repayment terms. Forbearance can be initiated by the client, the Group or a third-party including government sponsored programmes or a conglomerate of credit institutions. Forbearance may include debt restructuring such as new repayment schedules, payment deferrals, tenor extensions, interest only payments, lower interest rates, forgiveness of principal, interest or fees, or relaxation of loan covenants.

Notes to the financial statements

8. Credit impairment continued

Accounting policy continued

Forborne loans that have been modified (and not derecognised) on terms that are not consistent with those readily available in the market and/or where we have granted a concession compared to the original terms of the loans are considered credit-impaired if there is a detrimental impact on cash flows. The modification loss (see Classification and measurement – Modifications) is recognised in the profit or loss within credit impairment and the gross carrying value of the loan reduced by the same amount. The modified loan is disclosed as 'Loans subject to forbearance – credit-impaired'.

Loans that have been subject to a forbearance modification, but which are not considered credit-impaired (not classified as CG13 or CG14), are disclosed as 'Forborne – not credit-impaired'. This may include amendments to covenants within the contractual terms.

Write-offs of credit-impaired instruments and reversal of impairment

To the extent a financial debt instrument is considered irrecoverable, the applicable portion of the gross carrying value is written off against the related loan provision. Such loans are written off after all the necessary procedures have been completed, it is decided that there is no realistic probability of recovery and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for credit impairment in the income statement.

Loss provisions on purchased or originated credit-impaired instruments (POCI)

The Group measures expected credit loss on a lifetime basis for POCI instruments throughout the life of the instrument. However, expected credit loss is not recognised in a separate loss provision on initial recognition for POCI instruments as the lifetime expected credit loss is inherent within the gross carrying amount of the instruments. The Group recognises the change in lifetime expected credit losses arising subsequent to initial recognition in the income statement and the cumulative change as a loss provision. Where lifetime expected credit losses on POCI instruments are less than those at initial recognition, then the favourable differences are recognised as impairment gains in the income statement (and as impairment loss where the expected credit losses are greater).

Improvement in credit risk/curing

For financial assets that are credit-impaired (stage 3), a transfer to stage 2 or stage 1 is only permitted where the instrument is no longer considered to be credit-impaired. An instrument will no longer be considered credit-impaired when there is no shortfall of cash flows compared to the original contractual terms.

For financial assets within stage 2, these can only be transferred to stage 1 when they are no longer considered to have experienced a significant increase in credit risk.

Where a significant increase in credit risk was determined using quantitative measures, the instruments will automatically transfer back to stage 1 when the original PD based transfer criteria are no longer met. Where instruments were transferred to stage 2 due to an assessment of qualitative factors, the issues that led to the reclassification must be cured before the instruments can be reclassified to stage 1. This includes instances where management actions led to instruments being classified as stage 2, requiring that action to be resolved before loans are reclassified to stage 1.

A forborne loan can only be removed from being disclosed as forborne if the loan is performing (stage 1 or 2) and a further two-year probation period is met.

In order for a forborne loan to become performing, the following criteria have to be satisfied:

- At least a year has passed with no default based upon the forborne contract terms
- The customer is likely to repay its obligations in full without realising security
- The customer has no accumulated impairment against amount outstanding (except for ECL)

Subsequent to the criteria above, a further two-year probation period has to be fulfilled, whereby regular payments are made by the customer and none of the exposures to the customer are more than 30 days past due.

	2025 \$million	2024 \$million
Net credit impairment on loans and advances to banks and customers	652	590
Net credit impairment on debt securities ¹	37	(58)
Net credit impairment relating to financial guarantees and loan commitments	(24)	18
Net credit impairment relating to other financial assets	7	(3)
Credit impairment¹	672	547

¹ Includes impairment charge of \$5 million (2024: \$14 million release) on originated credit-impaired debt securities.

9. Goodwill, property, plant and equipment and other impairment

Accounting policy

Refer to the below referenced notes for the relevant accounting policy.

	2025 \$million	2024 \$million
Impairment of property, plant and equipment (Note 18)	–	11
Impairment of other intangible assets (Note 17)	45	561
Other	20	16
Goodwill, property, plant and equipment and other impairment	65	588

10. Taxation

Accounting policy

Income tax payable on profits is based on the applicable tax law in each jurisdiction and is recognised as an expense in the period in which profits arise.

Deferred tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted as at the balance sheet date, and that are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised. Where permitted, deferred tax assets and liabilities are offset on an entity basis and not by component of deferred taxation.

Current and deferred tax relating to items which are charged or credited directly to equity, is credited or charged directly to equity and is subsequently recognised in the income statement together with the current or deferred gain or loss.

Other accounting estimates and judgements

- Determining the Group's tax charge for the year involves estimation and judgement, which includes an interpretation of local tax laws and an assessment of whether the tax authorities will accept the position taken. These judgements take account of external advice where appropriate, and the Group's view on settling with the relevant tax authorities
- The Group provides for current tax liabilities at the best estimate of the amount that is expected to be paid to the tax authorities where an outflow is probable. In making its estimates the Group assumes that the tax authorities will examine all the amounts reported to them and have full knowledge of all relevant information
- The recoverability of the Group's deferred tax assets is based on management's judgement of the availability of future taxable profits against which the deferred tax assets will be utilised. In preparing management forecasts the effect of applicable laws and regulations relevant to the utilisation of future taxable profits have been considered.

The following table provides analysis of taxation charge in the year:

	2025 \$million	2024 \$million
The charge for taxation based upon the profit for the year comprises:		
Current tax:		
United Kingdom corporation tax at 25 per cent (2024: 25 per cent):		
Current tax charge on income for the year	–	16
Adjustments in respect of prior years (including double tax relief)	7	1
Foreign tax:		
Current tax charge on income for the year	1,873	1,752
Adjustments in respect of prior years	(45)	(8)
	1,835	1,761
Deferred tax:		
Origination/reversal of temporary differences	112	198
Adjustments in respect of prior years	(81)	13
	31	211
Tax on profits on ordinary activities	1,866	1,972
Effective tax rate	26.8%	32.8%

Notes to the financial statements

10. Taxation continued

The tax charge for the year of \$1,866 million (31 December 2024: \$1,972 million) on a profit before tax of \$6,963 million (31 December 2024: \$6,014 million) reflects the impact of non-creditable withholding taxes and other taxes, non-deductible expenses and tax losses for which no deferred tax assets are recognised. These are partly offset by countries with tax rates lower than the UK, the most significant of which are Hong Kong and Singapore, and tax-exempt income.

Foreign tax includes current tax of \$359 million (31 December 2024: \$272 million) on the profits assessable in Hong Kong. Deferred tax includes origination or reversal of temporary differences of \$17 million (31 December 2024: \$8 million) provided at a rate of 16.5 per cent (31 December 2024: 16.5 per cent) on the profits assessable in Hong Kong.

The Group falls within the Pillar Two global minimum tax rules which apply in the UK from 1 January 2024. The IAS 12 exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes has been applied. The current tax charge for the period ended 31 December 2025 includes \$14m in respect of current period Pillar Two income taxes (31 December 2024: \$17m) and \$10m in respect of the prior period (31 December 2024: \$nil).

Tax rate: The tax charge for the year is higher than the charge at the rate of corporation tax in the UK, 25 per cent.

The differences are explained below:

	2025		2024	
	\$million	%	\$million	%
Profit on ordinary activities before tax	6,963		6,014	
Tax at 25 per cent (2024: 25 per cent)	1,741	25.0	1,504	25.0
Lower tax rates on overseas earnings	(482)	(6.9)	(425)	(7.1)
Higher tax rates on overseas earnings	219	3.1	269	4.5
Tax at domestic rates applicable where profits earned	1,478	21.2	1,348	22.4
Non-creditable withholding taxes and other taxes	319	4.6	260	4.3
Tax exempt income	(160)	(2.3)	(133)	(2.2)
Share of associates and joint ventures	(10)	(0.2)	(6)	(0.1)
Non-deductible expenses	256	3.7	243	4.0
Bank levy	13	0.2	23	0.4
Non-taxable losses on investments ¹	(25)	(0.4)	35	0.6
Payments on financial instruments in reserves	(80)	(1.2)	(72)	(1.2)
Deferred tax not recognised	220	3.2	298	5.0
Deferred tax rate changes	3	0.1	(3)	–
Adjustments to tax charge in respect of prior years	(119)	(1.7)	6	0.1
Other items	(29)	(0.4)	(27)	(0.5)
Tax on profit on ordinary activities	1,866	26.8	1,972	32.8

¹ 2025 Includes tax impact of \$3m (2024:\$55m) relating to loss on sale of subsidiaries in Africa.

Factors affecting the tax charge in future years: the Group's tax charge, and effective tax rate in future years could be affected by several factors including acquisitions, disposals and restructuring of our businesses, the mix of profits across jurisdictions with different statutory tax rates, changes in tax legislation and tax rates and resolution of uncertain tax positions.

The evaluation of uncertain tax positions involves an interpretation of local tax laws which could be subject to challenge by a tax authority, and an assessment of whether the tax authorities will accept the position taken. The Group does not currently consider that assumptions or judgements made in assessing tax liabilities have a significant risk of resulting in a material adjustment within the next financial year.

Tax recognised in other comprehensive income	2025			2024		
	Current tax \$million	Deferred tax \$million	Total \$million	Current tax \$million	Deferred tax \$million	Total \$million
Items that will not be reclassified to income statement	(11)	(2)	(13)	(16)	113	97
Own credit adjustment	(1)	20	19	1	49	50
Equity instruments at fair value through other comprehensive income	(9)	(26)	(35)	(17)	76	59
Retirement benefit obligations	(1)	4	3	-	(12)	(12)
Items that may be reclassified subsequently to income statement	(3)	(62)	(65)	(7)	(30)	(37)
Debt instruments at fair value through other comprehensive income	(3)	(5)	(8)	(7)	(44)	(51)
Cash flow hedges	-	(57)	(57)	-	14	14
Total tax credit/(charge) recognised in equity	(14)	(64)	(78)	(23)	83	60

Current tax: The following are the movements in current tax during the year:

Current tax comprises:	2025 \$million	2024 \$million
Current tax assets	663	484
Current tax liabilities	(726)	(811)
Net current tax opening balance	(63)	(327)
Movements in income statement	(1,835)	(1,761)
Movements in other comprehensive income	(14)	(23)
Taxes paid	1,804	2,045
Other movements	(27)	3
Net current tax balance as at 31 December	(135)	(63)
Current tax assets	574	663
Current tax liabilities	(709)	(726)
Total	(135)	(63)

Notes to the financial statements

10. Taxation continued

Deferred tax: The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the year:

	At 1 January 2025 \$million	Exchange & other adjustments \$million	(Charge)/ credit to profit \$million	(Charge)/ credit to equity \$million	At 31 December 2025 \$million
Deferred tax comprises:					
Accelerated tax depreciation	(380)	(16)	4	-	(392)
Impairment provisions on loans and advances	190	(6)	(7)	-	177
Tax losses carried forward	74	15	(34)	-	55
Equity Instruments at Fair value through other comprehensive income	(62)	(13)	(2)	(26)	(103)
Debt Instruments at Fair value through other comprehensive income	(30)	7	1	(5)	(27)
Cash flow hedges	(9)	(4)	-	(57)	(70)
Own credit adjustment	4	-	-	20	24
Retirement benefit obligations	(7)	1	11	4	9
Share-based payments	54	2	15	-	71
Other temporary differences	13	1	(19)	2	(3)
Net deferred tax	(153)	(13)	(31)	(62)	(259)

	At 1 January 2024 \$million	Exchange & other adjustments \$million	(Charge)/ credit to profit \$million	(Charge)/ credit to equity \$million	At 31 December 2024 \$million
Deferred tax comprises:					
Accelerated tax depreciation	(424)	7	40	(3)	(380)
Impairment provisions on loans and advances	286	(2)	(94)	-	190
Tax losses carried forward	97	(24)	1	-	74
Equity Instruments at Fair value through other comprehensive income	(144)	6	-	76	(62)
Debt Instruments at Fair value through other comprehensive income	27	3	(16)	(44)	(30)
Cash flow hedges	(25)	2	-	14	(9)
Own credit adjustment	(71)	26	-	49	4
Retirement benefit obligations	4	(5)	6	(12)	(7)
Share-based payments	43	(1)	12	-	54
Other temporary differences	139	(1)	(160)	35	13
Net deferred tax	(68)	11	(211)	115	(153)

Deferred tax comprises assets and liabilities as follows:

	31.12.25			31.12.24		
	Total \$million	Asset \$million	Liability \$million	Total \$million	Asset \$million	Liability \$million
Deferred tax comprises:						
Accelerated tax depreciation	(392)	44	(436)	(380)	19	(399)
Impairment provisions on loans and advances	177	207	(30)	190	139	51
Tax losses carried forward	55	14	41	74	51	23
Equity Instruments at Fair value through other comprehensive income	(103)	(3)	(100)	(62)	(12)	(50)
Debt Instruments at Fair value through other comprehensive income	(27)	(7)	(20)	(30)	(14)	(16)
Cash flow hedges	(70)	(11)	(59)	(9)	-	(9)
Own credit adjustment	24	1	23	4	4	-
Retirement benefit obligations	9	33	(24)	(7)	16	(23)
Share-based payments	71	21	50	54	12	42
Other temporary differences	(3)	194	(197)	13	199	(186)
	(259)	493	(752)	(153)	414	(567)

The recoverability of the Group's deferred tax assets is based on management's judgement of the availability of future taxable profits against which the deferred tax assets will be utilised. The Group's total deferred tax assets include \$55 million relating to tax losses carried forward, of which \$41 million arises in legal entities with offsetting deferred tax liabilities. The remaining deferred tax assets on losses of \$14 million are forecast to be recovered before expiry and within five years.

Unrecognised deferred tax

	Net 2025 \$million	Gross 2025 \$million	Net 2024 \$million	Gross 2024 \$million
No account has been taken of the following potential deferred tax assets/(liabilities):				
Withholding tax on unremitted earnings from overseas subsidiaries and associates	(610)	(6,527)	(611)	(6,827)
Tax losses	2,562	10,644	2,494	10,414
Held over gains on incorporation of overseas branches	(387)	(1,468)	(360)	(1,366)
Other temporary differences	327	1,273	356	1,363

11. Dividends

The Board considers a number of factors prior to dividend declaration which includes the rate of recovery in the Group's financial performance, the macroeconomic environment, and opportunities to further invest in our business and grow profitably in our markets.

Dividends on equity instruments are recognized as a liability once they have been declared and no longer at the discretion of the directors, and in certain situations, approved by shareholders.

Ordinary equity shares

	2025		2024	
	Cents per share	\$million	Cents per share	\$million
2024/2023 final dividend declared and paid during the year	28	670	21	551
2025/2024 interim dividend declared and paid during the year	12	284	9	229

Dividends on ordinary equity shares are recorded in the period in which they are declared and, in respect of the final dividend, have been approved by the shareholders. Accordingly, the final ordinary equity share dividends set out above relate to the respective prior years.

2025 recommended final ordinary equity share dividend

The 2025 final ordinary equity share dividend recommended by the Board is 49 cents per share. The financial statements for the year ended 31 December 2025 do not reflect this dividend as this will be accounted for in shareholders' equity as an appropriation of retained profits in the year ending 31 December 2026.

The dividend will be paid in either pounds sterling, Hong Kong dollars or US dollars on 14 May 2026 to shareholders on the UK and HK register of members at the close of business in the UK on 20 March 2026.

Preference shares and Additional Tier 1 securities

Dividends on these preference shares and securities classified as equity are recorded in the period in which they are declared.

	2025 \$million	2024 \$million
Non-cumulative redeemable preference shares:		
7.014 per cent preference shares of \$5 each	26	53
Floating rate preference shares of \$5 each ¹	73	54
	99	107
Additional Tier 1 securities: fixed rate resetting perpetual subordinated contingent convertible securities	428	350
	527	457

¹ Floating rate is based on Secured Overnight Financing Rate (SOFR), average rate paid for floating preference shares is 9.73% (2024: 7.21%).

Notes to the financial statements

12. Earnings per ordinary share

Accounting policy

The Group also measures earnings per share on an underlying basis. This differs from earnings defined in IAS 33 Earnings per share. Underlying earnings is profit/(loss) attributable to ordinary shareholders adjusted for profits or losses of a capital nature; amounts consequent to investment transactions driven by strategic intent; and other infrequent and/or exceptional transactions that are significant or material in the context of the Group's normal business earnings for the year.

The table below provides the basis of underlying earnings.

	2025 \$million	2024 \$million
Profit for the year attributable to equity holders	5,097	4,042
Non-controlling interest	(12)	8
Dividend payable on preference shares and AT1 classified as equity	(527)	(457)
Profit for the year attributable to ordinary shareholders	4,558	3,593
Items normalised¹:		
Restructuring	320	285
FFG	531	156
DVA	31	24
Net loss on sale of businesses	10	232
Other items	45	100
Tax on normalised items	(135)	(114)
Underlying profit attributable to ordinary shareholders	5,360	4,276
Basic – weighted average number of shares (millions)	2,333	2,543
Diluted – weighted average number of shares (millions)	2,404	2,610
Basic earnings per ordinary share (cents)	195.4	141.3
Diluted earnings per ordinary share (cents)	189.6	137.7
Underlying basic earnings per ordinary share (cents)	229.7	168.1
Underlying diluted earnings per ordinary share (cents)	223.0	163.8

1 Refer note 2 segmental information for normalised items.

The calculation of basic earnings per share is based on the profit attributable to equity holders of the parent and the basic weighted average number of shares excluding treasury shares held in employees benefit trust. When calculating diluted earnings per share, the weighted average number of shares in issue is adjusted for the effects of all expected dilutive potential ordinary shares held in respect of Standard Chartered PLC totalling 58 million (2024: 59 million). The total number of share options outstanding, under schemes considered to be potentially dilutive, was 13 million (2024: 7 million). These options have strike prices ranging from \$4.94 to \$14.93. Of the total number of employee share options and share awards at 31 December 2025 there were nil share options and share awards which were anti-dilutive.

The 210 million decrease (2024: 235 million decrease) in the basic weighted average number of shares is primarily due to the impact of the share buyback programmes completed in the year.

13. Financial instruments

Classification and measurement

Accounting policy

Financial assets held at amortised cost and fair value through other comprehensive income

Debt instruments held at amortised cost or held at FVOCI have contractual terms that give rise to cash flows that are solely payments of principal and interest (SPPI) characteristics.

In assessing whether the contractual cash flows have SPPI characteristics, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- Contingent events that would change the amount and timing of cash flows
- Leverage features
- Prepayment and extension terms
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements)
- Features that modify consideration of the time value of money – e.g. periodical reset of interest rates

Whether financial assets are held at amortised cost or at FVOCI depends on the objectives of the business models under which the assets are held. A business model refers to how the Group manages financial assets to generate cash flows.

The Group makes an assessment of the objective of a business model in which an asset is held at the individual product business line, and where applicable within business lines depending on the way the business is managed and information is provided to management. Factors considered include:

- How the performance of the product business line is evaluated and reported to the Group's management
- How managers of the business model are compensated, including whether management is compensated based on the fair value of assets or the contractual cash flows collected
- The risks that affect the performance of the business model and how those risks are managed
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity

Notes to the financial statements

13. Financial instruments continued

Accounting policy continued

The Group's business model assessment is as follows:

Business model	Business objective	Characteristics	Businesses	Products
Hold to collect	Intent is to originate financial assets and hold them to maturity, collecting the contractual cash flows over the term of the instrument	<ul style="list-style-type: none"> • Providing financing and originating assets to earn interest income as primary income stream • Performing credit risk management activities • Costs include funding costs, transaction costs and impairment losses 	<ul style="list-style-type: none"> • Global Banking • Transaction Banking • Retail Lending • Treasury Markets (Loans and Borrowings) • Global Markets 	<ul style="list-style-type: none"> • Loans and advances • Debt securities
Hold to collect and sell	Business objective met through both hold to collect and by selling financial assets	<ul style="list-style-type: none"> • Portfolios held for liquidity needs; or where a certain interest yield profile is maintained; or that are normally rebalanced to achieve matching of duration of assets and liabilities • Income streams come from interest income, fair value changes, and impairment losses 	<ul style="list-style-type: none"> • Treasury Markets • Central Credit Unit 	<ul style="list-style-type: none"> • Debt securities
Fair value through profit or loss	All other business objectives, including trading and managing financial assets on a fair value basis	<ul style="list-style-type: none"> • Assets held for trading • Assets that are originated, purchased, and sold for profit taking or underwriting activity • Performance of the portfolio is evaluated on a fair value basis • Income streams are from fair value changes or trading gains or losses 	<ul style="list-style-type: none"> • Treasury Markets • Global Markets • All other business lines 	<ul style="list-style-type: none"> • Derivatives • Equity shares • Trading portfolios • Reverse repos • Bond and Loan Syndication

Financial assets which have SPPI characteristics and that are held within a business model whose objective is to hold financial assets to collect contractual cashflows (hold to collect) are recorded at amortised cost. Conversely, financial assets which have SPPI characteristics but are held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets (Hold to collect and sell) are classified as held at FVOCI. Both hold to collect and hold to collect and sell business models involve holding financial assets to collect the contractual cashflows. However, the business models are distinct by reference to the frequency and significance that asset sales play in meeting the objective under which a particular group of financial assets is managed. Hold to collect business models are characterised by asset sales that are incidental to meeting the objectives under which a group of assets is managed. Sales of assets under a hold to collect business model can be made to manage increases in the credit risk of financial assets but sales for other reasons should be infrequent or insignificant. Cashflows from the sale of financial assets under a hold to collect and sell business model by contrast are integral to achieving the objectives under which a particular group of financial assets are managed. This may be the case where frequent sales of financial assets are required to manage the Group's daily liquidity requirements or to meet regulatory requirements to demonstrate liquidity of financial instruments. Sales of assets under hold to collect and sell business models are therefore both more frequent and more significant in value than those under the hold to collect model.

Equity instruments designated as held at FVOCI

Non-trading equity instruments acquired for strategic purposes rather than capital gain may be irrevocably designated at initial recognition as held at FVOCI on an instrument-by-instrument basis. Dividends received are recognised in profit or loss. Gains and losses arising from changes in the fair value of these instruments, including foreign exchange gains and losses, are recognised directly in equity and are never reclassified to profit or loss even on derecognition.

Accounting policy continued

Mandatorily classified at fair value through profit or loss

Financial assets and liabilities which are mandatorily held at fair value through profit or loss are split between two subcategories as follows:

Trading, including:

- Financial assets and liabilities held for trading, which are those acquired principally for the purpose of selling in the short-term
- Derivatives.

Non-trading mandatorily at fair value through profit or loss, including:

- Instruments in a business which has a fair value business model (see the Group's business model assessment) which are not trading or derivatives
- Hybrid financial assets that contain one or more embedded derivatives
- Financial assets that would otherwise be measured at amortised cost or FVOCI but which do not have SPPI characteristics
- Equity instruments that have not been designated as held at FVOCI
- Financial liabilities that constitute contingent consideration in a business combination.

Designated at fair value through profit or loss

Financial assets and liabilities may be designated at fair value through profit or loss when the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities on a different basis ('accounting mismatch').

Financial liabilities may also be designated at fair value through profit or loss where they are managed on a fair value basis or have an embedded derivative where the Group is not able to separately value, and thus bifurcate, the embedded derivative component.

Financial liabilities held at amortised cost

Financial liabilities that are not financial guarantees or loan commitments and that are not classified as financial liabilities held at fair value through profit or loss are classified as financial liabilities held at amortised cost.

Preference shares which carry a mandatory coupon that represents a market rate of interest at the issue date, or which are redeemable on a specific date or at the option of the shareholder are classified as financial liabilities and are presented in other borrowed funds. The dividends on these preference shares are recognised in the income statement as interest expense on an amortised cost basis using the effective interest method.

Financial guarantee contracts and loan commitments

The Group issues financial guarantee contracts and loan commitments in return for fees. Financial guarantee contracts and any loan commitments issued at below-market interest rates are initially recognised at their fair value as a financial liability and subsequently measured at the higher of the initial value less the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers and their expected credit loss provision. Loan commitments may be designated at fair value through profit or loss where that is the business model under which such contracts are held.

Fair value of financial assets and liabilities

The fair value of financial instruments is generally measured on the basis of the individual financial instrument. However, when a group of financial assets and financial liabilities is managed on the basis of its net exposure to either market risk or credit risk, the fair value of the group of financial instruments is measured on a net basis.

The fair values of quoted financial assets and liabilities in active markets are based on current prices. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If the market for a financial instrument, and for unlisted securities, is not active, the Group establishes fair value by using valuation techniques.

Notes to the financial statements

13. Financial instruments continued

Accounting policy continued

Initial recognition

Regular way purchases and sales of financial assets held at fair value through profit or loss, and held at fair value through other comprehensive income, are initially recognised on the trade date (the date on which the Group commits to purchase or sell the asset). Loans and advances and other financial assets held at amortised cost are recognised on the settlement date (the date on which cash is advanced to the borrowers).

All financial instruments are initially recognised at fair value, which is normally the transaction price, plus directly attributable transaction costs for financial assets and liabilities which are not subsequently measured at fair value through profit or loss.

In certain circumstances, the initial fair value may be based on a valuation technique which may lead to the recognition of profits or losses at the time of initial recognition. However, these profits or losses can only be recognised when the valuation technique used is based solely on observable market data. In those cases where the initially recognised fair value is based on a valuation model that uses unobservable inputs, the difference between the transaction price and the valuation model is not recognised immediately in the income statement, it will be recognised in profit or loss following the passage of time, or as the inputs become observable, or the transaction matures or is terminated.

Subsequent measurement

Financial assets and financial liabilities held at amortised cost

Financial assets and financial liabilities held at amortised cost are subsequently carried at amortised cost using the effective interest method (see 'Interest income and expense'). Foreign exchange gains and losses are recognised in the income statement.

Where a financial instrument carried at amortised cost is the hedged item in a qualifying fair value hedge relationship, its carrying value is adjusted by the fair value gain or loss attributable to the hedged risk.

Financial assets held at FVOCI

Debt instruments held at FVOCI are subsequently carried at fair value, with all unrealised gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in a separate component of equity. Foreign exchange gains and losses on the amortised cost are recognised in income. Changes in expected credit losses are recognised in the profit or loss and are accumulated in equity. On derecognition, the cumulative fair value gains or losses, net of the cumulative expected credit loss reserve, are transferred to the profit or loss.

Equity investments designated at FVOCI are subsequently carried at fair value with all unrealised gains and losses arising from changes in fair value (including any related foreign exchange gains or losses) recognised in other comprehensive income and accumulated in a separate component of equity. On derecognition, the cumulative reserve is transferred to retained earnings and is not recycled to profit or loss.

Financial assets and liabilities held at fair value through profit or loss

Gains and losses arising from changes in fair value, including contractual interest income or expense, recorded in the net trading income line in the profit or loss.

Derecognition of financial instruments

Financial assets which are subject to commercial refinancing where the loan is priced to the market with no payment related concessions regardless of form of legal documentation or nature of lending will be derecognised. Where the Group's rights to the cash flows under the original contract have expired, the old loan is derecognised, and the new loan is recognised at fair value. For all other modifications for example forbore loans or restructuring, whether or not a change in the cash flows is 'substantially different' is judgemental and will be considered on a case-by-case basis, taking into account all the relevant facts and circumstances.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss except for equity instruments elected FVOCI (see above) and cumulative fair value adjustments attributable to the credit risk of a liability that are held in other comprehensive income.

Accounting policy continued

Financial liabilities are derecognised when they are extinguished. A financial liability is extinguished when the obligation is discharged, cancelled or expires and this is evaluated both qualitatively and quantitatively.

However, where a financial liability has been modified, it is derecognised if the difference between the modified cash flows and the original cash flows is more than 10 per cent, or if less than 10 per cent, the Group will perform a qualitative assessment to determine whether the terms of the two instruments are substantially different. If the Group purchases its own debt, it is derecognised and the difference between the carrying amount of the liability and the consideration paid is included in 'Other income' except for the cumulative fair value adjustments attributable to the credit risk of a liability that are held in Other comprehensive income, which are never recycled to the profit or loss.

Modified financial instruments

Financial assets and financial liabilities whose original contractual terms have been modified, including those loans subject to forbearance strategies, are considered to be modified instruments. Modifications may include changes to the tenor, cash flows and or interest rates among other factors.

Where derecognition of financial assets is appropriate (see Derecognition), the newly recognised residual loans are assessed to determine whether the assets should be classified as purchased or originated credit-impaired assets (POCI). Where derecognition is not appropriate, the gross carrying amount of the applicable instruments is recalculated as the present value of the renegotiated or modified contractual cash flows discounted at the original effective interest rate (or credit adjusted effective interest rate for POCI financial assets).

The difference between the recalculated values and the pre-modified gross carrying values of the instruments are recorded as a modification gain or loss in the profit or loss. Gains and losses arising from modifications for credit reasons are recorded as part of 'Credit Impairment' (see Credit Impairment policy).

Modification gains and losses arising from non-credit reasons are recognised either as part of 'Credit Impairment' or within income depending on whether there has been a change in the credit risk on the financial asset subsequent to the modification. Modification gains and losses arising on financial liabilities are recognised within income. The movements in the applicable expected credit loss loan positions are disclosed in further detail in Risk Review.

Notes to the financial statements

13. Financial instruments continued

The Group's classification of its financial assets and liabilities is summarised in the following tables.

Assets	Notes	Assets at fair value					Total financial assets at fair value \$million	Assets held at amortised cost \$million	Total \$million
		Trading \$million	Derivatives held for hedging \$million	Non-trading mandatorily at fair value through profit or loss \$million	Designated at fair value through profit or loss \$million	Fair value through other comprehensive income \$million			
Cash and balances at central banks ¹		-	-	-	-	-	-	77,746	77,746
Financial assets held at fair value through profit or loss									
Loans and advances to banks ²		2,984	-	-	-	-	2,984	-	2,984
Loans and advances to customers ²		12,152	-	203	-	-	12,355	-	12,355
Reverse repurchase agreements and other similar secured lending	16	-	-	84,130	-	-	84,130	-	84,130
Debt securities, alternative tier one and other eligible bills		86,531	-	130	43	-	86,704	-	86,704
Equity shares		8,946	-	138	-	-	9,084	-	9,084
		110,613	-	84,601	43	-	195,257	-	195,257
Derivative financial instruments	14	64,023	1,759	-	-	-	65,782	-	65,782
Loans and advances to banks ^{2,3}	15	-	-	-	-	-	-	43,901	43,901
Of which – reverse repurchase agreements and other similar secured lending	16	-	-	-	-	-	-	3,724	3,724
Loans and advances to customers ²	15	-	-	-	-	-	-	286,788	286,788
Of which – reverse repurchase agreements and other similar secured lending	16	-	-	-	-	-	-	8,242	8,242
Investment securities									
Debt securities, alternative tier one and other eligible bills		-	-	-	-	108,503	108,503	57,250	165,753
Equity shares		-	-	-	-	1,203	1,203	-	1,203
		-	-	-	-	109,706	109,706	57,250	166,956
Other assets	20	-	-	-	-	-	-	36,770	36,770
Assets held for sale	21	-	-	-	-	-	-	1,042	1,042
Total at 31 December 2025		174,636	1,759	84,601	43	109,706	370,745	503,497	874,242
Cash and balances at central banks ¹								63,447	63,447
Financial assets held at fair value through profit or loss									
Loans and advances to banks ²		2,213	-	-	-	-	2,213	-	2,213
Loans and advances to customers ²		6,912	-	172	-	-	7,084	-	7,084
Reverse repurchase agreements and other similar secured lending	16	336	-	85,859	-	-	86,195	-	86,195
Debt securities, alternative tier one and other eligible bills		76,329	-	140	70	-	76,539	-	76,539
Equity shares		5,285	-	201	-	-	5,486	-	5,486
		91,075	-	86,372	70	-	177,517	-	177,517
Derivative financial instruments	14	78,906	2,566	-	-	-	81,472	-	81,472
Loans and advances to banks ^{2,3}	15	-	-	-	-	-	-	43,593	43,593
Of which – reverse repurchase agreements and other similar secured lending	16	-	-	-	-	-	-	2,946	2,946
Loans and advances to customers ²	15	-	-	-	-	-	-	281,032	281,032
Of which – reverse repurchase agreements and other similar secured lending		-	-	-	-	-	-	9,660	9,660
Investment securities									
Debt securities, alternative tier one and other eligible bills		-	-	-	-	88,425	88,425	55,137	143,562
Equity shares		-	-	-	-	994	994	-	994
		-	-	-	-	89,419	89,419	55,137	144,556
Other assets	20	-	-	-	-	-	-	34,585	34,585
Assets held for sale	21	-	-	-	5	-	5	884	889
Total at 31 December 2024		169,981	2,566	86,372	75	89,419	348,413	478,678	827,091

1 Comprises cash held at central banks in restricted accounts of \$11,630 million (31 December 2024: \$7,799 million), or on demand, or placements which are contractually due to mature over-night only. Other placements with central banks are reported as part of Loans and advances to customers.

2 Further analysed in Risk review and Capital review (pages 218 to 308).

3 Loans and advances to banks includes amounts due on demand from banks and other central banks.

Liabilities	Notes	Liabilities at fair value					Total
		Trading \$million	Derivatives held for hedging \$million	Designated at fair value through profit or loss \$million	Total financial liabilities at fair value \$million	Amortised cost \$million	
Financial liabilities held at fair value through profit or loss							
Deposits by banks		-	-	2,328	2,328	-	2,328
Customer accounts		-	-	19,414	19,414	-	19,414
Repurchase agreements and other similar secured borrowing	16	-	-	36,307	36,307	-	36,307
Debt securities in issue	22	-	-	16,009	16,009	-	16,009
Short positions		15,539	-	-	15,539	-	15,539
		15,539	-	74,058	89,597	-	89,597
Derivative financial instruments	14	67,046	1,158	-	68,204	-	68,204
Deposits by banks		-	-	-	-	30,846	30,846
Customer accounts		-	-	-	-	530,161	530,161
Repurchase agreements and other similar secured borrowing	16	-	-	-	-	7,757	7,757
Debt securities in issue	22	-	-	-	-	72,858	72,858
Other liabilities	23	-	-	-	-	45,788	45,788
Subordinated liabilities and other borrowed funds	27	-	-	-	-	8,834	8,834
Liabilities included in disposal groups held for sale	21	-	-	-	-	908	908
Total at 31 December 2025		82,585	1,158	74,058	157,801	697,152	854,953
Financial liabilities held at fair value through profit or loss							
Deposits by banks		-	-	1,893	1,893	-	1,893
Customer accounts		-	-	21,772	21,772	-	21,772
Repurchase agreements and other similar secured borrowing	16	925	-	32,614	33,539	-	33,539
Debt securities in issue	22	1	-	13,730	13,731	-	13,731
Short positions		14,527	-	-	14,527	-	14,527
		15,453	-	70,009	85,462	-	85,462
Derivative financial instruments	14	80,037	2,027	-	82,064	-	82,064
Deposits by banks		-	-	-	-	25,400	25,400
Customer accounts		-	-	-	-	464,489	464,489
Repurchase agreements and other similar secured borrowing	16	-	-	-	-	12,132	12,132
Debt securities in issue	22	-	-	-	-	64,609	64,609
Other liabilities	23	-	-	-	-	44,047	44,047
Subordinated liabilities and other borrowed funds	27	-	-	-	-	10,382	10,382
Liabilities included in disposal groups held for sale	21	-	-	-	-	360	360
Total at 31 December 2024		95,490	2,027	70,009	167,526	621,419	788,945

Notes to the financial statements

13. Financial instruments continued

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In practice, for credit mitigation, the Group is able to offset assets and liabilities which do not meet the IAS 32 netting criteria set out below. Such arrangements include master netting arrangements for derivatives and global master repurchase agreements for repurchase and reverse repurchase transactions. These agreements generally allow that all outstanding transactions with a particular counterparty can be offset but only in the event of default or other predetermined events.

In addition, the Group also receives and pledges readily realisable collateral for derivative transactions to cover net exposure in the event of a default. Under repurchase and reverse repurchase agreements the Group pledges (legally sells) and obtains (legally purchases) respectively, highly liquid assets which can be sold in the event of a default.

The following tables set out the impact of netting on the balance sheet. This comprises derivative transactions settled through an enforceable netting agreement where we have the intent and ability to settle net and which are offset on the balance sheet.

	Gross amounts of recognised financial instruments \$million	Impact of offset in the balance sheet \$million	Net amounts of financial instruments presented in the balance sheet \$million	Related amount not offset in the balance sheet		Net amount \$million
				Financial instruments \$million	Financial collateral \$million	
At 31 December 2025						
Derivative financial instruments	78,518	(12,736)	65,782	(44,712)	(14,168)	6,902
Reverse repurchase agreements and other similar secured lending	160,964	(64,868)	96,096	–	(96,096)	–
Total Assets	239,482	(77,604)	161,878	(44,712)	(110,264)	6,902
Derivative financial instruments	80,923	(12,719)	68,204	(44,712)	(12,868)	10,624
Repurchase agreements and other similar secured borrowing	108,932	(64,868)	44,064	–	(44,064)	–
Total Liabilities	189,855	(77,587)	112,268	(44,712)	(56,932)	10,624
At 31 December 2024						
Derivative financial instruments	97,902	(16,430)	81,472	(60,280)	(15,005)	6,187
Reverse repurchase agreements and other similar secured lending	137,115	(38,314)	98,801	–	(98,801)	–
Total Assets	235,017	(54,744)	180,273	(60,280)	(113,806)	6,187
Derivative financial instruments	98,494	(16,430)	82,064	(60,280)	(11,046)	10,738
Repurchase agreements and other similar secured borrowing	83,985	(38,314)	45,671	–	(45,671)	–
Total Liabilities	182,479	(54,744)	127,735	(60,280)	(56,717)	10,738

Related amounts not offset in the balance sheet comprises:

- Financial instruments not offset in the balance sheet but covered by an enforceable netting arrangement. This comprises master netting arrangements held against derivative financial instruments and excludes the effect of over-collateralisation
- Financial instruments where a legal opinion evidencing enforceability of the right of offset may not have been sought, or may have been unable to such opinion
- Financial collateral comprises cash collateral pledged and received for derivative financial instruments and collateral bought and sold for reverse repurchase and repurchase agreements respectively and excludes the effect of over-collateralisation

Financial liabilities designated at fair value through profit or loss

	2025 \$million	2024 \$million
Carrying Balance aggregate fair value	74,058	70,009
Amount Contractually obliged to repay at maturity	73,843	70,166
Difference between aggregate fair value and contractually obliged to repay at maturity	215	(157)
Cumulative change in Fair Value accredited to Credit Risk Difference	(433)	(276)

The net fair value loss on financial liabilities designated at fair value through profit or loss was \$3,476 million for the year (31 December 2024: net loss of \$3,252 million).

Further details of the Group's own credit adjustment (OCA) valuation technique is described later in this Note.

Valuation of financial instruments

The Valuation Methodology function is responsible for independent price verification, oversight of fair value and appropriate value adjustments and escalation of valuation issues. Independent price verification is the process of determining that the valuations incorporated into the financial statements are validated independent of the business area responsible for the product. The Valuation Methodology function has oversight of the fair value adjustments to ensure the financial instruments are priced to exit. These are key controls in ensuring the material accuracy of the valuations incorporated in the financial statements. The market data used for price verification (PV) may include data sourced from recent trade data involving external counterparties or third parties such as Bloomberg, Reuters, brokers and consensus pricing providers. The Valuation Methodology function performs an ongoing review of the market data sources that are used as part of the PV and fair value processes which are formally documented on a semi-annual basis detailing the suitability of the market data used for price testing. Price verification uses independently sourced data that is deemed most representative of the market the instruments trade in. To determine the quality of the market data inputs, factors such as independence, relevance, reliability, availability of multiple data sources and methodology employed by the pricing provider are taken into consideration.

The Valuation and Benchmarks Committee (VBC) is the valuation governance forum consisting of representatives from Traded Risk Management, Product Control, Valuation Methodology and the business, which meets monthly to discuss and approve the independent valuations of the inventory. For Strategic Investments and Principal Finance, the respective Valuation Forums and Investment Committee meetings are held on a quarterly basis to review investments and valuations.

The Group evaluates the significance of financial instruments and material accuracy of the valuations incorporated in the financial statements as they involve a high degree of judgement and estimation uncertainty in determining the carrying values of financial assets and liabilities at the balance sheet date.

Significant accounting estimates

The significant accounting estimates include:

- Fair value of financial instruments is determined using valuation techniques and estimates which, to the extent possible, use market observable inputs, but in some cases use non-market observable inputs. Changes in the observability of significant valuation inputs can materially affect the fair values of financial instruments
- When establishing the exit price of a financial instrument using a valuation technique, the Group estimates valuation adjustments in determining the fair value.

Significant accounting judgements

The significant accounting judgements include:

- In determining the valuation of financial instruments, the Group makes judgements on the amounts reserved to cater for model and valuation risks, which cover both Level 2 and Level 3 assets, and the significant valuation judgements in respect of Level 3 instruments
- Where the estimated measurement of fair value is more judgemental in respect of Level 3 assets, these are valued based on models that use a significant degree of non-market-based unobservable inputs.

Notes to the financial statements

13. Financial instruments continued

Valuation techniques

Refer to the fair value hierarchy explanation – Level 1, 2 and 3 (page 364)

• Financial instruments held at fair value

- **Debt securities – asset-backed securities:** Asset-backed securities are valued based on external prices obtained from consensus pricing providers, broker quotes, recent trades, arrangers' quotes, etc. Where an observable price is available for a given security, it is classified as Level 2. In instances where third-party prices are not available or reliable, the security is classified as Level 3. The fair value of Level 3 securities is estimated using market standard cash flow models with input parameter assumptions which include prepayment speeds, default rates, discount margins derived from comparable securities with similar vintage, collateral type, and credit ratings.
- **Debt securities in issue:** These debt securities relate to structured notes issued by the Group. Where independent market data is available through pricing vendors and broker sources these positions are classified as Level 2. Where such liquid external prices are not available, valuations of these debt securities are implied using input parameters such as bond spreads and credit spreads and are classified as Level 3. These input parameters are determined with reference to the same issuer (if available) or proxies from comparable issuers or assets.
- **Derivatives:** Derivative products are classified as Level 2 if the valuation of the product is based upon input parameters which are observable from independent and reliable market data sources. Derivative products are classified as Level 3 if there are significant valuation input parameters which are unobservable in the market, such as products where the performance is linked to more than one underlying variable. Examples are commodity crack swaption, equity options based on the performance of two or more underlying indices and interest rate products with quanto payouts. In most cases these unobservable correlation parameters cannot be implied from the market, and methods such as historical analysis and comparison with historical levels or other benchmark data must be employed.
- **Equity shares – unlisted equity investments:** Valuation of unlisted equity instruments is determined using commonly accepted valuation techniques considered most appropriate to the investment, which may include the market approach, income approach or asset-based approach, depending on the underlying fact patterns and circumstances. All unlisted equity instruments are classified as Level 3, except for those where observable inputs are available (e.g. over-the-counter prices), as the valuation techniques applied generally involve unobservable inputs that require significant judgment, which include valuation multiples, discount rates, forecasted cash flows, etc.
- **Loans and advances:** These primarily include loans in the FM Bond and Loan Syndication business which were not fully syndicated as at the balance sheet date and other financing transactions within Financial Markets, and loans and advances including reverse repurchase agreements that do not have SPPI cashflows or are managed on a fair value basis. Where available, its loan valuation is based on observable clean sales transactions prices or market observable spreads. If observable credit spreads are not available, proxy spreads based on comparables with similar credit grade, sector and region, are used. Where observable transaction prices, credit spreads and market standard proxy methods are available, these loans are classified as Level 2. Where there are no recent transactions or comparables, these loans are classified as Level 3.
- **Other debt securities:** These debt securities include convertible bonds, corporate bonds, credit and structured notes. Where quoted prices are available through pricing vendors, brokers or observable trading activities from liquid markets, these are classified as Level 2 and valued using such quotes. Where there are significant valuation inputs which are unobservable in the market, due to illiquid trading or the complexity of the product, these are classified as Level 3. The valuations of these debt securities are implied using input parameters such as bond spreads and credit spreads. These input parameters are determined with reference to the same issuer (if available) or proxied from comparable issuers or assets.

• Financial instruments held at amortised cost

The following sets out the Group's basis for establishing fair values of amortised cost financial instruments and their classification between Levels 1, 2 and 3. As certain categories of financial instruments are not actively traded, there is a significant level of management judgement involved in calculating the fair values:

- **Cash and balances at central banks:** The fair value of cash and balances at central banks is their carrying amounts
- **Debt securities in issue, subordinated liabilities and other borrowed funds:** The aggregate fair values are calculated based on quoted market prices. For those notes where quoted market prices are not available, a discounted cash flow model is used based on a current market related yield curve appropriate for the remaining term to maturity
- **Deposits and borrowings:** The estimated fair value of deposits with no stated maturity is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits and other borrowings without quoted market prices is based on discounted cash flows using the prevailing market rates for debts with a similar Credit Risk and remaining maturity

- **Investment securities:** For investment securities that do not have directly observable market values, the Group utilises a number of valuation techniques to determine fair value. Where available, securities are valued using input proxies from the same or closely related underlying (for example, bond spreads from the same or closely related issuer) or input proxies from a different underlying (for example, a similar bond but using spreads for a particular sector and rating). Certain instruments cannot be proxies as set out above, and in such cases the positions are valued using non-market observable inputs. This includes those instruments held at amortised cost and predominantly relates to asset-backed securities. The fair value for such instruments is usually proxies from internal assessments of the underlying cash flows
- **Loans and advances to banks and customers:** For loans and advances to banks, the fair value of floating rate placements and overnight deposits is their carrying amounts. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using the prevailing money market rates for debts with a similar Credit Risk and remaining maturity. The Group's loans and advances to customers portfolio is well diversified by geography and industry. Approximately a quarter of the portfolio re-prices within one month, and approximately half re-prices within 12 months. Loans and advances are presented net of provisions for impairment. The fair value of loans and advances to customers with a residual maturity of less than one year generally approximates the carrying value. The estimated fair value of loans and advances with a residual maturity of more than one year represents the discounted amount of future cash flows expected to be received, including assumptions relating to prepayment rates and Credit Risk. Expected cash flows are discounted at current market rates to determine fair value. The Group has a wide range of individual instruments within its loans and advances portfolio and as a result providing quantification of the key assumptions used to value such instruments is impractical
- **Other assets:** Other assets comprise primarily cash collateral and trades pending settlement. The carrying amount of these financial instruments is considered to be a reasonable approximation of fair value as they are either short-term in nature or re-price to current market rates frequently.

Fair value adjustments

When establishing the exit price of a financial instrument using a valuation technique, the Group considers adjustments to the modelled price which market participants would make when pricing that instrument. The main valuation adjustments (described further below) in determining fair value for financial assets and financial liabilities are as follows:

	01.01.25 \$million	Movement during the year \$million	31.12.25 \$million	01.01.24 \$million	Movement during the year \$million	31.12.24 \$million
Bid-offer valuation adjustment	117	6	123	115	2	117
Credit valuation adjustment	134	(20)	114	119	15	134
Debit valuation adjustment	(105)	30	(75)	(129)	24	(105)
Model valuation adjustment	5	(2)	3	4	1	5
Funding valuation adjustment	41	(9)	32	33	8	41
Other fair value adjustments	26	22	48	25	1	26
Total	218	27	245	167	51	218
Income deferrals						
Day 1 and other deferrals	138	9	147	109	29	138
Total	138	9	147	109	29	138

Note: Bracket represents an asset and credit to the income statement.

- **Bid-offer valuation adjustment:** Generally, market parameters are marked on a mid-market basis in the revaluation systems, and a bid-offer valuation adjustment is required to quantify the expected cost of neutralising the business' positions through dealing away in the market, thereby bringing long positions to bid and short positions to offer. The methodology to calculate the bid-offer adjustment for a derivative portfolio involves netting between long and short positions and the grouping of risk by strike and tenor based on the hedging strategy where long positions are marked to bid and short positions marked to offer in the systems.
- **Credit valuation adjustment (CVA):** The Group accounts for CVA against the fair value of derivative products. CVA is an adjustment to the fair value of the transactions to reflect the possibility that our counterparties may default and we may not receive the full market value of the outstanding transactions. It represents an estimate of the adjustment a market participant would include when deriving a purchase price to acquire our exposures. CVA is calculated for each subsidiary, and within each entity for each counterparty to which the entity has exposure and takes account of any collateral we may hold. The Group calculates the CVA by using estimates of future positive exposure, market-implied probability of default (PD) and recovery rates. Where market-implied data is not readily available, we use market-based proxies to estimate the PD. Wrong-way risk occurs when the exposure to a counterparty is adversely correlated with the credit quality of that counterparty, and the Group has implemented a model to capture this impact for key wrong-way exposures. The Group also captures the uncertainties associated with wrong-way risk in the Group's Prudential Valuation Adjustments framework.

Notes to the financial statements

13. Financial instruments continued

- **Debit valuation adjustment (DVA):** The Group calculates DVA adjustments on its derivative liabilities to reflect changes in its own credit standing. The Group's DVA adjustments will increase if its credit standing worsens and, conversely, decrease if its credit standing improves. For derivative liabilities, a DVA adjustment is determined by applying the Group's probability of default to the Group's negative expected exposure against the counterparty. The Group's probability of default and loss expected in the event of default is derived based on bond and CDS spreads associated with the Group's issuances and market standard recovery levels. The expected exposure is modelled based on the simulation of the underlying risk factors over the expected life of the deal. This simulation methodology incorporates the collateral posted by the Group and the effects of master netting agreements.
- **Model valuation adjustment:** Valuation models may have pricing deficiencies or limitations that require a valuation adjustment. These pricing deficiencies or limitations arise due to the choice, implementation and calibration of the pricing model.
- **Funding valuation adjustment (FVA):** The Group makes FVA adjustments against derivative products, including embedded derivatives. FVA reflects an estimate of the adjustment to its fair value that a market participant would make to incorporate funding costs or benefits that could arise in relation to the exposure. FVA is calculated by determining the net expected exposure at a counterparty level and then applying a funding rate to those exposures that reflect the market cost of funding. The FVA for uncollateralised (including partially collateralised) derivatives incorporates the estimated present value of the market funding cost or benefit associated with funding these transactions.
- **Other fair value adjustments:** For certain products, the prices cannot be replicated by usual models or the choice of model inputs can be more subjective. In these circumstances, an adjustment may be necessary to reflect the prices available in the market. In general, where there is a high degree of uncertainty in the valuation (e.g. due to the nature of the trade, model inputs, model selection etc.), an adjustment can be taken to adopt a more conservative value to better reflect the expected exit price.
- **Day one and other deferrals:** In certain circumstances the initial fair value is based on a valuation technique which differs to the transaction price at the time of initial recognition. However, these gains can only be recognised when the valuation technique used is based primarily on observable market data. In those cases where the initially recognised fair value is based on a valuation model that uses inputs which are not observable in the market, the difference between the transaction price and the valuation model is not recognised immediately in the income statement. The difference is amortised to the income statement until the inputs become observable, or the transaction matures or is terminated. Other deferrals primarily represent adjustments taken to reflect the specific terms and conditions of certain derivative contracts which affect the termination value at the measurement date.

In addition, the Group calculates own credit adjustment (OCA) on its issued debt designated at fair value, including structured notes, in order to reflect changes in its own credit standing. Issued debt is discounted utilising the spread at which similar instruments would be issued or bought back at the measurement date as this reflects the value from the perspective of a market participant who holds the identical item as an asset. OCA measures the difference between the fair value of issued debt as of reporting date and theoretical fair values of issued debt adjusted up or down for changes in own credit spreads from inception date to the measurement date. Under IFRS 9 the change in the OCA component is reported under other comprehensive income. The Group's OCA reserve will increase if its credit standing worsens in comparison to the inception of the trade and, conversely, decrease if its credit standing improves. The Group's OCA reserve will reverse over time as its liabilities mature.

Fair value hierarchy – financial instruments held at fair value

The fair values of quoted financial assets and liabilities in active markets are based on current prices. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Wherever possible, fair values have been calculated using unadjusted quoted market prices in active markets for identical instruments held by the Group. Where quoted market prices are not available, or are unreliable because of poor liquidity, fair values have been determined using valuation techniques which, to the extent possible, use market observable inputs, but in some cases use unobservable inputs. Valuation techniques used include discounted cash flow analysis and pricing models and, where appropriate, comparison with instruments that have characteristics similar to those of the instruments held by the Group.

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values. Changes in the observability of significant valuation inputs during the reporting period may result in a transfer of assets and liabilities within the fair value hierarchy. The Group recognises transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period.

- **Level 1:** Fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities.
- **Level 2:** Fair value measurements are those with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- **Level 3:** Fair value measurements are those where inputs which could have a significant effect on the instrument's valuation are not based on observable market data.

The following tables show the classification of financial instruments held at fair value into the valuation hierarchy:

Assets	2025				2024			
	Level 1 \$million	Level 2 \$million	Level 3 \$million	Total \$million	Level 1 \$million	Level 2 \$million	Level 3 \$million	Total \$million
Financial instruments held at fair value through profit or loss								
Loans and advances to banks	-	2,685	299	2,984	-	2,213	-	2,213
Loans and advances to customers	-	8,891	3,464	12,355	-	5,147	1,937	7,084
Reverse repurchase agreements and other similar secured lending	-	80,446	3,684	84,130	19	82,937	3,239	86,195
Debt securities and other eligible bills	38,015	45,365	3,324	86,704	32,331	42,615	1,593	76,539
Of which:								
Issued by central banks & governments	35,078	21,875	-	56,953	30,278	13,355	9	43,642
Issued by corporates other than financial institutions ¹	71	5,531	232	5,834	7	4,860	399	5,266
Issued by financial institutions ¹	2,866	17,959	3,092	23,917	2,046	24,400	1,185	27,631
Equity shares	6,319	2,455	310	9,084	5,287	8	191	5,486
Derivative financial instruments	766	64,926	90	65,782	386	80,958	128	81,472
Of which:								
Foreign exchange	132	55,776	35	55,943	140	72,870	37	73,047
Interest rate	39	6,143	46	6,228	27	6,296	80	6,403
Credit	-	488	5	493	-	388	9	397
Equity and stock index options	-	332	4	336	-	349	2	351
Commodity	595	2,187	-	2,782	219	1,055	-	1,274
Investment securities								
Debt securities and other eligible bills	67,058	41,445	-	108,503	50,249	38,176	-	88,425
Of which:								
Issued by central banks & governments	53,830	22,336	-	76,166	41,395	16,916	-	58,311
Issued by corporates other than financial institutions ¹	-	438	-	438	-	490	-	490
Issued by financial institutions ¹	13,228	18,671	-	31,899	8,854	20,770	-	29,624
Equity shares	34	2	1,167	1,203	27	2	965	994
Total assets at 31 December²	112,192	246,215	12,338	370,745	88,299	252,056	8,053	348,408
Liabilities								
Financial instruments held at fair value through profit or loss								
Deposits by banks	-	2,059	269	2,328	-	1,522	371	1,893
Customer accounts	-	15,936	3,478	19,414	-	19,058	2,714	21,772
Repurchase agreements and other similar secured borrowing	-	36,307	-	36,307	-	33,539	-	33,539
Debt securities in issue	-	14,925	1,084	16,009	-	12,317	1,414	13,731
Short positions	8,674	6,789	76	15,539	8,789	5,558	180	14,527
Derivative financial instruments	380	67,598	226	68,204	419	81,387	258	82,064
Of which:								
Foreign exchange	155	56,427	21	56,603	183	69,684	8	69,875
Interest rate	83	6,464	22	6,569	14	8,586	23	8,623
Credit	-	1,958	128	2,086	-	2,131	189	2,320
Equity and stock index options	-	428	54	482	-	157	37	194
Commodity	142	2,321	1	2,464	222	829	1	1,052
Total liabilities at 31 December	9,054	143,614	5,133	157,801	9,208	153,381	4,937	167,526

¹ Includes covered bonds of \$3,045 million (2024: \$3,727 million), securities issued by Multilateral Development Banks/International Organisations of \$16,039 million (2024: \$10,679 million), and State-owned agencies and development banks of \$27,449 million (2024: \$16,759 million).

² The table above does not include held for sale assets of nil million (2024: \$5 million). These are reported in Note 21 together with their fair value hierarchy.

The fair value of financial assets and financial liabilities classified as Level 2 in the fair value hierarchy that are subject to complex modelling techniques is \$327 million (2024: \$739 million) and \$314 million (2024: \$320 million) respectively.

There were no significant changes to valuation or levelling approaches in 2025.

There were no significant transfers of financial assets and liabilities measured at fair value between Level 1 and Level 2 during the year.

Notes to the financial statements

13. Financial instruments continued

Fair value hierarchy – financial instruments measured at amortised cost

The following table shows the carrying amounts and incorporates the Group's estimate of fair values of those financial assets and liabilities not presented on the Group's balance sheet at fair value. These fair values may be different from the actual amount that will be received or paid on the settlement or maturity of the financial instrument. For certain instruments, the fair value may be determined using assumptions for which no observable prices are available.

	2025					2024				
	Carrying value \$million	Fair value				Carrying value \$million	Fair value			
		Level 1 \$million	Level 2 \$million	Level 3 \$million	Total \$million		Level 1 \$million	Level 2 \$million	Level 3 \$million	Total \$million
Assets										
Cash and balances at central banks ¹	77,746	–	77,746	–	77,746	63,447	–	63,447	–	63,447
Loans and advances to banks	43,901	–	43,834	83	43,917	43,593	–	43,430	165	43,595
of which – reverse repurchase agreements and other similar secured lending	3,724	–	3,733	–	3,733	2,946	–	2,948	–	2,948
Loans and advances to customers	286,788	–	28,759	257,093	285,852	281,032	–	40,582	238,986	279,568
of which – reverse repurchase agreements and other similar secured lending	8,242	–	8,242	–	8,242	9,660	–	9,618	42	9,660
Investment securities ²	57,250	–	56,427	–	56,427	55,137	–	53,050	24	53,074
Other assets ¹	36,770	–	36,770	–	36,770	34,585	–	34,585	–	34,585
Assets held for sale	1,042	74	178	790	1,042	884	58	353	473	884
Total as at 31 December	503,497	74	243,714	257,966	501,754	478,678	58	235,447	239,648	475,153
Liabilities										
Deposits by banks	30,846	–	30,846	–	30,846	25,400	–	25,238	–	25,238
Customer accounts	530,161	–	526,569	–	526,569	464,489	–	461,549	–	461,549
Repurchase agreements and other similar secured borrowing	7,757	–	7,757	–	7,757	12,132	–	12,133	–	12,133
Debt securities in issue	72,858	36,578	36,392	–	72,970	64,609	32,209	32,181	–	64,390
Subordinated liabilities and other borrowed funds	8,834	8,045	607	–	8,652	10,382	9,599	429	–	10,028
Other liabilities ¹	45,788	–	45,788	–	45,788	44,047	–	44,047	–	44,047
Liabilities held for sale	908	147	761	–	908	360	89	271	–	360
Total as at 31 December	697,152	44,770	648,720	–	693,490	621,419	41,897	575,848	–	617,745

1 The carrying amount of these financial instruments is considered to be a reasonable approximation of fair value as they are short-term in nature or reprice to current market rates frequently.

2 Includes Government bonds and Treasury bills of \$27,813 million at 31 December 2025 (31 December 2024: \$23,150 million).

Loans and advances to customers by client segment¹

	2025						2024					
	Carrying value			Fair value			Carrying value			Fair value		
	Stage 3 \$million	Stage 1 and stage 2 \$million	Total \$million	Stage 3 \$million	Stage 1 and stage 2 \$million	Total	Stage 3 \$million	Stage 1 and stage 2 \$million	Total \$million	Stage 3 \$million	Stage 1 and stage 2 \$million	Total
Corporate & Investment Banking	1,987	140,193	142,180	1,974	140,463	142,437	1,298	137,006	138,304	1,174	137,234	138,408
Wealth & Retail Banking	877	126,100	126,977	875	125,023	125,898	858	118,390	119,248	858	116,823	117,681
Ventures	13	2,646	2,659	13	2,646	2,659	1	1,388	1,389	–	1,388	1,388
Central & other items	–	14,972	14,972	–	14,858	14,858	98	21,993	22,091	98	21,993	22,091
Total as at 31 December	2,877	283,911	286,788	2,862	282,990	285,852	2,255	278,777	281,032	2,130	277,438	279,568

1 Loans and advances includes reverse repurchase agreements and other similar secured lending: carrying value \$8,242 million and fair value \$8,243 million (31 December 2024: \$9,660 million and \$9,660 million respectively).

Fair value of financial instruments

Level 3 Summary and significant unobservable inputs

The following table presents the Group's primary Level 3 financial instruments which are held at fair value. The table also presents the valuation techniques used to measure the fair value of those financial instruments, the significant unobservable inputs, the range of values for those inputs and the weighted average of those inputs:

Instrument	Value as at 31 December 2025		Principal valuation technique	Significant unobservable inputs	Range ¹	Weighted average ²	
	Assets \$million	Liabilities \$million					
Loans and advances to banks	299	-	Discounted cash flows	Price/yield	4.4% – 4.9%	4.6%	
Loans and advances to customers ³	3,464	-	Discounted cash flows	Price/yield	2.1% – 61.3%	8.9%	
				Recovery rate	99.98% – 99.99%	99.99%	
Reverse repurchase agreements and other similar secured lending	3,684	-	Discounted cash flows	Comparable pricing/yield	29.4% – 100%	93.2%	
				Price			
Debt securities, alternative tier one and other eligible securities	3,324	-	Discounted cash flows	Repo curve	0.7% – 8.1%	5.4%	
				Price/yield	4.1% – 25.1%	9.6%	
Equity shares (includes private equity investments)	1,477	-	Discounted cash flows	Price	N/A	N/A	
				Comparable pricing/yield ⁴			
				Discount rates	8.2% – 25.9%	10.5%	
				Equity value based on EV/Revenue multiples	5.4x – 23.0x	11.54x	
				Equity value based on EV/EBITDA multiples	3.2x – 3.2x	3.2x	
Derivative financial instruments of which:	35	21	Option pricing model	Equity value based on volatility	40.0% – 40.0%	40.0%	
				Foreign exchange option implied volatility	0.4% – 44.6%	33.0%	
				Discounted cash flows	Interest rate curves	0.3% – 36.0%	14.3%
				Foreign exchange curves	1.3% – 3.9%	1.7%	
				Commodity prices	\$0.2 – \$341.2	\$62.4	
Commodity	-	1	Discounted cash flows	CM-CM correlation	59.7% – 97.4%	78.6%	
				Internal pricing model			
Interest rate	46	22	Discounted cash flows	Interest rate curves	3.5% – 36.0%	9.8%	
Credit	5	128	Discounted cash flows	Credit spreads	0.9% – 1.0%	0.9%	
				Price/yield	2.7% – 25.1%	7.3%	
				Internal pricing model	Bond option implied volatility	5.0% – 13.0%	10.8%
Equity and stock index	4	54	Internal pricing model	Equity-Equity correlation	50.8% – 100%	77.6%	
				Equity-FX correlation	(26.9)% – 46.8%	6.7%	
Deposits by banks	-	269	Discounted cash flows	Price/Yield	4.3% – 6.1%	5.7%	
Customer accounts	-	3,478	Internal pricing model	Equity-Equity correlation	50.8% – 100%	77.6%	
				Equity-FX correlation	(26.9)% – 46.8%	6.7%	
				Price/yield	2.6% – 20.8%	8.7%	
Debt securities in issue	-	1,084	Discounted cash flows	Price/yield	7.4% – 19.0%	17.1%	
				Interest rate curves	3.6% – 36.0%	15.1%	
				Internal pricing model	Equity-Equity correlation	50.8% – 100%	77.6%
				Equity-FX correlation	(26.9)% – 46.8%	6.7%	
				Option pricing model	Bond option implied volatility	5.0% – 13.0%	10.8%
Short positions	-	76	Discounted cash flows	Price/yield	7.13% – 7.13%	7.1%	
Total	12,338	5,133					

- The ranges of values shown in the above table represent the highest and lowest levels used in the valuation of the Group's Level 3 financial instruments as at 31 December 2025. The ranges of values used are reflective of the underlying characteristics of these Level 3 financial instruments based on the market conditions at the balance sheet date. However, these ranges of values may not represent the uncertainty in fair value measurements of the Group's Level 3 financial instruments.
- Weighted average for non-derivative financial instruments has been calculated by weighting inputs by the relative fair value. Weighted average for derivatives has been provided by weighting inputs by the risk relevant to that variable. N/A has been entered for the cases where weighted average is not a meaningful indicator.
- The inputs for Loans and advances to customers under Discounted Cash flow technique have been split to show as a separate line under Comparable pricing/yield for better representation of material inputs.
- The inputs for equity shares under Comparable pricing/yield technique have been consolidated under 'Price' as they are not individually material.

Notes to the financial statements

13. Financial instruments continued

Instrument	Value as at 31 December 2024		Principal valuation technique	Significant unobservable inputs	Range ¹	Weighted average ²	
	Assets \$million	Liabilities \$million					
Loans and advances to customers ³	1,937	-	Discounted cash flows	Price/yield	1.0% – 26.1%	7.7%	
				Recovery rate	93.2% – 95.6%	95.1%	
				Comparable pricing/yield	Price	1.2% – 100%	89.9%
Reverse repurchase agreements and other similar secured lending	3,239	-	Discounted cash flows	Repo curve	2.0% – 7.6%	6.2%	
				Price/yield	2.3% – 10.5%	6.4%	
Debt securities, alternative tier one and other eligible securities	1,584	-	Discounted cash flows	Price/yield	0.7% – 15.3%	6.9%	
				Recovery rate	0.01% – 16.3%	9.2%	
Government bonds and treasury bills	9	-	Discounted cash flows	Price/yield	23.5% – 23.5%	23.5%	
Equity shares (includes private equity investments)	1,156	-	Comparable pricing/yield ⁴	Price	N/A	N/A	
				Discounted cash flows	Discount rates	8.3% – 20.4%	10.1%
				Option pricing model	Equity value based on EV/Revenue multiples	5.7x – 23.6x	16.2x
					Equity value based on EV/EBITDA multiples	10.1x – 10.1x	10.1x
					Equity value based on volatility	30.2% – 50.0%	30.5%
Derivative financial instruments of which:							
Foreign exchange	37	8	Option pricing model	Foreign exchange option implied volatility	10.2% – 46.2%	42.0%	
				Interest rate curves	3.5% – 9.0%	4.2%	
				Foreign exchange curves	(0.03)% – 34.3%	6.1%	
Commodity	-	1	Discounted cash flows	Commodity prices	\$383.0 – \$391.0	\$387.0	
				CM-CM correlation	73.7% – 97.9%	86.0%	
Interest rate	80	23	Discounted cash flows	Interest rate curves	3.5% – 43.9%	5.1%	
			Option pricing model	Bond option implied volatility	2.3% – 4.7%	3.5%	
Credit	9	189	Discounted cash flows	Credit spreads	0.1% – 1.9%	0.9%	
				Price/yield	4.8% – 6.6%	5.5%	
Equity and stock index	2	37	Internal pricing model	Equity-Equity correlation	44.9% – 100%	80.0%	
				Equity-FX correlation	(36.4)% – 48.9%	5.0%	
Deposits by banks	-	371	Discounted cash flows	Credit spreads	0.2% – 3.5%	1.5%	
Customer accounts	-	2,714	Internal pricing model	Equity-Equity correlation	44.9% – 100%	80.0%	
				Equity-FX correlation	(36.4)% – 48.9%	5.0%	
			Discounted cash flows	Interest rate curves	1.4% – 4.4%	4.0%	
				Price/yield	0.7% – 13.0%	8.5%	
Debt securities in issue	-	1,414	Discounted cash flows	Credit spreads	0.05% – 2.0%	0.8%	
				Price/yield	6.2% – 14.8%	12.7%	
				Interest rate curves	3.5% – 4.4%	4.1%	
			Internal pricing model	Equity-Equity correlation	44.9% – 100%	80.0%	
				Equity-FX correlation	(36.4)% – 48.9%	5.0%	
				Option pricing model	Bond option implied volatility	4.0% – 15%	12.5%
					Price/yield	5.9% – 12.7%	6.3%
Short position	-	180	Discounted cash flows	Price/yield	5.9% – 12.7%	6.3%	
Total	8,053	4,937					

- The ranges of values shown in the above table represent the highest and lowest levels used in the valuation of the Group's Level 3 financial instruments as at 31 December 2024. The ranges of values used are reflective of the underlying characteristics of these Level 3 financial instruments based on the market conditions at the balance sheet date. However, these ranges of values may not represent the uncertainty in fair value measurements of the Group's Level 3 financial instruments.
- Weighted average for non-derivative financial instruments has been calculated by weighting inputs by the relative fair value. Weighted average for derivatives has been provided by weighting inputs by the risk relevant to that variable. N/A has been entered for the cases where weighted average is not a meaningful indicator.
- The inputs for Loans and advances to customers under Discounted Cash flow technique have been split to show as a separate line under Comparable pricing/yield for better representation of material inputs.
- The inputs for equity shares under Comparable pricing/yield technique have been consolidated under 'Price' as they are not individually material.

The following section describes the significant unobservable inputs identified in the valuation technique table:

- **Comparable price/yield** is a valuation methodology in which the price of a comparable instrument is used to estimate the fair value where there are no direct observable prices. Yield is the interest rate that is used to discount the future cash flows in a discounted cash flow model. Valuation using comparable instruments can be done by calculating an implied yield (or spread over a liquid benchmark) from the price of a comparable instrument, then adjusting that yield (or spread) to derive a value for the instrument. The adjustment should account for relevant differences in the financial instruments such as maturity and/or credit quality. Alternatively, a price-to-price basis can be assumed between the comparable instrument and the instrument being valued in order to establish the value of the instrument (for example, deriving a fair value for a junior unsecured bond from the price of a senior secured bond). An increase in price, in isolation, would result in a favourable movement in the fair value of the asset. An increase in yield, in isolation, would result in an unfavourable movement in the fair value of the asset
- **Correlation** is the measure of how movement in one variable influences the movement in another variable. An equity correlation is the correlation between two equity instruments, an interest rate correlation refers to the correlation between two swap rates, while commodity correlation is correlation between two commodity underlying prices
- **Commodity price curves** is the term structure for forward rates over a specified period
- **Credit spread** represents the additional yield that a market participant would demand for taking exposure to the Credit Risk of an instrument
- **Discount rate** refers to the rate of return used to convert expected cash flows into present value
- **Equity-FX correlation** is the correlation between equity instrument and foreign exchange instrument
- **EV/EBITDA multiple** is the ratio of Enterprise Value (EV) to Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA). EV is the aggregate market capitalisation and debt minus the cash and cash equivalents. An increase in EV/EBITDA multiple will result in a favourable movement in the fair value of the unlisted firm
- **EV/Revenue multiple** is the ratio of Enterprise Value (EV) to Revenue. An increase in EV/Revenue multiple will result in a favourable movement in the fair value of the unlisted firm
- **Foreign exchange curves** is the term structure for forward rates and swap rates between currency pairs over a specified period
- **Interest rate curves** is the term structure of interest rates and measures of future interest rates at a particular point in time
- **Recovery rates** is the expectation of the rate of return resulting from the liquidation of a particular loan. As the probability of default increases for a given instrument, the valuation of that instrument will increasingly reflect its expected recovery level assuming default. An increase in the recovery rate, in isolation, would result in a favourable movement in the fair value of the loan
- **Repo curve** is the term structure of repo rates on repos and reverse repos at a particular point in time
- **Volatility** represents an estimate of how much a particular instrument, parameter or index will change in value over time. Generally, the higher the volatility, the more expensive the option will be.

Notes to the financial statements

13. Financial instruments continued

Level 3 movement tables – financial assets

The table below analyses movements in Level 3 financial assets carried at fair value.

	Held at fair value through profit or loss						Investment securities			Total \$million
	Loans and advances to banks \$million	Loans and advances to customers \$million	Reverse repurchase agreements and other similar secured lending \$million	Debt securities, alternative tier one and other eligible bills \$million	Equity shares \$million	Other Assets \$million	Derivative financial instruments \$million	Debt securities, alternative tier one and other eligible bills \$million	Equity shares \$million	
Assets										
At 1 January 2025	-	1,937	3,239	1,593	191	-	128	-	965	8,053
Total gains/(losses) recognised in income statement	-	70	(35)	123	(12)	-	(14)	-	-	132
Net trading income	-	70	(35)	123	(12)	-	(14)	-	-	132
Other operating income	-	-	-	-	-	-	-	-	-	-
Total gains recognised in other comprehensive income (OCI)	-	-	-	-	-	-	-	-	321	321
Fair value through OCI reserve	-	-	-	-	-	-	-	-	316	316
Exchange difference	-	-	-	-	-	-	-	-	5	5
Purchases	299	3,002	10,555	1,980	169	-	162	-	31	16,198
Sales	-	(1,156)	(9,021)	(1,007)	(31)	-	(128)	-	(150)	(11,493)
Settlements	-	(184)	(1,054)	(6)	-	-	(36)	-	-	(1,280)
Transfers out ¹	-	(803)	-	(280)	(7)	-	(23)	-	-	(1,113)
Transfers in ²	-	598	-	921	-	-	1	-	-	1,520
At 31 December 2025	299	3,464	3,684	3,324	310	-	90	-	1,167	12,338
Recognised in the income statement ³	-	(9)	(3)	5	(29)	-	-	-	-	(36)
At 1 January 2024	-	1,960	2,363	1,262	184	6	80	72	787	6,714
Total (losses)/gains recognised in income statement	(1)	8	73	(114)	(15)	-	(57)	-	-	(106)
Net trading income	(1)	8	73	(56)	(15)	-	(57)	-	-	(48)
Other operating income	-	-	-	(58)	-	-	-	-	-	(58)
Total (losses)/gains recognised in other comprehensive income (OCI)	-	-	-	-	-	-	-	(11)	50	39
Fair value through OCI reserve	-	-	-	-	-	-	-	-	74	74
Exchange difference	-	-	-	-	-	-	-	(11)	(24)	(35)
Purchases	-	1,853	6,161	1,337	24	-	227	-	145	9,747
Sales	-	(2,062)	(4,716)	(907)	(2)	-	(160)	-	(19)	(7,866)
Settlements	(7)	(42)	(782)	-	-	-	-	-	-	(831)
Transfers out ¹	(13)	(263)	-	(1)	-	(6)	(1)	(61)	(2)	(347)
Transfers in ²	21	483	140	16	-	-	39	-	4	703
At 31 December 2024	-	1,937	3,239	1,593	191	-	128	-	965	8,053
Recognised in the income statement ³	-	7	1	7	(13)	-	(9)	-	-	(7)

1 Transfers out includes loans and advances, debt securities, alternative tier one and other eligible bills, equity shares, other assets and derivative financial instruments where the valuation parameters became observable during the period and were transferred to Level 1 and Level 2.

2 Transfers in primarily relate to loans and advances, repurchase agreements, debt securities, alternative tier one and other eligible bills, equity shares and derivative financial instruments where the valuation parameters become unobservable during the year.

3 Represents Total unrealised (losses)/gains recognised in the income statement, within net trading income, relating to change in fair value of assets.

Level 3 movement tables – financial liabilities

	Deposits by banks \$million	Customer accounts \$million	Debt securities in issue \$million	Derivative financial instruments \$million	Short positions \$million	Other liabilities \$million	Total \$million
At 1 January 2025	371	2,714	1,414	258	180	–	4,937
Total losses/(gains) recognised in income statement – net trading income	98	(269)	60	8	3	–	(100)
Issues	298	5,410	2,114	538	–	–	8,360
Settlements	(538)	(3,790)	(2,462)	(566)	(107)	–	(7,463)
Transfers out ¹	–	(650)	(58)	(30)	–	–	(738)
Transfers in ²	40	63	16	18	–	–	137
At 31 December 2025	269	3,478	1,084	226	76	–	5,133
Recognised in the income statement ³	3	2	2	(9)	–	–	(2)
At 1 January 2024	334	1,278	1,041	196	103	8	2,960
Total losses/(gains) recognised in income statement – net trading income	49	(27)	48	(6)	3	(8)	59
Issues	388	3,068	4,244	507	177	–	8,384
Settlements	(400)	(1,627)	(2,795)	(438)	(103)	–	(5,363)
Transfers out ¹	–	(26)	(1,194)	(7)	–	–	(1,227)
Transfers in ²	–	48	70	6	–	–	124
At 31 December 2024	371	2,714	1,414	258	180	–	4,937
Recognised in the income statement ³	29	5	2	(13)	–	–	23

- 1 Transfers out during the year primarily relate to customer accounts, debt securities in issue and derivative financial instruments where the valuation parameters became observable during the year and were transferred to Level 2 financial liabilities.
- 2 Transfers in during the year primarily relate to customer accounts, debt securities in issue and derivative financial instruments where the valuation parameters become unobservable during the year.
- 3 Represents Total unrealised losses/(gains) recognised in the income statement, within net trading income, relating to change in fair value of liabilities.

Notes to the financial statements

Sensitivities in respect of the fair values of Level 3 assets and liabilities

Sensitivity analysis is performed on products with significant unobservable inputs. The Group applies a 10 per cent increase or decrease on the values of these unobservable inputs, to generate a range of reasonably possible alternative valuations. The percentage shift is determined by statistical analysis performed on a set of reference prices based on the composition of the Group's Level 3 inventory as the measurement date. Favourable and unfavourable changes (which show the balance adjusted for input change) are determined on the basis of changes in the value of the instrument as a result of varying the levels of the unobservable parameters. The Level 3 sensitivity analysis assumes a one-way market move and does not consider offsets for hedges.

	Held at fair value through profit or loss			Fair value through other comprehensive income		
	Net exposure \$million	Favourable changes \$million	Unfavourable changes \$million	Net exposure \$million	Favourable changes \$million	Unfavourable changes \$million
Financial instruments held at fair value						
Loans and advances	3,763	3,854	3,650	-	-	-
Reverse Repurchase agreements and other similar secured lending	3,684	3,782	3,598	-	-	-
Debt securities, alternative tier one and other eligible bills	3,324	3,384	3,267	-	-	-
Equity shares	310	343	277	1,167	1,284	1,050
Derivative financial instruments	(136)	(111)	(161)	-	-	-
Customer accounts	(3,478)	(3,395)	(3,566)	-	-	-
Deposits by banks	(269)	(257)	(282)	-	-	-
Short positions	(76)	(75)	(77)	-	-	-
Debt securities in issue	(1,084)	(1,007)	(1,161)	-	-	-
At 31 December 2025	6,038	6,518	5,545	1,167	1,284	1,050

Financial instruments held at fair value						
Loans and advances	1,937	1,985	1,862	-	-	-
Reverse Repurchase agreements and other similar secured lending	3,239	3,339	3,138	-	-	-
Debt securities, alternative tier one and other eligible bills	1,593	1,643	1,542	-	-	-
Equity shares	191	210	172	965	1,032	888
Derivative financial instruments	(130)	(115)	(147)	-	-	-
Customer accounts	(2,714)	(2,540)	(2,883)	-	-	-
Deposits by banks	(371)	(371)	(371)	-	-	-
Short positions	(180)	(178)	(182)	-	-	-
Debt securities in issue	(1,414)	(1,352)	(1,476)	-	-	-
At 31 December 2024	2,151	2,621	1,655	965	1,032	888

The reasonably possible alternatives could have increased or decreased the fair values of financial instruments held at fair value through profit or loss and those classified as fair value through other comprehensive income by the amounts disclosed below.

	Fair value changes			
	Possible increase		Possible decrease	
	2025 \$million	2024 \$million	2025 \$million	2024 \$million
Financial instruments				
Held at fair value through profit or loss	480	470	(493)	(496)
Fair value through other comprehensive income	117	67	(117)	(77)

14. Derivative financial instruments

Accounting policy

Fair values may be obtained from quoted market prices in active markets, recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. Where the initially recognised fair value of a derivative contract is based on a valuation model that uses inputs which are not observable in the market, it follows the same initial recognition accounting policy as for other financial assets and liabilities. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Hedge accounting

Under certain conditions, the Group may designate a recognised asset or liability, a firm commitment, highly probable forecast transaction or net investment of a foreign operation into a formal hedge accounting relationship with a derivative that has been entered to manage interest rate and/or foreign exchange risks present in the hedged item. The Group has elected to continue applying IAS 39 for hedge accounting.

There are three categories of hedge relationships:

- Fair value hedge: to manage the fair value of interest rate and/or foreign currency risks of recognised assets or liabilities or firm commitments
- Cash flow hedge: to manage interest rate or foreign exchange risk of highly probable future cash flows attributable to a recognised asset or liability, or a forecasted transaction
- Net investment hedge: to manage the structural foreign exchange risk of an investment in a foreign operation

The Group assesses, both at hedge inception and on a quarterly basis, whether the derivatives designated in hedge relationships are highly effective in offsetting changes in fair values or cash flows of hedged items. Hedges are considered to be highly effective if all the following criteria are met:

- At inception of the hedge and throughout its life, the hedge is prospectively expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk
- Prospective and retrospective effectiveness of the hedge should be within a range of 80–125%. This is tested using regression analysis
- This is tested using regression analysis where the slope of the regression line must be between -0.80 and -1.25 and the data pairs between the hedged item and the hedging instrument are regressed to a 95% confidence interval. The regression co-efficient (R squared), which measures the correlation between the variables in the regression, is at least 80%.

In the case of the hedge of a forecast transaction, the transaction must have a high probability of occurring and must present an exposure to variations in cash flows that are expected to affect reported profit or loss.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedging instruments are recorded in net trading income, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the income statement over the remaining term to maturity of the hedged item. If the hedged item is sold or repaid, the unamortised fair value adjustment is recognised immediately in the income statement. For financial assets classified as fair value through other comprehensive income, the hedge accounting adjustment attributable to the hedged risk is included in net trading income to match the hedging derivative.

Notes to the financial statements

14. Derivative financial instruments continued

Accounting policy continued**Cash flow hedge**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedging instruments are initially recognised in other comprehensive income, accumulating in the cash flow hedge reserve within equity. These amounts are subsequently recycled to the income statement in the periods when the hedged item affects profit or loss. Both the derivative fair value movement and any recycled amount are recorded in the 'Cashflow hedges' line item in other comprehensive income.

The Group assesses hedge effectiveness using the hypothetical derivative method, which creates a derivative instrument to serve as a proxy for the hedged transaction. The terms of the hypothetical derivative match the critical terms of the hedged item and it has a fair value of zero at inception. The hypothetical derivative and the actual derivative are regressed to establish the statistical significance of the hedge relationship. Any ineffective portion of the gain or loss on the hedging instrument is recognised in the net trading income immediately.

If a cash flow hedge is discontinued, the amount accumulated in the cash flow hedge reserve is released to the income statement as and when the hedged item affects the income statement.

Should the Group consider the hedged future cash flows are no longer expected to occur due to reasons, the cumulative gain or loss will be immediately reclassified to profit or loss.

Net investment hedge

Hedges of net investments are accounted for in a similar manner to cash flow hedges, with gains and losses arising on the effective portion of the hedges recorded in the line 'Exchange differences on translation of foreign operations' in other comprehensive income, accumulating in the translation reserve within equity. These amounts remain in equity until the net investment is disposed of. The ineffective portion of the hedges is recognised in the net trading income immediately.

The tables below analyse the notional principal amounts and the positive and negative fair values of derivative financial instruments. Notional principal amounts are the amounts of principal underlying the contract at the reporting date.

Derivatives	2025			2024		
	Notional principal amounts \$million	Assets \$million	Liabilities \$million	Notional principal amounts \$million	Assets \$million	Liabilities \$million
Foreign exchange derivative contracts¹:						
Forward foreign exchange contracts	5,793,024	42,581	42,554	4,923,991	54,913	51,128
Currency swaps and options	1,592,764	13,323	13,965	1,377,308	18,104	18,720
	7,385,788	55,904	56,519	6,301,299	73,017	69,848
Interest rate derivative contracts:						
Swaps	9,371,325	17,290	18,294	6,267,261	20,600	22,282
Forward rate agreements and options	325,419	1,674	994	294,705	2,233	2,771
	9,696,744	18,964	19,288	6,561,966	22,833	25,053
Exchange traded futures and options	640,718	39	84	383,528	30	27
Credit derivative contracts	81,800	493	2,086	227,675	397	2,320
Equity and stock index options	22,078	336	482	10,678	351	194
Commodity derivative contracts	185,432	2,782	2,464	142,393	1,274	1,052
Gross total derivatives	18,012,560	78,518	80,923	13,627,539	97,902	98,494
Offset	–	(12,736)	(12,719)	–	(16,430)	(16,430)
Total derivatives	18,012,560	65,782	68,204	13,627,539	81,472	82,064

1 Foreign exchange derivative contracts include precious metals derivatives.

The Group limits exposure to credit losses in the event of default by entering into master netting agreements with certain market counterparties. As required by IAS 32, exposures are only presented net in these accounts where they are subject to legal right of offset and intended to be settled net in the ordinary course of business.

The Group applies balance sheet offsetting only in the instance where we are able to demonstrate legal enforceability of the right to offset (e.g. via legal opinion) and the ability and intention to settle on a net basis (e.g. via operational practice).

The Group may enter into economic hedges that do not qualify for IAS 39 hedge accounting treatment, including derivative such as interest rate swaps, interest rate futures and cross currency swaps to manage interest rate and currency risks of the Group. These derivatives are measured at fair value, with fair value changes recognised in net trading income: refer to Market Risk (page 277).

Derivatives held for hedging

The Group enters into derivative contracts for the purpose of hedging interest rate, currency and structural foreign exchange risks inherent in assets, liabilities and forecast transactions. The table below summarises the notional principal amounts and carrying values of derivatives designated in hedge accounting relationships at the reporting date.

Included in the table below are derivatives held for hedging purposes as follows:

	2025			2024		
	Notional principal amounts \$million	Assets \$million	Liabilities \$million	Notional principal amounts \$million	Assets \$million	Liabilities \$million
Derivatives designated as fair value hedges:						
Interest rate swaps	62,630	717	1,001	63,840	763	1,679
Currency swaps	1,954	92	–	1,035	–	56
	64,584	809	1,001	64,875	763	1,735
Derivatives designated as cash flow hedges:						
Interest rate swaps	63,247	300	78	49,309	165	282
Forward foreign exchange contracts	10,268	124	34	9,193	609	1
Currency swaps	3,904	86	22	14,305	729	2
	77,419	510	134	72,807	1,503	285
Derivatives designated as net investment hedges:						
Forward foreign exchange contracts	17,155	440	23	14,137	300	7
Total derivatives held for hedging	159,158	1,759	1,158	151,819	2,566	2,027

Fair value hedges

The Group issues various long-term fixed-rate debt issuances that are measured at amortised cost, including some denominated in foreign currency, such as unsecured senior and subordinated debt (see Notes 22 and 27). The Group also holds various fixed rate debt securities such as government and corporate bonds, including some denominated in foreign currency (see Note 13). These assets and liabilities held are exposed to changes in fair value due to movements in market interest and foreign currency rates.

The Group uses interest rate swaps to exchange fixed rates for floating rates on funding to match floating rates received on assets or exchange fixed rates on assets to match floating rates paid on funding. The Group further uses cross-currency swaps to match the currency of the issued debt or held asset with that of the entity's functional currency.

Hedge ineffectiveness from fair value hedges is driven by cross-currency basis risk and interest cashflows mismatch between the hedging instruments and underlying hedged items. The amortisation of fair value hedge adjustments for hedged items no longer designated is recognised in net interest income.

As at 31 December 2025, the Group held the following interest rate and cross currency swaps as hedging instruments in fair value hedges of interest and currency risk.

Notes to the financial statements

14. Derivative financial instruments continued

Hedging instruments and ineffectiveness

	Notional \$million	Carrying Amount		Change in fair value used to calculate hedge ineffectiveness ² \$million	Ineffectiveness recognised in profit or loss \$million
		Asset \$million	Liability \$million		
Interest rate¹					
Interest rate swaps – debt securities/subordinated notes issued	42,219	557	939	839	2
Interest rate swaps – loans and advances to customers	531	–	5	(8)	–
Interest rate swaps – debt securities and other eligible bills	19,880	160	57	(333)	(9)
Interest and currency risk¹					
Cross currency swaps – debt securities/subordinated notes issued	1,954	92	–	141	–
Cross currency swaps – debt securities and other eligible bills	–	–	–	–	–
Total as at 31 December 2025	64,584	809	1,001	639	(7)
Interest rate swaps – debt securities/subordinated notes issued	46,832	283	1,643	46	2
Interest rate swaps – loans and advances to customers	1,334	10	12	(5)	–
Interest rate swaps – debt securities and other eligible bills	15,674	470	24	142	2
Interest and currency risk¹					
Cross currency swaps – debt securities/subordinated notes issued	1,035	–	56	(52)	(1)
Cross currency swaps – debt securities and other eligible bills	–	–	–	(10)	–
Total as at 31 December 2024	64,875	763	1,735	121	3

1 Interest rate swaps are designated in hedges of the fair value of interest rate risk attributable to the hedged item. Cross currency swaps are used to hedge both interest rate and currency risks. All the hedging instruments are derivatives, with changes in fair value including hedge ineffectiveness recorded within net trading income.

2 This represents a (loss)/gains change in fair value used for calculating hedge ineffectiveness.

Hedged items in fair value hedges

	Carrying Amount		Accumulated amount of fair value hedge adjustments included in the carrying amount		Change in fair value used to calculate hedge ineffectiveness ¹ \$million	Cumulative balance of fair value adjustments from designated hedge relationships ² \$million
	Asset \$million	Liability \$million	Asset \$million	Liability \$million		
Debt securities /subordinated notes issued	–	43,968	–	546	(978)	252
Debt securities and other eligible bills	19,834	–	(57)	–	324	82
Loans and advances to customers	536	–	5	–	8	–
Total as at 31 December 2025	20,370	43,968	(52)	546	(646)	334
Debt securities /subordinated notes issued	–	49,616	–	1,485	7	178
Debt securities and other eligible bills	15,183	–	(353)	–	(130)	235
Loans and advances to customers	1,330	–	(4)	–	5	4
Total as at 31 December 2024	16,513	49,616	(357)	1,485	(118)	417

1 This represents a gain/(loss) change in fair value used for calculating hedge ineffectiveness.

2 This represents a credit/(debit) to the balance sheet value.

Income statement impact of fair value hedges

	2025 \$million	2024 \$million
Change in fair value of hedging instruments	639	121
Change in fair value of hedged risks attributable to hedged items	(646)	(118)
Net ineffectiveness (loss)/gain to net trading income	(7)	3
Amortisation gain to net interest income	27	153

Cash flow hedges

The Group has exposure to market movements in future interest cash flows on portfolios of customer accounts, debt securities and loans and advances to customers. The amounts and timing of future cash flows, representing both principal and interest flows, are projected on the basis of contractual terms and other relevant factors, including estimates of prepayments and defaults.

The hedging strategy of the Group involves using interest rate swaps to manage the variability in future cash flows on assets and liabilities that have floating rates of interest by exchanging the floating rates for fixed rates. It also uses foreign exchange contracts and currency swaps to manage the variability in future exchange rates on its assets and liabilities and costs in foreign currencies. This is done on both a micro basis whereby a single interest rate or cross-currency swap is designated in a separate relationship with a single hedged item (such as a floating-rate loan to a customer), and on a portfolio basis whereby each hedging instrument is designated against a group of hedged items that share the same risk (such as a group of customer accounts). Hedge ineffectiveness for cash flow hedges is mainly driven by reset frequency and payment mismatch between the hedging instrument and the underlying hedged item.

The hedged risk is determined as the variability of future cash flows arising from changes in the designated benchmark interest and/or foreign exchange rates.

Hedging instruments and ineffectiveness

	Carrying Amount			Change in fair value used to calculate hedge ineffectiveness ¹ \$million	Gain recognised in OCI \$million	Ineffectiveness gain/(loss) recognised in net trading income \$million
	Notional \$million	Asset \$million	Liability \$million			
Interest rate risk						
Interest rate swaps	63,247	300	78	412	404	8
Currency risk						
Forward foreign exchange contract	10,268	124	34	(5)	(4)	(1)
Cross currency swaps	3,904	86	22	(377)	(379)	2
Total as at 31 December 2025	77,419	510	134	30	21	9
Interest rate risk						
Interest rate swaps	49,309	165	282	(131)	(125)	(6)
Currency risk						
Forward foreign exchange contract	9,193	609	1	45	45	-
Cross currency swaps	14,305	729	2	650	648	2
Total as at 31 December 2024	72,807	1,503	285	564	568	(4)

1 This represents a gain/(loss) change in fair value used for calculating hedge ineffectiveness.

Hedged items in cash flow hedges

	2025			2024		
	Change in fair value used for calculating hedge ineffectiveness ¹ \$million	Cash flow hedge reserve \$million	Cumulative balance in the cash flow hedge reserve from de-designated hedge relationships \$million	Change in fair value used for calculating hedge ineffectiveness ¹ \$million	Cash flow hedge reserve \$million	Cumulative balance in the cash flow hedge reserve from de-designated hedge relationships \$million
Customer accounts	122	(1)	78	(199)	(38)	104
Debt securities and other eligible bills	122	4	-	(354)	(10)	(5)
Loans and advances to customers	(379)	243	61	124	(27)	(7)
Intragroup lending currency hedge	38	2	-	(55)	(2)	-
Intragroup borrowing currency hedge	76	-	-	(84)	4	-
Total as at 31 December	(21)	248	139	(568)	(73)	92

1 This represents a gain/(loss) change in fair value used for calculating hedge ineffectiveness.

Notes to the financial statements

14. Derivative financial instruments continued

Impact of cash flow hedges on profit and loss and other comprehensive income

	2025 \$million	2024 \$million
Cash flow hedge reserve balance as at 1 January	4	91
Gain recognised in other comprehensive income on effective portion of changes in fair value of hedging instruments	21	568
Loss/(Gain) reclassified to income statement when hedged item affected net profit	347	(669)
Taxation charge relating to cash flow hedges	(57)	14
Cash flow hedge reserve balance as at 31 December	315	4

Net investment hedges

Foreign currency exposures arise from investments in subsidiaries that have a different functional currency from that of the presentation currency of the parent. This risk arises from the fluctuation in spot exchange rates between the functional currency of the subsidiaries and the parent's functional currency, which causes the value of the investment to vary.

The Group's policy is to hedge these exposures only when not doing so would be expected to have a significant impact on the regulatory ratios of the Group and its banking subsidiaries. The Group uses foreign exchange forwards to manage the effect of exchange rates on its net investments in foreign subsidiaries.

Derivative forward currency contracts ¹	Carrying Amount			Change in fair value used to calculate hedge ineffectiveness ² \$million	Changes in the value of the hedging instrument recognised in OCI \$million	Ineffectiveness recognised in profit or loss \$million	Amount reclassified from reserves to income \$million
	Notional \$million	Asset \$million	Liability \$million				
As at 31 December 2025	17,155	440	23	129	129	–	–
As at 31 December 2024	14,137	300	7	678	678	–	–

1 These derivative forward currency contracts have a maturity of less than one year. The hedges are rolled on a periodic basis.

2 This represents a gain/(loss) change in fair value used for calculating hedge ineffectiveness.

Hedged items in net investment hedges

	2025			2024		
	Change in fair value used for calculating hedge ineffectiveness ¹ \$million	Translation reserve ² \$million	Balances remaining in the translation reserve from hedging relationships for which hedge accounting is no longer applied \$million	Change in the value used for calculating hedge ineffectiveness ¹ \$million	Translation reserve ² \$million	Balances remaining in the translation reserve from hedging relationships for which hedge accounting is no longer applied \$million
Net investments	(129)	417	–	(678)	293	–

1 This represents a gain/(loss) change in fair value used for calculating hedge ineffectiveness.

2 This represents the mark-to-market including accrued interest on live hedges at 31 December.

Impact of net investment hedges on other comprehensive income

	2025 \$million	2024 \$million
Gains recognised in other comprehensive income	129	678

Maturity of hedging instruments

		2025				2024			
		Less than one month	More than one month and less than one year	One to five years	More than five years	Less than one month	More than one month and less than one year	One to five years	More than five years
Fair value hedges									
Interest rate swap									
Notional	\$million	1,820	9,387	35,179	16,244	2,763	11,260	32,030	17,787
Cross currency swap									
Notional	\$million	-	-	1,954	-	-	-	1,035	-
Average fixed interest rate (to USD) (%)	EUR	-	-	2.26	-	-	-	2.40	-
Average exchange rate	EUR/USD	-	-	0.89	-	-	-	0.91	-
Cash flow hedges									
Interest rate swap									
Notional	\$million	1,544	17,021	41,054	3,628	2,428	15,589	25,943	5,349
Average fixed interest rate (%)	USD	4.09	4.09	3.61	3.69	5.09	4.62	4.05	3.74
Cross currency swap									
Notional	\$million	622	2,568	714	-	880	12,232	1,193	-
Average fixed interest rate (%)	HKD	4.11	3.14	0.21	-	-	4.07	0.21	-
	KRO	2.62	2.44	-	-	-	2.85	-	-
	JPY/HKD	-	-	-	-	-	(0.05)	-	-
	TWO	1.07	1.35	1.38	-	0.53	1.04	-	-
	CNO	-	-	-	-	2.45	1.54	-	-
	JPY	-	-	-	-	0.01	0.08	-	-
Average exchange rate	HKD/USD	7.77	7.78	7.85	-	-	7.78	7.85	-
	KRO/USD	1,454.00	1,446.78	1,300.90	-	-	1,386.94	1,300.90	-
	TWO/USD	31.91	29.97	29.42	-	31.83	32.22	-	-
	CNO/USD	-	-	-	-	7.18	7.20	-	-
	JPY/HKD	-	-	-	-	-	18.12	-	-
Forward foreign exchange contracts									
Notional	\$million	1,736	8,236	296	-	2,044	7,149	-	-
Average exchange rate	BRL/USD	-	-	-	-	-	6.54	-	-
	HKD/USD	7.77	7.77	7.85	-	-	-	-	-
	JPY/USD	153.02	148.53	-	-	147.38	145.65	-	-
Net investment hedges									
Foreign exchange derivatives									
Notional	\$million	17,126	29	-	-	14,137	-	-	-
Average exchange rate	CNY/USD	7.07	-	-	-	7.13	-	-	-
	KRW/USD	1,358.41	-	-	-	1,364.97	-	-	-
	HKD/USD	7.77	-	-	-	7.77	-	-	-
	INR/USD	86.63	-	-	-	84.07	-	-	-

Notes to the financial statements

15. Loans and advances to banks and customers

Accounting policy

Refer to Note 13 Financial instruments for the relevant accounting policy.

	2025 \$million	2024 \$million
Loans and advances to banks	43,915	43,609
Expected credit loss	(14)	(16)
	43,901	43,593
Loans and advances to customers	290,849	285,936
Expected credit loss	(4,061)	(4,904)
	286,788	281,032
Total loans and advances to banks and customers¹	330,689	324,625

¹ Includes \$2.9 billion (31 December 2024: \$2.5 billion) of assets pledged as collateral. For more information, please refer to Pillar 3 disclosures.

Analysis of loans and advances to customers by geographies and client segment together with their related impairment provisions are set out within the Risk review and Capital review (pages 218 to 308).

16. Reverse repurchase and repurchase agreements including other similar lending and borrowing

Accounting policy

The Group purchases securities (a reverse repurchase agreement – ‘reverse repo’) typically with financial institutions subject to a commitment to resell or return the securities at a predetermined price. These securities are not included in the balance sheet as the Group does not acquire the risks and rewards of ownership, however they are recorded off-balance sheet as collateral received. Consideration paid (or cash collateral provided) is accounted for as a loan asset at amortised cost unless it is managed on a fair value basis or designated at fair value through profit or loss. In the majority of cases through the contractual terms of a reverse repo arrangement, the Group as the transferee of the security collateral has the right to sell or repledge the asset concerned.

The Group also sells securities (a repurchase agreement – ‘repo’) subject to a commitment to repurchase or redeem the securities at a predetermined price. The securities are retained on the balance sheet as the Group retains substantially all the risks and rewards of ownership and these securities are disclosed as pledged collateral. Consideration received (or cash collateral received) is accounted for as a financial liability at amortised cost unless it is either mandatorily classified as fair value through profit or loss or irrevocably designated at fair value through profit or loss at initial recognition.

Repo and reverse repo transactions typically entitle the Group and its counterparties to have recourse to assets similar to those provided as collateral in the event of a default. Securities sold subject to repos, either by way of a Global Master Repurchase Agreement (GMRA), or through a securities sale and Total Return Swap (TRS) continue to be recognised on the balance sheet as the Group retains substantially the associated risks and rewards of the securities (the TRS is not recognised). Assets sold under repurchase agreements are considered encumbered as the Group cannot pledge these to obtain funding

Reverse repurchase agreements and other similar secured lending

	2025 \$million	2024 \$million
Banks	37,412	37,700
Customers	58,684	61,101
	96,096	98,801
Of which:		
Fair value through profit or loss	84,130	86,195
Banks	33,688	34,754
Customers	50,442	51,441
Held at amortised cost	11,966	12,606
Banks	3,724	2,946
Customers	8,242	9,660

Under reverse repurchase and securities borrowing arrangements, the Group obtains securities under usual and customary terms which permit it to repledge or resell the securities to others. Amounts on such terms are:

	2025 \$million	2024 \$million
Securities and collateral received (at fair value)	101,260	103,007
Securities and collateral which can be repledged or sold (at fair value)	98,384	102,741
Amounts repledged/transferred to others for financing activities, to satisfy liabilities under sale and repurchase agreements (at fair value)	18,173	27,708

Repurchase agreements and other similar secured borrowing

	2025 \$million	2024 \$million
Banks	8,465	8,669
Customers	35,599	37,002
	44,064	45,671
Of which:		
Fair value through profit or loss	36,307	33,539
Banks	6,560	7,759
Customers	29,747	25,780
Held at amortised cost	7,757	12,132
Banks	1,905	910
Customers	5,852	11,222

The tables below set out the financial assets provided as collateral for repurchase and other secured borrowing transactions:

	Fair value through profit or loss \$million	Fair value through other comprehensive income \$million	Amortised cost \$million	Off-balance sheet \$million	Total \$million
On-balance sheet					
Debt securities and other eligible bills	6,345	11,272	10,046	–	27,663
Off-balance sheet					
Repledged collateral received	–	–	–	18,173	18,173
At 31 December 2025	6,345	11,272	10,046	18,173	45,836
On-balance sheet					
Debt securities and other eligible bills	4,698	6,366	7,592	–	18,656
Off-balance sheet					
Repledged collateral received	–	–	–	27,708	27,708
At 31 December 2024	4,698	6,366	7,592	27,708	46,364

Notes to the financial statements

17. Goodwill and intangible assets

Accounting policy

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in Investments in associates and joint ventures. Goodwill included in intangible assets is assessed at each balance sheet date for impairment and carried at cost less any accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Detailed calculations are performed based on forecasting expected cash flows of the relevant cash generating units (CGUs) and discounting these at an appropriate discount rate, the determination of which requires the exercise of judgement. Goodwill is allocated to CGUs for the purpose of impairment testing. CGUs represent the lowest level within the Group which generate separate cash inflows and at which the goodwill is monitored for internal management purposes. These are equal to or smaller than the Group's reportable segments (as set out in Note 2) as the Group views its reportable segments on a global basis. The major CGUs to which goodwill has been allocated are set out in the CGU table.

Other accounting estimates and judgements

The carrying amount of goodwill is based on the application of judgements including the basis of goodwill impairment calculation assumptions. Judgement is also applied in determination of CGUs.

Estimates include forecasts used for determining cash flows for CGUs, the appropriate long-term growth rates to use and discount rates which factor in country risk-free rates and applicable risk premiums. The Group undertakes an annual assessment to evaluate whether the carrying value of goodwill is impaired. The estimation of future cash flows and the level to which they are discounted is inherently uncertain and requires significant judgement and is subject to potential change over time.

Acquired intangibles

At the date of acquisition of a subsidiary or associate, intangible assets which are deemed separable and that arise from contractual or other legal rights are capitalised and included within the net identifiable assets acquired. These intangible assets are initially measured at fair value, which reflects market expectations of the probability that the future economic benefits embodied in the asset will flow to the entity and are amortised on the basis of their expected useful lives (4 to 16 years). At each balance sheet date, these assets are assessed for indicators of impairment. In the event that an asset's carrying amount is determined to be greater than its recoverable amount, the asset is written down immediately to the recoverable amount.

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Internally generated software represents substantially all of the total software capitalised. Direct costs of the development of separately identifiable internally generated software are capitalised where it is probable that future economic benefits attributable to the software will flow from its use. These costs include staff remuneration costs such as salaries, statutory payments and share-based payments, materials, service providers and contractors provided their time is directly attributable to the software build. Costs incurred in the ongoing maintenance of software are expensed immediately when incurred. Internally generated software is amortised over each asset's useful life to a maximum of 10 years. On an annual basis residual values and useful lives of software assets, including software under development, are reviewed, including assessing for indicators of impairment. Indicators of impairment include loss of business relevance, obsolescence, exit of the business to which the software relates, technological changes, change in use of the asset, reduction in useful life, plans to reduce usage or scope.

For capitalised software that is internally generated, judgement is required to determine which costs relate to research (expensed) and which costs relate to development (capitalised). Further judgement is required to determine the technical feasibility of completing the software such that it will be available for use. Estimates are used to determine how the software will generate probable future economic benefits: these estimates include cost savings, income increases, balance sheet improvements, improved functionality or improved asset safeguarding.

Software as a Service (SaaS) and similar cloud service models is a contractual arrangement that conveys the right to receive access to the supplier's software application over the contract term. As such, the Group does not have control and as a result recognises an operating expense for these costs over the contract term.

Certain costs, including customisation costs related to implementation of the SaaS may meet the definition of an intangible asset in their own right if it is separately identifiable and control is established. These costs are capitalised if it is expected to provide the Group with future economic benefits flowing from the underlying resource and the Group can restrict others from accessing those benefits.

	2025				2024			
	Goodwill \$million	Acquired intangibles \$million	Computer software \$million	Total \$million	Goodwill \$million	Acquired intangibles \$million	Computer software \$million	Total \$million
Cost								
At 1 January	2,387	252	6,301	8,940	2,429	278	6,168	8,875
Exchange translation differences	32	6	225	263	(42)	(18)	(109)	(169)
Additions	4	1	1,032	1,037	-	1	952	953
Disposals	-	-	(13)	(13)	-	-	(5)	(5)
Impairment	-	-	(121) ¹	(121)	-	-	(663) ^{1,2}	(663)
Amounts written off	-	-	(21)	(21)	-	(9)	(42)	(51)
At 31 December	2,423	259	7,403	10,085	2,387	252	6,301	8,940
Provision for amortisation								
At 1 January	-	249	2,900	3,149	-	265	2,396	2,661
Exchange translation differences	-	4	115	119	-	(20)	(48)	(68)
Amortisation	-	2	687	689	-	4	695	699
Impairment charge	-	-	(76) ¹	(76)	-	-	(102) ^{1,2}	(102)
Disposals	-	-	(6)	(6)	-	-	-	-
Amounts written off	-	-	(21)	(21)	-	-	(41)	(41)
At 31 December	-	255	3,599	3,854	-	249	2,900	3,149
Net book value	2,423	4	3,804	6,231	2,387	3	3,401	5,791

1 The Group has performed its annual review of computer software intangibles to determine instances when carrying value is greater than its recoverable amount and impaired \$45 million (31 December 2024: \$78 million).

2 During 2024, the Group performed a review of its computer software intangibles which were capitalised as at 31 December 2023, and impaired \$483 million of the 2024 net book value due to limitations in the available evidence to support the continued capitalisation of the assets.

At 31 December 2025, accumulated goodwill impairment losses incurred from 1 January 2005 amounted to \$3,331 million (31 December 2024: \$3,331 million), of which \$nil was recognised in 2025 (31 December 2024: \$nil).

CGU structure

When considering the generation of independent cash inflows and appropriate level of management, Corporate & Investment Banking and Wealth Management are managed on a global basis, while Retail Banking and others including Treasury Market activities are managed on a country basis.

Outcome of impairment assessment

An annual assessment is made as to whether the current carrying value of goodwill is impaired. For the purposes of impairment testing, goodwill is allocated at the date of acquisition to a CGU. Goodwill is considered to be impaired if the carrying amount of the relevant CGU exceeds its recoverable amount. Indicators of impairment include changes in the economic performance and outlook of the region including geopolitical changes, changes in market value of regional investments, large credit defaults and strategic decisions to exit certain regions.

The recoverable amounts for all the CGUs were measured based on value in use (VIU). The calculation of VIU for each CGU is calculated using five-year cashflow projections and an estimated terminal value based on a perpetuity value after year five. The cashflow projections are based on forecasts approved by management up to 2030.

The perpetuity terminal value amount is calculated using year five cashflows using long-term GDP growth rates. All cashflows are discounted using discount rates which reflect market rates appropriate to the CGU.

The goodwill allocated to material CGUs and key assumptions used in determining the recoverable amounts are set out below and are solely estimates for the purposes of assessing impairment of acquired goodwill.

Notes to the financial statements

17. Goodwill and intangible assets continued

Cash generating unit ¹	2025			2024		
	Goodwill \$million	Pre Tax Discount rates per cent	Long-term forecast GDP growth rates per cent	Goodwill \$million	Pre Tax Discount rates per cent	Long-term forecast GDP growth rates per cent
Country CGUs						
Asia	1,036			1,014		
Hong Kong	358	13.0	1.0	359	13.0	1.1
Taiwan	327	12.2	1.3	316	12.2	1.5
Singapore	351	13.1	2.0	339	13.0	2.3
Africa & Middle East	80			81		
Pakistan	31	33.9	2.5	32	35.9	3.3
Bahrain	49	16.1	1.0	49	12.4	0.8
Global CGUs	1,303			1,292		
Wealth Management	83	15.1	1.6	83	15.0	1.8
Corporate & Investment Banking	1,220	15.9	2.1	1,209	15.5	2.3
	2,419			2,387		

¹ Excludes other goodwill balances of \$4 million.

In the current year, there are no CGUs for which reasonably possible changes on key estimates (cashflow, discount rate and GDP growth) would cause an impairment.

18. Property, plant and equipment

Accounting policy

All property, plant and equipment is stated at cost less accumulated depreciation and impairment losses.

Land and buildings comprise mainly branches and offices. Freehold land is not depreciated although it is subject to impairment testing.

Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Owned premises
- Leasehold premises
- Leasehold improvements
- Equipment and motor vehicles
- up to 50 years
- up to 50 years
- Shorter of remaining lease term and 10 years
- three to 15 years

Where the Group is a lessee of a right-of-use asset, the leased assets are capitalised and included in Property, plant and equipment with a corresponding liability to the lessor recognised in other liabilities. The accounting policy for lease assets is set out in Note 19.

	2025					2024				
	Premises \$million	Equipment \$million	Leased premises assets \$million	Leased equipment assets \$million	Total \$million	Premises \$million	Equipment \$million	Leased premises assets \$million	Leased equipment assets \$million	Total \$million
Cost or valuation										
At 1 January	1,726	936	2,026	163	4,851	1,741	810	1,864	18	4,433
Exchange translation differences	26	33	39	(1)	97	(41)	(31)	(38)	(4)	(114)
Additions	133 ¹	187 ¹	253	56	629	112 ¹	194 ¹	213	150	669
Disposals and fully depreciated assets written off	(29) ²	(54) ²	(54)	(1)	(138)	(61) ²	(37) ²	(13)	(1)	(112)
Transfers to assets held for sale	(43)	-	-	-	(43)	-	-	-	-	-
Other movements ³	(9)	-	-	-	(9)	(25)	-	-	-	(25)
As at 31 December	1,804	1,102	2,264	217	5,387	1,726	936	2,026	163	4,851
Depreciation										
Accumulated at 1 January	716	575	1,096	39	2,426	692	535	914	18	2,159
Exchange translation differences	13	30	3	(3)	43	(28)	(15)	(40)	(14)	(97)
Charge for the year	87	114	228	52	481	79	92	220	36	427
Impairment charge	(1)	-	1	-	-	2	-	9	-	11
Attributable to assets sold, transferred or written off	(19) ²	(53) ²	(34)	(1)	(107)	(29) ²	(37) ²	(7)	(1)	(74)
Transfers to assets held for sale	(15)	-	-	-	(15)	-	-	-	-	-
Accumulated at 31 December	781	666	1,294	87	2,828	716	575	1,096	39	2,426
Net book amount at 31 December	1,023	436	970	130	2,559	1,010	361	930	124	2,425

1 Refer to the cash flow statement under cash flows from investing activities section for the purchase of property, plant and equipment during the year of \$320 million (31 December 2024: \$456 million).

2 In the cash flow statement, disposals of property, plant and equipment of \$30 million (31 December 2024: \$56 million) would include the gains/(losses) incurred as part of other operating income (note 6) on disposal of assets during the year and the net book value disposed.

3 Includes revaluation surplus on initial measurement \$5 million (31 December 2024: \$25 million) recognised in statement of other comprehensive income and subsequent re-measurement \$14 million (31 December 2024: nil) taken to income statement.

19. Leased assets

Accounting policy

Where the Group is a lessee and the lease is deemed in scope of IFRS 16, it recognises a liability equal to the present value of lease payments over the lease term, discounted using the incremental borrowing rate applicable in the economic environment of the lease. The liability is recognised in 'Other liabilities'. A corresponding right-of-use asset equal to the liability, adjusted for any lease payments made at or before the commencement date, is recognised in 'Property, plant and equipment'. The lease term includes any extension options contained in the contract that the Group is reasonably certain it will exercise.

The Group subsequently depreciates the right-of-use asset using the straight-line method over the lease term and measures the lease liability using the effective interest method. Depreciation on the asset is recognised in 'Depreciation and amortisation', and interest on the lease liability is recognised in 'Interest expense'.

If a leased premise, or a physically distinct portion of a premise such as an individual floor, is deemed by management to be surplus to the Group's needs and action has been taken to abandon the space before the lease expires, this is considered an indicator of impairment. An impairment loss is recognised if the right-of-use asset, or portion thereof, has a carrying value in excess of its value-in-use when taking into account factors such as the ability and likelihood of obtaining a subtenant.

The key judgement in determining lease balances is the determination of the lease term, in particular whether the Group is reasonably certain that it will exercise extension options present in lease contracts. On initial recognition, the Group considers a range of characteristics such as premises function, regional trends and the term remaining on the lease to determine whether it is reasonably certain that a contractual right to extend a lease will be exercised. When there are changes to assumptions the lease balances are remeasured.

The estimates involved are the determination of incremental borrowing rates in the respective economic environments. The Group uses third-party broker quotes to estimate its USD cost of senior unsecured borrowing, then uses cross currency swap pricing information to determine the equivalent cost of borrowing in other currencies. If it is not possible to estimate an incremental borrowing rate through this process, other proxies such as local government bond yields are used.

Notes to the financial statements

19. Leased assets continued

Accounting policy continued

The Group primarily enters lease contracts that grant it the right to use premises such as office buildings and retail branches.

Existing lease liabilities may change in future periods due to changes in assumptions or decisions to exercise lease renewal or termination options, changes in payments due to renegotiations of market rental rates as permitted by those contracts and changes to payments due to rent being contractually linked to an inflation index. In general the re-measurement of a lease liability under these circumstances leads to an equal change to the right-of-use asset balance, with no immediate effect on the income statement.

The total cash outflow during the year for premises and equipment leases was \$268 million (2024: \$265 million).

The right-of-use asset balances and depreciation charges are disclosed in Note 18. The lease liability balances are disclosed in Note 23 and the interest expense on lease liabilities is disclosed in Note 3.

Maturity analysis

The maturity profile for lease liabilities associated with leased premises and equipment assets is as follows:

	2025					2024				
	One year or less \$million	Between one year and two years \$million	Between two years and five years \$million	More than five years \$million	Total \$million	One year or less \$million	Between one year and two years \$million	Between two years and five years \$million	More than five years \$million	Total \$million
Other liabilities – lease liabilities	292	245	483	450	1,470	279	223	443	414	1,359

20. Other assets

Other assets include:	2025 \$million	2024 \$million
Financial assets held at amortised cost (Note 13):		
Hong Kong SAR Government certificates of indebtedness (Note 23) ¹	6,448	6,369
Cash collateral ³	12,868	11,046
Acceptances and endorsements	6,561	5,476
Unsettled trades and other financial assets	10,893	11,694
	36,770	34,585
Non-financial assets:		
Commodities and emissions certificates ²	30,619	8,358
Other assets	542	525
	67,931	43,468

1 The Hong Kong SAR Government certificates of indebtedness are subordinated to the claims of other parties in respect of bank notes issued.

2 Comprises precious metals and emission certificates, being inventory that is carried at fair value less costs to sell. \$25.1 billion is precious metals which are classified as Level 1, the fair value of which being derived from observable spot or short-term futures prices from relevant exchanges (31 December 2024: \$5.6 billion). \$5.5 billion is emissions certificates and other commodity related balances classified as Level 2 (31 December 2024: \$2.7 billion).

3 Cash collateral are margins placed to collateralise net derivative mark-to-market (MTM) positions.

21. Assets held for sale and associated liabilities

Accounting Policy

Upon reclassification property, plant and equipment are measured at the lower of their carrying amount and fair value less costs to sell. Financial instruments continue to be measured per the accounting policies in Note 13 Financial instruments.

The assets below have been presented as held for sale following the approval of Group management and the transactions are expected to complete in 2026.

Assets held for sale

The financial assets reported below are classified under Level 1: \$74 million (2024: \$58 million), Level 2: \$178 million (2024: \$353 million) and Level 3: \$790 million (2024: \$473 million).

	2025 \$million	2024 \$million
Financial assets held at fair value through profit or loss	-	5
Loans and advances to banks	-	5
Financial assets held at amortised cost	1,042	884
Cash and balances at central banks	-	109
Loans and advances to banks	-	18
Loans and advances to customers	1,042	656
Debt securities held at amortised cost	-	101
Property, plant and equipment¹	32	15
Others	25	28
	1,099	932

¹ Consideration on disposal of Property, plant and equipment classified under assets held for sale was \$128 million (31 December 2024: \$53 million).

Liabilities held for sale

The financial liabilities reported below are classified under Level 1: \$147 million (2024: \$89 million) and Level 2: \$761 million (2024: \$271 million).

	2025 \$million	2024 \$million
Financial liabilities held at amortised cost	908	360
Customer accounts	908	360
Other liabilities	6	16
Provisions for liabilities and charges	-	5
	914	381

The amounts included in the tables above include \$741 million of assets and \$914 million of liabilities forming part of the Botswana, Uganda, Zambia and Sri Lanka WRB businesses transferred to held for sale during the year.

Notes to the financial statements

22. Debt securities in issue

Accounting policy

Refer to Note 13 Financial instruments for the relevant accounting policy.

	2025			2024		
	Certificates of deposit of \$100,000 or more \$million	Other debt securities in issue \$million	Total \$million	Certificates of deposit of \$100,000 or more \$million	Other debt securities in issue \$million	Total \$million
Debt securities in issue	21,876	50,982	72,858	18,113	46,496	64,609
Debt securities in issue included within:						
Financial liabilities held at fair value through profit or loss (Note13)	-	16,009	16,009	-	13,731	13,731
Total debt securities in issue	21,876	66,991	88,867	18,113	60,227	78,340

In 2025, the Company issued a total of \$7.9 billion senior notes for general business purposes of the Group as shown below:

Securities	\$million
\$1,000 million fixed rate senior notes due 2029 (callable 2028)	1,000
\$1,000 million fixed rate senior notes due 2036 (callable 2035)	1,000
\$500 million floating rate senior notes due 2029 (callable 2028)	500
HKD 1,250 million fixed rate senior notes due 2029 (callable 2028)	161
EUR 1,000 million fixed rate senior notes due 2033 (callable 2032)	1,174
\$1,000 million fixed rate senior notes due 2031 (callable 2030)	1,000
\$750 million floating rate senior notes due 2031 (callable 2030)	750
\$2,000 million fixed rate senior notes due 2036 (callable 2035)	2,000
HKD 1,500 million fixed rate senior notes due 2029 (callable 2028)	193
\$50 million fixed rate senior notes due 2029 (callable 2028)	50
CNY 500 million fixed rate senior notes due 2030 (callable 2029)	70
CNY 400 million fixed rate senior notes due 2030 (callable 2029)	56
Total Senior Notes issued	7,954

In 2024, the Company issued a total of \$7.4 billion senior notes for general business purposes of the Group as shown below:

Securities	\$million
\$1,500 million fixed-rate senior notes due 2035 (callable 2034)	1,500
SGD 335 million fixed-rate senior notes due 2030 (callable 2029)	246
EUR 1,000 million fixed-rate senior notes due 2032 (callable 2031)	1,035
HKD 1,100 million fixed-rate senior notes due 2027 (callable 2026)	142
\$500 million floating-rate senior notes due 2028 (callable 2027)	500
\$1,000 million fixed-rate senior notes due 2028 (callable 2027)	1,000
\$1,500 million fixed-rate senior notes due 2035 (callable 2034)	1,500
\$1,500 million fixed-rate senior notes due 2030 (callable 2029)	1,500
Total Senior Notes issued	7,423

23. Other liabilities

Accounting policy

Refer to Note 13 Financial instruments for the relevant accounting policy for financial liabilities, Note 19 Leased assets for the accounting policy for leases, and Note 31 Share-based payments for the accounting policy for cash-settled share-based payments.

	2025 \$million	2024 \$million
Financial liabilities held at amortised cost (Note 13)		
Notes in circulation ¹	6,448	6,369
Acceptances and endorsements	6,567	5,476
Cash collateral ²	14,168	15,005
Property leases	1,097	1,041
Equipment leases	121	115
Unsettled trades and other financial liabilities	17,387	16,041
	45,788	44,047
Non-financial liabilities		
Cash-settled share-based payments	247	131
Other liabilities	620	503
	46,655	44,681

- Hong Kong currency notes in circulation of \$6,448 million (31 December 2024: \$6,369 million) that are secured by the Government of Hong Kong SAR certificates of indebtedness of the same amount included in other assets (Note 20).
- Cash collateral are margins received against collateralise net derivative mark-to-market positions.

24. Provisions for liabilities and charges

Accounting policy

The recognition and measurement of provisions for liabilities and charges requires significant judgement and the use of estimates about uncertain future conditions or events.

Estimates include the best estimate of the probability of outflow of economic resources, cost of settling a provision and timing of settlement. Judgement is required to assess inherently uncertain areas such as the anticipated outcome and financial impact of legal claims and regulatory and enforcement investigations and proceedings.

	2025			2024		
	Provision for credit commitments ¹ \$million	Other provisions ² \$million	Total \$million	Provision for credit commitments ¹ \$million	Other provisions ² \$million	Total \$million
At 1 January	255	94	349	227	72	299
Exchange translation differences	(7)	-	(7)	10	(5)	5
(Release)/charge against profit	(24)	130	106	18	136	154
Provisions utilised	-	(47)	(47)	-	(121)	(121)
Other movements ³	-	-	-	-	12	12
At 31 December	224	177	401	255	94	349

- Expected credit loss for credit commitment comprises those undrawn contractually committed facilities where there is doubt as to the borrowers' ability to meet their repayment obligations.
- Other provisions consist mainly of provisions for legal claims and regulatory and enforcement investigations and proceedings; including provision for Korea equity-linked securities (ELS) portfolio. While a provision has been made in relation to the Korea ELS matter, a description of the matter is contained in note 26.
- Includes the provisions transferred to held for sale.

Notes to the financial statements

25. Contingent liabilities and commitments

Accounting policy

Financial guarantee contracts and loan commitments

Financial guarantee contracts and any loan commitments issued at below-market interest rates are initially recognised at their fair value as a financial liability, and subsequently measured at the higher of the initial value less the cumulative amount of income recognised and their expected credit loss provision. Loan commitments may be designated at fair value through profit or loss where that is the business model under which such contracts are held. Notional values of financial guarantee contracts and loan commitments are disclosed in the table below.

Financial guarantees, trade credits and irrevocable letters of credit are the notional values of contracts issued by the Group's Transaction Banking business for which an obligation to make a payment has not arisen at the reporting date. Transaction Banking will issue contracts to clients and counterparties of clients, whereby in the event the holder of the contract is not paid, the Group will reimburse the holder of the contract for the actual financial loss suffered. These contracts have various legal forms such as letters of credit, guarantee contracts and performance bonds. The contracts are issued to facilitate trade through export and import business and provide guarantees to financial institutions where the Group has a local presence, as well as guaranteeing project financing involving large construction projects undertaken by sovereigns and corporates. The contracts may contain performance clauses which require the counterparty performing services or providing goods to meet certain conditions before a right to payment is achieved, however the Group does not guarantee this performance. The Group will only guarantee the credit of the counterparty paying for the services or goods.

Commitments are where the Group has confirmed its intention to provide funds to a customer or on behalf of a customer under pre-specified terms and conditions in the form of loans, overdrafts or future guarantees whether cancellable or not and the Group has not made payments at the balance sheet date; those instruments are included in these financial statements as commitments. Some of these commitments are considered on demand as the Group may have to honour them, or the client may draw down at any time.

Capital commitments are contractual commitments the Group has entered into to purchase non-financial assets.

The table below shows the contract or underlying principal amounts of unmatured off-balance sheet transactions at the balance sheet date. The contract or underlying principal amounts indicate the volume of business outstanding and do not represent amounts at risk.

	2025 \$million	2024 \$million
Financial guarantees and other contingent liabilities		
Financial guarantees, trade and irrevocable letters of credit	114,193	90,632
	114,193	90,632
Commitments		
Undrawn formal standby facilities, credit lines and other commitments to lend		
One year and over	89,147	76,915
Less than one year	31,922	29,249
Unconditionally cancellable	78,176	76,365
	199,245	182,529
Capital Commitments		
Contracted capital expenditure approved by the directors but not provided for in these accounts	62	123

As set out in Note 26, the Group has contingent liabilities in respect of certain legal and regulatory matters. Note 26 also describes a matter relating to equity linked securities sold by Standard Chartered Bank Korea, for which the Group has recognised a provision.

26. Legal and regulatory matters

Accounting policy

Where appropriate, the Group recognises a provision for liabilities when it is probable that an outflow of economic resources embodying economic benefits will be required, and for which a reliable estimate can be made of the obligation. The uncertainties inherent in legal and regulatory matters affect the amount and timing of any potential outflows with respect to which provisions have been established. These uncertainties also mean that it is not possible to give an aggregate estimate of contingent liabilities arising from such legal and regulatory matters.

The Group receives legal claims against it in a number of jurisdictions and is subject to regulatory and enforcement investigations and proceedings from time to time. Apart from the matters described below, the Group currently considers none of the ongoing claims, investigations or proceedings to be individually material. However, in light of the uncertainties involved in such matters there can be no assurance that the outcome of a particular matter or matters currently not considered to be material may not ultimately be material to the Group's results in a particular reporting period depending on, among other things, the amount of the loss resulting from the matter(s) and the results otherwise reported for such period.

Since 2014, the Group has been named as a defendant in a series of lawsuits filed in the United States District Courts for the Southern and Eastern Districts of New York against a number of banks on behalf of plaintiffs who are, or are relatives of, victims of attacks in Iraq, Afghanistan and Israel. The plaintiffs in each of these lawsuits allege that the defendant banks aided and abetted the unlawful conduct of parties with connections to terrorist organisations in breach of the United States Anti-Terrorism Act. None of the lawsuits specify the amount of damages claimed. The Group continues to defend these lawsuits.

In January 2020, a shareholder derivative complaint was filed by the City of Philadelphia in New York State Court against 45 current and former directors and senior officers of the Group. It is alleged that the individuals breached their duties to the Group and caused a waste of corporate assets by permitting the conduct that gave rise to the costs and losses to the Group related to legacy conduct and control issues. In February 2022, the New York State Court ruled in favour of Standard Chartered PLC's motion to dismiss the complaint. The plaintiffs are pursuing an appeal against the February 2022 ruling. A ruling on the plaintiffs' appeal is awaited.

Bernard Madoff's 2008 confession to running a Ponzi scheme through Bernard L. Madoff Investment Securities LLC (BMIS) gave rise to a number of lawsuits against the Group. BMIS and the Fairfield funds (which invested in BMIS) are in bankruptcy and liquidation, respectively. Between 2010 and 2012, five lawsuits were brought against the Group by the BMIS bankruptcy trustee and the Fairfield funds' liquidators, in each case seeking to recover funds paid to the Group's clients pursuant to redemption requests made prior to BMIS' bankruptcy filing. The total amount sought in these cases exceeds U.S.\$300 million, excluding any pre-judgment interest that may be awarded. Three of the four lawsuits commenced by the Fairfield funds' liquidators have been dismissed and those dismissals were upheld by the appeal court. The fourth lawsuit has been dismissed and is not the subject of any further appeal. The Group continues to defend the lawsuit brought by the BMIS bankruptcy trustee.

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

The Group is defending a lawsuit filed in the courts of Victoria, Australia, against a number of financial institutions by two companies in liquidation, Jabiru Satellite Limited and NewSat Limited. The claimants allege that the defendants breached implied obligations under 2013 loan agreements and acted unconscionably by declining to waive breaches and events of default and by refusing to continue funding their satellite project, ultimately resulting in the claimants entering receivership. The claimants have asserted loss and damage of up to U.S.\$4.81 billion from the defendants. In addition to having denied any and all liability, the defendants will contest the claimants' alleged losses, which the Group considers to be baseless. The trial of this claim is due to start in Q2 2026.

The Group has concluded that the threshold for recording provisions pursuant to IAS 37 Provisions, Contingent Liabilities and Contingent Assets is not met with respect to the above matters; however, the outcomes of these matters are inherently uncertain and difficult to predict.

By way of update on other legal and regulatory matters which have previously been included in this Note on account of being treated as contingent liabilities but are no longer treated as such, either because the matter has concluded (in the case of (a)) or a provision has been recognised (in the case of (b)):

Notes to the financial statements

26. Legal and regulatory matters continued

(a) Since October 2020, four lawsuits had been filed in the English High Court against Standard Chartered PLC on behalf of more than 200 shareholders in relation to alleged untrue and/or misleading statements and/or omissions in information published by Standard Chartered PLC in its rights issue prospectuses of 2008, 2010 and 2015 and/or public statements regarding the Group's historic sanctions, money laundering and financial crime compliance issues. These lawsuits were brought under sections 90 and 90A of the Financial Services and Markets Act 2000. The trial of these lawsuits was due to start in late 2026; however, in December 2025, a settlement was reached with the claimants, and this matter is now concluded.

(b) A number of Korean banks sold equity linked securities (ELS) to customers, the redemption values of which are determined by the performance of various stock indices. From January 2021 to May 2023, Standard Chartered Bank Korea sold relevant ELS to its customers. Due to the performance of the Hang Seng China Enterprise Index, many customers of Korean banks experienced loss on their ELS investments. Standard Chartered Bank Korea has paid or offered compensation to its impacted customers. In November 2025, the Financial Supervisory Service issued a notice of a proposed regulatory penalty relating to the ELS matter, which Standard Chartered Bank Korea is contesting. Appropriate provisions have been recognised with respect to the proposed penalty amount and outstanding compensation claims (see Note 24).

27. Subordinated liabilities and other borrowed funds

Accounting policy

Refer to Note 13 Financial instruments for the relevant accounting policy.

	2025 \$million	2024 \$million
Subordinated loan capital – issued by subsidiary undertakings		
\$700 million 8.0 per cent subordinated notes due 2031 ¹	330	326
NPR2.4 billion 10.3 per cent fixed rate subordinated notes due 2028 ²	17	18
	347	344
Subordinated loan capital – issued by the Company³		
£900 million 5.125 per cent subordinated notes due 2034	657	601
\$2 billion 5.7 per cent subordinated notes due 2044	2,222	2,179
\$750 million 5.3 per cent subordinated notes due 2043	716	691
\$1.25 billion 4.3 per cent subordinated notes due 2027	1,218	1,174
\$1 billion 3.516 per cent fixed rate reset subordinated notes due 2030 (callable 2025)	–	996
\$500 million 4.866 per cent fixed rate reset subordinated notes due 2033 (callable 2028)	493	478
£96.035 million 7.375 per cent Non-Cum Pref Shares (reclassified as Debt) – Other borrowings	129	121
£99.250 million 8.25 per cent Non-Cum Pref Shares (reclassified as Debt) – Other borrowings	134	124
\$750 million 3.603 per cent fixed rate reset subordinated notes due 2033 (callable 2032)	671	634
€1 billion 2.5 per cent fixed rate reset subordinated notes due 2030 (callable 2025)	–	1,015
\$1.25 billion 3.265 per cent fixed rate reset subordinated notes due 2036 (callable 2030)	1,094	1,032
€1 billion 1.200 per cent fixed rate reset subordinated notes due 2031 (callable 2026)	1,153	993
	8,487	10,038
Total for Group	8,834	10,382

1 Issued by Standard Chartered Bank.

2 Issued by Standard Chartered Bank Nepal Limited. NPR refers to Nepalese Rupee.

3 In the balance sheet of the Company the amount recognised is \$8,684 million (2024: \$10,338 million), with the difference on account of hedge accounting achieved on a Group basis.

	2025					2024				
	USD \$million	EUR \$million	GBP \$million	NPR \$million	Total \$million	USD \$million	EUR \$million	GBP \$million	NPR \$million	Total \$million
Fixed rate subordinated debt	6,744	1,153	920	17	8,834	7,510	2,008	846	18	10,382

Redemptions and repurchases during the year.

Standard Chartered PLC exercised its right to redeem \$1 billion 3.516 per cent subordinated notes 2025 and €1 billion 2.5 per cent subordinated notes 2025.

Issuance during the year

There was no issuance during the period.

28. Share capital, other equity instruments and reserves

Accounting policy

Securities which carry a discretionary coupon and have no fixed maturity or redemption date are classified as other equity instruments. Interest payments on these securities are recognised, net of tax, as distributions from equity in the period in which they are paid.

Where the Company or other members of the consolidated Group purchase the Company's equity share capital, the consideration paid is deducted from the total shareholders' equity of the Group and/or of the Company as treasury shares until they are cancelled. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity of the Group and/or the Company.

	Number of ordinary shares million	Ordinary share capital ¹ \$million	Ordinary Share premium \$million	Preference share capital and share premium ² \$million	Total share capital and share premium \$million	Other equity instruments \$million
At 1 January 2024	2,665	1,332	3,989	1,494	6,815	5,512
Cancellation of shares including share buyback	(240)	(120)	-	-	(120)	-
Additional Tier 1 equity issuance ⁴	-	-	-	-	-	1,568
Additional Tier 1 Redemption ⁵	-	-	-	-	-	(553)
Other movements ⁵	-	-	-	-	-	(25)
At 31 December 2024	2,425	1,212	3,989	1,494	6,695	6,502
Cancellation of shares including share buyback	(162)	(81)	-	-	(81)	-
Additional Tier 1 equity issuance ⁴	-	-	-	-	-	1,989
Additional Tier 1 Redemption ⁵	-	-	-	-	-	(1,000)
Other movements ³	-	-	-	-	-	37
At 31 December 2025	2,263	1,131	3,989	1,494	6,614	7,528

1 Issued and fully paid ordinary shares of 50 cents each.

2 Includes preference share capital of \$75,000.

3 2025 include transfer of \$25 million realised translation loss on redemption of AT1 securities of SGD 750 million to retained earnings.

4 Movement in 2025 relates to \$994 million and \$995 million fixed rate resetting perpetual subordinated contingent convertible AT1 securities issued by Standard Chartered PLC. Movement in 2024 includes \$993 million and \$575 million (SGD 750 million) fixed rate resetting perpetual subordinated contingent convertible AT1 securities issued by Standard Chartered PLC.

5 Movement in 2025 relates to redemption of \$1,000 million Fixed Rate Resetting Perpetual Contingent Convertible Securities on its first optional redemption date of 26 July 2025. Movement in 2024 relates to redemption of AT1 securities of SGD 750 million (\$553 million) and realised translation loss (\$25 million) reported in other movements.

Share buyback

On 30 July 2024, the Group announced the buyback programme for a share buyback of its ordinary shares of \$0.50 each. Nominal value of share purchases was \$69 million, the total consideration paid was \$1,500 million, and the buyback completed on 30 January 2025. The total number of shares purchased of 137,562,542 representing 5.39 per cent of the ordinary shares in issue at the beginning of the programme. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account.

On 21 February 2025, the Group announced the buyback programme for a share buyback of its ordinary shares of \$0.50 each. Nominal value of share purchases was \$49 million, the total consideration paid was \$1,500 million, and the buyback completed on 30 July 2025. The total number of shares purchased of 98,162,451 representing 4.07 per cent of the ordinary shares in issue at the beginning of the programme. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account.

On 31 July 2025, the Group announced the buyback programme for a share buyback of its ordinary shares of \$0.50 each. As at 31 December 2025, nominal value of share purchases was \$27 million, the total consideration paid was \$1,073 million and the total number of shares purchased was 53,061,718, representing 2.29 per cent of the ordinary shares in issue at the beginning of the programme. The buyback was completed on 26 January 2026 with a further \$227 million consideration paid and recognised as irrevocable obligation to buyback shares. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account.

Notes to the financial statements

28. Share capital, other equity instruments and reserves continued

The shares were purchased by Standard Chartered PLC on various exchanges not including the Hong Kong Stock Exchange.

	Number of ordinary shares	Highest price Paid £	Lowest price paid £	Average price paid per share £	Aggregate price paid £	Aggregate price paid \$
January 2025	11,300,128	10.87	9.704	10.4136	117,671,362	145,286,293
February 2025	3,395,890	12.725	11.79	12.33	41,849,427	52,884,831
March 2025	24,636,534	12.81	11.175	11.8839	292,546,496	377,784,647
April 2025	19,971,649	11.545	8.728	10.201	201,750,555	264,351,775
May 2025	18,340,963	11.755	10.385	11.2748	205,669,905	274,781,456
June 2025	15,903,416	12.2	11.16	11.7	186,026,636	252,365,331
July 2025	15,913,999	13.78	11.675	12.9343	205,721,926	277,831,848
August 2025	10,425,043	14.31	12.855	13.7655	143,350,111	192,812,669
September 2025	11,517,686	14.65	13.545	14.1412	162,803,283	219,854,779
October 2025	10,604,541	15.645	13.515	14.5063	153,001,512	204,574,723
November 2025	9,494,913	16.83	15.255	16.0656	152,484,758	200,451,254
December 2025	11,019,535	18.345	16.235	17.4014	191,126,325	255,662,097

Ordinary share capital

In accordance with the Companies Act 2006 the Company does not have authorised share capital. The nominal value of each ordinary share is 50 cents.

During the period nil shares were issued under employee share plans.

Preference share capital

At 31 December 2025, the Company has 15,000 \$5 non-cumulative redeemable preference shares in issue, with a premium of \$99,995 making a paid up amount per preference share of \$100,000. The preference shares are redeemable at the option of the Company and are classified in equity.

The available profits of the Company are distributed to the holders of the issued preference shares in priority to payments made to holders of the ordinary shares and in priority to, or pari passu with, any payments to the holders of any other class of shares in issue. On a winding up, the assets of the Company are applied to the holders of the preference shares in priority to any payment to the ordinary shareholders and in priority to, or pari passu with, the holders of any other shares in issue, for an amount equal to any dividends payable (on approval of the Board) and the nominal value of the shares together with any premium as determined by the Board. The redeemable preference shares are redeemable at the paid up amount (which includes premium) at the option of the Company in accordance with the terms of the shares. The holders of the preference shares are not entitled to attend or vote at any general meeting except where any relevant dividend due is not paid in full or where a resolution is proposed varying the rights of the preference shares.

Other equity instruments

The table provides details of outstanding Fixed Rate Resetting Perpetual Subordinated Contingent Convertible AT1 securities issued by Standard Chartered PLC. All issuances are made for general business purposes and to increase the regulatory capital base of the Group.

Issuance date	Nominal value million	Proceeds net of issue costs \$ million	Interest rate ¹	Coupon payment dates each year ²	First reset dates ³	Conversion price per ordinary share ⁴
14 January 2021	\$1,250	1,239	4.75%	14 January, 14 July	14 July 2031	\$6.353
19 August 2021	\$1,500	1,489	4.30%	19 February, 19 August	19 August 2028	\$6.382
15 August 2022	\$1,250	1,239	7.75%	15 February, 15 August	15 February 2028	\$7.333
08 March 2024	\$1,000	993	7.875%	8 March, 8 September	8 September 2030	\$8.216
19 September 2024	SGD750	579	5.300%	19 March, 19 September	19 March 2030	SGD12.929
16 January 2025	\$1,000	994	7.625%	16 January, 16 July	16 July 2032	\$12.330
14 November 2025	\$1,000	995	7.00%	14 May, 14 November	14 May 2036	\$20.760
Total		7,528				

1 Interest rates for the period from (and including) the issue date to (but excluding) the first reset date.

2 Interest payable semi-annually in arrears.

3 Securities are resettable each date falling five years, or an integral multiple of five years, after the first reset date.

4 Conversion price set at the time of pricing with reference to closing share price and any applicable discount.

The AT1 issuances above are primarily purchased by institutional investors.

The principal terms of the AT1 securities are described below:

- The securities are perpetual and redeemable, at the option of Standard Chartered PLC in whole but not in part, on the first interest reset date and each date falling five years after the first reset date
- The securities are also redeemable for certain regulatory or tax reasons on any date at 100 per cent of their principal amount together with any accrued but unpaid interest up to (but excluding) the date fixed for redemption. Any redemption is subject to Standard Chartered PLC giving notice to the relevant regulator and the regulator granting permission to redeem
- Interest payments on these securities will be accounted for as a dividend
- Interest on the securities is due and payable only at the sole and absolute discretion of Standard Chartered PLC, subject to certain additional restrictions set out in the terms and conditions. Accordingly, Standard Chartered PLC may at any time elect to cancel any interest payment (or part thereof) which would otherwise be payable on any interest payment date
- The securities convert into ordinary shares of Standard Chartered PLC, at a pre-determined price detailed in the table above, should the fully loaded Common Equity Tier 1 ratio of the Group fall below 7.0 per cent. Approximately 911 million ordinary shares would be required to satisfy the conversion of all the securities mentioned above.

The securities rank behind the claims against Standard Chartered PLC of (a) unsubordinated creditors, (b) which are expressed to be subordinated to the claims of unsubordinated creditors of Standard Chartered PLC but not further or otherwise; or (c) which are, or are expressed to be, junior to the claims of other creditors of Standard Chartered PLC, whether subordinated or unsubordinated, other than claims which rank, or are expressed to rank, *pari passu* with, or junior to, the claims of holders of the AT1 securities in a winding-up occurring prior to the conversion trigger.

Reserves

The constituents of the reserves are summarised as follows:

- The capital reserve represents the exchange difference on redenomination of share capital and share premium from sterling to US dollars in 2001. The capital redemption reserve represents the nominal value of preference shares redeemed
- The amounts in the 'Capital and Merger Reserve' represents the premium arising on shares issued using a cash box financing structure, which required the Company to create a merger reserve under section 612 of the Companies Act 2006. Shares were issued using this structure in 2005 and 2006 to assist in the funding of Korea (\$1.9 billion) and Taiwan (\$1.2 billion) acquisitions, in 2008, 2010 and 2015 for the shares issued by way of a rights issue, primarily for capital maintenance requirements and for the shares issued in 2009 by way of an accelerated book build, the proceeds of which were used in the ordinary course of business of the Group. The funding raised by the 2008, 2010 and 2015 rights issues and 2009 share issue was fully retained within the Company. Of the 2015 funding, \$1.5 billion was used to subscribe to additional equity in Standard Chartered Bank, a wholly owned subsidiary of the Company. Apart from the Korea, Taiwan and Standard Chartered Bank funding, the merger reserve is considered realised and distributable
- Own credit adjustment reserve represents the cumulative gains and losses on financial liabilities designated at fair value through profit or loss relating to own credit. Gains and losses on financial liabilities designated at fair value through profit or loss relating to own credit in the year have been taken through other comprehensive income into this reserve. On derecognition of applicable instruments the balance of any OCA will not be recycled to the income statement, but will be transferred within equity to retained earnings
- Fair value through other comprehensive income (FVOCI) debt reserve represents the unrealised fair value gains and losses in respect of financial assets classified as FVOCI, net of expected credit losses and taxation. Gains and losses are deferred in this reserve and are reclassified to the income statement when the underlying asset is sold, matures or becomes impaired
- FVOCI equity reserve represents unrealised fair value gains and losses in respect of financial assets classified as FVOCI, net of taxation. Gains and losses are recorded in this reserve and never recycled to the income statement
- Cash flow hedge reserve represents the effective portion of the gains and losses on derivatives that meet the criteria for these types of hedges. Gains and losses are deferred in this reserve and are reclassified to the income statement when the underlying hedged item affects profit and loss or when a forecast transaction is no longer expected to occur
- Translation reserve represents the cumulative foreign exchange gains and losses on translation of the net investment of the Group in foreign operations. Since 1 January 2004, gains and losses are deferred to this reserve and are reclassified to the income statement when the underlying foreign operation is disposed. Gains and losses arising from derivatives used as hedges of net investments are netted against the foreign exchange gains and losses on translation of the net investment of the foreign operations
- Retained earnings represents profits and other comprehensive income earned by the Group and Company in the current and prior periods, together with the after tax increase relating to equity-settled share options, less dividend distributions, own shares held (treasury shares) and share buybacks.

Notes to the financial statements

28. Share capital, other equity instruments and reserves continued

A substantial part of the Group's reserves is held in overseas subsidiary undertakings and branches, principally to support local operations or to comply with local regulations. The maintenance of local regulatory capital ratios could potentially restrict the amount of reserves which can be remitted. In addition, if these overseas reserves were to be remitted, further unprovided taxation liabilities might arise.

As at 31 December 2025, the distributable reserves of Standard Chartered PLC (the Company) were \$14.1 billion (31 December 2024: \$14.1 billion). Distributable reserves of the Company were \$14.1 billion, which include the distributable portions of retained earnings. Distributable reserves are derived from the Merger reserve and Retained earnings, reduced by ordinary dividend payments, distributions on AT1 instruments, share buybacks, impairments in investments in subsidiaries, restricted items in line with section 830 and 831 of the Companies Act 2006. They are increased by profits and the realisation of retained earnings.

Own shares

The 2004 Employee Benefit Trust (2004 Trust) is used in conjunction with the Group's employee share schemes and other employee share-based payments (such as upfront shares and salary shares). Computershare Trustees (Jersey) Limited is the trustee of the 2004 Trust. Group companies fund the 2004 Trust from time to time to enable the trustees to acquire shares in Standard Chartered PLC to satisfy these arrangements.

Details of the shares purchased and held by the 2004 Trust are set out below.

	2004 Trust	
	2025	2024
Shares purchased during the period	24,477,541	19,604,557
Market price of shares purchased (\$million)	508	223
Shares held at the end of the period	16,474,859	17,589,987
Maximum number of shares held during the period	25,082,882	28,085,688

Except as disclosed, neither the Company nor any of its subsidiaries has bought, sold or redeemed any securities of the Company listed on The Stock Exchange of Hong Kong Limited during the period.

Computershare Trustees (Jersey) Limited abstains from voting on the Standard Chartered PLC shares held in the 2004 Trust.

Dividend waivers

The trustees of the 2004 Trust, which holds ordinary shares in Standard Chartered PLC in connection with the operation of its employee share plans, waive any dividend on the balance of ordinary shares that have not been allocated to employees, except for 0.01p per share.

Changes in share capital and other equity instruments of Standard Chartered PLC subsidiaries

The table below details the transactions in equity instruments (including convertible and hybrid instruments) of the Group's subsidiaries, including issuances, conversions, redemptions, purchase or cancellation during the financial year. This is required under the Hong Kong Listing requirements, appendix D2 paragraph 10.

Name	Description of Shares	Issued/(redeemed) Shares	Issued/(redeemed) capital
Anchorpoint Financial Limited	HKD Ordinary	9,360,000	HKD93,600,000
Appro Onboarding Solutions FZ-LLC	AED1,000.00 Ordinary	55,609	AED55,609,000
Audax Financial Technology Pte. Ltd	US\$1.00 Ordinary	8,600,000	USD8,600,000
CashEnable Pte. Ltd.	US\$ Ordinary	4,200,000	USD4,200,000
Financial Inclusion Technologies Ltd	US\$ Ordinary	17,513,444	USD17,513,444
Fourtwothree Pte. Ltd	US\$ Ordinary	2,300,000	USD2,300,000
Furaha Holding Ltd	US\$1.00 Ordinary	8,500,000	USD8,500,000
Letsbloom India Private Limited	INR10.00 Equity	3,815,713	INR38,157,130
Letsbloom Pte. Ltd.	US\$ Ordinary-A	1,470,000	USD1,470,000
Libeara (Singapore) Pte. Ltd.	US\$ Ordinary	4,300,000	USD4,300,000
Libeara Pte. Ltd.	US\$ Ordinary	3,500,000	USD3,500,000
Mox Bank Limited	HKD Ordinary	93,840,000	HKD938,400,000
myZoi Financial Inclusion Technologies LLC	AED1.00 Ordinary	40,000,000	AED40,000,000
Power2SME Pte. Ltd.	US\$ Ordinary	9,175,676	USD9,175,676
PT Labamu Sejahtera Indonesia	IDR10,000.00 Ordinary	6,090,299	IDR60,902,990,000
Qatalyst Pte. Ltd.	US\$1.00 Ordinary	1,100,000	USD1,100,000
SC Ventures Holdings Limited	US\$1.00 Ordinary	44,190,000	USD44,190,000
SCV Master Holding Company Pte. Ltd.	US\$ Ordinary	66,200,000	USD66,200,000

Name	Description of Shares	Issued/(redeemed) Shares	Issued/(redeemed) capital
SCV Research and Development Pte. Ltd.	US\$ Ordinary-A	18,526,896	USD18,526,896
Sky Harmony Holdings Limited	USD1.00 Ordinary	1	USD1
Solv Vietnam Company Limited	VND Charter Capital	12,845,000,000	VND12,845,000,000
Solvezy Technology Ghana Ltd	GHS Ordinary	40,957,952	GHS40,957,952
Solvezy Technology Kenya Limited	KES1,000.00 Ordinary	289,482	KES289,482,000
Solv-India Pte. Ltd.	US\$ Ordinary	54,900,000	USD54,900,000
Standard Chartered Bank Côte d'Ivoire SA	XOF100,000.00	52,566	XOF5,256,600,000
Standard Chartered Bank Nigeria Limited	NGN1.00 Ordinary	9,151,152,653	NGN9,151,152,653
Standard Chartered Holdings Limited	US\$2.00 Ordinary	11,624,204	USD23,248,408
Standard Chartered I H Limited	US\$1.00 Ordinary	23,248,408	USD23,248,408
Standard Chartered Luxembourg S.A.	€1.00 Ordinary	1,500,000	EUR1,500,000
Standard Chartered Private Equity (Mauritius) Limited	US\$1.00 Ordinary	500,000	USD500,000
Standard Chartered Private Equity (Mauritius) III Limited	US\$1.00 Ordinary	38,813,419	USD38,813,419
Standard Chartered Research and Technology India Private Limited	INR10.00 Equity	34,617,793	INR346,177,930
Standard Chartered Strategic Investments Limited	US\$1.00 Ordinary	5,949,826	USD5,949,826
TASConnect (Malaysia) Sdn. Bhd.	RM5.00 Ordinary	687,900	MYR3,439,500
Trust Bank Singapore Limited	SGD Ordinary	25,000,000	SGD25,000,000
Zodia Custody (Europe) S.A.	€100.00 Ordinary	300	EUR30,000
Zodia Holdings Limited	US\$1.00 Ordinary	41,401,604	USD41,401,604
Zodia Markets (AME) Limited	US\$ Ordinary	1,200,000	USD1,200,000
Zodia Markets (Jersey) Limited	US\$ Ordinary	10,000	USD10,000
Zodia Markets Holdings Limited	US\$1.00 Series A	4,560	USD4,560

Please see Note 22 Debt securities in issue for issuances and redemptions of senior notes.

Please see Note 27 Subordinated liabilities and other borrowed funds for issuance and redemptions of subordinated liabilities.

Please see Note 41 Related undertakings of the Group for subsidiaries liquidated, dissolved or sold during the year.

29. Non-controlling interests

	2025 \$million	2024 \$million
As at 1 January	394	396
Comprehensive income/(loss) for the year	45	(22)
Income/(loss) in equity attributable to non-controlling interests	33	(14)
Other profits/(loss) attributable to non-controlling interests	12	(8)
Distributions	(50)	(43)
Other increases ¹	76	63
As at 31 December	465	394

¹ Movements in 2025 are primarily from Mox Bank Limited (\$26 million), Standard Chartered Research and Technology India Private Limited (\$12 million), Zodia Markets Holdings Limited (\$15 million), Trust Bank Singapore Limited (\$8 million), Anchorpoint Financial Limited (\$6 million), Financial Inclusion Tech (\$6 million) and Furaha Holding Ltd (\$3million). Movements in 2024 are primarily from non-controlling interests pertaining to Trust Bank Singapore Limited (\$55 million) and Mox Bank Limited (\$14 million) partly offset by disposal of SCB Angola S.A. (\$6 million). Cash received from additional investment was \$40 million (31 December 2024: \$55 million).

Notes to the financial statements

30. Retirement benefit obligations

Accounting policy

The Group operates pension and other post-retirement benefit plans around the world, which are categorised into defined contribution plans and defined benefit plans.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension plans on a statutory or contractual basis, and such amounts are charged to operating expenses. The Group has no further payment obligations once the contributions have been paid.

For defined benefit plans, which promise levels of payments where the future cost is not known with certainty:

- The accounting obligation is calculated annually by independent actuaries using the projected unit method.
- Actuarial gains and losses that arise are recognised in shareholders' equity and presented in the statement of other comprehensive income in the period they arise.
- The Group determines the net interest expense on the net defined benefit liability for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability, taking into account any changes in the net defined benefit liability during the year as a result of contributions and benefit payments. Net interest expense, the cost of the accrual of new benefits, benefit enhancements (or reductions) and administration expenses met directly from plan assets are recognised in the income statement in the period in which they were incurred.

Other accounting estimates and judgements

There are many factors that affect the measurement of the retirement benefit obligations. This measurement requires the use of estimates, such as discount rates, inflation, pension increases, salary increases, and life expectancies which are inherently uncertain. The table below summarises how these assumptions are set:

Assumption	Detail
Discount rate	Determined by reference to market yields at the end of the reporting period on high-quality corporate bonds (or, in countries where there is no deep market in such bonds, government bonds) of a currency and term consistent with the currency and term of the post-employment benefit obligations. This is the approach adopted across all our geographies.
Inflation	Where there are inflation-linked bonds available (e.g. United Kingdom and the eurozone), the Group derives inflation based on the market on those bonds, with the market yield adjusted in respect of the United Kingdom to take account of the fact that liabilities are linked to Consumer Price Index inflation, whereas the reference bonds are linked to Retail Price Index inflation. Where no inflation-linked bonds exist, we determine inflation assumptions based on a combination of long-term forecasts and short-term inflation data.
Salary growth	Salary growth assumptions reflect the Group's long-term expectations, taking into account future business plans and macroeconomic data (primarily expected future long-term inflation).
Demographic assumptions	Demographic assumptions, including mortality and turnover rates, are typically set based on the assumptions used in the most recent actuarial funding valuation, and will generally use industry standard tables, adjusted where appropriate to reflect recent historic experience and/or future expectations.

The sensitivity of the liabilities to changes in these assumptions is shown in the Note below.

Retirement benefit obligations and charge comprises:

	Obligation		Charge	
	2025 \$million	2024 \$million	2025 \$million	2024 \$million
Defined benefit plans	146	101	125	62
Defined contribution plans	23	14	393 ¹	389
Total	169	115	518²	451²

1 The Group during the year utilised against defined contribution payments, \$1 million forfeited pension contributions in respect of employees who left before their interests vested fully. The residual balance of forfeited contributions is \$21 million.

2 Refer to note 7 – Operating expenses.

The Group operates over 60 defined benefit plans across its geographies, many of which are closed to new entrants who now join defined contribution arrangements. The aim of all these plans is, as part of the Group's commitment to financial wellbeing, to give employees the opportunity to save appropriately for retirement in a way that is consistent with local regulations, taxation requirements and market conditions. The defined benefit plans expose the Group to currency risk, interest rate risk, investment risk and actuarial risks such as longevity risk.

The disclosures required under IAS 19 have been calculated by independent qualified actuaries based on the most recent full actuarial valuations updated, where necessary, to 31 December 2025.

Financial and demographic assumptions have remained largely consistent with those used in the prior year. And the impact on the liabilities of any movements in interest and inflation rates has been partially hedged by the government and corporate bonds held.

The increase in the pension deficit during the year was primarily driven by regulatory and legal developments in India (causing a past service cost of \$48 million) and Kenya (\$19 million). In India, a past service cost has been recognised in relation to statutory lump sum plans, based on the current interpretation of new regulations that expand the definition of pay on which they are calculated. The new regulations were substantively enacted on 21 November and applied both immediately and retrospectively; further clarification from the local authorities is expected in 2026. In Kenya, the Retirement Benefits Appeals Tribunal (RBAT) ruled broadly in favour of a longstanding legal case brought by 629 former employees. A past service cost reflects the financial impact of this judgment, which included a mandate to fund the plan. Where legacy colleagues have yet to be traced, the temporary surplus arising from the mandated funding has been disregarded under IFRIC 14.

UK Fund

The Standard Chartered Pension Fund (the 'UK Fund') is the Group's largest pension plan, representing 46 per cent (31 December 2024: 46 per cent) of total pension liabilities. The UK Fund is set up under a trust that is legally separate from the Bank (its formal sponsor) and, as required by UK legislation, at least one third of the trustee directors are nominated by members; the remainder are appointed by the Bank. The trustee directors have a fiduciary duty to members and are responsible for governing the UK Fund in accordance with its Trust Deed and Rules.

The UK Fund was closed to new entrants from 1 July 1998 and closed to the accrual of new benefits from 1 April 2018: all UK employees are now offered membership of a defined contribution plan.

The financial position of the UK Fund is regularly assessed by an independent qualified actuary. The funding valuation as at 31 December 2023 was completed in December 2024 by the Scheme Actuary, T Kripps of Willis Towers Watson, using assumptions different from those used for IAS 19, and agreed with the UK Fund trustee. It showed that the UK Fund was 96% funded at that date, revealing a past service deficit of \$48 million (£38 million).

To repair the deficit, three annual cash payments each of \$13 million (£10 million) were agreed, with the first of these paid in December 2024, and two further instalments to be paid in December 2025 and December 2026. However, the agreement allowed that the payments due in 2025 and 2026 may be varied depending on the funding position at the preceding 30 June provided that total payments over the three year recovery plan period do not exceed \$38 million (£30 million). Based on financial conditions at 30 June 2025, the Scheme Actuary determined that the 2025 payment should be \$7million (£5 million), and this was remitted to the Fund in December. As part of the 2023 valuation agreement, it was agreed that gilts with a nominal value of \$200 million (£160 million) would remain in escrow to provide additional security the Trustee.

The Group has not recognised any additional liability under IFRIC 14, as the Bank has control of any pension surplus under the Trust Deed and Rules.

Overseas plans

The principal overseas defined benefit arrangements operated by the Group are in Hong Kong, India, Jersey, Korea, Taiwan, Thailand, United Arab Emirates (UAE) and the United States of America (US). Plans in Hong Kong, India, Korea, Taiwan, Thailand, and UAE remain open for accrual of future benefits.

Notes to the financial statements

30. Retirement benefit obligations continued

Key assumptions

The principal financial assumptions used at 31 December 2025 were:

	2025			2024		
	UK Funded %	Overseas Plans ¹ %	Unfunded Plans ² %	UK Funded %	Overseas Plans ¹ %	Unfunded Plans ² %
Discount rate	5.5	1.3 – 6.7	1.4 – 6.7	5.5	1.6 – 6.9	2.5 – 6.9
Price inflation	2.4	2.0 – 5.0	2.0 – 5.0	2.5	2.0 – 5.0	2.0 – 5.0
Salary increases	n/a	3.5 – 7.5	2.4 – 7.5	n/a	3.5 – 8.5	4.0 – 8.5
Pension increases	2.4	0 – 2.8	0 – 2.4	2.3	0 – 2.9	0 – 2.3
Post-retirement medical rate	n/a	n/a	8% in 2025 reducing by 0.5% per annum to 5% in 2031	n/a		8% in 2024 reducing by 0.5% per annum to 5% in 2030

1 The range of assumptions shown is for the funded defined benefit overseas plans in Hong Kong, India, Jersey, Korea, Taiwan, and the US. These comprise around 80 per cent of the total liabilities of overseas funded plans.

2 The range of assumptions shown is for the main unfunded defined benefit plans in India, Korea, Thailand, Hong Kong, UAE, UK and the US. They comprise over 90 per cent of the total liabilities of unfunded plans.

The principal non-financial assumptions are those made for UK life expectancy. The UK mortality tables are S4PMA for males and S4PFA for females, projected by year of birth with the CMI 2023 improvement model with a 1.25 per cent annual trend and initial addition parameter of 0.25 per cent. Scaling factors of 81 per cent for male pensioners, 93 per cent for female pensioners, 81 per cent for male dependants and 81 per cent for female dependants have been applied.

The resulting assumptions for life expectancy for the UK Fund are that a male member currently aged 60 will live for 28 years (2024: 28 years) and a female member for 29 years (2024: 29 years) and a male member currently aged 40 will live for 29 years (2024: 29 years) and a female member for 31 years (2024: 31 years) after their 60th birthdays.

Both financial and non-financial assumptions can be expected to change in the future, which would affect the value placed on the liabilities. For example, changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

- If the discount rate increased by 25 basis points the liability would reduce by approximately \$25 million for the UK Fund (2024: \$25 million) and \$20 million for the other plans (2024: \$20 million)
- If the rate of inflation increased by 25 basis points the liability, allowing for the consequent impact on pension and salary increases, would increase by approximately \$15 million for the UK Fund (2024: \$15 million) and \$10 million for the other plans (2024: \$15 million)
- If the rate of salary growth relative to inflation increased by 25 basis points the liability would increase by nil for the UK Fund (2024: nil) and approximately \$10 million for the other plans (2024: \$10 million)
- If longevity expectations increased by one year the liability would increase by approximately \$40 million for the UK Fund (2024: \$35 million) and \$10 million for the other plans (2024: \$10 million)

Although this analysis does not take account of the full distribution of cash flows expected, it does provide an approximation of the sensitivity to the main assumptions. While changes in other assumptions would also have an impact, the effect would not be as significant.

Profile of plan obligations

	Funded plans		Unfunded plans
	UK Fund	Overseas	
Duration of the defined benefit obligation (in years)	10	8	8
Duration of the defined benefit obligation – 2024	10	8	8
Benefits expected to be paid from plans			
Benefits expected to be paid during 2026	89	102	21
Benefits expected to be paid during 2027	92	138	19
Benefits expected to be paid during 2028	94	117	17
Benefits expected to be paid during 2029	96	127	17
Benefits expected to be paid during 2030	99	122	19
Benefits expected to be paid during 2031 to 2035	529	595	91

Fund values:

	2025						2024					
	UK Fund			Overseas plans			UK Fund			Overseas plans		
	Quoted assets \$million	Unquoted assets \$million	Total assets \$million	Quoted assets \$million	Unquoted assets \$million	Total assets \$million	Quoted assets \$million	Unquoted assets \$million	Total assets \$million	Quoted assets \$million	Unquoted assets \$million	Total assets \$million
At 31 December												
Equities	2	-	2	108	-	108	2	-	2	132	-	132
Government bonds	332	-	332	323	-	323	342	-	342	269	-	269
Corporate bonds	411	134	545	266	-	266	357	126	483	291	-	291
Hedge funds	-	4	4	94	-	94	-	5	5	-	-	-
Infrastructure	-	191	191	-	-	-	-	170	170	-	-	-
Property	-	80	80	-	18	18	-	81	81	-	15	15
Derivatives	2	(2)	-	-	-	-	22	(1)	21	-	-	-
Cash and equivalents	38	-	38	151	165 ²	316	35	-	35	60	153 ²	213
Others	9	-	9	20	-	20	7	2	9	-	156	156
Total fair value of assets¹	794	407	1,201	962	183	1,145	765	383	1,148	752	324	1,076

- 1 Self-investment is monitored closely and is less than \$1 million of Standard Chartered equities and bonds for 2025 (31 December 2024: <\$1 million). Self-investment is only allowed where it is not practical to exclude it – for example through investment in index-tracking funds where the Group is a constituent of the relevant index.
- 2 Cash and equivalents includes the value of insurance contracts held in Korea which invest only in short term money market instruments.

	At 31 December 2025			At 31 December 2024		
	Funded plans		Unfunded Plans	Funded plans		Unfunded Plans
	UK Fund \$million	Overseas Plans \$million	\$million	UK Fund \$million	Overseas Plans \$million	\$million
Total fair value of assets	1,201	1,141 ¹	n/a	1,148	1,076	n/a
Present value of liabilities	(1,133)	(1,170)	(185)	(1,070)	(1,075)	(180)
Net pension plan asset/(obligation)	68	(29)	(185)	78	1	(180)
Of which: Total pension assets in respect of plans in surplus	68	86	-	78	73	-
Of which: Total pension obligations in respect of plans in deficit	-	(115)	(185)	-	(72)	(180)

- 1 Overseas plan assets include an asset ceiling in Kenya and legacy Zimbabwe arrangement, resulting from a restriction on the recognition of surplus.

The pension cost for defined benefit plans was:

	2025				2024			
	Funded plans			Total \$million	Funded plans			Total \$million
	UK Fund \$million	Overseas plans \$million	Unfunded plans \$million		UK Fund \$million	Overseas plans \$million	Unfunded plans \$million	
Current service cost ¹	-	50	6	56	-	44	8	52
Past service cost and curtailments ²	-	67	-	67	-	2	(1)	1
Settlement cost ³	-	1	-	1	-	3	-	3
Interest income on pension plan assets	(65)	(61)	-	(126)	(56)	(41)	-	(97)
Interest on pension plan liabilities	60	59	8	127	54	41	8	103
Total charge to profit before deduction of tax	(5)	116	14	125	(2)	49	15	62
Losses/(gains) on plan assets ⁴	18	(36)	-	(18)	78	(32)	-	46
Losses/(gains) on liabilities	10	18	1	29	(103)	6	(1)	(98)
Total losses/(gains) recognised directly in statement of comprehensive income before tax	28	(18)	1	11	(25)	(26)	(1)	(52)
Deferred taxation	(2)	(2)	-	(4)	5	7	-	12
Total losses/(gains) after tax	26	(20)	1	7	(20)	(19)	(1)	(40)

- 1 Includes administrative expenses paid out of plan assets of \$1 million (31 December 2024: \$1 million) and actuarial losses of \$1 million (31 December 2024: \$1 million) that are immediately recognised through P&L in line with the requirements of IAS 19.
- 2 Relates to provisional impact of regulatory change in India and RBAT court ruling in Kenya.
- 3 Impact of settlements relates to termination benefits in Indonesia.
- 4 The actual return on the UK Fund assets was a gain of \$47 million (31 December 2024: \$22 million loss) and on overseas plan assets was a gain of \$97 million (31 December 2024: \$73 million loss).

Notes to the financial statements

30. Retirement benefit obligations continued

Movement in the deficit during the year comprises:

	2025				2024			
	Funded plans			Total \$million	Funded plans			Total \$million
	UK Fund \$million	Overseas plans \$million	Unfunded plans \$million		UK Fund \$million	Overseas plans \$million	Unfunded plans \$million	
Surplus/(Deficit)	78	1	(180)	(101)	40	(17)	(189)	(166)
Contributions	7	71	16	94	13	39	16	68
Current service cost ¹	-	(50)	(6)	(56)	-	(44)	(8)	(52)
Past service cost and curtailments ²	-	(67)	-	(67)	-	(2)	1	(1)
Settlement costs and transfers impact	-	(1)	-	(1)	-	(3)	-	(3)
Net interest on the net defined benefit asset/liability	5	2	(8)	(1)	2	-	(8)	(6)
Actuarial (losses)/gains	(28)	18	(1)	(11)	25	26	1	52
Asset held for Sale	-	-	-	-	-	-	-	-
Other movement	-	-	-	-	-	(1)	-	(1)
Asset ceiling ³	-	(4)	-	(4)	-	-	-	-
Exchange rate adjustment	6	1	(6)	1	(2)	3	7	8
Surplus/(Deficit)	68	(29)	(185)	(146)	78	1	(180)	(101)

1 Includes administrative expenses paid out of plan assets of \$1 million (31 December 2024: \$1 million).

2 Relates to provisional impact of regulatory change in India and RBAT court ruling in Kenya.

3 Overseas plans include an asset ceiling in Kenya and a legacy Zimbabwe arrangement, resulting from a restriction on the recognition of surplus.

The Group's expected contribution to its defined benefit pension plans in 2026 is \$83 million.

	2025			2024		
	Assets \$million	Obligations \$million	Total \$million	Assets \$million	Obligations \$million	Total \$million
At 1 January	2,224	(2,325)	(101)	2,119	(2,285)	(166)
Contributions ¹	104	(10)	94	69	(1)	68
Current service cost ²	-	(56)	(56)	-	(52)	(52)
Past service cost and curtailments	-	(67)	(67)	-	(1)	(1)
Settlement costs ³	-	(1)	(1)	-	(3)	(3)
Interest cost on pension plan liabilities	-	(127)	(127)	-	(103)	(103)
Interest income on pension plan assets	126	-	126	97	-	97
Benefits paid out ²	(210)	210	-	(169)	169	-
Actuarial gains/(losses) ⁴	18	(29)	(11)	(46)	98	52
Asset held for sale	-	-	-	-	-	-
Other movement	-	-	-	212	(213)	(1)
Asset ceiling ⁵	(4)	-	(4)	-	-	-
Exchange rate adjustment	84	(83)	1	(58)	66	8
At 31 December	2,342	(2,488)	(146)	2,224	(2,325)	(101)

1 Includes employee contributions of \$11 million (31 December 2024: \$1 million).

2 Includes administrative expenses paid out of plan assets of \$1 million (31 December 2024: \$1 million).

3 Impact of settlements relates to termination benefits in Indonesia.

4 Actuarial loss on obligation comprises \$11 million loss (31 December 2024: \$127 million gain) from financial assumption changes, \$1 million gain (31 December 2024: \$1 million gain) from demographic assumption changes and \$19 million loss (31 December 2024: \$30 million loss) from experience.

5 Assets include a ceiling in Kenya and a legacy Zimbabwe arrangement, resulting from a restriction on the recognition of surplus.

31. Share-based payments

Accounting policy

The Group operates equity-settled and cash-settled share-based compensation plans. The fair value of the employee services (measured by the fair value of the awards granted) received in exchange for the grant of the shares and awards is recognised as an expense. For deferred share awards granted as part of an annual performance award, the expense is recognised over the period from the start of the performance period to the vesting date. For example, the expense for three-year awards granted in 2025 in respect of 2024 performance, which vest in 2026-2028, is recognised as an expense over the period from 1 January 2024 to the vesting dates in 2026-2028. For all other awards, the expense is recognised over the period from the date of grant to the vesting date.

For equity-settled awards, the total amount to be expensed over the vesting period is determined by reference to the fair value of the shares and awards at the date of grant, which excludes the impact of any non-market vesting conditions (for example, profitability and growth targets). The fair value of equity instruments granted is based on market prices, if available, at the date of grant. In the absence of market prices, the fair value of the instruments is estimated using an appropriate valuation technique, such as a binomial option pricing model. Non-market vesting conditions are included in assumptions for the number of shares and awards that are expected to vest.

At each balance sheet date, the Group revises its estimates of the number of shares and awards that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statement and a corresponding adjustment to equity over the remaining vesting period. Forfeitures prior to vesting attributable to factors other than the failure to satisfy service conditions and non-market vesting conditions are treated as a cancellation and the remaining unamortised charge is debited to the income statement at the time of cancellation. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when awards in the form of options are exercised.

Cash-settled awards are revalued at each balance sheet date and a liability recognised on the balance sheet for all unpaid amounts, with any changes in fair value charged or credited to staff costs in the income statement until the awards are exercised. Where forfeitures occur prior to vesting that are attributable to factors other than a failure to satisfy service conditions or market-based performance conditions, the cumulative charge incurred up to the date of forfeiture is credited to the income statement.

Other accounting estimates and judgements

Share-based payments involve judgement and estimation uncertainty exists when determining the expenses and carrying values of share awards at the balance sheet date.

- LTIP awards are determined using an estimation of the probability of meeting certain metrics over a three-year performance period using the Monte Carlo simulation model.
- Deferred shares are determined using an estimation of expected dividends.
- Sharesave Plan valuations are determined using a binomial option-pricing model.

The Group operates a number of share-based arrangements for its executive directors and employees. Details of the share-based payment charge are set out below.

	2025 ¹			2024 ¹		
	Cash \$million	Equity \$million	Total \$million	Cash \$million	Equity \$million	Total \$million
Deferred share awards	81	206	287	31	160	191
Other share awards	80	32	112	34	109	143
Total share-based payments ²	161	238	399	65	269	334

1 No forfeiture assumed.

2 The total share-based payments charge during the year includes costs relating to Business ventures. Business ventures are established as separate legal entities with their own employee share ownership plans (ESOP) to attract and incentivise talent. ESOPs have been set up with share-based payment charges recorded in 2025 with \$2 million (2024: \$2 million) in cash settled and \$11 million (2024: \$14 million) equity settled deferred awards spread across 18 entities.

The Group determines both the grant and settlement date for all schemes, and no option to determine grant or settlement date is available to employees.

No other principal subsidiaries have separate share schemes.

Notes to the financial statements

31. Share-based payments continued

Discretionary share plans

The 2021 Standard Chartered Share Plan (the '2021 Plan') was approved by shareholders in May 2021 and is the Group's main share plan, replacing the 2011 Standard Chartered Share Plan (the '2011 Plan') for new awards from June 2021. It is used to deliver various types of share awards to employees and former employees of the Group, including directors and former executive directors:

Award type	Description and performance measures	Valuation
Long Term Incentive Plan (LTIP) awards	<p>The vesting of awards granted in 2025, 2024 and 2023 are subject to the following performance measures:</p> <ul style="list-style-type: none"> relative total shareholder return (TSR); return on tangible equity (RoTE) (with a Common Equity Tier 1 (CET1) underpin); and strategic measures (including targets set for sustainability linked to business strategy). <p>Each measure is assessed independently over a three-year period. LTIP awards have an individual conduct gateway requirement that results in the award lapsing if not met.</p> <p>Vested awards are delivered in ordinary Standard Chartered PLC shares.</p>	<p>The fair value of the relative TSR component is calculated using the probability of meeting the measures over a three-year performance period, using a Monte Carlo simulation model.</p> <p>The value of the remaining components is based on the expected performance against the RoTE and strategic measures in the scorecard and the resulting estimated number of shares expected to vest at each reporting date. These combined values are used to determine the accounting charge.</p> <p>No dividend equivalents accrue for the LTIP awards made in 2025, 2024, 2023 or 2022 and the fair value takes this into account, calculated by reference to market consensus dividend yield.</p>
Deferred shares	<p>Used to deliver:</p> <ul style="list-style-type: none"> the deferred portion of year-end variable remuneration, in line with both market practice and regulatory requirements. These awards vest in instalments on anniversaries of the award date specified at the time of grant. This enables the Group to meet regulatory requirements relating to deferral levels, and is in line with market practice. replacement buy-out awards to new joiners who forfeit awards on leaving their previous employers. These vest in the quarter most closely following the date when the award would have vested at the previous employer. This enables the Group to meet regulatory requirements relating to buy-outs, and is in line with market practice. <p>Deferred share awards are not subject to any performance measures.</p> <p>Vested awards are delivered in ordinary Standard Chartered PLC shares.</p>	<p>The fair value for deferred shares, which are granted to employees who are not categorised as material risk takers, is based on 100 per cent of the face value of the shares at the date of grant as the share price will reflect expectations of all future dividends.</p> <p>For awards granted to material risk takers in 2025, the fair value of awards takes into account the lack of dividend equivalents, calculated by reference to market consensus dividend yield.</p>

The remaining life of the 2021 Standard Chartered Share Plan during which new awards can be made is six years.

LTIP awards

	2025	2024
Grant date	12-May	12-March
Share price at grant date (£)	11.70	6.60
Vesting period (years)	3-7	3-7
Expected dividend yield (%)	3.5	4.2
Fair value (RoTE) (£)	2.86, 2.96, 3.06	1.55, 1.61, 1.68
Fair value (TSR) (£)	1.97, 2.04, 2.10	0.95, 1.01, 1.06
Fair value (Strategic) (£)	3.81, 3.94, 4.08	2.06, 2.15, 2.24

Deferred shares – year-end

	2025							
Grant date	17-Nov		24-Sep		12-May		14-Mar	
Share price at grant date (£)	16.13		14.55		11.7		11.77	
Vesting period (years)	Expected dividend yield (%)	Fair value (£)	Expected dividend yield (%)	Fair value (£)	Expected dividend yield (%)	Fair value (£)	Expected dividend yield (%)	Fair value (£)
1-3 years	N/A	20.49	N/A	18.48	N/A	14.86	N/A	14.95
1-5 years	-	-	2.5, 2.5, 2.5	16.95, 17.16, 17.37	3.5, 3.5, 3.5	13.18, 13.41, 13.64	3.3, 3.3, 3.3	13.34, 13.56, 13.78
3-7 years	-	-	-	-	-	-	3.3, 3.3	12.30, 12.71

	2024			
Grant Date	17 June		11 March	
Share price at grant date (£)	7.24		6.56	
Vesting Period (Years)	Expected dividend yield (%)	Fair value (£)	Expected dividend yield (%)	Fair value (£)
1-3 years	N/A	9.17	4.2, 4.2	7.65, 8.30
1-5 years	3.8, 3.8, 3.8	8.05, 8.20, 8.35	4.2, 4.2, N/A	7.19, 7.49, 8.30
3-7 years			4.2, 4.2	6.49, 6.76

Deferred shares – buy-outs

	2025							
Grant date	17-Nov		24-Sep		12-May		14-Mar	
Share price at grant date (£)	16.13		14.55		11.7		11.77	
Vesting Period (years)	Expected dividend yield (%)	Fair value (£)	Expected dividend yield (%)	Fair value (£)	Expected dividend yield (%)	Fair value (£)	Expected dividend yield (%)	Fair value (£)
3 months			2.5	19.44			3.3	15.07
4 months	3.3	21.14			3.5	15.87		
6 months			2.5	18.85, 19.09, 19.32				
7 months	3.3	20.97						
9 months			2.5	19.2				
10 months					3.5	15.58		
1 year	3.3	20.30, 20.46, 20.63	2.5	18.39, 18.62, 18.74, 18.85, 18.97, 19.09	3.5	15.06, 15.33, 15.44	3.3	14.59, 14.71
2 years	3.3	19.65, 19.81, 19.97	2.5	17.94, 18.17, 18.28, 18.39, 18.51, 18.62	3.5	14.92	3.3	14.12, 14.24
3 years	3.3	19.18, 19.33	2.5	17.72, 17.94, 18.17	3.5	14.41	3.3	13.78
4 years			2.5	17.51				
5 years								

Notes to the financial statements

31. Share-based payments continued

2024

Grant date	18-Nov		23-Sep		17-Jun		11-Mar	
Share price at grant date (£)	9.43		7.59		7.24		6.56	
Vesting Period (years)	Expected dividend yield (%)	Fair value (£)	Expected dividend yield (%)	Fair value (£)	Expected dividend yield (%)	Fair value (£)	Expected dividend yield (%)	Fair value (£)
3 months			4.2	9.59	3.8	9.07	4.2	8.22
4 months	4.2	11.83						
6 months			4.2	9.49	3.8	8.99	4.2	8.14
7 months	4.2	11.69						
9 months			4.2	9.4	3.8	8.90	4.2	8.06
10 months								
1 year	4.2	11.22, 11.36	4.2	9.02, 9.11, 9.21, 9.30	3.8	8.58, 8.66, 8.74	4.2	7.73, 7.81, 7.89, 7.97
1.4 years								
2 years	4.2	10.77, 10.90	4.2	8.65, 8.74, 8.83, 8.93	3.8	8.26, 8.34	4.2	7.42, 7.50, 7.57, 7.65
2.4 years								
3 years	4.2	10.46,	4.2	8.39			4.2	7.20, 7.34
4 years	4.2	10.04					4.2	7.05
5 years								

All Employee Sharesave Plans

Under the 2023 Sharesave Plan, employees may open a savings contract and save up to £500 (increased from £250 since 2024) per month over three years to purchase ordinary shares in the Company at a discount of up to 20 per cent (the 'option exercise price'). The discount applies to the higher of: the 5-day average share price prior to the invitation or the closing share price on the last trading day prior to the invitation. At the end of the savings contract they have a period of six months to exercise the option. There are no performance measures attached to Sharesave options, and no exercise price is payable to receive an option. In some countries in which the Group operates, it is not possible to operate equity-settled Sharesave, typically due to securities law and regulatory restrictions. In these countries, where possible, the Group offers an equivalent cash-based alternative to its employees.

The remaining life of the 2023 Sharesave Plan during which new awards can be made is eight years.

Valuation – Sharesave:

Options under the Sharesave plans are valued using a binomial option-pricing model. The same fair value is applied to all employees including executive directors. The fair value per option granted and the assumptions used in the calculation are as follows:

All Employee Sharesave Plan (Sharesave)

	2025	2024
	24 September	23 September
Grant date		
Share price at grant date (£)	14.55	7.59
Exercise price (£)	11.10	6.10
Vesting period (years)	3	3
Expected volatility (%)	31.2	32.9
Expected option life (years)	3.5	3.5
Risk-free rate (%)	3.98	3.88
Expected dividend yield (%)	2.5	4.2
Fair value (£)	6.49	2.73

The expected volatility is based on historical volatility over the last three years, or the three years prior to grant. The expected life is the average expected period to exercise. The risk-free rate of return is the yield on zero-coupon UK Government bonds of a term consistent with the assumed option life. The expected dividend yield is calculated by reference to market consensus dividend yield.

Limits

An award shall not be granted under the 2021 Plan in any calendar year if, at the time of its proposed grant, it would cause the number of Standard Chartered PLC ordinary shares allocated in the period of 10 calendar years, ending with that calendar year, under the 2021 Plan and under any other discretionary share plan operated by Standard Chartered PLC to exceed 5 per cent of the ordinary share capital of Standard Chartered PLC in issue at that time.

An award shall not be granted under the 2021 Plan or 2023 Sharesave Plan in any calendar year if, at the time of its proposed grant, it would cause the number of Standard Chartered PLC ordinary shares allocated in the period of 10 calendar years ending with that calendar year, under the 2021 Plan or 2023 Sharesave Plan and under any other employee share plan operated by Standard Chartered PLC to exceed 10 per cent of the ordinary share capital of Standard Chartered PLC in issue at that time.

An award shall not be granted under the 2021 Plan or 2023 Sharesave Plan in any calendar year if, at the time of its proposed grant, it would cause the number of Standard Chartered PLC ordinary shares which may be issued or transferred pursuant to awards then outstanding under the 2021 Plan or 2023 Sharesave Plan as relevant to exceed such number as represents 10 per cent of the ordinary share capital of Standard Chartered PLC in issue at that time.

The number of Standard Chartered PLC ordinary shares which may be issued pursuant to awards granted to an individual under the 2021 or 2023 Plan in any 12-month period must not exceed 1 per cent of the ordinary share capital of Standard Chartered PLC in issue at that time. There are no participants with options and awards granted and to be granted in excess of the 1% individual limit, and there are no related entity participants or service providers with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue (excluding treasury shares).

As at 1 January 2025 and 31 December 2025, the shareholder dilution under our discretionary and Sharesave plans adopted by Standard Chartered PLC and its subsidiaries represented 5.1 per cent and 5.1 per cent of the issued ordinary share capital of Standard Chartered PLC respectively. Accordingly, the number of Standard Chartered PLC shares available to be granted under all discretionary and Sharesave plans at the beginning and the end of the year ended 31 December 2025 were 123,504,051 and 115,091,962 respectively. As at 31 December 2025, the number of Standard Chartered PLC shares available to be granted under the discretionary plan was 27,524,527 (1.2% of issued shares) and 115,091,962 available to be granted under the Sharesave plan (5.1% of issued shares).

The maximum number of Standard Chartered PLC shares that may be issued in respect of share options and awards granted under the discretionary and Sharesave plans during the year ended 31 December 2025 divided by the weighted average number of Standard Chartered PLC shares in issue for the year ended 31 December 2025 is 1 per cent.

Standard Chartered PLC has been granted a waiver from strict compliance with Rules 17.03A, 17.03B(1), 17.03E and 17.03(18) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong. Details are set out in the market announcement made on 30 March 2023. In relation to the waiver of strict compliance with Note 1 to 17.03(18), in 2025 no changes to the plan rules have been proposed that fall within scope of disclosure requirements under the terms of the waiver.

Reconciliation of share award movements for the year to 31 December 2025

	Discretionary ¹			Weighted average Sharesave exercise price (£)
	LTIP	Deferred shares	Sharesave ^{6,7}	
Outstanding at 1 January 2025	9,640,693	51,693,726	20,565,111	5.48
Granted ^{2,3,4}	2,159,737	16,143,146	4,926,740	-
Lapsed ⁸	(324,419)	(713,633)	(1,175,886)	6.20
Vested/Exercised ⁵	(1,272,072)	(20,517,080)	(1,227,776)	3.87
Outstanding at 31 December 2025	10,203,939	46,606,159	23,088,189	6.72
Total number of securities available for issue under the plan	10,203,939	46,606,159	23,088,189	6.72
Percentage of the issued shares this represents as at 31 December 2025	0.45	2.06	1.02	5.42
Exercisable as at 31 December 2025	-	90,903	82,613	5.42
Range of exercise prices (£)	-	-	4.23 – 11.10	
Intrinsic value of vested but not exercised options (\$ million)	0.00	2.23	1.42	
Weighted average contractual remaining life (years)	7.14	8.00	2.06	
Weighted average share price for awards exercised during the period (£)	11.78	11.75	11.50	

1 Granted under the 2021 Plan and 2011 Plan. Employees do not contribute to the cost of these awards.

2 2,159,737 (LTIP) granted on 12 May 2025. The closing price of the shares immediately before the date on which the options or awards were granted was £ 10.675.

3 14,537,101 (Deferred shares) granted on 14 March 2025. The closing price of the shares immediately before the date on which the options or awards were granted was £ 11.58. 141,397 (Deferred shares) granted as a notional dividend on 27 March 2025; 333,619 (Deferred shares) granted on 12 May 2025; The closing price of the shares immediately before the date on which the options or awards were granted was £ 10.675. 48,376 (Deferred shares) granted as a notional dividend on 28 August 2025. 921,595 (Deferred shares) granted on 24 September 2025. The closing price of the shares immediately before the date on which the options or awards were granted was £ 14.545. 161,058 (Deferred shares) granted on 17 November 2025. The closing price of the shares immediately before the date on which the options or awards were granted was £ 16.130.

4 No discretionary awards (LTIP or deferred/buy-out awards) have been granted in the form of options since June 2015. For historic awards granted as options and exercised in the period to 31 December 2025, the exercise price of deferred/buy-out shares options was nil.

5 The weighted average closing price of the shares immediately before the dates on which the options or awards were exercised or vested is £11.87.

6 The exercise price of Sharesave grants are determined with a 20% discount on the higher of the average closing price of the 5 days prior to invitation date or the closing share price of the last day prior to invitation date. For Sharesave options granted in 2025, the exercise price is £11.10 per share calculated based on a 20% discount on £13.88 which was the average closing price of the 5 days prior to invitation date of 18 August 2025.

7 All Sharesave awards are in the form of options. The exercise price of Sharesave options exercised was £11.10 for options granted in 2025, £6.10 for options granted in 2024, £5.88 for options granted in 2023, £4.23 for options granted in 2022.

8 No options or share awards were cancelled in the period.

See pages 202 and 203 of the Standard Chartered PLC Annual Report 2025 for information specific to Directors.

Notes to the financial statements

31. Share-based payments continued

Reconciliation of share award movements for the year to 31 December 2024

	Discretionary ¹			Weighted average Sharesave exercise price (£)
	LTIP	Deferred shares	Sharesave ^{5,6}	
Outstanding at 1 January 2024	10,947,382	47,068,204	16,902,217	4.49
Granted ^{2,3}	2,320,695	25,712,216	9,707,454	–
Lapsed ⁷	(2,703,518)	(1,431,969)	(1,289,780)	4.88
Vested/Exercised ⁴	(923,866)	(19,654,725)	(4,754,780)	3.42
Outstanding at 31 December 2024	9,640,693	51,693,726	20,565,111	5.48
Total number of securities available for issue under the plan	9,640,693	51,693,726	20,565,111	5.48
Percentage of the issued shares this represents as at 31 December 2024	0.40	2.13	0.85	
Exercisable as at 31 December 2024	–	250,094	1,121,867	3.78
Range of exercise prices (£) ³	–	–	3.67 – 6.10	
Intrinsic value of vested but not exercised options (\$ million)	0.00	3.10	8.57	
Weighted average contractual remaining life (years)	7.32	8.22	2.58	
Weighted average share price for awards exercised during the period (£)	6.60	6.68	8.20	

1 Granted under the 2021 Plan and 2011 Plan. Employees do not contribute to the cost of these awards.

2 2,315,422 (LTIP) granted on 12 March 2024; 5,059 (LTIP) granted as a notional dividend on 1 March 2024; 214 (LTIP) granted as a notional dividend on 8 August 2024; 24,381,791 (Deferred shares) granted on 11 March 2024; 229,896 (Deferred shares) granted as a notional dividend on 1 March 2024; 463,694 (Deferred shares) granted on 17 June 2024; 86,702 (Deferred shares) granted as a notional dividend on 8 August 2024; 287,533 (Deferred shares) granted on 23 September 2024; 262,600 (Deferred shares) granted on 18 November 2024; 9,707,454 (Sharesave) granted on 23 September 2024.

3 No discretionary awards (LTIP or deferred/buy-out awards) have been granted in the form of options since June 2015. For historic awards granted as options and exercised in the period to 31 December 2024, the exercise price of deferred/ buy-out shares options was nil.

4 Share awards vested on 34 different dates in 2024 and the closing share prices on the working days prior to the vesting dates ranged from £6.46 to £9.91.

5 The exercise price of Sharesave grants are determined with a 20% discount on the higher of the average closing price of the 5 days prior to invitation date or the closing share price of the last day prior to invitation date. For Sharesave options granted in 2024, the exercise price is £6.10 per share calculated based on a 20% discount on £7.62 which was the closing price on the day prior to invitation date of 19 August 2024.

6 All Sharesave awards are in the form of options. The exercise price of Sharesave options is £6.10 for options granted in 2024 £5.88 for options granted in 2023, £4.23 for options granted in 2022, £3.67 for options granted in 2021 and £3.14 for options granted in 2020.

7 No options or share awards were cancelled in the period.

See pages 176 and 177 of the Standard Chartered PLC Annual Report 2024 for information specific to Directors.

32. Investments in subsidiary undertakings, joint ventures and associates

Accounting policy

Associates and joint arrangements

The Group did not have any contractual interest in joint operations.

Investments in associates and joint ventures are accounted for by the equity method of accounting and are initially recognised at cost. The Group's investment in associates and joint ventures includes goodwill identified on acquisition (net of any accumulated impairment loss).

The Group's share of its associates' and joint ventures' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate or a joint venture equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. At each balance sheet date, the Group assesses whether there is any objective evidence of impairment in the investment in associates and joint ventures. Such evidence includes a significant or prolonged decline in the fair value of the Group's investment in an associate or joint venture below its cost, among other factors.

Significant accounting estimates and judgements

The Group applies judgement in determining if it has control, joint control or significant influence over subsidiaries, joint ventures and associates respectively. These judgements are based upon identifying the relevant activities of counterparties, being those activities that significantly affect the entities' returns, and further making a decision of if the Group has control over those entities, joint control, or has significant influence (being the power to participate in the financial and operating policy decisions but not control them).

These judgements are at times determined by equity holdings, and the voting rights associated with those holdings. However, further considerations including but not limited to board seats, advisory committee members and specialist knowledge of some decision-makers are also taken into account. Further judgement is required when determining if the Group has de-facto control over an entity even though it may hold less than 50% of the voting shares of that entity. Judgement is required to determine the relative size of the Group's shareholding when compared to the size and dispersion of other shareholders.

Impairment testing of investments in associates and joint ventures, and on a Company level investments in subsidiaries is performed if there is a possible indicator of impairment. Judgement is used to determine if there is objective evidence of impairment. Objective evidence may be observable data such as losses incurred on the investment when applying the equity method, the granting of concessions as a result of financial difficulty, or breaches of contracts/regulatory fines of the associate or joint venture. Further judgement is required when considering broader indicators of impairment such as losses of active markets or ratings downgrades across key markets in which the associate or joint venture operate in.

Impairment testing is based on estimates including forecasting the expected cash flows from the investments, growth rates, terminal values and the discount rate used in calculation of the present values of those cash flows. The estimation of future cash flows and the level to which they are discounted is inherently uncertain and requires significant judgement.

Business combinations

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

In the Company's financial statements, investment in subsidiaries, associates and joint ventures are held at cost less impairment and dividends from pre-acquisition profits received prior to 1 January 2009, if any. Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated in the Group accounts.

Standard Chartered PLC (Company) investments in subsidiary undertakings	2025 \$million	2024 \$million
As at 1 January	61,593	60,791
Additions ¹	2,823	1,631
Disposal ²	(1,000)	(803)
Other Movements ³	26	(26)
As at 31 December	63,442	61,593

1 Includes internal AT1 issuances of \$2,800 million by Standard Chartered Bank (Hong Kong) and \$23 million by Standard Chartered Holdings Ltd Limited (31 December 2024: Includes internal AT1 issuances of \$980 million by Standard Chartered Bank, \$600 million additional investment in Standard Chartered Holdings Limited).

2 Includes redemption of AT1 capital of \$1,000 million by Standard Chartered Bank (Hong Kong) Limited (31 December 2024: redemption of preference share capital of \$553 million by Standard Chartered Bank Singapore Limited and additional Tier 1 capital of \$250 million by Standard Chartered Bank).

3 2025 movement related to reversal of realised translation gain \$26 million on redemption of AT1 securities of SGD 750 million (\$553 million) upon disposal. 2024 relates to realised translation gain (\$26 million) on redemption of AT1 securities of SGD 750 million (\$553 million).

A complete list of subsidiary undertakings is included in Note 41.

Notes to the financial statements

32. Investments in subsidiary undertakings, joint ventures and associates continued

During 2025 the Group disposed of its indirectly held investments in subsidiaries and the gain/loss on disposal were Standard Chartered Research and Technology India Private Limited (gain: \$238 million including translation adjustment loss: \$3 million), Fourtwothree Pte. Ltd (gain: \$1.8 million), Standard Chartered Bank Gambia Limited (loss: \$5.4 million including translation adjustment loss: \$8 million), Standard Chartered Bank Cameroon S.A. (loss: \$5.3 million including translation adjustment loss: \$9 million) and Tawi Fresh Kenya Limited (loss: \$0.5 million).

While the Group's subsidiaries are subject to local statutory capital and liquidity requirements in relation to foreign exchange remittance, these restrictions arise in the normal course of business and do not significantly restrict the Group's ability to access or use assets and settle liabilities of the Group.

The Group does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the regulatory framework within which the banking subsidiaries operate. These frameworks require banking operations to keep certain levels of regulatory capital, liquid assets, exposure limits and comply with other required ratios. These restrictions are summarised below:

Regulatory and liquidity requirements

The Group's subsidiaries are required to maintain minimum capital, leverage ratios, liquidity and exposure ratios which therefore restrict the ability of these subsidiaries to distribute cash or other assets to the parent company.

The subsidiaries are also required to maintain balances with central banks and other regulatory authorities in the countries in which they operate. At 31 December 2025, the total cash and balances with central banks was \$78 billion (31 December 2024: \$63 billion) of which \$12 billion (31 December 2024: \$8 billion) is restricted.

Statutory requirements

The Group's subsidiaries are subject to statutory requirements not to make distributions of capital and unrealised profits to the parent company, generally to maintain solvency. These requirements restrict the ability of subsidiaries to remit dividends to the Group. Certain subsidiaries are also subject to local exchange control regulations which provide for restrictions on exporting capital from the country other than through normal dividends.

Contractual requirements

The encumbered assets in the balance sheet of the Group's subsidiaries are not available for transfer around the Group.

Share of profit from investment in associates and joint ventures comprises:

	2025 \$million	2024 \$million
Loss from Investment in Joint Ventures	(13)	(10)
Profit from Investment in Associates	75	118
Total	62	108
Interests in associates and joint ventures	2025 \$million	2024 \$million
As at 1 January	1,020	966
Exchange translation difference	64	(40)
Additions ¹	370	22
Share of profits	88	108
Dividend received ²	(47)	(36)
Impairment ³	(41)	-
Share of FVOCI and Other reserves	(28)	9
Other movements	-	(9)
As at 31 December	1,426	1,020

1 Includes investment in Jumbotail Technologies Private Limited for \$344 million.

2 Includes \$45 million capital distribution from Ascenta IV.

3 Includes \$15 million impairment of SBI Zodia Custody Company Limited, \$26 million relating to Group's share of Profits from Bohai recognised in Q4 2025.

Material Associates

A complete list of the Group's interest in associates is included in note 41. Summarised below are those considered material:

Jumbotail Technologies Private Ltd (JTPL)

On acquisition through the SCRTIPL transaction (refer to Note 6), the Group acquired a 46.55 per cent shareholding in JTPL, a company incorporated in India. The carrying value as of 31 December 2025 was \$344 million. JTPL is engaged in business-to-business e-commerce. As a result of the acquisition, the Group has significant influence over the investee through its shareholding and accounts for its interest based on the application of the equity method. The Group's share of the associate's results since acquisition are immaterial.

China Bohai Bank

The Group's ownership percentage in China Bohai Bank is 16.26%.

Although the Group's investment in China Bohai Bank is less than 20 per cent, it is an associate because of the significant influence the Group can exercise over its management and financial and operating policies. This influence is exercised through Board representation and the provision of technical expertise to Bohai. The Group applies the equity method of accounting for investments in associates.

If the Group did not have significant influence over Bohai, the investment would be measured at fair value rather than the current carrying value, which is based on the application of the equity method as described in the accounting policy note.

Bohai publishes their results after the Group. As it is impracticable for Bohai to prepare financial statements sooner, the Group recognises its share of Bohai's earnings on a three-month lag basis. Therefore, the Group recognised its share of Bohai's profits and movements in other comprehensive income from 1 October 2024 through 30 September 2025 (one year of earnings) in the Group's consolidated statement of income and consolidated statement of comprehensive income for the year ended 31 December 2025, also considering any known changes or events in the subsequent period from 1 October 2025 to 31 December 2025 that would have materially affected Bohai's results.

Impairment testing

On 31 December 2025, the listed equity value of Bohai is below the carrying amount of the Group's investment in associate. The Group has assessed that the investment in Bohai remains impaired until there is greater clarity around the macroeconomic outlook in China and the resumption of dividends by Bohai. The Group also assessed the carrying value of its investment in Bohai for impairment and, considering that the investment cannot be recognised at a carrying amount higher than its recoverable amount at the reporting date, has not recognised the Group's share of Bohai's profit for the final quarter of 2025 (\$26 million). Accumulated impairment is \$1,485 million as at 31 December 2025 (\$Nil impairment charge for the year ended 31 December 2024; \$1,459 million of accumulated impairment as at 31 December 2024). The financial forecasts used to estimate the recoverable amount, a VIU calculation, reflects Group management's best estimate of Bohai's future earnings, in line with current economic conditions and Bohai's latest reported results.

The carrying value of the Group's investment in Bohai of \$883 million (2024: \$738 million) represents the higher of the value in use and fair value less costs of disposal. The \$145 million increase to the carrying amount during 2025 reflects the Group's share of profits of \$113 million (which is net of AT1 dividends of \$6 million and \$26 million of impairment); other comprehensive loss of \$35 million and net of foreign exchange profits of \$67 million.

The Group's share of profits and the 2025 impairment are included in 'Profit from associates and joint ventures' on the Consolidated Income Statement.

Bohai	31.12.25 \$million	31.12.24 \$million
VIU	883	738
Carrying amount ¹	883	738
Market capitalisation ²	360	338

1 The Group's 16.26% share in the net assets less other equity instruments which the Group does not hold.

2 Number of shares held by the Group multiplied by the quoted share price at period end.

Notes to the financial statements

32. Investments in subsidiary undertakings, joint ventures and associates continued

Basis of recoverable amount

The impairment test was performed by comparing the recoverable amount of Bohai, determined as the higher of VIU and fair value less costs to dispose, with its carrying amount.

The VIU is calculated using a dividend discount model (DDM), which estimates the distributable future cashflows to the equity holders, after adjusting for regulatory capital requirements, for a 5 year period, after which a terminal value (TV) is calculated based on the Price to Earnings (P/E) exit multiple. The key assumptions in the VIU are as follows:

- Short to medium term projections are based on Group management's best estimates of future profits available to ordinary shareholders and have been determined with reference to the latest published financial results, the historical performance of Bohai and forward looking macro-economic variables for China.
- The projections use available information and include normalised performance over the forecast period, inclusive of: (i) balance sheet growth assumptions based on the short to medium term GDP growth rates for China; (ii) Net Interest Income (NII) projecting interest income (primarily the 1-year Loan Prime Rate, 1-year LPR, as basis) and interest expense (Shanghai Interbank Offered Rate, 3m SHIBOR, as basis) which reference forecasted third-party market interest rates, adjusted for the observed historic spread against the benchmark rate; (iii) Non-interest income estimated according to the latest available performance of Bohai, with consideration of the contribution of the constituent parts of the non-interest income; (iv) Operating expense based on historical performance of Bohai and growth consistent with the short to medium term GDP growth rates applied to balance sheet projections; (v) ECL assumptions using Bohai's historical reported ECL, based on the proportion of ECL from loans and advances to customers and financial investments measured at amortised cost and FVOCI; and (vi) Statutory tax rate of 25% was applied to the taxable profit of Bohai, after consideration of taxable and non-taxable elements, consistent with historical reported results;
- The distributable reserves under the DDM are calculated as the difference between the capital resources and the capital requirements in each of the forecast periods. The calculation assumes a target CET1 capital ratio and risk weighted asset (RWA) growth consistent with total assets.
- The discount rate applied to these cash flows was estimated with reference to a capital asset pricing model (CAPM), which includes a long-term risk-free rate, beta, and company risk premium assumptions for Bohai; and
- A long-term average P/E multiple of comparable companies is used to derive a TV after the five year forecast period.

The VIU model was refined during 2025 to include more granular forecasting assumptions for each period. While it is impracticable for the Group to estimate the impact on future periods, the key changes to the 2025 model are summarised as follows:

- The Group continues to calculate non-interest income with reference to the five components, i.e., net gains on financial investments through P/L, net gains on financial investments through OCI, net fee and commission income, net trading income and other income. All components of non-interest income continue to be grown by the relevant GDP rate for China over the forecasted period. However, the Group changed the returns forecasted for the financial investments through P/L over the forecast period, by using the most recent reported returns as the starting point, normalising such returns to a long-term average over the forecast period. Previously, the return of this component of non-interest income was normalised to the long-term average from the start of the forecast period (year 1), and then grown according to relevant GDP rate of China. As a result of this change, the year 1 total forecasted non-interest income is more aligned to the recently reported results, but due to the normalisation affect, the implied growth is negligible.

The key assumptions used for the VIU calculation:

	31.12.25	31.12.24
Post-tax discount rate ¹	10.0%	10.5%
Total balance-sheet (and risk weighted assets) growth rate	3.33% – 4.59%	3.77% – 4.52%
P/E multiple used to calculate TV	5.7x	5.6x
Interest income ²	3.12% – 3.20%	3.00% – 3.56%
Interest expense ²	1.78% – 1.85%	1.77% – 2.01%
Non-interest income – financial investments return	2.24% – 3.55%	1.91%
Other non-interest income growth rate	3.33% – 4.59%	3.77% – 4.52%
Operating expense ³	3.33% – 4.59%	3.77% – 4.52%
Expected credit losses as a percentage of customer loans ⁴	0.77%	0.84% – 1.36%
Expected credit losses as a percentage of financial investments measured at amortised cost and FVOCI ⁴	0.57%	0.48% – 1.26%
Effective tax rate ⁵	12.77% – 12.96%	5.4% – 14.1%
Capital maintenance ratio	8.00%	8.00%

- 1 Pre-tax discount rate of 15.87 per cent was used in 2025 (2024: 15.31 per cent). The difference in pre-tax discount rates relates to changes in effective tax rate.
- 2 One-year LPR and three-month SHIBOR rate forecasts were sourced from an external third-party provider, and with a spread derived from long-term historical averages, are used to produce the interest income and interest expense forecasts.
- 3 As at 31 December 2025, a growth rate of 4.86 per cent was applied to the FY 2024 operating expense base, the rate being derived from the projected GDP growth rate for China in 2025. In the prior year the operating expense base was the annualised H1 2024 balance, applying apportioned growth rate assumptions. The current year approach results in higher forecasted operating expenses.
- 4 As at 31 December 2024 the low end of the range was based on historical loss rates, and the high end of the range, applied in one of the forecast years, included adjustments for incremental judgemental management overlays. As at 31 December 2025 the ECL assumption is based on historical loss rates with an adjustment for incremental judgemental management overlays, applied over the five-year forecast period.
- 5 The tax rates disclosed are the implied effective tax rates (per cent) over the five-year forecast period. The 31 December 2025 tax expense forecasts, calculated from the taxable profit, considered the long-term historical average of non-taxable income of 17.18 per cent (2024: 16.09 per cent) and non-deductible expenses of 14.56 per cent (2024: 12.53 per cent). A statutory tax rate of 25 per cent was applied to the taxable profit of Bohai, after consideration of taxable and non-taxable elements.

The table below discloses sensitivities to the key assumptions of Bohai, according to management's judgement of reasonably possible changes. Changes were applied to every cash flow year on an individual basis. The percentage change to the assumptions reflects the level at which management assess the reasonableness of the assumptions used and their impact on the Value in Use.

Sensitivities ¹	basis points	Key assumption increase	Key assumption decrease
		Increase/ (decrease) in VIU \$ million	Increase/ (decrease) in VIU \$ million
Discount Rate	100	(31)	33
Total balance sheet (and risk weighted asset) growth rate ²	100	(40)	38
P/E multiple used to calculate TV	1.0x	112	(112)
Net interest income – Scenario 1 ³	10	(19)	19
Net interest income – Scenario 2 ⁴	Various ⁴	375	(234)
Non-interest income – financial investments return	100	295	(295)
Other non-interest income growth rate	100	54	(52)
Operating expense	100	(70)	68
Expected credit losses as a percentage of customer loans	10	(147)	147
Expected credit losses as a percentage of financial investments measured at amortised cost and FVOCI	10	(86)	85
Tax expense ⁵	300	27	(28)
Capital maintenance ratio	50	(25)	25

- 1 For comparative information as at 31 December 2024, refer to page 365 of the Group's Annual Report 2024.
- 2 The sensitivity reflects the net impact of changing this assumption in the VIU, which links to various elements in forecast profit and regulatory capital adjustment.
- 3 This scenario assumes that one-year LPR and three-month SHIBOR increase or decrease by the same amount, to demonstrate the impact on the carrying amount of a similar scenario.
- 4 An alternative scenario is that Bohai's asset yield and liability cost move in the same direction, albeit by different amounts, through the five-year forecast period including the terminal value. The key assumption increase sensitivity assumes that asset yields increase by 25 basis points and liability costs increase by 10 basis points in each period. The key assumption decrease sensitivity assumes that asset yields decrease by 25 basis points and liability costs decrease by 15 basis points in each period.
- 5 Changes in tax expense applied only to both average percentages of non-taxable income (17.18 per cent) and non-deductible expenses (14.56 per cent). Refer to footnote 5 of the key assumptions table for more details.

Notes to the financial statements

32. Investments in subsidiary undertakings, joint ventures and associates continued

The following table sets out the summarised financial statements of China Bohai Bank prior to the Group's share of the associate's profit being applied:

	30.09.25 \$million	30.09.24 \$million
Total assets	272,513	244,510
Total liabilities	256,337	229,259
Operating income ¹	3,472	3,583
Net profit ¹	762	681
Other comprehensive income ¹	(219)	69

1 This represents twelve months of earnings (1 October to 30 September).

33. Structured entities

Accounting policy

Structured entities are consolidated when the substance of the relationship between the Group and the structured entity indicates the Group has power over the contractual relevant activities of the structured entity, is exposed to variable returns, and can use that power to affect the variable return exposure.

In determining whether to consolidate a structured entity to which assets have been transferred, the Group takes into account its ability to direct the relevant activities of the structured entity. These relevant activities are generally evidenced through a unilateral right to liquidate the structured entity, investment in a substantial proportion of the securities issued by the structured entity or where the Group holds specific subordinate securities that embody certain controlling rights. The Group may further consider relevant activities embedded within contractual arrangements such as call options which give the practical ability to direct the entity, special relationships between the structured entity and investors, and if a single investor has a large exposure to variable returns of the structured entity.

Judgement is required in determining control over structured entities. The purpose and design of the entity is considered, along with a determination of what the relevant activities are of the entity and who directs these. Further judgements are made around which investor is exposed to and absorbs the variable returns of the structured entity. The Group will have to weigh up all of these facts to consider whether the Group, or another involved party is acting as a principal in its own right or as an agent on behalf of others. Judgement is further required in the ongoing assessment of control over structured entities, specifically if market conditions have an effect on the variable return exposure of different investors.

Interests in consolidated structured entities: A structured entity is consolidated into the Group's financial statements where the Group controls the structured entity, as per the determination in the accounting policy above.

The following table presents the Group's interests in consolidated structured entities.

	2025 \$million	2024 \$million
Shipping lease	17	14
Principal and other structured finance	592	474
Total	609	488

Interests in unconsolidated structured entities: Unconsolidated structured entities are all structured entities that are not controlled by the Group. The Group enters transactions with unconsolidated structured entities in the normal course of business to facilitate customer transactions and for specific investment opportunities. An interest in a structured entity is contractual or non-contractual involvement which creates variability of the returns of the Group arising from the performance of the structured entity.

Notes to the financial statements

33. Structured entities continued

The table below presents the carrying amount of the assets recognised in the financial statements relating to variable interests held in unconsolidated structured entities, the maximum exposure to loss relating to those interests and the total assets of the structured entities. Maximum exposure to loss is primarily limited to the carrying amount of the Group's on-balance sheet exposure to the structured entity. For derivatives, the maximum exposure to loss represents the on-balance sheet valuation and not the notional amount. For commitments and guarantees, the maximum exposure to loss is the notional amount of potential future losses.

	2025						2024					
	Asset-backed securities \$million	Lending \$million	Structured Finance \$million	Principal Finance funds \$million	Other activities \$million	Total \$million	Asset-backed securities \$million	Lending \$million	Structured Finance \$million	Principal Finance Funds \$million	Other activities \$million	Total \$million
Group's interest – assets												
Financial assets held at fair value through profit or loss	2,143	457	200	91	–	2,891	1,222	255	178	124	–	1,779
Loans and advances/ Investment securities at amortised cost	15,312	22,462	14,201	–	107	52,082	16,305	16,735	12,656	–	97	45,793
Investment securities (fair value through other comprehensive income)	1,227	–	–	–	–	1,227	2,371	–	–	–	–	2,371
Other assets	–	8	12	–	–	20	–	–	1	–	–	1
Total assets	18,682	22,927	14,413	91	107	56,220	19,898	16,990	12,835	124	97	49,944
Off-balance sheet	151	17,128	7,471	24	32	24,806	–	11,075	6,901	63	73	18,112
Group's maximum exposure to loss	18,833	40,055	21,884	115	139	81,026	19,898	28,065	19,736	187	170	68,056
Total assets of structured entities	183,418	24,153	17,802	186	–	225,559	129,864	17,579	14,758	226	–	162,427

The main types of activities for which the Group utilises unconsolidated structured entities cover synthetic credit default swaps for managed investment funds (including specialised Principal Finance funds), portfolio management purposes, structured finance and asset-backed securities. These are detailed as follows:

- **Asset-backed securities (ABS):** The Group also has investments in asset-backed securities issued by third-party sponsored and managed structured entities. For the purpose of market making and at the discretion of ABS trading desk, the Group may hold an immaterial amount of debt securities from structured entities originated by credit portfolio management. This is disclosed in the ABS column above.
- **Portfolio management (Group sponsored entities):** For the purposes of portfolio management, the Group purchased credit protection via synthetic credit default swaps from note-issuing structured entities. This credit protection creates credit risk which the structured entity and subsequently the end investor absorbs. The referenced assets remain on the Group's balance sheet as they are not assigned to these structured entities. The Group continues to own or hold all of the risks and returns relating to these assets. The credit protection obtained from the regulatory-compliant securitisation only serves to protect the Group against losses upon the occurrence of eligible credit events and the underlying assets are not derecognised from the Group's balance sheet. The Group does not hold any equity interests in the structured entities, but may hold an insignificant amount of the issued notes for market making purposes. This is disclosed in the ABS section above. The proceeds of the notes' issuance are typically held as cash collateral in the issuer's account operated by a trustee or invested in AAA-rated government-backed securities to collateralise the structured entities swap obligations to the Group, and to repay the principal to investors at maturity. The structured entities reimburse the Group on actual losses incurred, through the use of the cash collateral or realisation of the collateral security. Correspondingly, the structured entities write down the notes issued by an equal amount of the losses incurred, in reverse order of seniority. All funding is committed for the life of these vehicles and the Group has no indirect exposure in respect of the vehicles' liquidity position. The Group has reputational risk in respect of certain portfolio management vehicles and investment funds either because the Group is the arranger and lead manager or because the structured entities have Standard Chartered branding.
- **Lending:** Lending comprises secured lending in the normal course of business to third parties through structured entities.
- **Structured finance:** Structured finance comprises interests in transactions that the Group or, more usually, a customer has structured, using one or more structured entities, which provide beneficial arrangements for customers. The Group's exposure primarily represents the provision of funding to these structures as a financial intermediary, for which it receives a lender's return. The transactions largely relate to real estate financing and the provision of aircraft leasing and ship finance.

- **Principal Finance Fund:** The Group's exposure to Principal Finance Funds represents committed or invested capital in unleveraged investment funds, primarily investing in pan-Asian infrastructure, real estate and private equity.
- **Other activities:** Other activities include structured entities created to support margin financing transactions, the refinancing of existing credit and debt facilities, as well as setting up of bankruptcy remote structured entities.

In the above table, the Group determined the total assets of the structured entities using following bases:

- Asset Backed Securities, Principal Finance, and other activities are based on the published total assets of the structured entities.
- Lending and Structured Finance are estimated based on the Group's loan values to the structured entities.

34. Cash flow statement

Adjustment for non-cash items and other adjustments included within income statement

	Group		Company	
	2025 \$million	2024 \$million	2025 \$million	2024 \$million
Amortisation of discounts and premiums of investment securities	(740)	(815)	-	-
Interest expense on subordinated liabilities	552	744	471	578
Interest expense on senior debt securities in issue	2,392	2,584	1,777	1,855
Other non-cash items	(152)	(122)	(3)	(12)
Net (gain)/loss on sale of business	(242)	210	-	-
Pension costs for defined benefit schemes	125	62	-	-
Share-based payment costs	399	334	-	-
Impairment losses on loans and advances and other credit risk provisions	672	547	-	-
Dividend income from subsidiaries	-	-	(5,160)	(4,101)
Other impairment	65	588	-	-
Gain on disposal of property, plant and equipment	(133)	(23)	-	-
Loss on disposal of FVOCI and AMCST financial assets	53	264	-	-
Depreciation and amortisation	1,170	1,126	-	-
Fair value changes taken to income statement	(2,027)	(2,140)	(53)	9
Foreign Currency revaluation	(87)	(583)	(115)	1
Profit from associates and joint ventures	(62)	(108)	-	-
Total	1,985	2,668	(3,083)	(1,670)

Change in operating assets

	2025 \$million	2024 \$million	2025 \$million	2024 \$million
Decrease/(increase) in derivative financial instruments	16,161	(31,939)	(127)	(32)
(Increase)/decrease in debt securities, treasury bills and equity shares held at fair value through profit or loss	(3,900)	(25,823)	4,198	376
Increase in loans and advances to banks and customers	(11,949)	(13,776)	-	-
Net decrease/(increase) in prepayments and accrued income	189	(224)	-	-
Net (increase)/decrease in other assets	(28,629)	5,331	(5,305)	338
Total	(28,128)	(66,431)	(1,234)	682

Change in operating liabilities

	2025 \$million	2024 \$million	2025 \$million	2024 (Restated) ¹ \$million
(Decrease)/ increase in derivative financial instruments	(14,304)	26,951	(288)	(39)
Net increase in deposits from banks, customer accounts, debt securities in issue, Hong Kong notes in circulation and short positions	71,370	7,253	2,083	1,340
Increase in accruals and deferred income	340	79	98	101
Net increase/ (decrease) in other liabilities	513	5,090	(129)	(1,574)
Increase in amount due to parents/subsidiaries/other related parties	-	-	190	35
Total	57,919	39,373	1,954	(137)

1 Prior Period has been restated to exclude Debt Securities in Issue designated at fair value through P&L. Net increase in deposits from banks, customer accounts, debt securities in issue, Hong Kong notes in circulation and short positions for 2024 has been restated by \$727 million.

Notes to the financial statements

34. Cash flow statement continued

Changes in liabilities arising from financing activities

	Group		Company	
	2025 \$million	2024 \$million	2025 \$million	2024 \$million
Subordinated debt (including accrued interest):				
Opening balance	10,536	12,216	10,491	12,123
Interest paid	(421)	(519)	(410)	(505)
Repayment	(2,174)	(1,517)	(2,174)	(1,517)
Foreign exchange movements	345	(191)	346	(190)
Fair value changes from hedge accounting	275	48	174	97
Accrued interest and Others	410	499	391	483
Closing balance	8,971	10,536	8,818	10,491
				(Restated) ¹
Senior debt (including accrued interest):				
Opening balance	40,576	41,350	32,835	31,525
Proceeds from the issue	11,583	11,044	7,955	7,422
Interest paid	(1,892)	(1,366)	(1,576)	(1,367)
Repayment	(9,364)	(11,185)	(4,752)	(6,222)
Foreign exchange movements	692	(454)	664	(343)
Fair value changes from hedge accounting	403	42	663	321
Accrued interest and Others	2,001	1,145	1,700	1,499
Closing balance	43,999	40,576	37,489	32,835

1 Prior Year has been restated to include Debt Securities in Issue designated at fair value through P&L. Opening balance and Closing balance has increased by \$14,007 million and \$14,175 million respectively. Other related changes include increases in proceeds from issue of \$3,535 million, interest paid of \$659 million, repayment of \$3,603 million, fair value changes from hedge accounting of \$315 million and accrued interest and others of \$675 million.

Senior debt is presented as part of debt securities in issue in the Group and Company balance sheets. Of the \$11.6 billion proceeds from issue of senior debt issued by the Group, \$7.9 billion relates to senior debt issued by the Company and \$3.7 billion relates to senior debt issued by the Company's subsidiaries.

35. Cash and cash equivalents

Accounting policy

Cash and cash equivalents includes:

- Cash on hand and balances at central banks that are on demand or placements which are contractually due to mature overnight only, except for restricted balances; and
- Other balances listed in the table below, when they have less than three months' maturity from the date of acquisition, are not subject to contractual restrictions, are subject to insignificant changes in value, are highly liquid and are held for the purpose of meeting short-term cash commitments. This includes products such as treasury bills and other eligible bills, short-term government securities, loans and advances to banks (including reverse repos), and loans and advances to customers (only non demand or non overnight placements at central banks), which are held for appropriate business purposes. On demand accounts with non central banks are reported as part of 'Loans & Advances to banks'.

	Group		Company	
	2025 \$million	2024 \$million	2025 \$million	2024 \$million
Cash and balances at central banks	77,746	63,447	-	-
Less: restricted balances	(11,630)	(7,799)	-	-
Treasury bills and other eligible bills	15,294	5,472	-	-
Loans and advances to banks	8,973	9,654	-	-
Loans and advances to Customers	13,335	18,120	-	-
Investments	1,204	1,034	-	-
Amounts owed by and due to subsidiary undertakings	-	-	15,226	11,601
Total	104,922	89,928	15,226	11,601

36. Related party transactions

Directors and officers

Details of directors' remuneration and interests in shares are disclosed in the Directors' remuneration report.

IAS 24 Related party disclosures requires the following additional information for key management compensation.

Key management comprises non-executive directors, executive directors of Standard Chartered PLC, the Court directors of Standard Chartered Bank and the persons discharging managerial responsibilities (PDMR) of Standard Chartered PLC.

	2025 ¹ \$million	2024 \$million
Salaries, allowances and benefits in kind	47	41
Share-based payments	40	38
Bonuses paid or receivable	-	7
Termination benefits	-	2
Total	87	88

¹ Following the Prudential Regulation Authority (PRA) publication of revised remuneration regulations on 15 October 2025, we have changed the structure of variable remuneration from 2025 onwards. This is reflected in the table above, with the value split between salaries, allowances and benefit in kind and share based payments in line with IAS 24.

Transactions with directors and others

At 31 December 2025, the total amounts to be disclosed under the Companies Act 2006 (the Act) and the Listing Rules of the Hong Kong Stock Exchange Limited (Hong Kong Listing Rules) about loans to directors were as follows:

	2025 \$million	2024 \$million
Advances and credits	4	-
Deposits	32	-

Directors and officers have banking relationships with Group companies which are entered into in the normal course of business and on substantially the same terms as for comparable transactions with other persons of a similar standing or, where applicable, with other employees within limits acceptable to the PRA. These transactions did not involve more than the normal risk of repayment or present other unfavourable features. The loan transactions provided to the directors of Standard Chartered PLC were a connected transaction under Chapter 14A of the Hong Kong Listing Rules. It was fully exempt as financial assistance under Rule 14A.87(1), as it was provided in our ordinary and usual course of business and on normal commercial terms.

As at 31 December 2025, Standard Chartered Bank had in place a charge over \$69 million (31 December 2024: \$68 million) of cash assets in favour of the independent trustee of its employer financed retirement benefit scheme.

Other than as disclosed in the Annual Report and Accounts, there were no other transactions, arrangements or agreements outstanding for any director, connected person or officer of the Company which have to be disclosed under the Act, the rules of the UK Listing Authority or the Hong Kong Listing Rules.

Details of non-revenue transactions with Temasek Holdings (Private) Limited are set out on page 212.

Company

The Company has received \$1,724 million (31 December 2024: \$1,838 million) of net interest income from its subsidiaries. The Company issues debt externally and lends proceeds to Group companies.

The Company has an agreement with Standard Chartered Bank that in the event of Standard Chartered Bank defaulting on its debt coupon interest payments, where the terms of such debt requires it, the Company shall issue shares as settlement for non-payment of the coupon interest.

	2025			2024		
	Standard Chartered Bank \$million	Standard Chartered Bank (Hong Kong) Limited \$million	Others ¹ \$million	Standard Chartered Bank \$million	Standard Chartered Bank (Hong Kong) Limited \$million	Others ¹ \$million
Assets						
Due from subsidiaries	14,816	141	270	11,318	135	147
Derivative financial instruments	228	-	-	98	-	-
Debt securities	16,605	5,875	904	18,124	5,512	1,221
Total assets	31,649	6,016	1,174	29,540	5,647	1,368
Liabilities						
Due to subsidiaries	225	-	-	-	-	-
Derivative financial instruments	777	26	-	1,042	23	-
Total liabilities	1,002	26	-	1,042	23	-

¹ Others include Standard Chartered Bank (Singapore) Limited, Standard Chartered Holdings Limited and Standard Chartered I H Limited.

Notes to the financial statements

36. Related party transactions continued

Associate and joint ventures

	2025 \$million	2024 \$million
Assets		
Financial Assets held at FVTPL	10	–
Derivative assets	5	5
Total assets	15	5
Liabilities		
Deposits	416	209
Derivative liabilities	3	4
Total liabilities	419	213
Loan commitments and other guarantees ¹	107	14

1 The maximum loan commitments and other guarantees during the period were \$107 million (31 December 2024: \$14 million).

37. Post balance sheet events

A share buyback for up to a maximum consideration of \$1.5 billion has been declared by the directors after 31 December 2025. This will reduce the number of ordinary shares in issue by cancelling the repurchased shares.

A final dividend for 2025 of 49 cents per ordinary share was declared by the directors after 31 December 2025.

38. Auditor's remuneration

Auditor's remuneration is included within other general administration expenses. The amounts paid by the Group to their principal auditor, Ernst & Young LLP and its associates (together Ernst & Young LLP), are set out below. All services are approved by the Group Audit Committee and are subject to controls to ensure the external auditor's independence is unaffected by the provision of other services.

	2025 \$million	2024 \$million
Audit fees for the Group statutory audit	36.9	31.3
Of which fees for the audit of Standard Chartered Bank Group	27.3	23.2
Fees payable to EY for other services provided to the SC PLC Group:		
Audit of Standard Chartered PLC subsidiaries	14.5	13.5
Total audit fees	51.4	44.8
Audit-related assurance services	7.7	6.6
Other assurance services	5.8	5.4
Other non-audit services	1.3	0.4
Transaction related services	0.6	0.6
Total non-audit fees	15.4	13.0
Total fees payable	66.8	57.8

The following is a description of the type of services included within the categories listed above:

- Audit fees for the Group statutory audit are in respect of fees payable to Ernst & Young LLP for the statutory audit of the consolidated financial statements of the Group and the separate financial statements of Standard Chartered PLC
- Audit-related fees consist of fees such as those for services required by law or regulation to be provided by the auditor, reviews of interim financial information, reporting on regulatory returns, reporting to a regulator on client assets and extended work performed over financial information and controls authorised by those charged with governance
- Other assurance services include agreed-upon-procedures in relation to statutory and regulatory filings
- Transaction related services are fees payable to Ernst & Young LLP for issuing comfort letters

Expenses incurred in respect of their role as auditor, were reimbursed to EY LLP \$1 million (2024: \$1 million).

39. Standard Chartered PLC (Company)

Classification and measurement of financial instruments

	2025				2024			
	Derivatives held for hedging \$million	Amortised cost \$million	Non-trading mandatorily at fair value through profit or loss \$million	Total \$million	Derivatives held for hedging \$million	Amortised cost \$million	Non-trading mandatorily at fair value through profit or loss \$million	Total \$million
Financial assets								
Financial assets held at fair value through profit or loss								
Investment securities	-	-	18,475 ¹	18,475	-	-	19,049 ¹	19,049
Derivatives	239	-	-	239	112	-	-	112
Investment securities	-	4,904	-	4,904	-	5,808	-	5,808
Amounts owed by subsidiary undertakings	-	15,226	-	15,226	-	11,601	-	11,601
Total	239	20,130	18,475	38,844	112	17,409	19,049	36,570

1 Standard Chartered Bank, Standard Chartered Bank (Hong Kong) Limited, Standard Chartered Bank (China) Limited and Standard Chartered Bank (Singapore) Limited issued Loss Absorbing Capacity (LAC) eligible debt securities.

Instruments classified as amortised cost, which include investment securities and amounts owed by subsidiary undertakings, are recorded in stage 1 for the recognition of expected credit losses.

Derivatives held for hedging are held at fair value and are classified as Level 2 and Level 3 while the counterparty is Standard Chartered Bank and external counterparties.

Investment securities comprise debt securities held at amortised cost issued by Standard Chartered Bank and SC Ventures Holdings Limited and have a fair value that approximates to carrying value of \$4,904 million (31 December 2024: \$5,808 million).

In 2025 and 2024, amounts owed by subsidiary undertakings have a fair value that approximates to carrying value.

	2025				2024			
	Derivatives held for hedging \$million	Amortised cost \$million	Designated at fair value through profit or loss \$million	Total \$million	Derivatives held for hedging \$million	Amortised cost \$million	Designated at fair value through profit or loss \$million	Total \$million
Financial liabilities								
Financial liabilities held at fair value through profit or loss								
Debt securities in issue	-	-	15,645	15,645	-	-	14,175	14,175
Subordinated liabilities and other borrowed funds	-	-	1,853	1,853	-	-	2,677	2,677
Derivatives	777	-	-	777	1,065	-	-	1,065
Debt securities in issue	-	21,231	-	21,231	-	18,167	-	18,167
Subordinated liabilities and other borrowed funds	-	6,831	-	6,831	-	7,661	-	7,661
Amounts owed to subsidiary undertakings	-	225	-	225	-	35	-	35
Total	777	28,287	17,498	46,562	1,065	25,863	16,852	43,780

Derivatives held for hedging are held at fair value and are classified as Level 2 while the counterparty is Standard Chartered Bank and Standard Chartered Bank (Hong Kong) Limited.

The fair value of debt securities in issue held at amortised cost is \$21,801 million (2024: \$18,313 million).

The fair value of subordinated liabilities and other borrowed funds held at amortised cost is \$6,668 million (2024: \$7,336 million).

Derivative financial instruments

	2025			2024		
	Notional principal amounts \$million	Assets \$million	Liabilities \$million	Notional principal amounts \$million	Assets \$million	Liabilities \$million
Derivatives						
Foreign exchange derivative contracts:						
Forward foreign exchange	8,819	46	23	9,077	46	30
Currency swaps	72	-	-	545	20	-
Interest rate derivative contracts:						
Swaps	13,949	182	754	14,863	32	1,035
Credit derivative contracts	3,690	11	-	4,030	14	-
Total	26,530	239	777	28,515	112	1,065

Notes to the financial statements

39. Standard Chartered PLC (Company) continued

Credit risk

	2025 \$million	2024 \$million
Derivative financial instruments	239	112
Debt securities	23,379	24,857
Amounts owed by subsidiary undertakings	15,226	11,601
Total	38,844	36,570

In 2025 and 2024, amounts owed by subsidiary undertakings were neither past due nor impaired; the Company had no individually impaired loans.

In 2025 and 2024, the Company had no impaired debt securities. The debt securities held by the Company are issued by Standard Chartered Bank, Standard Chartered Bank (Hong Kong) Limited, Standard Chartered Bank (China) Limited and Standard Chartered Bank (Singapore) Limited, subsidiary undertakings with credit ratings of A+.

There is no material expected credit loss on these instruments as they are Stage 1 assets, and of a high quality.

Liquidity risk

The following table analyses the residual contractual maturity of the assets and liabilities of the Company on a discounted basis:

	2025								Total \$million
	One month or less \$million	Between one month and three months \$million	Between three months and six months \$million	Between six months and nine months \$million	Between nine months and one year \$million	Between one year and two years \$million	Between two years and five years \$million	More than five years and undated \$million	
Assets									
Derivative financial instruments	133	–	11	19	1	–	37	38	239
Investment securities	1,498	–	36	1	–	–	8,633	13,211	23,379
Amount owed by subsidiary undertakings	2,569	679	867	1,506	591	596	4,847	3,571	15,226
Investments in subsidiary undertakings	–	–	–	–	–	–	–	63,442	63,442
Total assets	4,200	679	914	1,526	592	596	13,517	80,262	102,286
Liabilities									
Derivative financial instruments	17	–	16	–	–	21	191	532	777
Senior debt	–	–	1,269	–	–	5,315	13,600	16,692	36,876
Amount owed to subsidiary undertakings	225	–	–	–	–	–	–	–	225
Other liabilities	370	741	155	9	3	–	–	–	1,278
Subordinated liabilities and other borrowed funds	2	43	15	154	–	1,457	753	6,260	8,684
Total liabilities	614	784	1,455	163	3	6,793	14,544	23,484	47,840
Net liquidity gap	3,586	(105)	(541)	1,363	589	(6,197)	(1,027)	56,778	54,446

	2024								Total \$million
	One month or less \$million	Between one month and three months \$million	Between three months and six months \$million	Between six months and nine months \$million	Between nine months and one year \$million	Between one year and two years \$million	Between two years and five years \$million	More than five years and undated \$million	
Assets									
Derivative financial instruments	45	23	–	20	–	24	–	–	112
Investment securities	–	–	–	–	–	1,725	7,205	15,927	24,857
Amount owed by subsidiary undertakings	1,763	1,536	1,931	110	53	2,355	2,695	1,158	11,601
Investments in subsidiary undertakings	–	–	–	–	–	–	–	61,593	61,593
Other assets	–	–	–	–	–	–	–	–	–
Total assets	1,808	1,559	1,931	130	53	4,104	9,900	78,678	98,163
Liabilities									
Derivative financial instruments	30	–	22	–	–	53	147	813	1,065
Senior debt	–	–	992	–	–	4,979	12,887	13,484	32,342
Amount owed to subsidiary undertakings	35	–	–	–	–	–	–	–	35
Other liabilities	304	512	126	14	3	–	–	–	959
Subordinated liabilities and other borrowed funds	2	46	14	187	–	376	1,995	7,718	10,338
Total liabilities	371	558	1,154	201	3	5,408	15,029	22,015	44,739
Net liquidity gap	1,437	1,001	777	(71)	50	(1,304)	(5,129)	56,663	53,424

Financial liabilities on an undiscounted basis

	2025								Total \$million
	One month or less \$million	Between one month and three months \$million	Between three months and six months \$million	Between six months and nine months \$million	Between nine months and one year \$million	Between one year and two years \$million	Between two years and five years \$million	More than five years and undated \$million	
Derivative financial instruments	265	–	16	–	–	22	206	325	834
Debt securities in issue	314	237	1,654	449	315	6,939	17,037	19,424	46,369
Subordinated liabilities and other borrowed funds	33	116	36	164	–	1,541	889	11,538	14,317
Other liabilities	33	1,245	–	–	–	–	–	–	1,278
Total liabilities	645	1,598	1,706	613	315	8,502	18,132	31,287	62,798
	2024								Total \$million
	One month or less \$million	Between one month and three months \$million	Between three months and six months \$million	Between six months and nine months \$million	Between nine months and one year \$million	Between one year and two years \$million	Between two years and five years \$million	More than five years and undated \$million	
Derivative financial instruments	30	–	22	–	–	53	147	813	1,065
Debt securities in issue	276	151	1,355	368	308	6,333	15,780	15,635	40,206
Subordinated liabilities and other borrowed funds	33	134	34	206	–	407	2,261	13,473	16,548
Other liabilities	–	959	–	–	–	–	–	–	959
Total liabilities	339	1,244	1,411	574	308	6,793	18,188	29,921	58,778

Notes to the financial statements

40. Re-presentation tables of Credit risk disclosures by key geography

As set out in note 1 to the financial statements, prior period amounts for certain Credit risk tables (required by IFRS 7 – Financial Instruments: Disclosures) within the Risk review on pages 233 to 276 were also re-presented for a change in accounting policy for the presentation of the Group’s geographic disclosures to align to information reported to key management personnel and to incorporate loans reported in Central & other items into the tables on pages 238 and 244. The following tables provide a reconciliation between the tables previously disclosed at 31 December 2024 and the re-presented tables in these financial statements.

Loans and advances analysis by client segment, credit quality and key geography – Corporate & Investment Banking and Central & other items (page 244)

Published table as of 31 December 2024

Corporate & Investment Banking and Central & other items																			
2024																			
	Gross									Credit Impairment									Total Coverage %
	Stage 1			Stage 2			Stage 3			Stage 1			Stage 2			Stage 3			
	Strong \$million	Satisfactory \$million	Total \$million	Strong \$million	Satisfactory \$million	Higher Risk \$million	Total \$million	Defaulted \$million	Total \$million	Strong \$million	Satisfactory \$million	Total \$million	Strong \$million	Satisfactory \$million	Higher Risk \$million	Total \$million	Impaired \$million	Total \$million	
Hong Kong	32,552	12,079	44,631	230	1,539	64	1,833	1,272	1,272	(8)	(8)	(16)	(33)	(107)	(9)	(149)	(1,157)	(1,157)	(2.8)%
Corporate Lending	14,429	6,180	20,609	225	1,329	64	1,618	1,260	1,260	(5)	(4)	(9)	(33)	(102)	(9)	(144)	(1,157)	(1,157)	(5.6)%
Non Corporate Lending ¹	4,567	2,730	7,297	4	206	-	210	12	12	(1)	(3)	(4)	-	(5)	-	(5)	-	-	(0.1)%
Banks	13,556	3,169	16,725	1	4	-	5	-	-	(2)	(1)	(3)	-	-	-	-	-	-	(0.0)%
Singapore	31,129	7,769	38,898	500	955	35	1,490	407	407	-	(8)	(8)	(4)	(14)	-	(18)	(196)	(196)	(0.5)%
Corporate Lending	7,333	4,003	11,336	469	594	35	1,098	335	335	-	(6)	(6)	(4)	(14)	-	(18)	(195)	(195)	(1.7)%
Non Corporate Lending ¹	19,348	567	19,915	29	358	-	387	-	-	-	(1)	(1)	-	-	-	-	-	-	(0.0)%
Banks	4,448	3,199	7,647	2	3	-	5	72	72	-	(1)	(1)	-	-	-	-	(1)	(1)	(0.0)%
China	10,380	2,794	13,174	49	133	14	196	171	171	(3)	(1)	(4)	-	-	-	-	(86)	(86)	(0.7)%
Corporate Lending	4,933	2,193	7,126	49	133	14	196	168	168	(1)	(1)	(2)	-	-	-	-	(83)	(83)	(1.1)%
Non Corporate Lending ¹	3,241	363	3,604	-	-	-	-	-	-	(1)	-	(1)	-	-	-	-	-	-	(0.0)%
Banks	2,206	238	2,444	-	-	-	-	3	3	(1)	-	(1)	-	-	-	-	(3)	(3)	(0.2)%
UK	11,029	3,939	14,968	48	479	3	530	316	316	(10)	(4)	(14)	-	(27)	(6)	(33)	(258)	(258)	(1.9)%
Corporate Lending	325	871	1,196	47	479	1	527	258	258	(9)	(3)	(12)	-	(27)	(6)	(33)	(237)	(237)	(14.2)%
Non Corporate Lending ¹	8,690	982	9,672	1	-	-	1	57	57	(1)	(1)	(2)	-	-	-	-	(21)	(21)	(0.2)%
Banks	2,014	2,086	4,100	-	-	2	2	1	1	-	-	-	-	-	-	-	-	-	(0.0)%
US	16,244	4,456	20,700	92	433	33	558	31	31	(4)	(1)	(5)	(1)	(1)	-	(2)	(3)	(3)	(0.0)%
Corporate Lending	5,426	2,761	8,187	77	322	-	399	28	28	(3)	(1)	(4)	(1)	(1)	-	(2)	-	-	(0.1)%
Non Corporate Lending ¹	9,688	123	9,811	15	79	-	94	3	3	(1)	-	(1)	-	-	-	-	(3)	(3)	(0.0)%
Banks	1,130	1,572	2,702	-	32	33	65	-	-	-	-	-	-	-	-	-	-	-	(0.0)%
Others	42,171	19,370	61,541	318	3,251	819	4,389	2,460	2,460	(10)	(33)	(43)	(3)	(70)	(29)	(102)	(1,483)	(1,483)	(2.4)%
Corporate Lending	24,835	14,075	38,910	291	2,048	516	2,855	2,221	2,221	(6)	(26)	(32)	(3)	(38)	(28)	(69)	(1,333)	(1,333)	(3.3)%
Non Corporate Lending ¹	9,451	3,590	13,041	22	1,117	153	1,292	232	232	-	(6)	(6)	-	(31)	(1)	(32)	(149)	(149)	(1.3)%
Banks	7,885	1,705	9,590	5	86	150	241	7	7	(4)	(1)	(5)	-	(1)	-	(1)	(1)	(1)	(0.1)%
Total	143,505	50,407	193,912	1,237	6,790	968	8,996	4,657	4,657	(35)	(55)	(90)	(41)	(219)	(44)	(304)	(3,183)	(3,183)	(1.7)%

1 Refer to the equivalent table on page 244 of the Risk Review section.

Adjustment table

Corporate & Investment Banking and Central & other items

	2024																			Total Coverage %
	Gross									Credit Impairment										
	Stage 1			Stage 2			Stage 3			Stage 1			Stage 2			Stage 3				
	Strong \$million	Satisfactory \$million	Total \$million	Strong \$million	Satisfactory \$million	Higher Risk \$million	Total \$million	Defaulted \$million	Total \$million	Strong \$million	Satisfactory \$million	Total \$million	Strong \$million	Satisfactory \$million	Higher Risk \$million	Total \$million	Impaired \$million	Total \$million		
Hong Kong	2,909	-	2,909	-	-	-	-	(36)	(36)	-	-	-	-	-	-	-	-	-		
Corporate Lending	1,199	-	1,199	-	-	-	-	(36)	(36)	-	-	-	-	-	-	-	-	-		
Non Corporate Lending ¹	41	-	41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Banks	1,669	-	1,669	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Singapore	(2,985)	(993)	(3,978)	-	(64)	-	(64)	70	70	-	-	-	-	-	-	-	-	-		
Corporate Lending	(2,212)	(454)	(2,666)	-	(64)	-	(64)	70	70	-	-	-	-	-	-	-	-	-		
Non Corporate Lending ¹	(808)	(524)	(1,332)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Banks	35	(15)	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
China	10	50	60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Corporate Lending	(1)	50	49	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Non Corporate Lending ¹	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Banks	11	-	11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
UK	(10,526)	(2,046)	(12,572)	-	(1,461)	(138)	(1,599)	(440)	(440)	-	-	-	-	-	-	-	-	-		
Corporate Lending	(2,006)	(1,211)	(3,217)	-	(954)	(26)	(980)	(400)	(400)	-	-	-	-	-	-	-	-	-		
Non Corporate Lending ¹	(8,350)	(771)	(9,121)	-	(507)	(112)	(619)	(40)	(40)	-	-	-	-	-	-	-	-	-		
Banks	(170)	(64)	(234)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
US	537	56	593	-	-	-	-	27	27	-	-	-	-	-	-	-	-	-		
Corporate Lending	92	56	148	-	-	-	-	27	27	-	-	-	-	-	-	-	-	-		
Non Corporate Lending ¹	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Banks	445	-	445	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Others	10,055	2,933	12,988	-	1,525	138	1,663	379	379	-	-	-	-	-	-	-	-	-		
Corporate Lending	2,926	1,559	4,485	-	1,018	26	1,044	338	338	-	-	-	-	-	-	-	-	-		
Non Corporate Lending ¹	9,119	1,294	10,413	-	507	112	619	41	41	-	-	-	-	-	-	-	-	-		
Banks	(1,990)	80	(1,910)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

1 Refer to the equivalent table on page 244 of the Risk Review section.

Notes to the financial statements

40. Re-presentation tables of Credit risk disclosures by key geography continued Re-presented table as of 31 December 2024

	Corporate & Investment Banking and Central & other items ¹																			
	2024																			
	Gross									Credit Impairment										
	Stage 1			Stage 2			Stage 3			Stage 1			Stage 2			Stage 3			Total Coverage %	
Strong \$m	Satisfactory \$m	Total \$m	Strong \$m	Satisfactory \$m	Higher Risk \$m	Total \$m	Defaulted \$m	Total \$m	Strong \$m	Satisfactory \$m	Total \$m	Strong \$m	Satisfactory \$m	Higher Risk \$m	Total \$m	Impaired \$m	Total \$m			
Hong Kong	29,643	12,079	41,722	230	1,539	64	1,833	1,308	1,308	(8)	(8)	(16)	(33)	(107)	(9)	(149)	(1,157)	(1,157)	(2.9)%	
Corporate																				
Lending	13,230	6,180	19,410	225	1,329	64	1,618	1,296	1,296	(5)	(4)	(9)	(33)	(102)	(9)	(144)	(1,157)	(1,157)	(5.9)%	
Non Corporate																				
Lending	4,526	2,730	7,256	4	206	-	210	12	12	(1)	(3)	(4)	-	(5)	-	(5)	-	-	(0.1)%	
Banks	11,887	3,169	15,056	1	4	-	5	-	-	(2)	(1)	(3)	-	-	-	-	-	-	(0.0)%	
Singapore	34,114	8,762	42,876	500	1,019	35	1,554	337	337	-	(8)	(8)	(4)	(14)	-	(18)	(196)	(196)	(0.5)%	
Corporate																				
Lending	9,545	4,457	14,002	469	658	35	1,162	265	265	-	(6)	(6)	(4)	(14)	-	(18)	(195)	(195)	(1.4)%	
Non Corporate																				
Lending	20,156	1,091	21,247	29	358	-	387	-	-	-	(1)	(1)	-	-	-	-	-	-	(0.0)%	
Banks	4,413	3,214	7,627	2	3	-	5	72	72	-	(1)	(1)	-	-	-	-	(1)	(1)	(0.0)%	
China	10,370	2,744	13,114	49	133	14	196	171	171	(3)	(1)	(4)	-	-	-	-	(86)	(86)	(0.7)%	
Corporate																				
Lending	4,934	2,143	7,077	49	133	14	196	168	168	(1)	(1)	(2)	-	-	-	-	(83)	(83)	(1.1)%	
Non Corporate																				
Lending	3,241	363	3,604	-	-	-	-	-	-	(1)	-	(1)	-	-	-	-	-	-	(0.0)%	
Banks	2,195	238	2,433	-	-	-	-	3	3	(1)	-	(1)	-	-	-	-	(3)	(3)	(0.2)%	
UK	21,555	5,985	27,540	48	1,940	141	2,129	756	756	(10)	(4)	(14)	-	(27)	(6)	(33)	(258)	(258)	(1.0)%	
Corporate																				
Lending	2,331	2,082	4,413	47	1,433	27	1,507	658	658	(9)	(3)	(12)	-	(27)	(6)	(33)	(237)	(237)	(4.3)%	
Non Corporate																				
Lending	17,040	1,753	18,793	1	507	112	620	97	97	(1)	(1)	(2)	-	-	-	-	(21)	(21)	(0.1)%	
Banks	2,184	2,150	4,334	-	-	2	2	1	1	-	-	-	-	-	-	-	-	-	(0.0)%	
US	15,707	4,400	20,107	92	433	33	558	4	4	(4)	(1)	(5)	(1)	(1)	-	(2)	(3)	(3)	(0.0)%	
Corporate																				
Lending	5,334	2,705	8,039	77	322	-	399	1	1	(3)	(1)	(4)	(1)	(1)	-	(2)	-	-	(0.1)%	
Non Corporate																				
Lending	9,688	123	9,811	15	79	-	94	3	3	(1)	-	(1)	-	-	-	-	(3)	(3)	(0.0)%	
Banks	685	1,572	2,257	-	32	33	65	-	-	-	-	-	-	-	-	-	-	-	(0.0)%	
Others	32,116	16,437	48,553	318	1,726	681	2,725	2,081	2,081	(10)	(33)	(43)	(3)	(70)	(29)	(102)	(1,483)	(1,483)	(3.1)%	
Corporate																				
Lending	21,909	12,516	34,425	291	1,030	490	1,811	1,883	1,883	(6)	(26)	(32)	(3)	(38)	(28)	(69)	(1,333)	(1,333)	(3.8)%	
Non Corporate																				
Lending	332	2,296	2,628	22	610	41	673	191	191	-	(6)	(6)	-	(31)	(1)	(32)	(149)	(149)	(5.4)%	
Banks	9,875	1,625	11,500	5	86	150	241	7	7	(4)	(1)	(5)	-	(1)	-	(1)	(1)	(1)	(0.1)%	
Total	143,505	50,407	193,912	1,237	6,790	968	8,995	4,657	4,657	(35)	(55)	(90)	(41)	(219)	(44)	(304)	(3,183)	(3,183)	(1.7)%	

1 Refer to the equivalent table on page 244 of the Risk Review section.

Industry analysis of loans and advances by key geography – Corporate & Investment Banking and Central & other items (page 260)

Published table as of 31 December 2024 (Corporate & Investment Banking)

Amortised Cost	2024						
	Hong Kong \$million	China \$million	Singapore \$million	UK \$million	US \$million	Other \$million	Total \$million
Industry:							
Energy	2,200	59	1,552	1,744	1,750	5,551	12,856
Manufacturing	4,077	4,200	1,463	389	2,307	8,431	20,867
Financing, insurance and non-banking	3,674	3,486	1,893	4,005	9,900	12,696	35,654
Transport, telecom and utilities	5,131	662	3,106	1,084	936	7,685	18,604
Food and household products	1,038	428	1,414	962	685	4,202	8,729
Commercial Real estate	4,512	334	1,404	1,039	1,650	4,994	13,933
Mining and Quarrying	608	606	847	1,426	224	2,170	5,881
Consumer durables	2,780	293	466	84	537	2,046	6,206
Construction	318	156	372	96	247	1,268	2,457
Trading Companies & Distributors	95	103	106	31	40	277	652
Government	2,576	117	219	169	4	4,352	7,437
Other	1,419	563	786	377	233	1,650	5,028
Net Loans and advances to Customers	28,428	11,007	13,628	11,406	18,513	55,322	138,304
Net Loans and advances to Banks	16,727	2,443	7,721	4,103	2,766	9,833	43,593

Adjustment table (Corporate & Investment Banking and Central & other items)

Amortised Cost	2024						
	Hong Kong \$million	China \$million	Singapore \$million	UK \$million	US \$million	Other \$million	Total \$million
Industry:							
Energy	1,164	(1)	(1,537)	(1,922)	(21)	2,313	(4)
Manufacturing	–	–	(192)	(271)	–	463	–
Financing, insurance and non-banking	41	–	(508)	(8,277)	–	8,718	(26)
Transport, telecom and utilities	–	50	(660)	(1,512)	56	2,060	(6)
Food and household products	–	–	(58)	(189)	–	247	–
Commercial Real estate	–	–	(17)	(68)	75	10	–
Mining and Quarrying	–	–	(19)	(218)	10	227	–
Consumer durables	–	–	(38)	(70)	56	51	(1)
Construction	–	–	(110)	–	–	110	–
Trading Companies & Distributors	–	–	–	–	–	–	–
Government	(1,260)	–	(20,047)	(1,502)	–	760	(22,049)
Other	–	–	(30)	(347)	–	372	(5)
Net Loans and advances to Customers	(55)	49	(23,216)	(14,376)	176	15,331	(22,091)
Net Loans and advances to Banks	1,669	11	20	(234)	444	(1,910)	–

Notes to the financial statements

40. Re-presentation tables of Credit risk disclosures by key geography continued

Re-presented table as of 31 December 2024

(Corporate & Investment Banking and Central & other items)

Amortised Cost	2024 ¹							Total \$million
	Hong Kong \$million	China \$million	Singapore \$million	UK \$million	US \$million	Other \$million		
Industry:								
Energy	1,036	60	3,089	3,666	1,771	3,238	12,860	
Manufacturing	4,077	4,200	1,655	660	2,307	7,968	20,867	
Financing, insurance and non-banking	3,633	3,486	2,401	12,282	9,900	3,978	35,680	
Transport, telecom and utilities	5,131	612	3,766	2,596	880	5,625	18,610	
Food and household products	1,038	428	1,472	1,151	685	3,955	8,729	
Commercial Real estate	4,512	334	1,421	1,107	1,575	4,984	13,933	
Mining and Quarrying	608	606	866	1,644	214	1,943	5,881	
Consumer durables	2,780	293	504	154	481	1,995	6,207	
Construction	318	156	482	96	247	1,158	2,457	
Trading Companies & Distributors	95	103	106	31	40	277	652	
Government	3,836	117	20,266	1,671	4	3,592	29,486	
Other	1,419	563	816	724	233	1,278	5,033	
Net Loans and advances to Customers	28,483	10,958	36,844	25,782	18,337	39,991	160,395	
Net Loans and advances to Banks	15,058	2,432	7,701	4,337	2,322	11,743	43,593	

¹ Refer to the equivalent table on the page 260 of the Risk Review section.

Forborne and other modified loans by key geography (page 255)

Published table as of 31 December 2024

Amortised cost	2024							Total \$million
	Hong Kong \$million	Korea \$million	China \$million	Singapore \$million	UK \$million	US \$million	Other \$million	
Performing forborne loans	2	8	–	3	–	–	39	52
Stage 3 forborne loans	118	18	77	25	78	1	415	732
Net Forborne loans	120	26	77	28	78	1	454	784

Adjustment table

Amortised cost	2024							Total \$million
	Hong Kong \$million	Korea \$million	China \$million	Singapore \$million	UK \$million	US \$million	Other \$million	
Performing forborne loans	–	–	–	–	–	–	–	–
Stage 3 forborne loans	8	(7)	(8)	–	(3)	–	10	–
Net Forborne loans	8	(7)	(8)	–	(3)	–	10	–

Re-presented table as of 31 December 2024

Amortised cost	2024 ¹							Total \$million
	Hong Kong \$million	Korea \$million	China \$million	Singapore \$million	UK \$million	US \$million	Other \$million	
Performing forborne loans	2	8	–	3	–	–	39	52
Stage 3 forborne loans	110	25	85	25	81	1	405	732
Net Forborne loans	112	33	85	28	81	1	444	784

¹ Refer to the equivalent table on the page 255 of the Risk Review section.

41. Related undertakings of the Group

As at 31 December 2025, the Group's interests in related undertakings are disclosed below. Unless otherwise stated, the share capital disclosed comprises ordinary or common shares which are held by subsidiaries of the Group. Standard Chartered Bank (Hong Kong) Limited, Standard Chartered Funding (Jersey) Limited, Stanchart Nominees Limited, Standard Chartered Holdings Limited and Standard Chartered Nominees Limited are directly held subsidiaries, all other related undertakings are held indirectly. Unless otherwise stated, the principal country of operation of each subsidiary is the same as its country of incorporation. Note 32 details undertakings that have a significant contribution to the Group's net profit or net assets.

Subsidiary Undertakings

Name	Proportion of shares held (%)	Footnotes	Name	Proportion of shares held (%)	Footnotes
FinVentures UK Limited ^d	100	1, 163	Standard Chartered Bank AG ⁱ	100	16
SC (Secretaries) Limited ^{ix}	100	1	Solvezy Technology Ghana Ltd ^{iv}	100	17
SC Ventures G.P. Limited ^y	100	1		69.416;	
SC Ventures Innovation Investment L.P. ^y	100 ^y	1	Standard Chartered Bank Ghana PLC ⁱ	87.043 ^l	18
SCMB Overseas Limited ^y	100	1, 163	Standard Chartered Ghana Nominees Limited ^d	100	18
Standard Chartered Africa Limited ^y	100	1, 163	Standard Chartered Wealth Management Limited Company ^f	100	19
Standard Chartered Bank ⁱ	100; 100 ^{o,t}	1	Standard Chartered PF Real Estate (Hong Kong) Limited ^y	100	81
Standard Chartered Foundation ^x	100	1, 158	Standard Chartered Private Equity Limited ^y	100	20
Standard Chartered Health Trustee (UK) Limited ^{ix}	100	1	Standard Chartered Asia Limited ^y	100; 100 ^{ad}	20
Standard Chartered I H Limited ^y	100	1, 163	CurrencyFair Asia Limited ^y	100	91, 158
Standard Chartered Nominees (Private Clients UK) Limited ^d	100	1	Zodia Custody (Hong Kong) Limited ^{iv}	100	132
Standard Chartered Securities (Africa) Holdings Limited ^y	100	1, 163	Assembly Payments India Private Limited ^y	100	92
Standard Chartered Strategic Investments Limited ^y	100	1, 163	Standard Chartered Global Business Services Private Limited ^{viii}	100	22
Standard Chartered Trustees (UK) Limited ^{ix}	100	1	Standard Chartered Finance Private Limited ^{viii}	98.895	23
SC Ventures Holdings Limited ^y	100; 100 ^m	1	Standard Chartered Capital Limited ^d	100	153
Zodia Markets (UK) Limited ^d	100	1	Standard Chartered Securities (India) Limited ^d	100	93
Zodia Markets Holdings Limited ^y	83.96	1	Standard Chartered (India) Modeling and Analytics Centre Private Limited ^{viii}	100	26
Bricks (C&K) LP ^x	100 ^y	2, 158	SCV Research and Development Pvt. Ltd. ^y	100	117
Bricks (C) LP ^x	100 ^y	2, 158	PT Labamu Sejahtera Indonesia ^{iv}	100	27
Bricks (T) LP ^x	100 ^y	2, 158	CurrencyFair Limited ^{iv}	100 ^a	150, 158, 165
Corrasi Covered Bonds LLP ^x	75 ^{aa}	3	CurrencyFair Nominees Limited ^y	100	148, 158
Zodia Custody Limited ^y	95.1; 15.132 ^k	107	Zodia Markets (Ireland) Limited ^d	100	133
Zodia Holdings Limited ^y	100 ^a	107	Zodia Custody (Ireland) Limited ^{iv}	100	134
Assembly Payments UK Ltd ^{iv}	100	4, 158	Standard Chartered Assurance Limited ^d	100; 100 ^m	29
CurrencyFair (UK) Limited ^d	100	4, 158	Standard Chartered Isle of Man Limited ^d	100	29
Zai Technologies Limited ^{iv}	100	4, 158	Standard Chartered Securities (Japan) Limited ^d	100	30
Standard Chartered Grindlays Pty Limited ^y	100	5	SCB Nominees (CI) Limited ^d	100	31
Assembly Payments Australia Pty Ltd ^{iv}	100	131, 158	Solvezy Technology Kenya Limited ^y	100	32
Zai Australia Pty Ltd ^{iv}	100	11	Standard Chartered Bancassurance Intermediary Limited ^d	100	32
CurrencyFair Australia Pty Ltd ^{iv}	100	6, 158	Standard Chartered Investment Services Limited ^y	100	32
Standard Chartered Bank Insurance Agency (Proprietary) Limited ^d	100	7	Standard Chartered Bank Kenya Limited ^d	74.318; 100 ^d	32
Standard Chartered Investment Services (Proprietary) Limited ^d	100	7	Standard Chartered Securities (Kenya) Limited ^d	100	32
Standard Chartered Bank Botswana Limited ^d	75.827	7	Standard Chartered Financial Services Limited ^d	100	32
Standard Chartered Botswana Nominees (Proprietary) Limited ^d	100	7	Standard Chartered Kenya Nominees Limited ^d	100	32
Standard Chartered Botswana Education Trust ^{ix}	100 ^{ab}	7	Standard Chartered Metropolitan Holdings SAL ^y	100 ^a	33
Standard Chartered Representação e Participações Ltda ^d	100	8	Cartaban (Malaya) Nominees Sdn Berhad ^d	100	34
Standard Chartered Securities (B) Sdn Bhd ^d	100	108	Cartaban Nominees (Asing) Sdn Bhd ^d	100	34
CurrencyFair (Canada) Ltd ^y	100	10, 158	Cartaban Nominees (Tempatan) Sdn Bhd ^d	100	34
SCB Investment Holding Company Limited ^y	100 ^a	114	Golden Maestro Sdn Bhd ^y	100	34
Standard Chartered Global Business Services Co., Ltd ^{vii}	100	12, 160	Price Solutions Sdn Bhd ^d	100	34
Standard Chartered Global Business Services (Guangzhou) Co., Ltd. ^{vii}	100	121, 160	SCBMB Trustee Berhad ^{ix}	100	34
Guangzhou CurrencyFair Information Technology Limited ^y	100	13, 159	Standard Chartered Bank Malaysia Berhad ^d	100; 100 ^s	34
Standard Chartered Bank Cote d'Ivoire SA ^x	100	14	Standard Chartered Saadiq Berhad ^d	100	34
			Resolution Alliance Sdn Bhd ^y	91	35, 158
			Standard Chartered Global Business Services Sdn Bhd ^{viii}	100	115
			Assembly Payments Malaysia Sdn. Bhd. ^{iv}	100	37, 158

Notes to the financial statements

41. Related undertakings of the Group continued

Name	Proportion of shares held (%)	Footnotes
Standard Chartered Bank (Mauritius) Limited ^d	100	38
Standard Chartered Private Equity (Mauritius) Limited ^d	100	113
Standard Chartered Private Equity (Mauritius) II Limited ^d	100	113
Standard Chartered Private Equity (Mauritius) III Limited ^d	100	113
Subcontinental Equities Limited ^v	100	39
Standard Chartered Bank Nepal Limited ^d	70.21	40
Standard Chartered Holdings (Africa) B.V. ^v	100	1,161
Standard Chartered Holdings (Asia Pacific) B.V. ^v	100	1,161
Standard Chartered Holdings (International) B.V. ^v	100	1,161
Standard Chartered MB Holdings B.V. ^v	100	1,161
PromisePay Limited ^{iv}	100	41,158
Standard Chartered Bank Nigeria Limited ^d	100; 100 ^{N,T}	42
Standard Chartered Capital & Advisory Nigeria Limited ^d	100	42
Standard Chartered Nominees (Nigeria) Limited ^d	100	42
Standard Chartered Bank (Pakistan) Limited ^d	98.986	43
Standard Chartered Group Services, Manila Incorporated ⁱⁱⁱ	100	44
Standard Chartered Global Business Services spółka z ograniczoną odpowiedzialnością ⁱⁱⁱ	100	45
Standard Chartered Capital (Saudi Arabia) ⁱ	100	116
Standard Chartered Private Equity (Singapore) Pte. Ltd ^v	100	46
Standard Chartered Real Estate Investment Holdings (Singapore) Private Limited ^v	100	46
Raffles Nominees (Pte.) Limited ^d	100	47
SCTS Capital Pte. Ltd ^d	100	48
SCTS Management Pte. Ltd. ⁱ	100	48
Standard Chartered Bank (Singapore) Limited ^d	100 ^{A,B,C,U,V,W}	48
Standard Chartered Trust (Singapore) Limited ^x	100	48
Standard Chartered Holdings (Singapore) Private Limited ^v	100	48
Standard Chartered Nominees (Singapore) Pte Ltd ^d	100	48
Audax Financial Technology Pte. Ltd ^{iv}	100 ^A	147
CashEnable Pte. Ltd. ^{iv}	100 ^A	146
Letsbloom Pte. Ltd. ^{iv}	100 ^A	90
Libeara (Singapore) Pte. Ltd. ^{iv}	100	90
Libeara Pte. Ltd. ^v	100	90
SCV Research and Development Pte. Ltd. ^{iv}	100 ^A	145
Zodia Custody (Singapore) Pte. Ltd. ^{iv}	100	145
Power2SME Pte. Ltd. ^v	91.577	146
SCV Master Holding Company Pte. Ltd. ^v	100; 100 ^H	146
Solv-India Pte. Ltd. ^v	100	146
Trust Bank Singapore Limited ^d	60	130
CurrencyFair (Singapore) Pte.Ltd ^v	100	49,158
Assembly Payments SGP Pte. Ltd. ^{iv}	100	50,158
Assembly Payments Pte. Ltd. ^{iv}	100; 100 ^J	50,158
Standard Chartered Nominees South Africa Proprietary Limited (RF) ^j	100	52
Standard Chartered Bank Tanzania Limited ^d	100; 100 ^J	53
Standard Chartered Tanzania Nominees Limited ^d	100	53
Standard Chartered Bank (Thai) Public Company Limited ^d	99.87	54
Standard Chartered Yatirim Bankasi Turk Anonim Sirket ⁱⁱ	100	55
Standard Chartered Bank Uganda Limited ^d	100	56
Furaha Finserve Uganda Limited ^d	100.001	57
Appro Onboarding Solutions FZ-LLC ^v	100	58
Financial Inclusion Technologies Ltd ^v	100 ^A	94

Name	Proportion of shares held (%)	Footnotes
Furaha Holding Ltd ^v	100; 100 ^B	59
myZoi Financial Inclusion Technologies LLC ^v	100	61
Standard Chartered Bank International (Americas) Limited ^d	100	111
Standard Chartered Holdings Inc. ^v	100	62
Standard Chartered Securities (North America) LLC	100 ^{AA}	62
CurrencyFair (USA) Inc ^{iv}	100 ^{AC}	64,158
Standard Chartered Trade Services Corporation ⁱ	100	89
Standard Chartered Bank (Vietnam) Limited ^d	100 ^X	65
Sky Harmony Holdings Limited ^v	100	118
Standard Chartered Bank Zambia Plc ⁱ	90	119
Standard Chartered Zambia Securities Services Nominees Limited ^d	100	138
Stanchart Nominees Limited ^d	100	1,164
Standard Chartered Holdings Limited ^v	100	1,163,164,159
Standard Chartered NEA Limited ^v	100	1,163
Standard Chartered Nominees Limited ^d	100	1,164
Standard Chartered (Guangzhou) Business Management Co., Ltd. ⁱⁱ	100	120,159,160
Standard Chartered Bank (China) Limited ^d	100	75,159,160
Standard Chartered Securities (China) Limited ^d	100	76,159,160
Horsford Nominees Limited ^d	100	77
Marina Acacia Shipping Limited ^{vi}	100	78
Marina Amethyst Shipping Limited ^{vi}	100	78
Marina Angelite Shipping Limited ^{vi}	100	78
Marina Beryl Shipping Limited ^{vi}	100	78
Marina Emerald Shipping Limited ^{vi}	100	78
Marina Flax Shipping Limited ^{vi}	100	78
Marina Gloxinia Shipping Limited ^{vi}	100	78
Marina Hazel Shipping Limited ^{vi}	100	78
Marina Ilex Shipping Limited ^{vi}	100	78
Marina Iridot Shipping Limited ^{vi}	100	78
Marina Mimosa Shipping Limited ^{vi}	100	78
Marina Moonstone Shipping Limited ^{vi}	100	78
Marina Peridot Shipping Limited ^{vi}	100	78
Marina Sapphire Shipping Limited ^{vi}	100	78
Marina Tourmaline Shipping Limited ^{vi}	100	78
Standard Chartered Securities (Hong Kong) Limited ^d	100	78
Marina Leasing Limited ^{vi}	100	78
Standard Chartered Leasing Group Limited ^v	100	78
Standard Chartered Trade Support (HK) Limited ^d	100	78
Mox Bank Limited ^d	74.36	79
Standard Chartered Bank (Hong Kong) Limited ^d	100 ^{A,B,C,D}	80
Standard Chartered Trustee (Hong Kong) Limited ^x	100	82
Standard Chartered Funding (Jersey) Limited ^v	100	83
Standard Chartered Bank Korea Limited ^d	100	84
Standard Chartered Securities Korea Co., Ltd ^d	100	85
Marina Morganite Shipping Limited ^{vi}	100	125,162
Marina Moss Shipping Limited ^{vi}	100	125,162
Marina Tanzanite Shipping Limited ^{vi}	100	125,162
Marina Angelica Shipping Limited ^{vi}	100	86,162
Marina Aventurine Shipping Limited ^{vi}	100	86,162
Marina Citrine Shipping Limited ^{vi}	100	86,162
Marina Dahlia Shipping Limited ^{vi}	100	86,162
Marina Dittany Shipping Limited ^{vi}	100	86,162
Marina Lilac Shipping Limited ^{vi}	100	86,162
Marina Lolite Shipping Limited ^{vi}	100	86,162
Marina Obsidian Shipping Limited ^{vi}	100	86,162

Name	Proportion of shares held (%)	Footnotes
Marina Quartz Shipping Limited ^{vi}	100	86, 162
Marina Remora Shipping Limited ^{vi}	100	86, 162
Marina Turquoise Shipping Limited ^{vi}	100	86, 162
Marina Zircon Shipping Limited ^{vi}	100	86, 162
Price Solution Pakistan (Private) Limited ⁱ	100	87
Standard Chartered Bank (Taiwan) Limited ⁱ	100	88
CMB Nominees (RF) Proprietary Limited ^{ix}	100	52
Letsbloom India Private Limited ^{iv}	100	97
Qatalyst Pte. Ltd. ^{iv}	72.727	146
Solv Vietnam Company Limited ^{iv}	100 ^x	98
Standard Chartered Funds VCC ^{ix}	100	48
TASConnect (Hong Kong) Private Limited ^{iv}	100	99
TASConnect (Malaysia) Sdn. Bhd. ^{iv}	100	36
TASConnect (Shanghai) Financial Technology Pte. Ltd ^{iv}	100	151, 160
Zodia Custody Australia Pty. Ltd. ^{iv}	100	126
Zodia Markets (AME) Limited ^{iv}	100	127
Zodia Markets (Jersey) Limited ^{iv}	100	129
Standard Chartered Luxembourg S.A. ⁱ	100	106
Fourtwothree Pte. Ltd ^{iv}	100	90
HAL Holding Ltd ^{iv}	100	155
Zodia Custody (Europe) S.A. ^{iv}	100	128
Actis Treit Holdings (Mauritius) Limited ^v	62.001 ^{AB}	149, 158
Actis Treit Holdings No.1 (Singapore) Private Limited ^v	100	156, 158
Actis Treit Holdings No.2 (Singapore) Private Limited ^v	100	156, 158
Anchorpoint Financial Limited ^{iv}	50.5	20
Appro Marketing Solutions L.L.C ^v	100	139
Berkeley Square Finance 1 Designated Activity Company ⁱ	100	124
CFZ Holding Limited ^{iv}	29.96; 100 ^A	150
Currencyfair Group Limited ^{iv}	100	150, 158
Nusavest Pte. Ltd. ^{iv}	100	146
Regwise Ltd ^{iv}	100	102
Slate One LLC ⁱ	100	101
Standard Chartered Services Holdings Limited ^v	100	1
Standard Chartered Services Limited ^{viii}	100	1
Tungsten Custody Solutions FZE ^v	100	100
Tungsten Custody Solutions Ltd ^{iv}	100	63
Tungsten Holding Limited ^{iv}	100	63
Zodia Markets Technology Services FZCO ^{iv}	0.1	25

Joint ventures

Name	Proportion of shares held (%)	Footnotes
Olea Global Pte. Ltd. ^{iv}	46.655; 100 ^J	145
Global Digital Asset Holdings Limited ^v	100	60
Akashaverse Pte. Ltd. ^{iv}	50	143
K423 Limited ^{vii}	25.011	104
Lexarius Limited ^{iv}	50	103
Qlarion Ltd ^{iv}	100 ^A	102

Associates

Name	Proportion of shares held (%)	Footnotes
Clifford Capital Holdings Pte. Ltd. ^v	9.9	109
Verified Impact Exchange Holdings Pte. Ltd ⁱ	13.421	110
Seychelles International Mercantile Banking Corporation Limited. ⁱ	22	66
SWIAT GmbH ^{iv}	30.498	67
Partior Holdings Pte. Ltd. ⁱ	25; 25 ^H ; 7.2461	69
China Bohai Bank Co., Ltd. ⁱ	16.263	95, 159
Vault22 Solutions Holdings Ltd ^v	100 ^E	135

Name	Proportion of shares held (%)	Footnotes
Jumbotail Technologies Private Limited ^{iv}	94.117 ^{AF} ; 100 ^{AGAH}	105

Significant investment holdings and other related undertakings

Name	Proportion of shares held (%)	Footnotes
Corrasi Covered Bonds (LM) Limited ⁱ	20	3, 158
SCIAIGF Liquidating Trust ^v	43.96 ^{AB}	112, 158
ATSC Cayman Holdco Limited ^v	5.272 ^A ; 100 ^B	140
Actis Temple Stay Holdings (HK) Limited ^v	39.689 ^A ; 39.689 ^B	141, 158
Mikado Realtors Private Limited ^{ix}	26	142
Industrial Minerals and Chemical Co. Pvt. Ltd ^{ix}	26	157
Ascenta III ^v	31 ^G	70
Paxata, Inc. ⁱⁱⁱ	40.74 ^G ; 8.908 ^P	64

In liquidation

Name	Proportion of shares held (%)	Footnotes
Subsidiary Undertakings		
Standard Chartered Masterbrand Licensing Limited ^{ix}	100	122
Birdsong Limited ^{ix}	100	71
Nominees One Limited ^{ix}	100	71
Nominees Two Limited ^{ix}	100	71
Songbird Limited ^{ix}	100	71
Standard Chartered Secretaries (Guernsey) Limited ^{ix}	100	71
Standard Chartered Trust (Guernsey) Limited ^{ix}	100	71
Standard Chartered Financial Services (Luxembourg) S.A. ^{ix}	100	72
Banco Standard Chartered en Liquidacion ^{ix}	100	123
Standard Chartered Uruguay Representacion S.A. ^{ix}	100	73
SC Transport Leasing 1 LTD ^{ix}	100	144
SC Transport Leasing 2 Limited ^{ix}	100	144
Standard Chartered Leasing (UK) Limited ^{ix}	100	144
Standard Chartered Trust (Hong Kong) Limited ⁱ	100	82
Associates		
Ascenta IV ^{ix}	39.1 ^Z	74

Subsidiary/Associate undertakings and Significant investment holdings – Liquidated/dissolved/sold

Name	Proportion of shares held (%)	Footnotes
The SC Transport Leasing Partnership 1 ^{vi}	100 ^Y	1
The SC Transport Leasing Partnership 2 ^{vi}	100 ^Y	1
The SC Transport Leasing Partnership 3 ^{vi}	100 ^Y	1
The SC Transport Leasing Partnership 4 ^{vi}	100 ^Y	1
Standard Chartered Bank Cameroon S.A. ⁱ	100	9
Standard Chartered Bank Gambia Limited ⁱ	74.852	15
Assembly Payments HK Limited ^{iv}	100	21, 158
Standard Chartered Research and Technology India Private Limited ^{iv}	100 ^{A,R}	136
CurrencyFair (Canada) Limited ^{iv}	100	28, 158
Tawi Fresh Kenya Limited ^{iv}	100	32
Pegasus Dealmaking Pte. Ltd. ^{iv}	100	145
PromisePay (PTY) Ltd ^{iv}	100	137, 158
Marina Partawati Shipping Pte. Ltd. ^{vi}	100	152
SC Ventures Management Consulting (Shenzhen) Limited ^{ix}	100	154, 159
Standard Chartered Leasing (UK) 3 Limited ^{vi}	100	68

Notes to the financial statements

41. Related undertakings of the Group continued

Name	Proportion of shares held (%)	Footnotes
Marina Opah Shipping Pte. Ltd. ^{vi}	100	68
Marina Cobia Shipping Pte. Ltd. ^{vi}	100	68
Marina Aquata Shipping Pte. Ltd. ^{vi}	100	68
Marina Aruana Shipping Pte. Ltd. ^{vi}	100	68
Cerulean Investments LP ^{ix}	100 ^v	68
Standard Chartered IL&FS Management (Singapore) Pte. Limited ^x	50	51
St Helen's Nominees India Private Limited ⁱ	100	24
Standard Chartered Private Equity Advisory (India) Private Limited ^{viii}	100	24
SBI Zodia Custody Co. Ltd ^{iv}	100	68
Fintech for International Development Ltd ^{ix}	58.901 ^a	96

Footnotes

Registered address

	Address
1	1 Basinghall Avenue, London, EC2V 5DD, United Kingdom
2	2 More London Riverside, London, SE1 2JT, United Kingdom
3	5 Churchill Place, 10 th Floor, London, E14 5HU, United Kingdom
4	Robert Denholm House, Bletchingly Road, Nutfield, Redhill, RH1 4HW, United Kingdom
5	Level 5, 345 George St, Sydney NSW 2000, Australia
6	Milsons Landing, Level 5, 6A Glen Street, Milsons Point NSW 2061, Australia
7	5 th Floor Standard House Bldg, The Mall, Queens Road, PO Box 496, Gaborone, Botswana
8	Avenida Brigadeiro Faria Lima, no 3.477, 6 ^o andar, conjunto 62 - Torre Norte, Condominio Patio Victor Malzoni, CEP 04538-133, Sao Paulo, Brazil
9	1155, Boulevard de la Liberté, Douala, B.P. 1784, Cameroon
10	66 Wellington Street, West, Suite 4100, Toronto Dominion Centre, Toronto ON M5K 1B7, Canada
11	Level 1, 55 Collins Street, Melbourne VIC 3000, Australia
12	No. 35, Xinhuanbei Road, TEDA, Tianjin, 300457, China
13	Room 2619, No 9, Linhe West Road, Tianhe District, Guangzhou, China
14	Standard Chartered Bank Cote d'Ivoire, 23 Boulevard de la République, Abidjan 17, B.P. 1141, Cote d'Ivoire
15	8 Ecowas Avenue, Banjul, Gambia
16	Taunus Turm, Taunustor 1, 60310, Frankfurt am Main, Germany
17	Standard Chartered Bank Building, 87 Independence Avenue, Ridge, ACCRA, Greater ACCRA, GA-016-4621, Ghana
18	Standard Chartered Bank Building, No. 87, Independence Avenue, P.O. Box 768, Accra, Ghana
19	Standard Chartered Bank Ghana Limited, 87, Independence Avenue, Post Office Box 678, Accra, Ghana
20	13/F Standard Chartered Bank Building, 4-4A Des Voeux Road Central, Hong Kong
21	31/F, Tower 2 Times Square, 1 Matheson St, Causeway Bay, Hong Kong
22	6 th Floor, Tower 3, DLF Downtown, 100 Feet Road, Tharamani, Chennai, Tamil Nadu, 600113, India
23	90 M.G.Road, II Floor, Fort, Mumbai, Maharashtra, 400001, India
24	Ground Floor, Crescenzo Building, G Block, C 38/39, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra, 400051, India
25	Unit RET-R5-186, Detached Retail R5, Plot No: JLT-PH ₂ -RET-R5, Jumeirah, United Arab Emirates
26	Vaishnavi Serenity, First Floor, No. 112, Koramangala Industrial Area, 5 th Block, Koramangala, Bangalore, Karnataka, 560095, India
27	The Icon Business Park Blok F No. 5, Desa/Kelurahan, Sampora Kec, Cisauk, Kab Tangerang Provinsi, Banten, 15345, Indonesia
28	91 Pembroke Road, Dublin 4, Ballsbridge, Dublin, DO4 EC42, Ireland
29	Third Floor, St. George's Court, Upper Church Street, Douglas, IM1 1EE, Isle of Man
30	21/F, Sanno Park Tower, 2-11-1 Nagatacho, Chiyoda-ku, Tokyo, 100-6155, Japan
31	15 Castle Street, St Helier, JE4 8PT, Jersey

	Address
32	Standard Chartered@Chiromo, 48 Westlands Road, P. O. Box 30003 - 00100, Nairobi, Kenya
33	Atrium Building, Maarad Street, 3 rd Floor, P.O. Box 11-4081 Raid El Solh, Beirut Central District, Lebanon
34	Level 25, Equatorial Plaza, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
35	Suite 18-1, Level 18, Vertical Corporate Tower B, Avenue 10, The Vertical, Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia
36	Level 7, Mercu 3. No. 3, Jalan Bangsar, KL ECO City, 59200 Kuala Lumpur, Malaysia
37	Level 13, Menara 1 Sentrum 201, Jalan Tun Sambanthan, Brickfields, 50470 Kuala Lumpur, Malaysia
38	6 th Floor, Standard Chartered Tower, 19, Bank Street, Cybercity, Ebene, 72201, Mauritius
39	Mondial Management Services Ltd, Unit 2L, 2 nd Floor Standard Chartered Tower, 19 Cybercity, Ebene, Mauritius
40	Standard Chartered Bank Nepal Limited, Madan Bhandari Marg, Ward No.31, Kathmandu Metropolitan City, Kathmandu District, Bagmati Province, Kathmandu, 44600, Nepal
41	PromisePay, 4 All good Place, Rototuna North, Hamilton, 3210, New Zealand
42	142, Ahmadu Bello Way, Victoria Island, Lagos, 101241, Nigeria
43	P.O. Box No. 5556, I.I. Chundrigar Road, Karachi, 74000, Pakistan
44	8 th Floor, Makati Sky Plaza Building 6788, Ayala Avenue San Lorenzo, City of Makati, Fourth District, National Capi, 1223, Philippines
45	Rondo Ignacego Daszyńskiego 2B, 00-843, Warsaw, Poland
46	8 Marina Boulevard, #25-01 Marina Bay Financial Centre, 018981, Singapore
47	7 Changi Business Park Crescent, #03-00 Standard Chartered @ Changi, 486028, Singapore
48	8 Marina Boulevard, #27-01 Marina Bay Financial Centre Tower 1, 018981, Singapore
49	1 Robinson Road, #17-00, AIA Tower, 048542, Singapore
50	38 Beach Road, #29-11 South Beach Tower, 189767, Singapore
51	Abogado Pte Ltd, No. 8 Marina Boulevard, #05-02 MBFC Tower 1, 018981, Singapore
52	2 nd Floor, 115 West Street, Sandton, Johannesburg, 2196, South Africa
53	1 Floor, International House, Shaaban Robert Street / Garden Avenue, PO Box 9011, Dar Es Salaam, Tanzania, United Republic of
54	No. 140, 11 th , 12 th and 14 th Floor, Wireless Road, Lumpini, Patumwan, Bangkok, 10330, Thailand
55	Buyukdere Cad. Yapi Kredi Plaza C Blok, Kat 15, Levent, Istanbul, 34330, Turkey
56	Standard Chartered Bank Bldg, 5 Speke Road, PO Box 7111, Kampala, Uganda
57	14 Mackinnon Road, Nakasero, Kampala, 141769, Uganda
58	Arjaan Office Towers, Office 105, Dubai Media City, United Arab Emirates
59	Unit IH-00-01-07-OF-05, Level 7, IH-00-01-CP-05, Dubai International Financial Centre, Dubai, United Arab Emirates
60	Standard Chartered Bank, 7 th Floor, Building One, Gate Precinct, DIFC, PO Box 999, Dubai, United Arab Emirates
61	Part of Level 15, Standard Chartered Bank Building, Plot 8, Burj Downtown, Dubai, United Arab Emirates
62	Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801, United States
63	Office 1809, 18 Floor Sky Tower, Shams Abu Dhabi, Al Reem Island, Abu Dhabi, United Arab Emirates
64	251 Little Falls Drive, Wilmington DE 19808, United States
65	Level 3, #CP1.L01 and CP2.L01, Capital Place, 29 Lieu Giai, Ngoc Ha Ward, Hanoi, 10000, Vietnam
66	Victoria House, State House Avenue, Victoria, MAHE, Seychelles
67	Gervinusstrasse 17, 60322, Frankfurt am Main, Hesse, Germany

	Address
68	Ground Floor, Two Dockland Central, Guild Street, North Dock, Dublin, D01 K2C5, Ireland
69	60B, Orchard Road, #06-18, Tower 2, The Atrium @ Orchard, 238891, Singapore
70	17F, 47, Jong-ro, Jongno-gu, (17F, 100, Gongpyeong-dong, Jongno-gu), Seoul, Korea, Republic of
71	Bucktrout House, Glatigny Esplanade, St Peter Port, GY1 3HQ, Guernsey
72	30 Rue Schrobelgen, 2526, Luxembourg
73	Luis Alberto de Herrera 1248, Torre II, Piso 11, Esc. 1111, Uruguay
74	5-4, Bongeunsa-ro 29-gil, Gangnam-gu, Seoul, 06109, Korea
75	Standard Chartered Tower, 201 Century Avenue, Pudong, Shanghai, 200120, China
76	12011-2, 15-16, 12/F, Unit No.1, Building No.1, No. 1 Dongsanhuan Zhong Road, Chaoyang District, Beijing, China
77	18/F., Standard Chartered Tower, 388 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong
78	15/F., Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong
79	39/F., Oxford House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
80	32/F., 4-4A Des Voeux Road, Central, Hong Kong
81	14 th Floor, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
82	14/F, Standard Chartered Bank Building, 4-4A Des Voeux Road, Central, Hong Kong
83	IFC 5, St Helier, JE1 1ST, Jersey
84	47, Jong-ro, Jongno-gu, Seoul, 110-702, Korea, Republic of
85	2F, 47, Jong-ro, Jongno-gu, Seoul, Korea, Republic of
86	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, MH96960, Marshall Islands
87	3 rd Floor Main SCB Building, I.I Chundrigar Road, Karachi, Sindh, 74000, Pakistan
88	1F, No.177 & 3F-6F, 18F, No.179, Liaoning Street, Zhongshan Dist., Taipei, 104, Taiwan (Province of China)
89	C/O Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808, United States
90	16 Raffles Quay, #16-02, Hong Leong Building, 048581, Singapore
91	Suite 12100, 12/F., YF Life Tower, 33 Lockhart Road, Wan Chai, Hong Kong
92	1 st Floor, UB Plaza, No. 1 & 2, Vittal Mallya Road, Bengalur, India
93	12 th Floor, Crescenzo Business District, Plot no. C-38/39, G-Block, Bandra - Kurla Complex, Bandra East, Mumbai, Maharashtra, 400051, India
94	16 th Floor, WeWork Hub 71, Al Khatem Tower, ADGM Square, Al Maryah Island, Abu Dhabi, United Arab Emirates
95	218 Haihe East Road, Hedong District, Tianjin, 300012, China
96	Parker Andrews Ltd, 5 th Floor. The Union Building, 51-59 Rose Lane, Norwich, NR1 1BY
97	Unit 1 - 127A, WeWork Futura, Magarpatta Road, Kirtane Baug, Hadpsar I.E., Pune - 411013, Maharashtra, India
98	L17-11, Floor 17, Vincom Center, 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
99	30 th floor, One Taikoo Place, 979 King's Road, Hong Kong, Hong Kong
100	5.01 and 5.02 Convention Tower, DWTC, Dubai, United Arab Emirates
101	Al Tamimi & Company International Limited, Tornado Tower, No. 17, 19 th Floor, Doha, Qatar
102	100 Longwater Avenue, Reading, Berkshire, RG2 6GP, United Kingdom
103	DD-14-116-033, 15, Al Khatem Tower, WeWork Hub 71, Abu Dhabi Global Market Square, Abu Dhabi, Al Maryah Island, United Arab Emirates
104	Office 7, 35-37 Ludgate Hill, London, EC4M 7JN
105	Eastland Citadel, 6 th Floor, No.102, Hosur Road, Madiwala Check post, Bangalore, 560 029, India
106	53 Boulevard Royal, Grand Duchy of Luxembourg, 2449, Luxembourg
107	1 st Floor, 6-8 Eastcheap, London, EC3M 1AE
108	G01-02, Wisma Haji Mohd Taha Building, Jalan Gadong, BE4119, Brunei Darussalam
109	38 Beach Road, #19-11 South Beach Tower, 189767, Singapore
110	10 Marina Boulevard #08-08, Marina Bay Financial Centre, 018983, Singapore
111	1095 Avenue of Americas, New York City NY 10036, United States

	Address
112	3 Jalan Pisang, c/o Watiga Trust Ltd, 199070, Singapore
113	c/o Ocorian Corporate Services (Mauritius) Ltd, 6 th Floor, Tower A, 1, Exchange Square, Wall Street, Ebene, Mauritius - 72201, Mauritius
114	c/o Maples Finance Limited, PO Box 1093 GT, Queensgate House, Georgetown, Grand Cayman, Cayman Islands
115	Level 1, Wisma Standard Chartered, Jalan Teknologi 8, Taman Teknologi Malaysia, Bukit Jalil, 57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia
116	Al Faisaliah Office Tower Floor No 7 (T07D), King Fahad Highway, Olaya District, P.O box 295522, Riyadh, 11351, Saudi Arabia
117	No. 2734, 3 rd Floor, Sector - I, HSR Layout, Bangalore, 560102, India
118	The Company's Registered Office, Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, Virgin Islands, British
119	Standard Chartered House, Stand No. 4642, Corner of Mwaimwene Road and Addis Ababa Drive, Lusaka, Lusaka, 10101, Zambia
120	Units 1101B (Office use only), No. 235 Tianhebei Rd., Tianhe District, Guangzhou City, Guangdong Province, China
121	Unit 802B, 803, 1001A, 1002B, 1003-1005, 1101-1105, 201-1205, 1302C, 1303, No. 235 Tianhe North Road, Tianhe District, Guangzhou City, Guangdong Province, China
122	C/O Teneo Financial Advisory Limited, The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT, United Kingdom
123	Jiron Huascar 2055, Jesus Maria, Lima, 15072, Peru
124	10 Earlsfort Terrace, Dublin 2, Dublin, D02 T380, Ireland
125	TMF Trust Labuan Limited, Brumby Centre, Lot 42, Jalan Muhibbah, 87000 Labuan F.T., Malaysia
126	c/o King & Wood Mallesons, Level 61, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000, Australia
127	2402B, 24 th Floor, Tamouh Tower, Tamouh, Abu Dhabi, Al Reem Island, United Arab Emirates
128	2 Place de Paris, 2314, Luxembourg
129	No 1 Grenville Street, St Helier, JE2 4UF, Jersey
130	77 Robinson Road, #25-00 Robinson 77, 068896, Singapore
131	Level 22, 120 Spencer Street, Melbourne VIC 3000, Australia
132	Room 1915, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong
133	One Central Plaza, Temple Bar, Dublin 2, Dublin, D02 EF64, Ireland
134	27 Fitzwilliam Street, Dublin, D02 TP23, Ireland
135	Unit 705, Innovation One, Dubai International Financial Centre, Dubai, United Arab Emirates
136	No. 2734, Sector-I, HSR Layout, HSR Layout, Bangalore, Bangalore South, Karnataka, 560102, India
137	1 st Floor Building 33, Waterford Office Park, Waterford Drive, Fourways, Gauteng, 2191, South Africa
138	Stand No. 4642, Corner of Mwaimwena Road and Addis Ababa Drive, Lusaka, 10101, Zambia
139	BurDubai First Business Center Office number B2007-258, Dubai, United Arab Emirates
140	Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands
141	Unit 605-07, 6/F Wing On Centre, 111 Connaught Road, Central, Sheung Wan, Hong Kong
142	1221 A, Devika Tower, 12 th Floor, 6 Nehru Place, New Delhi 110019
143	16 Raffles Quay, #18-02, Hong Leong Building, 048581, Singapore
144	The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT, United Kingdom
145	9 Raffles Place, #26-01 Republic Plaza, 048619, Singapore
146	9 Raffles Place, #18-21 Republic Plaza, 048619, Singapore
147	Acclime Singapore Pte. Ltd, 9 Raffles Place #18-21, Republic Plaza, 048619, Singapore
148	WeWork, One Central Plaza, Dame Street, Dublin 2, Dublin, D02 K7K5, Ireland
149	IQEQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis, 11324, Mauritius
150	One, Central Plaza, Dame Street, Dublin 2, Dublin, D02 K7K5, Ireland
151	Level C, No. 888 2 nd Huanhu West Road, Nanhui New Town, Pudong New Area, Shanghai
152	8 Marina Boulevard, Level 26, Marina Bay Financial Centre, Tower 1, 018981, Singapore

Notes to the financial statements

41. Related undertakings of the Group continued

	Address
153	12 th Floor, Parinee Crescenzo Building, Plot C-38 & 39, G Block Bandra (E) Opp. MCA Ground, Mumbai, 400051, India
154	Unit 8C-17B, Xinlikang Building, 3044 Xinghai Blvd, Nanshan District, Shenzhen, China
155	Dedicated desk # 14-123-039, 15 th Floor, Al Khatem Tower, ADGM Square, Abu Dhabi, United Arab Emirates
156	6 Battery Road #13-01, 049909, Singapore
157	4 th Floor, 274, Chitalia House, Dr. Cawasji Hormusji Road, Dhobi Talao, Mumbai City, Maharashtra, India 400 002, Mumbai, 400 002, India

Other notes

	Other notes
	The Group has determined that these undertakings are excluded from being consolidated into the Groups accounts, and do not meet the definition of a Subsidiary under IFRS. See note 32 for the consolidation policy and disclosure of the undertaking.
158	
159	Registered as a Limited company under the Law of China
160	Limited liability company
161	The Group has determined the principal place of operation to be United Kingdom
162	The Group has determined the principal place of operation to be Hong Kong
	Company is exempt from the requirements of the companies Act relating to the audit of individual accounts by virtue of S479A of the Companies Act 2006 Company names and associated numbers of the subsidiaries taking an audit exemption for the year ended 31 December 2025 are Standard Chartered Holdings Limited 02426156, Standard Chartered I H Limited 08414408, Finventures UK Limited 04275894, Standard Chartered Strategic Investments Limited 01388304, Standard Chartered NEA Limited 05345091, SCMB Overseas Limited 01764223, Standard Chartered Africa Limited 00002877 and Standard Chartered Securities (Africa) Holdings Limited 05843604. In line with section 479C of the Companies Act 2006, the Parent undertaking (Standard Chartered PLC Company) guarantees all outstanding liabilities to which the subsidiary company is subject at the end of the financial year including external liabilities of Finventures UK Limited (\$2.3million), Standard Chartered NEA Limited (\$22.0million) and SCMB Overseas Limited (\$6.3million)
163	
164	Directly held related undertaking
165	Group's ultimate ownership for CurrencyFair entities is 43.422%

Description of shares

	Description
A	Class A Ordinary shares
B	Class B Ordinary shares
C	Class C Ordinary shares
D	Class D Ordinary shares
E	Class A2 shares
F	Class B Shares
G	Class B Equity interest
H	Series A Preferred
I	Series B Preferred
J	Preference shares
K	Series A preference shares
L	Series B preference shares
M	Redeemable preference shares
N	Series B Redeemable preference shares
O	Series C2 preference shares
P	Series C3 preference shares
Q	Redeemable non-cumulative preference shares
R	Compulsory convertible cumulative preference shares
S	Irredeemable convertible preference shares
T	Irredeemable non-cumulative preference shares
U	Class B Non-cumulative preference shares
V	Class C Non-cumulative preference shares

W	Class D Non-cumulative preference shares
X	Charter capital
Y	Limited Partnership
Z	Partnership Interest
AA	Membership interest
AB	Trust
AC	Uncertificated
AD	Deferred shares
AE	Guarantee
AF	D1 Preference
AG	S1 Preference
AH	S2 Preference

Business activity

	Activity
i	Banking & Financial Services
ii	Commercial real estate
iii	Data Analytics
iv	Digital Venture
v	Investment holding company
vi	Leasing and Finance
vii	Research & development
viii	Support Services
ix	Others

Save for those disclosed in this Annual Report, there were no other significant investments held, nor were there material acquisitions or disposals of subsidiaries during the year under review. Apart from those disclosed in this Annual Report, there were no material investments or additions of capital assets authorised by the Board at the date of this Annual Report.