Standard Chartered Bank

Reference Number ZC18
Directors' Report and Financial Statements
31 December 2025

Incorporated in England with limited liability by Royal Charter 1853
Principal Office: 1 Basinghall Avenue, London, EC2V 5DD, England

Contents

About this report

The following are company designations as described in the document:

Standard Chartered Bank Group (Group) – being Standard Chartered Bank and its subsidiaries

Standard Chartered PLC Group (PLC Group) – being the ultimate parent and its subsidiaries

Standard Chartered Bank (Company) – being the standalone Bank legal entity

Standard Chartered PLC (PLC) – being the standalone legal entity of the ultimate parent

Sustainability reporting – We adopt an integrated approach to corporate reporting, embedding non-financial information throughout our Annual Report.

For more information on Standard Chartered please visit

sc.com
uk.linkedin.com/company/standardchartered
facebook.com/standardchartered

Unless another currency is specified, the word 'dollar' or symbol '$' in this document means US dollar and the word 'cent' or symbol 'c' means one-hundredth of one US dollar. All disclosures in the Strategic Report, Directors' Report, Risk Review and Capital Review and Supplementary information are unaudited unless otherwise stated.

Unless context requires, within this document, 'China' refers to the People's Republic of China and, for the purposes of this document only, excludes Hong Kong Special Administrative Region (Hong Kong), Macau Special Administrative Region (Macau) and Taiwan. 'Korea' or 'South Korea' refers to the Republic of Korea. Asia includes Australia, Bangladesh, Brunei, Cambodia, India, Indonesia, Laos, Malaysia, Myanmar, Nepal, Philippines, Singapore, Sri Lanka, Thailand, Vietnam, China, Hong Kong, Japan, Korea, Macau and Taiwan; Africa includes Botswana, Côte d'Ivoire, Egypt, Ghana, Kenya, Mauritius, Nigeria, South Africa, Tanzania, Uganda, and Zambia. The Middle East includes Bahrain, Iraq, Oman, Pakistan, Qatar, Saudi Arabia and the United Arab Emirates. Europe includes Belgium, Falkland Islands, France, Germany, Jersey, Luxembourg, Poland, Sweden, Türkiye and the United Kingdom. The Americas includes Argentina, Brazil, Colombia and the United States.

A full definition of terms used in this report is included in the glossary section of the PLC Group's Annual Report and Accounts 2025 which is available at www.sc.com/investors

Within the tables in this report, blank spaces indicate that the number is not disclosed, dashes indicate that the number is zero and 'nm' stands for not meaningful.

Standard Chartered Bank is incorporated in England and Wales with limited liability and is headquartered in London. The Group's head office provides guidance on governance and regulatory standards.

Who we are and what we do

Who we are

We're a global bank connecting clients to our differentiated network, offering growth opportunities in the world's most dynamic markets.

Our strategy, which combines cross-border capabilities and leading wealth management expertise, helps us deliver our purpose – to drive commerce and prosperity through our unique diversity.

We serve three client segments

Corporate & Investment Banking – Supports large corporations, development organisations, governments, and financial institutions with risk management, advisory and financing solutions.

Wealth & Retail Banking (WRB) – Serves the local and international banking need of our clients across the wealth continuum with a focus on the affluent segment, while supporting small and medium-sized enterprises.

Ventures – Promotes a culture of innovation investing in disruptive financial technology and creating alternative financial service business models, as well as growing our digital bank – Trust.

What makes us different

Our footprint and network – We help clients do business across cross borders through our network of high-growth and established markets.

Our wealth management expertise – We help generations grow and protect their wealth, offering local and global expertise.

Our commitment to sustainable finance – We mobilise capital to deliver sustainable and inclusive growth for our clients and the communities we call home.

Our emphasis on innovation – We scale fintechs and invest in ventures, supporting digital transformation and product development.

Where we operate

Our unique geographic footprint connects high-growth and emerging markets in Asia, Africa and the Middle East with more established economies in Europe and the Americas, allowing us to channel capital to where it's needed the most. We serve clients across 51 locations.

Our purpose and culture

Our distinctive culture has been developed in pursuit of our purpose – to drive commerce and prosperity through our unique diversity.

Key Performance Indicators (KPIs) and measures

Financial KPIs

Operating income

$12,954m

↑ 4%

Read more on page 5

Profit before tax

$4,724m

↑ 6%

Read more on page 5

Capital KPIs

Common Equity Tier 1 ratio

13.3%

↑ 1bp

Read more on page 6

Non-Financial KPIs

Diversity and inclusion: Women in senior roles

29.8%

+0.2ppt

1 Basis point (bps) and percentage movements are in relation to 31 December 2024, with brackets representing negative movements.
2 Senior leadership is defined as Managing Directors and Band 4 roles (including Management Team).

Market environment

Macroeconomic factors affecting the global landscape

Trends in 2025

- Global GDP growth was 3.4 per cent in 2025, slightly higher than 3.3 per cent in 2024, and better than expected as exporters front-loaded exports to the US and consumers remained resilient amid ongoing easing by central banks.
- Asia's growth was 5.3 per cent in 2025 as its export-oriented economies held up much better than expected thanks to strong front-loading of exports. Growth in India was stronger in 2025 owing to a domestic policy stimulus of tax cuts and interest rate reductions which more than countered higher US tariffs.
- Sub-Saharan Africa (SSA) likely saw growth of 4.0per cent in 2025, supported by easing global financial conditions, sustained capital inflows and country-specific reforms. Weaker global integration of SSA economies has provided a buffer against risks stemming from US tariffs.
- Among the major markets, the US showed resilience, but growth still slowed from 2.7 per cent in 2024 to 2.0 per cent in 2025 amid government spending cuts, tariff disruptions and prolonged government shutdown. Growth was stronger in 2025 in the Euro area and the UK, largely owing to front-loading of exports to the US ahead of tariffs. Monetary easing will continue to filter through, but external trade pressures have shown signs of weighing on growth. In most major markets, there are early signs of labour market softening.
- Many central banks continued to loosen monetary policy over the course of 2025 as inflation showed clearer signs of returning to target levels.

Outlook for 2026

- We expect global growth to be 3.4 per cent in 2026, unchanged from 2025. For many economies, 2026 is likely to be a year of transition from monetary to fiscal policy, and from export-led to increasingly domestic (particularly investment-led) growth.
- On the geopolitical front, markets will be eager to see progress to end ongoing conflicts and will be focused on the US mid-term elections. Risks to the outlook remain high amid persistent trade policy uncertainty, geopolitical flash points, and fears of financial-market corrections – all of which point to potentially higher probabilities of extreme outcomes.
- We expect US to grow by 2.3 per cent in 2026, on the back of strong business investment and spending, supported by corporate tax cuts and the race for AI adoption. We expect euro area growth to be more muted at 1.1per cent given trade pressures – from US tariffs, increasing competition from China and the uneven picture across euro-area economies.
- Asian economies are likely to see a slowdown in export growth. However, resilient consumer spending and stronger investment should support growth across most economies.
- The US continues to diverge from other major economies – inflationary pressures are building in the US, while they remain largely absent elsewhere. We expect no further cuts from the US Federal Reserve (Fed); as this is less than what the market is currently pricing in, it should mean that global yield curves steepen and should also supportive for the US dollar.

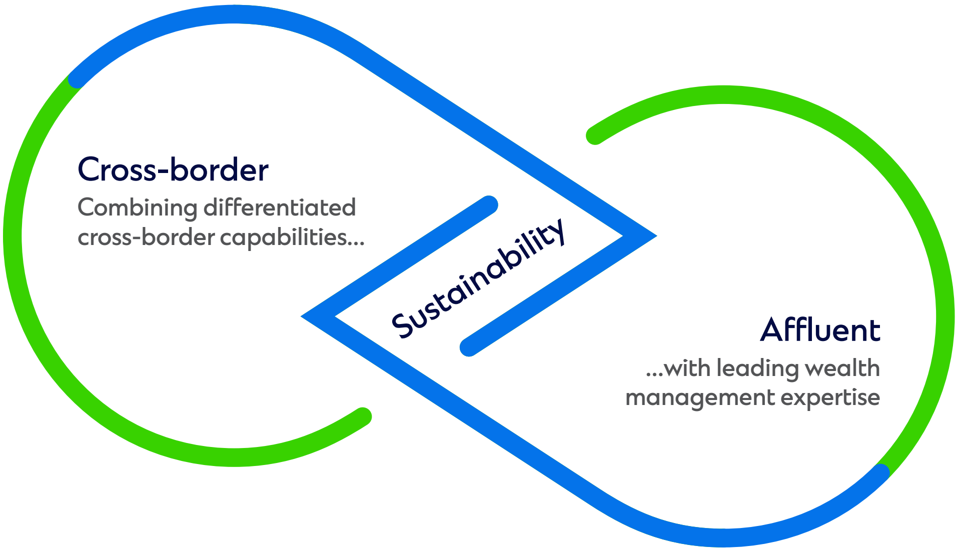
Actual and projected growth by market

		2026	2025
Asia	India	**6.6%**	7.5%
	Indonesia	**5.2%**	5.0%
	Singapore	**3.2%**	4.8%
Americas	US	**2.3%**	2.0%
Africa	Nigeria	**4.0%**	3.8%
	South Africa	**2.0%**	1.2%
	Kenya	**5.3%**	4.9%
Middle East	UAE	**5.0%**	5.0%
Europe	UK	**1.2%**	1.4%
	Euro area	**1.1%**	1.4%

Our strategy

Our strategy is designed to deliver our purpose: to drive commerce and prosperity through our unique diversity. This is underpinned by our brand promise, here for good.

We are a global bank connecting corporate, institutional and affluent clients to a network that offers unique access to sustainable growth opportunities across Asia, Africa and the Middle East. We specialise in solving complex cross-border challenges for sophisticated clients.



Strategic priorities

Cross-border

- Help our clients seamlessly connect with growth opportunities across high-growth corridors, utilising our unique footprint.
- Offer increasingly innovative solutions for complex client needs by growing our capabilities in advisory, risk management and financing across capital markets, securities services, trade and payments.
- Address evolving client demand and drive client satisfaction with investments in digitisation, product innovation and AI capabilities.
- Enhance our ability to serve sophisticated financial institutions in fast-growing client segments such as Sponsors and Fintech.
- Support our clients' transition journeys across our markets by continuing to build market-leading sustainable finance capabilities.

Affluent

- Continue to differentiate through our international affluent client value proposition, solidifying our position as a leading wealth manager in Asia, Africa and the Middle East.
- Strengthen our competitive advantages in serving affluent clients' needs, with investment in our wealth and digital platforms, client centres, people and brand.
- Deliver personalised and trusted advisory and differentiated solutions to clients, leveraging AI and digital tools to grow client engagement and wealth penetration.
- Build a robust pipeline of future affluent clients as we continue to reshape our mass retail business.
- Connect clients to sustainability capabilities across the bank by embedding sustainable investments into our Wealth Solutions propositions.

Our business model

Our business model reflects our strategy of combining differentiated cross-border banking capabilities with leading wealth management expertise for affluent clients, supported by leadership in sustainability.

Our business segments

Corporate & Investment Banking (CIB)

Supports large corporations, development organisations, governments, and financial institutions with risk management, advisory and financing solutions.

Wealth & Retail Banking (WRB)

Serves the local and international banking needs of our clients across the wealth continuum with a focus on the affluent segment, while also supporting small and medium-sized enterprises.

Ventures

Promotes a culture of innovation across the Group, investing in disruptive financial technology and creating alternative financial service business models, as well as growing our digital bank –Trust.

Our key products and services

Global Markets

- Macro Trading
- Credit Trading

Global Banking

- Lending & Financial Solutions
- Capital Markets & Advisory

Transaction Services

- Payments and Liquidity
- Trade & Working Capital
- Securities & Prime Services

Wealth Solutions

- Investments
- Bancassurance
- Wealth advice
- Portfolio management

Retail Products

- Deposits
- Mortgages
- Credit cards
- Personal loans

Sustainability is integral to the Group and our client offering across all our business segments.

Responsible business practices

We strive to be a responsible business by operationalising our net zero targets, managing environmental and social risks, and acting transparently.

Bespoke sustainable finance solutions

We offer sustainable finance solutions designed to help our clients address environmental and social challenges and achieve sustainable growth.

Innovation in service of our markets

We advocate in service of our markets to unlock the areas where capital is not flowing at scale or not at all and to drive economic inclusion.

Financial review

Summary of financial performance

	2025 $million	2024 $million	Change %
Net Interest income	**3,715**	4,400	(16)
Non NII[1]	**9,239**	8,014	15
Operating income	**12,954**	12,414	4
Operating expenses	**(7,955)**	(7,550)	(5)
Operating profit before impairment and taxation	**4,999**	4,864	3
Credit impairment	**(248)**	(15)	nm
Goodwill & Other impairment	**(29)**	(410)	93
Profit/(Loss) from associates and joint ventures	**2**	8	(75)
Profit before taxation	**4,724**	4,447	6
Taxation	**(1,314)**	(1,465)	10
Profit for the period	**3,410**	2,982	14

1 Non NII is the sum of net fees and commission, net trading income and other operating income.

Operating income increased 4 per cent. Excluding three notable items in the prior year relating to gains on revaluation of FX positions ($157million), hyperinflationary accounting adjustments ($139million) and loss on subsidiaries disposals ($217million), operating income was up 5 per cent and was driven by growth in non net interest income (Non NII), partly offset by lower net interest income (NII).

Net interest income (NII) decreased 16 per cent, driven by margin compression from lower benchmark rates, partly offset by benefits from short-term hedge roll off.

Non NII increased 15 per cent driven by sustained momentum in Wealth Solutions, higher volumes in Global Banking, and stronger client flows and episodic income in Global Markets.

Operating expenses are up 5 per cent driven by continued investment spend on business growth and transformational initiatives alongside higher variable compensation.

Credit impairment is a net charge of $248million and is driven by higher charge-offs and delinquencies in WRB partially offset by net recovery in CIB.

Goodwill & Other impairment is lower than prior year by $381million due to non-repeat of prior year write-off of software assets.

Taxation of $1,314million for the year represents an effective tax rate of 28 per cent against prior year effective tax rate of 33%, and is due to reduced loss on subsidiaries disposal, favourable adjustments in respects of prior periods and lower level of non-deductible expenses.

Segmental performance

Profit/(loss) before tax by client segment

	2025 $million	2024[1] $million	Change %
Corporate & Investment Banking	**4,239**	4,056	5
Wealth & Retail Banking	**1,185**	1,294	(8)
Ventures	**(45)**	(80)	44
Central & other items	**(655)**	(823)	20
Profit before taxation	**4,724**	4,447	6

1 Segment results have been re-presented in line with the PLC Group's RNS on Re-Presentation of Financial Information issued on 2 April 2025 to reflect the reallocation of Treasury income and certain costs across segments

Corporate & Investment Banking (CIB)

- Profit before taxation increased 5 per cent driven by higher income from Global Banking and Global Markets and lower software impairments, partly offset by higher costs
- Operating income of $9,230 million was up 4 per cent driven by higher volumes and increased capital market activity in Global Banking, as well as improved flow and episodic income in Global Markets
- Operating expense of $5,083 million was up 4 per cent due to higher compensation and strategic investments
- Credit impairment is a net write back of $97 million and is due to Stage 3 releases. Other impairment is lower than prior year due to non-recurrence of prior year software impairments

Wealth & Retail Banking (WRB)

- Profit before taxation decreased 8 percent primarily driven by higher costs from increased investment spend, partly offset by higher income from Wealth Solutions.
- Operating income of $4,046million was down slightly compared to prior year due to margin compression in Deposits, partly offset by higher Wealth Solutions performance
- Operating expense of $2,557million was up 5 per cent due to higher investment spend and increase in Affluent frontline staff cost
- Credit impairment is a net charge of $299million primarily reflecting higher charge-offs and normalised flows in unsecured portfolio. Other impairment is lower than prior year due to non-recurrence of prior year software impairments

Ventures

- Loss before taxation of $45 million decreased by $35 million driven by growth in Unsecured Lending volumes and income in Trust Bank.

Central & Other items (C&O)

- Loss before taxation of $655 million decreased by $168 million driven by benefits from the roll-off of short-term hedges, partly offset by non-repeat of prior year notable items (FX revaluation gains, hyperinflationary accounting adjustment and loss from subsidiary disposals).

Balance sheet and capital

	2025 $million	2024 $million	Change %
Total assets	**593,362**	563,534	5
Total liabilities	**557,724**	529,418	5
Common Equity Tier 1 (%)	**13.3%**	13.3%	1[1]

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

The Group's balance sheet is strong, highly liquid and well diversified.

Total Assets increased 5 per cent from 31 December 2024 due to growth in financial assets held at fair value through profit or loss (primarily in loans and advances to customers), increase in other assets from higher volumes of precious metals and higher central bank balances.

Total Liabilities increased 5 per cent from 31 December 2024 driven by growth in customer accounts, including CIB CASA and WRB CASA and Term Deposits, as well as deposits by banks.

Common Equity Tier 1 (CET 1) ratio remains stable at 13.3 per cent as of 31 December 2025. The Group continues to operate through its branches and various subsidiaries, all of which remain well-capitalised in accordance with their applicable risk appetites and applicable regulatory requirements.

Our business

Standard Chartered Bank is authorised by the Prudential Regulation Authority (PRA) and regulated by the PRA and by the Financial Conduct Authority (FCA). The PRA is the consolidated supervisor in respect of the Group (of which PLC is the ultimate parent).

Standard Chartered Bank is a material subsidiary of the PLC Group for the purposes of the Bank of England-led single point of entry preferred resolution strategy for the PLC Group. The Group is a core part of, and critical provider of essential services to the PLC Group and is fundamental to the delivery of the PLC Group's purpose, franchise, and strategy.

Clients	• The Group remains the largest Corporate & Investment Banking (CIB) origination hub supporting a significant part of CIB revenues and is key to the global network proposition • The Group is the relationship hub for the majority of key CIB clients, particularly Organisation for Economic Co-operation and Development (OECD) clients • The Group holds the majority of the PLC Group's corporate and financial institutions deposits, a significant part of the PLC Group's USD funding base
Capabilities	• The Group holds key licences and hosts infrastructure vital for the global franchise such as global USD & EUR clearing • The Group is the main Global Markets booking centre supporting the majority of Global Market revenues • The Group remains a main access point to high quality USD funding
Critical infrastructure	• The Group is the key liquidity management centre: holding the majority of the PLC Group's high-quality liquid assets for regulatory purposes • The Group provides functional support on a global basis • The Group operates global business services hubs for the benefit of the PLC Group including shared service centres and centres of excellence
Investors	• The Group's UK domicile underpins a unique investor proposition: emerging markets access from a UK regulated platform • A significant number of PLC Group's equity and debt investors are based in the Group's footprint
Recovery and resolution	• Standard Chartered Bank is the largest material subsidiary for the purposes of minimum requirement for own funds and eligible liabilities (MREL) and total loss-absorbing capital (TLAC) • The Group is critical to the delivery of capital and liquidity generating management actions in PLC Group's recovery planning • The Group houses various critical services and critical functions in resolution and resolution management

The Group's Credit Ratings

The Group remains a highly rated institution (in both absolute and relative terms) with the following long and short-term issuer ratings all with a stable outlook. Moody's revised the rating outlook on Standard Chartered Bank to stable from positive in November 2025, which was primarily driven by Moody's methodology change.

	S&P	Moody's	Fitch
Long Term	A+	A1	A+
Short Term	A-1	P-1	F1
Outlook	Stable	Stable	Stable

Risk review

An update on our risk management approach

Our Risk Management Framework (RMF) sets out the principles and minimum requirements for risk management and governance across the Group. The RMF enables the Group to manage enterprise-wide risks, with the objective of maximising risk-adjusted returns while remaining within our Risk Appetite (RA).

The PLC Group 2025 Annual Report outlines our risk management approach through the Enterprise Risk Management Framework (pages 220 to 232). The PLC Group 2025 Annual Report also defines our Risk Culture, Roles and Responsibilities, the Risk Function, approach to Risk Identification and Assessment, Risk Appetite and Stress Testing, and Principal Risks that are also applicable to the Group

Principal Risk Types and Risk Appetite

Principal Risk Types (PRTs) are those risks that are inherent in our strategy and business model and have been formally defined in the Group's RMF.

The table below provides an overview of the Group's current PRTs and their corresponding RA statements.

Principal Risk Types	Definition	Risk Appetite Statement
Credit Risk	Potential for loss due to failure of a counterparty to meet its agreed obligations to pay the Group.	The Group manages its credit exposures following the principle of diversification across products, geographies, client segments and industry sectors.
Traded Risk	Potential for market or counterparty credit risk losses resulting from activities undertaken by the Group in fair valued financial market instruments.	The Group should control its financial markets activities to ensure that market and counterparty credit risk losses do not cause material damage to the Group's franchise.
Treasury Risk	Potential for insufficient capital, liquidity, or funding to support our operations, the risk of reductions in earnings or value from movements in interest rates impacting banking book items and the potential for losses from a shortfall in the Group's pension plans.	Individual regulated entities within the Group should maintain sufficient capital, liquidity, and funding to support its operations, and an interest rate profile ensuring that the reductions in earnings or value from movements in interest rates impacting banking book items do not cause material damage to the Group's franchise. In addition, the Group should ensure that its pension plans are adequately funded.
Operational and Technology Risk	Potential for loss resulting from inadequate or failed internal processes, technology events, human error, or from the impact of external events (including legal risks).	The Group aims to mitigate and control Operational and Technology risks, to seek to ensure that events, including any related to conduct of business matters, do not cause the Group material harm as a result of business disruption, financial loss or reputational damage.
Information and Cyber Security Risk	Risk to the Group's assets, operations, and individuals due to the potential for unauthorised access, use, disclosure, disruption, modification, or destruction of information assets and/or information systems.	The Group aims to mitigate and control ICS risks to ensure that incidents do not cause the Group material harm, business disruption, financial loss or reputational damage, recognising that whilst incidents are unwanted, they cannot be entirely avoided.
Financial Crime Risk[1]	Potential for legal or regulatory penalties, material financial loss or reputational damage resulting from the failure to comply with applicable laws and regulations relating to international sanctions, anti-money laundering and anti-bribery and corruption, and fraud.	The Group has no appetite for breaches of laws and regulations related to Financial Crime, recognising that whilst incidents are unwanted, they cannot be entirely avoided.
Compliance Risk	Potential for penalties or loss to the Group or for an adverse impact to our clients, stakeholders or to the integrity of the markets we operate in through a failure on our part to comply with laws, or regulations.	The Group has no appetite for breaches of laws and regulations related to regulatory non-compliance, recognising that whilst incidents are unwanted, they cannot be entirely avoided.
Environmental, Social and Governance and Reputational (ESGR) Risk	Potential or actual adverse impact on the environment and/or society, the Group's financial performance, operations, or the Group's name, brand or standing, arising from environmental, social or governance factors, or as a result of the Group's actual or perceived actions or inactions.	The Group aims to measure and manage financial and non-financial risks arising from climate change, reduce emissions in line with our net zero strategy and protect the Group from material reputational damage by upholding responsible conduct and striving to do no significant environmental and social harm.
Model Risk	Potential loss that may occur because of decisions or the risk of mis-estimation that could be principally based on the output of models, due to errors in the development, implementation, or use of such models.	The Group has no appetite for material adverse implications arising from misuse of models or errors in the development or implementation of models, whilst accepting some model uncertainty.

1 Fraud forms part of the Financial Crime RA Statement but in line with market practice does not apply a zero-tolerance approach.

Topical and Emerging Risks (TERs)

Topical Risks refer to themes that may have emerged but are still evolving rapidly and unpredictably. Emerging Risks refer to unpredictable and uncontrollable outcomes from certain events which may have the potential to adversely impact our business.

As part of our ongoing risk identification process, we have updated the PLC Group's TERs from those disclosed in the 2025 Half-Year Report. These remain relevant for the Group and are summarised below, including the actions we are taking to mitigate them based on our current knowledge and assumptions. The TER list is not exhaustive and there may be additional risks which could have an adverse effect on the Group. Our mitigation approach for these risks may not eliminate them but demonstrates the Group's awareness and attempt to mitigate or manage their impact.

The full disclosure on TERs, including steps we have taken to mitigate them, can be found in pages 45 to 49 of the PLC Group 2025 Annual Report

TERs	Description	How these risks are mitigated
Macroeconomic and geopolitical considerations	• Expanding array of global tensions and transition of the international order: Geopolitical fragmentation is driving more fluid alliances, with reduced co-ordination on key global issues. Resurging nationalism, aggressive use of tariffs, hybrid warfare and spillovers from open conflict complicate the global landscape. • Macroeconomic uncertainty including potential price bubbles: Tariffs and trade tensions, as well as uncertain interest rate trajectory create a challenging business environment. Correction of a potential Artificial Intelligence (AI) driven bubble would have implications to the broader economy, with particular scrutiny on the private credit sector. The private credit sector is also considered with concerns over default rates and increasing connectedness with traditional banks and the insurance industry. • Supply chain issues and key material shortages: Supply routes are vulnerable to physical disruptions from conflict or piracy. Growing need for minerals and rare earths can be leveraged to increase influence for refiners.	• We conduct portfolio reviews and stress tests at Group, country, business and asset class level, with regular reviews of vulnerable sectors. • We have a structural hedging programme to mitigate the impact of volatile interest rates. • We run daily market risk stress scenarios to assess the impact of unlikely but plausible market shocks. • We run a suite of management scenarios with differing severities to assess their impact on key risk appetite metrics. • We have a dedicated country risk team that closely monitors sovereign risk. • We maintain a diversified portfolio across products and geographies, with specific risk appetite metrics to monitor concentrations. • Increased scrutiny is applied when onboarding clients in sensitive industries and ensuring compliance with sanctions. • We maintain underwriting principles for specialised product and industry segments, detailing transaction level origination standards and sub-segment caps supported by regular portfolio reviews. • We regularly review our supply chains and third-party arrangements to improve operational resilience. • We actively review and test our crisis management and business continuity plans.
ESG considerations	• Evolving ESG Dynamics: Economic pressures and geopolitical tensions such as increased tariffs may push companies to consider deprioritising their climate transition. In addition, the cost of managing the climate impacts from more frequent extreme weather events is increasing, with the burden disproportionately borne by developing markets, which in turn lowers their ability to invest in transition infrastructure.	• Climate Risk considerations are embedded across relevant Principal Risk Types. We perform client-level Climate Risk assessments and set adequate mitigants or controls where relevant. • PLC Group has delivered on its commitment to be net zero in its own operations (Scope 1 and 2 emissions) by the end of 2025 and intends to maintain this going forward. • We embed our values through our Position Statements and a list of prohibited activities. We also maintain ESG and Reputational Risk standards to identify, assess and manage risks when providing services to clients.

TERs	Description	How these risks are mitigated
ESG considerations		• Management of greenwashing risks is integrated into PLC Group's ESG and Reputational (ESGR) Risk Type Framework, ESGR policies, Sustainable Finance frameworks, and relevant product and marketing standards. • Detailed portfolio reviews and stress tests are conducted to assess the resilience of our clients and operations to climate-related physical and transition risks. • Suppliers that are identified as presenting higher risks of modern slavery are subject to risk assessments.
New business structures, channels and competition	• Competitive disruption: In addition to established forms of competition such as FinTechs, traditional finance faces disintermediation from digital assets, particularly stablecoins, as well as the growth of private credit. These risks may be particularly prevalent in emerging markets. • Rapid adoption of AI: AI's rapid evolution requires large investment to keep pace with the latest developments, with adoption needing to balance technological advancement with compliance, controls and model risk. Cost pressure and lack of key skills may hamper a swift transition. Risks of fraud and smarter malware are also heightened. • Cyber, data and operational resilience: There is an increasing focus on operational resilience from regulators globally. It is key to ensure that the Group's critical infrastructure is fully mapped, safeguarded and built with resilience in its design. Reliance on third parties introduces additional risk by expanding the Group's digital footprint. Geopolitical tensions may spillover to the cyber domain, with other considerations such as data sovereignty complicating a global business model.	• We continuously monitor and evaluate emerging technology trends, business models and opportunities. • We have enhanced governance for evolving areas, such as the PLC Group's Digital Asset Risk Committee. • We have instituted the AI Safety Council which evaluates and assesses AI solutions prior to use. • We apply a tiered approach to evaluate AI systems, proportionate to the associated risks. • We are partnering with central banks and other stakeholders on digital currency and stablecoin projects around the world. • We manage data and information security risks through PLC Group's Compliance and Information and Cyber Security (ICS) Risk Type Frameworks. PLC Group also maintains a global Group Data Conduct Policy. • The Group continues to invest in its resilience capabilities, with a focus on regulatory compliance, as well as ensuring the continued operational stability of the Bank. • The Group is focused on uplifting its global data centre footprint, enhancing technology to reduce obsolescence, assuring its use of Third Parties, and building response and recovery capabilities. • We prioritise security and robust testing in the design of our products and services, including implementing encryption, phishing resistance and stringent access controls to safeguard user data. • The PLC Group has implemented a 'defence-in-depth' ICS control environment strategy to protect, detect and respond to known and emerging ICS threats. • We upskill colleagues on the human aspect of ICS risk, underpinned by our Code of Conduct and Ethics. • We also assign mandatory ICS learning, phishing exercises and role-specific training. • The PLC Group's Incident Response processes include 24/7 security event monitoring, triage and analysis. • New risks are identified through the New Initiatives Risk Assessment and Third-Party Risk Management Policy and Standards.

TERs	Description	How these risks are mitigated
New business structures, channels and competition		• We identify security threats to third parties and deliver threat intelligence and briefings to strategic clients to enhance our services and relationships. • We have initiated a post quantum cryptography programme to manage the bank-wide transition to post-quantum encryption standards. • We test the effectiveness of our crisis management and continuity strategies through a series of severe but plausible disruption scenarios. • We have implemented pan-bank stress testing for our Important Business Services to ensure vulnerabilities are effectively identified and remediated. • We have improved operational resilience monitoring capabilities to identify potential vulnerabilities quickly and put in place necessary remediations and controls.
Regulatory considerations	• Regulatory evolution and fragmentation: Regulation continues to diverge, with significant new regimes coming into force at different paces across our footprint. The Group's presence in a variety of jurisdictions exposes us to increasing regulatory fragmentation, with ongoing uncertainty on topics such as sanctions, data, AI, and climate. The rise in consultations relating to digital assets, may introduce potential inconsistent standards across jurisdictions.	• We actively monitor regulatory developments and respond to consultations either bilaterally with regulators and external legal advisors or through well-established industry bodies. • We track evolving country-specific requirements and actively collaborate with regulators to support important initiatives. • We are leveraging new technology to identify and map new regulations. • We remain focused on protecting consumers by proactively identifying and mitigating risks such as scams, phishing and impersonation.
Demographic considerations	• Skills and the competition for talent: An inability to attract or retain the talent to fill key future skills gaps, both digital and interpersonal, will become a competitive disadvantage. Flexible working may limit the human interaction required to develop key soft skills. • Demographic and migration trends: This reflects the challenges of managing ageing and shrinking populations in developed markets, while maximising the potential of booming younger workforces in developing markets.	• Our People Strategy builds a future-ready, multi-generational workforce through structured re-skilling and mobility programs; this enables prompt redeployment as roles evolve, and also mitigates the demographic risks of shrinking and ageing populations. • We have an internal Talent Marketplace which enables colleagues to sign up for projects to access diverse experiences and career opportunities. • We place an emphasis on skills and identifying talent to accelerate, and how to deploy them in areas with the highest impact for our clients and the business. • We emphasise frequent two-way feedback through performance and development conversations to embed a culture of continuous learning and development. • We provide support and resources to help balance productivity, collaboration and wellbeing, with more than 60 per cent of PLC Group's staff working flexibly. • PLC Group's Human Rights Position Statement outlines our commitment to maintain a safe, supportive, diverse, and inclusive workplace, as well as supporting social and economic development in the communities in which we operate.

Our Stakeholders

Listening and responding to stakeholder priorities and concerns is critical to achieving our purpose and delivering on our brand promise, here for good.

We communicate progress regularly with external stakeholders through channels such as sc.com, established social media platforms and this report.

Section 172 Statement

This section forms our Section 172 disclosure, describing how the directors considered the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 when performing their duty to promote the success of the Company. It also forms the directors' statement required under section 414CZA of the Act.

Read more about how the Court[1] had regard to each section 172 principle during the year

Section 172 Principles	Disclosure
The likely consequences of any decisions in the long term	Principal Court decision – page 12 Our approach to Sustainability – page 14
The interests of the Company's employees.	Stakeholder engagement – page 12 Directors report – page 16
The need to foster business relationships with suppliers, customers and others	Stakeholder engagement – page 12
The impact of the Company's operations on the community and the environment	Directors report – page 20 Our approach to Sustainability – page 14
The desirability of the Company maintaining a reputation for high standards of business conduct	Integrity, conduct and ethics – page 19
The need to act fairly as between members of the company	Stakeholder engagement – page 12

1 The Court is the decision-making body of Standard Chartered Bank Group. It is collectively responsible for leading the Group within a framework of prudent and effective controls, the long-term success of the Group and the delivery of sustainable value to all stakeholders. The membership of the Court is comprised of all but two independent non-executive directors from the PLC Board, executive directors from the PLC Board and directors who are appointed solely to the Court.

Detailed information about how the Court engages directly with stakeholders and shareholders can be found in the Director's report on pages 16 to 21

An example of the Court's Principal decision is included in this section. This section also forms our key non-financial disclosures in relation to sections 414CA and 414CB of the Companies Act. Our non-financial information statement can be found at the end of this section.

Principal Court decisions – market exits

The Court approved the divestment of three Wealth and Retail Banking (WRB) businesses in Uganda, Zambia and Sri Lanka, with the PLC Group concentrating its resources in these markets on serving the cross-border needs of global corporate and financial institution clients through its CIB business. In determining the preferred acquiror for each WRB business, the Court considered the impact of each transaction on key stakeholders including our employees, clients and the broader market environment. This included determining that acquirors were able to provide continuous employment for all in-scope employees and a seamless product offering for all clients. The Court also considered the regulatory and licensing status of each acquiror and their economic and operational capacity to integrate the WRB businesses into their own group in a timely manner.

Additionally, the Court approved expanding the divestment of the WRB business in Botswana to include the Corporate and Investment Banking business in Botswana, through the sale of Standard Chartered Bank (Botswana) Limited. In making this decision, the Court considered the impact on key stakeholders including our employees, clients, regulators, and the broader market environment. It was determined that the combined scale of the full Botswana franchise would provide prospective acquirors with greater potential for efficient funding, operational leverage and client coverage. This approval remains subject to confirmation of the preferred acquiror and transaction terms.

Stakeholder engagement

Clients

Why we engage

We engage with our clients to understand how they live and work across our markets so we can design services and solutions that help them navigate an increasingly complex financial environment.

We engage with our clients regularly so we can respond to their evolving priorities, strengthen long-term relationships and continue to enhance the value we create for them. These interactions shape how we innovate, how we tailor our solutions and how we ensure our products and services meet the specific needs of clients across our global footprint.

Their interests

- Differentiated product and service offering
- Digital products and strong user experience
- Sustainable finance
- Access to international markets

How we engage

In 2025, our WRB business deepened client engagement by focusing on more personalised, insight-led interactions. We enhanced day-to-day engagement by using tools that offer timely, actionable market intelligence, including our AI-powered FX Insights, giving clients real-time information in a simple, intuitive format. This has improved the quality of conversations between clients and relationship managers and enabled more informed decision-making. We launched our new marketing campaign, Now is your time for Wealth, aimed at the affluent segment. This signals our commitment to executing a more data-driven and personalised approach for a more holistic client engagement, reinforcing our position as an international wealth manager.

In CIB, our engagement in 2025 centred on providing advisory-led, relationship-driven support to clients navigating a period of economic uncertainty, supply-chain realignment and evolving regulatory requirements. Rather than focusing on isolated transactions, we developed deeper, continuous dialogue with corporate and institutional clients to help them manage risks, identify growth opportunities and adapt to shifting market dynamics. Our CIB business continued to deliver sophisticated, cross-border solutions for clients. An example is our partnership with the Government of the Bahamas, The Nature Conservancy and the Inter-American Development Bank to structure an innovative debt conversion initiative that reduced sovereign debt servicing costs while supporting climate and nature outcomes.

For more details on how we engage with clients, refer to further information contained on page 38 of the PLC Group's 2025 Annual Report and Accounts

Employees

Why we engage

We know that our employees are key to driving our performance and productivity and that the diversity of our people, cultures and network sets us apart. Ensuring we have optimal talent and cultural experience to enable sustained high-performance by colleagues is vital in delivering our strategy. By engaging employees and fostering a positive experience for them, we can better serve our clients and deliver our purpose. Our inclusive and high-performing culture enables us to unlock innovation, make better decisions, deliver our strategy, live our valued behaviours and embody our brand promise, here for good.

Their interests

- Day-to-day experience
- Health and wellbeing
- Reskilling and upskilling initiatives
- Career progression
- Reward and remuneration
- Positive work/life balance

How we engage

Frequent feedback from employee surveys help us identify and close gaps between colleagues' expectations and their experience. Colleague sentiment is captured through an annual survey as well as regularly through a weekly survey and at key moments, such as when employees join us, leave, or return to work after parental leave. In addition to leveraging inputs from these surveys, there are regular colleague communications through varied channels including regular People Leader Calls, Townhalls and a Global, Functional and Market level the Board and Group Management Team also engage with and listen to the views of colleagues through interactive sessions.

Read more on the Court's engagement with the workforce on page 18

Investors

Why we engage

We recognise the importance of maintaining open, transparent and constructive engagement with investors to support sustainable long-term value creation and maintain market confidence.

Their interests

- Strong and sustainable financial performance
- Execution of the Group's long-term strategy
- Robust governance practices
- Progress on ESG matters, including advancing our net-zero agenda

How we engage

Our PLC Group engages with investors through results presentations, one-on-one and group meetings, analyst briefings, conferences, roadshows, investor days, regulatory announcements and the PLC Group's website.

For more details on how we engage with investors, refer to further information contained on page 39 of the PLC Group's 2025 Annual Report and Accounts

Society

Why we engage

We partner with global and local NGOs to help the Group economically empower under-served young people, especially women and those with disabilities.

Their interests

- Access to decent jobs
- Financial access for microbusinesses
- Gender equality
- Disability inclusion
- Skills and businesses that address environmental and social challenges
- Provision of mentoring and training support

How we engage

With the Standard Chartered Foundation, we advanced strategic partnerships in 2025 with NGOs in support of our goal to empower underserved young people. New employability programmes to help young people secure decent jobs were implemented. We also continued to engage our partners to adapt programmes to continue supporting as many young people as possible.

For more details on how we engage with the society, refer to further information contained on page 40-41 of the PLC Group's 2025 Annual Report and Accounts

Suppliers

Why we engage

We are committed to fostering an inclusive and sustainable supply chain that reflects the diversity of the communities we serve. By engaging with diverse suppliers – small and medium-sized businesses, businesses owned by women, ethnic minorities, persons with disabilities, and social enterprises we help create equitable economic opportunities and drive innovation across our value chain.

Their interests

- Open and transparent tendering process
- Simple and consistent onboarding requirements
- Accurate and on-time payments
- Willingness to adopt supplier-driven innovation
- Guidance on implementation of sustainability matters

How we engage

We aim to identify and work with a more diverse range of suppliers. We focus on growing these relationships and increasing spend with existing and new diverse suppliers, while committing to supporting suppliers through coaching, mentoring and outreach programs.

For more details on how we engage with suppliers, refer to further information contained on page 41 of the PLC Group's 2025 Annual Report and Accounts

Regulators and Governments

Why we engage

We engage with public authorities to play our part in supporting the effective functioning of the financial system and the broader economy.

Their interests

- Strong capital base and liquidity position
- Robust standards for financial conduct and financial crime
- Competitive economies and markets
- Digital innovation and use of AI in financial services
- Operational resilience
- Sustainable finance and net zero transition
- Market integrity and customer protection
- International and digital trade
- Financial stability

How we engage

We engage with government, regulators and policy makers at the global, regional and national level as well as trade associations to share insights and support the development of best practices and adoption of consistent approaches across our markets.

For more details on how we engage with regulators and governments, refer to further information contained on page 41 of the PLC Group's 2025 Annual Report and Accounts

Our approach to Sustainability

Sustainability is a strategic focus area for the Group, as we strive to promote inclusive growth and prosperity across the markets where we operate.

The Group leverages the PLC Group's sustainability approach. The approach is articulated through the PLC Group's long-term sustainability goals –Sustainability Aspirations – and short-term sustainability targets – the Sustainability Strategic Pillars. The Aspirations and Pillars set out how we intend to deliver across our sustainability agenda.

Sustainability Aspirations: our long-term goals

The PLC Group Sustainability Aspirations (indicated below) are consolidated into four overarching long-term goals, each supported by key performance indicators. Together, these reflect our commitment to fostering sustainable social and economic development in our markets.

- Aspiration 1: Mobilise $300 billion of sustainable Finance
- Aspiration 2: Operationalise our interim 2030 Financed emissions targets to meet our 2050 net zero ambition
- Aspiration 3: Enhance and deepen the sustainability ecosystem
- Aspiration 4: Drive social impact with our clients and communities

Sustainability Strategic Pillars: our short-term targets and immediate priorities

The four Sustainability Strategic Pillars represent our near-term strategic focus designed to drive momentum and accelerate progress toward the longer-term Sustainability Aspirations.

- Pillar 1: Scale sustainable Finance income
- Pillar 2: Further embed sustainability across the organisation
- Pillar 3: Deliver on the annual milestones set forth in our net zero roadmap
- Pillar 4: Leverage our Innovation Hubs

Our non-financial and sustainability reporting requirements are achieved by reference to PLC Group activities where relevant and to the PLC Group report.

More information about the Group's approach to sustainability can be found on pages 75-82 of the PLC Group's 2025 Annual Report and Accounts

Non-financial and sustainability information statement

This table sets out where shareholders and stakeholders of the Group can find key non-financial and sustainability matters in this report. As the Company is a subsidiary undertaking of PLC and included within PLC Group, compliance with the non-financial and sustainability reporting requirements contained in sections 414 CA and 414 CB of the Companies Act 2006 is achieved by reference to PLC Group activities where relevant and to the PLC Group report available at **sc.com** via **sc.com/sustainabilitylibrary**

Reporting requirement	Where to read more in this report about policies, impact (including risks, policy embedding, due diligence and outcomes)
Business model	Page 4
Risk Review (principal risks)	Pages 25 to 70
Environment	Page 14
• Sustainable & Responsible Business	Pages 16 to 22
• Directors Report	
Employees	Page 13
Human rights	Page 18
Social matters	Page 13
Anti-corruption and anti-bribery	Page 8

Authority

The strategic report up to page 15 has been issued by order of the Court.

Bill Winters
Director

24 February 2026

Company Reference Number: ZC18

Directors' report

The directors present their report and the audited financial statements of Standard Chartered Bank and its subsidiaries (the 'Group') and Standard Chartered Bank (the 'Company') for the year ended 31 December 2025. The Company has chosen in accordance with Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (the Regulations), to include certain matters in its Strategic report (see pages 1 -15) that would otherwise be disclosed in this Directors' report as required by paragraphs 2,6,10,11,12 of the Regulations.

Activities

The activities of the Group are banking and providing other financial services. The Group comprises a network of branches and outlets in 51 markets. The Financial Review on pages 5 to 6 contains a review of the business during 2025.

Key stakeholders

The long-term success of the Group is dependent on its relationships with its key stakeholders. On pages 12 to 14 we outline the ways in which we have engaged with key stakeholders, the material issues that they have raised with us, and how these issues have been taken into account in the Court's decision-making processes.

Results and dividends

The results for the year are given in the income statement on page 84.

Dividends of $2,276 million were paid during the year to ordinary shareholders (2024: $2,395 million).

Share capital

Details of the Company's share capital including the particulars of any share buy-backs are given in Note 27 to the accounts.

Loan capital

Details of the loan capital are given in Note 26 to the accounts.

Property, plant and equipment

Details of the property, plant and equipment of the Company are given in Note 17 to the accounts.

Financial instruments

Details of financial instruments are given in Note 12 to the accounts.

Details of exposure to credit, traded, liquidity and funding risk can be found in the Risk Profile section of the accounts.

Post balance sheet events

Details of post balance sheet events are given in Note 38 to the accounts.

Research and development

During the year, the Group invested $1.82 billion (2024: $1.86 billion) in research and development, of which $797 million (2024: $801 million) was recognised as an expense. The research and development investment primarily related to the planning, analysis, design, development, testing, integration, deployment and initial support of technology systems.

Future developments in the business of the Group

An indication of likely future developments in the business of the Group is provided in the Strategic report.

Directors and their interests

Mr W Winters, CBE

Mr D De Giorgi (Resigned 10 February 2026)

Mr S Apte

Ms J Hunt

Ms D Jurgens

Mr L Leong

Ms A McFadyen

Ms M Ramos

Ms S Ricke (Resigned 31 December 2025)

Mr P Rivett

Dr J Viñals (Resigned 8 May 2025)

Dr L Yueh, CBE

Mr S Apte, MS J Hunt, Ms D Jurgens, Mr L Leong, Mr P Rivett, and Dr L Yueh, CBE are all independent non-executive directors.

Dr J Viñals, Ms S Ricke and Mr D De Giorgi resigned as directors of the Company with effect from 8 May 2025, 31 December 2025 and 10 February 2026 respectively.

None of the directors have a beneficial or non-beneficial interest in the shares of the Company or in any of its subsidiary undertakings.

Details of directors' pay and benefits are disclosed in Note 37 to the accounts.

All of the directors as at 31 December 2025 (except Ms McFadyen and Ms S Ricke) are directors of the Company's ultimate holding company, Standard Chartered PLC.

Director training

Director induction

Upon joining the Court and for any changes in roles and responsibilities, our directors undertake a comprehensive tailored induction programme based on their previous experience and knowledge which is led by the Corporate Secretariat function.

In addition to site visits across some of the PLC Group's key markets and meetings with the Management Team and Court members, the induction programme includes an overview of the following areas: the regulatory environment; corporate governance including directors' duties; Court and committee governance; strategy; business areas including, CIB, WRB and SC Ventures; the regions; legal; talent, corporate affairs, brand and marketing; audit; transformation, technology and operations; corporate activity; conduct, financial crime and compliance; finance and taxation; capital and liquidity; internal audit; sustainability; and risk. Deep dives are also arranged for topics relevant to the director's committee membership.

Development plan for the new Group Chair

A tailored development plan was devised for Maria Ramos as she transitioned into the role of Group Chair during 2025. The development plan complemented her deep knowledge of the PLC Group and her strong banking experience, having previously held the roles on the PLC Board of Senior Independent Director and Board Risk Committee Chair, as well as previously being the chair of a listed mining company. While Maria already had extensive knowledge of the PLC Group's operations, regularly travelled to our key markets across Asia, Africa and the Middle East and was well versed with the significant issues and key risks facing the PLC Group, it was important to take further steps to deepen her knowledge given the new role. Accordingly, the development plan placed emphasis on ensuring she met with management across the PLC Group, a wide range of stakeholders, investors, regulators, and employees, with the aim of raising her profile with key stakeholders across the PLC Group as well as increasing her understanding of the PLC Group's Asia footprint.

The Group Corporate Secretariat provides support to Maria in discharging her responsibilities and has worked with her to ensure she received a comprehensive handover and development plan. Prior to her appointment, Maria received significant insight and preparation from the outgoing Group Chairman, José Viñals, through the transition, including a period of shadowing him through discussions and meetings.

Ongoing training

Ongoing development plans ensure that our Court directors lead with confidence and integrity and promote the Group's culture, purpose and valued behaviours. Mandatory learning and training are also important elements of directors' fitness and propriety assessments as required under the UK Senior Managers and Certification Regime. During the year, all directors participated in an education programme which included mandatory learning, briefings, presentations from guest speakers and papers on a wide range of topics including expected credit loss, information and cyber security, Audit and Corporate Governance socialisation, software security vulnerability management, managing quantum computing ICS risks and directors' duties, to ensure that they are well informed and that the Court remains highly effective.

Going concern

Having made appropriate enquiries, the Court is satisfied that the Company and the Group as a whole have adequate resources to continue in operation and meet its liabilities as they fall due for a period of at least 12 months from 24 February 2026 and therefore continues to adopt the going concern basis in preparing the financial statements.

Political donations

The Group has a policy in place which prohibits donations being made that would: (i) improperly influence legislation or regulation, (ii) promote political views or ideologies, (iii) fund political causes. In alignment to this, no political donations were made in the year ended 31 December 2025.

Qualifying Third Party Indemnities

The Company has granted indemnities to all of its directors on terms consistent with the applicable statutory provisions. Qualifying third-party indemnity provisions for the purposes of section 234 of the Companies Act 2006 were accordingly in force during the course of the financial year ended 31 December 2025 and remain in force at the date of this report.

Qualifying Pension Scheme Indemnities

Qualifying pension scheme indemnity provisions (as defined by section 235 of the Companies Act 2006) were in force during the course of the financial year ended 31 December 2025 for the benefit of the directors of the UK's pension fund corporate trustee (Standard Chartered Trustees (UK) Limited) and remain in force at the date of this report.

Areas of operation

The Company operates through branches and subsidiaries in 51 markets across Asia, the Middle East, Africa, Europe and the Americas.

Related party transactions

Details of transactions with directors and officers and other related parties are set out in Note 35 to the financial statements.

Corporate Governance Statement

The Group operates under the subsidiary governance model. As the Group continues to cover the vast majority of PLC Group's total footprint, the governance arrangements of the Company and PLC similarly reflect this overlap and is represented by a predominately mirrored board structure between PLC and the Company.

As a wholly-owned subsidiary of a listed PLC and its governance structure as a company established by Royal Charter, the Company complies with expectations set for listed companies in accordance with the UK Corporate Governance Code (2024) (the "Code") where applicable with respect to board leadership, responsibilities, composition (including succession and evaluation), audit, risk and internal control, and remuneration to ensure that the Group is well managed, with appropriate oversight and control. Certain matters, such as remuneration, values, and external audit, are set at PLC Group level and considered or approved, if appropriate, by the Court. It is considered more appropriate for the purposes of Group wide consistency that principles are set at PLC Board level and then disseminated through the Group to be approved by subsidiary boards.

The Court is supported by four primary committees: Audit Committee; Risk Committee; Nomination Committee; and US Risk Committee. Each of the primary committees and the Court have implemented clear lines of responsibility and policies to support the Court in its effective decision making. The Court also has a Standing Committee with a remit to approve matters, on behalf of the Court, where a formal resolution is required for legal and regulatory purposes. The Court, and its Nomination, Audit and Risk Committees have similar membership as the Board of PLC Group and its Nomination, Audit and Risk Committees, with the appropriate balance, skills, background and experience to make a valued contribution. The Court Nomination Committee is responsible for the oversight and review of Court succession and overall Court effectiveness. The Court Audit Committee is responsible for the oversight and review of financial, audit, internal control and non-financial crime issues. The Court Risk Committee is responsible for the oversight and review of principal risks. The Committee Chairs report to the Court on the Committees' key areas of focus following each meeting. For further information on how the Nomination Committee, Audit Committee and Risk Committee operate (including in respect of their compliance with the Code), please see pages 155 to 175 of PLC Group's 2025 Annual Report.

The Court, together with the PLC Group, are committed to high standards of engagement with employees, suppliers and other stakeholders. For a description of how the directors engaged with stakeholders, including as to how such engagement has been considered in the Court's decision making, please refer to page 12.

A copy of the UK Corporate Governance Code can be found at frc.org.uk

Employee policies and engagement

We work hard to ensure that our employees are kept informed about matters affecting, or of interest to, them and more importantly that they have opportunities to provide feedback and engage in a dialogue.

We strive to listen and act on feedback from colleagues to ensure internal communications are timely, informative, meaningful, and in support of our strategy and transformation. Pulse is our primary internal communications channel that allows colleagues to receive company updates and information that is personalised by role and location, sign up for events, provide feedback, and navigate to other internal platforms. In addition to targeted digital communications, we also organise audio and video calls, virtual and face-to-face townhalls, and other staff engagement and recognition events.

We periodically analyse and measure the impact of our communications through a range of feedback tools, including an annual global internal communications survey. Our senior leaders and people leaders play a critical role in engaging our teams across the network, ensuring that they are kept up to date on key business developments related to our performance and strategy. We offer additional support to our senior leaders and people leaders with specific calls and communications packs to help them provide context and guidance to their team members to better understand their role in executing and delivering our strategy.

Across the organisation, regular team meetings with people leaders, one-to-one conversations and various management meetings provide an important platform for colleagues to discuss and clarify key issues. Regular performance conversations provide the opportunity to discuss how individuals, the team and the business area have contributed to our overall performance and how recognition and reward relate to this. Senior leadership also regularly shares global, business, function, and market updates on performance, strategy, structural changes, HR programmes, community involvement and other campaigns. The Court also engages with and listens to the views of the workforce through several sources, including through interactive engagement sessions.

Employees past, present and future can follow our progress through the PLC Group's LinkedIn network and Facebook page, as well as other social network channels including Instagram and X, which collectively have 13.1 million followers.

The diverse range of internal and external communication tools and channels we have put in place aim to ensure that all colleagues receive timely and relevant information to support their effectiveness.

Read more on how the Court have engaged with employees and considered employee interests on page 13 of the Strategic Report

Employee policies

We work hard to ensure our employees' wellbeing is so that they can thrive at work and in their personal lives. Our PLC Group minimum standards provide employees with a range of flexible working options, in relation to both location and working patterns. Employees are provided with at least 30 days' leave (through annual leave and public holidays), and new parents are provided a minimum of 20 calendar weeks' fully paid leave, irrespective of gender, relationship status or how a child comes to permanently join a family. These benefits are in excess of the International Labour Organisation's (ILO) minimum standards.

We seek to maintain a meaningful relationship based on mutual trust and respect with various employee representative bodies (including unions and work councils). In our recognition and interactions, we are heavily influenced by the 1948 United Nations Universal Declaration of Human Rights (UDHR), and several ILO conventions including the Right to Organise and Collective Bargaining Convention, 1949 (No. 98) and the Freedom of Association and Protection of the Right to

Organise Convention, 1948 (No. 87). Working conditions and terms of employment of other employees are based on our PLC Group and country policies, and in accordance with individual employment contracts issued by the Group.

Employees' concerns in relation to their employment or another colleague which cannot be resolved through informal mechanisms such as counselling, coaching or mediation, are dealt with through our PLC Group Grievance Standard. This includes concerns related to bullying, harassment, sexual harassment, discrimination and/or victimisation, as well as concerns regarding conditions of employment (for example, working practices or the working environment).

Employees can raise grievances to their People Leader or a Human Resources (HR) Representative. The global process for addressing grievances involves an HR representative and a member of the business reviewing the grievance, conducting fact finding into the grievance and providing a written outcome to the aggrieved employee. Where employees raise concerns regarding alleged wrongdoing pertaining to another employee or in circumstances where the employee alleges wrongdoing, but does not wish to raise a grievance, such concerns are investigated in accordance with the PLC Group Investigations Standard.

If a grievance or investigation is upheld, the next steps might include remedying a process, or initiating a disciplinary review of the conduct of the colleague who is the subject of the concern. The PLC Group Grievance Standard, PLC Group Investigations Standard and accompanying process are reviewed on a periodic basis in consultation with stakeholders across HR, Legal, Compliance, Group Investigations and Shared Investigative Services. Grievance and investigation trends are reviewed on a regular basis and action is taken to address any concerning trends.

There is a distinct PLC Group Speaking Up Policy and Standard which covers instances where an employee wishes to 'blow the whistle' on actual, planned or potential wrongdoing by another employee or the Company.

The PLC Group is committed to creating a fair, consistent and transparent approach to making decisions in a disciplinary context. This commitment is codified in our Fair Accountability Principles, which underpin our PLC Group Disciplinary Standard. Dismissals due to misconduct issues and/or performance (where required by law to follow a disciplinary process) are governed by the PLC Group Disciplinary Standard. Where local law or regulation requires a different process with regards to dismissals and other disciplinary outcomes, we have clearly documented country variances in place.

Our PLC Group Diversity and Inclusion Standard applies to all employees, including the Management Team, and non-employed workers as well as any other individual working for the PLC Group, including contractors, consultants and secondees. All colleagues are required to comply with this standard. This is reflected in our PLC Group Code of Conduct and Ethics, which colleagues are required to recommit to on an annual basis. The standard has been developed to ensure a diverse and inclusive workplace, with fair and equal treatment, and the provision of opportunities for employees to participate fully and reach their full potential in a respectful working environment. All individuals are entitled to be treated with dignity and respect, and to be free from harassment, bullying, discrimination and victimisation. This helps to support productive working conditions, decreased staff attrition, positive employee morale and engagement, maintains employee wellbeing, and reduces people-related risk.

All colleagues are responsible for fostering an inclusive culture where individuality and differing skills, capabilities and experience are understood, respected and valued. All colleagues, consultants, contractors, volunteers, interns, casual workers and agency workers are required to comply with the standard, including conducting themselves in a manner that demonstrates appropriate, non-discriminatory behaviours.

We do not accept unlawful discrimination in our recruitment or employment practices on any grounds including but not limited to: sex, race, colour, nationality, ethnicity, national or indigenous origin, disability, age, marital or civil partner status, pregnancy or maternity/paternity, sexual orientation, gender identity, expression or reassignment, HIV or AIDS status, parental status, military and veterans status, flexibility of working arrangements, religion or belief. We are committed to providing equal opportunities and fair treatment in recruitment, appraisals, pay and conditions, training, development, succession planning, promotion, grievance/disciplinary procedures and employment termination practices, that are inclusive and accessible; and that do not directly or indirectly discriminate. Recruitment, employment, training, development and promotion decisions are based on the skills, knowledge and behaviour required to perform the role to the PLC Group's standards. Implied in all employment terms and our fair pay charter is the commitment to equal pay for equal work. We comply with the duty to consider reasonable workplace adjustments (including during the hiring process) to ensure all individuals feel supported and are able to participate fully and reach their potential.

We comply with the duty to consider reasonable workplace adjustments (including during the hiring process) to ensure all individuals feel supported and are able to participate fully and reach their potential.

We aim to be a disability confident organisation with a focus on removing barriers, improving accessibility and supporting colleagues who acquire a disability through appropriate training and workplace adjustments where possible to enable continued employment and career development.

Health, Safety and Wellbeing

Our health, safety and wellbeing (HSW) vision is to enable a healthy, safe and resilient workforce that supports employee productivity, operational resilience and sustainable performance. Effective management of HSW risks is fundamental to maintaining trust with colleagues, clients, regulators and communities, and forms part of the PLC Group's enterprise risk management framework.

Our global HSW programme encompasses both physical and mental health and wellbeing and is embedded across our operations. We comply with all applicable regulatory requirements and internal standards in every market, adopting the more stringent requirement. Status of health and safety management and compliance are reported at least biannually to each country's Management Team.

HSW performance are reported annually to the Group Risk Committee and Court Risk Committee. We operate a global H&S management system and compliance tracker, complemented by leading indicators such as near-miss reporting, inspections, training completion and audit outcomes to strengthen preventive controls.

We align to the International Labour Organization Code of Practice and UK Health and Safety Executive guidance, ensuring consistent recording, notification and management of occupational accidents and disease that may involve employees, contractors, and visitors. In 2025, there were no work-related fatalities or occupational ill health cases. 16 major injuries were recorded, with commuting-related incidents remaining the most common. Major injuries follow the UK definition and fractures remain to be the most common type accounting for 56% of recorded. We recorded a 14% increase in reported injuries reflecting improved reporting awareness and earlier intervention. Injury rates remain aligned with, or better than, industry benchmarks.

An Operational Excellence programme was implemented across the premises portfolio to address ageing assets, near-miss trends and third-party risk. Lessons learned are systematically reviewed to drive continuous improvement. The programme involves the review of the CRES process universe to incorporate business resilience risk and impacts of ageing and natural disasters to premises, risk profiling and tiering of real estate portfolio, third party inspections, review of third party supplier key performance metrics for integrated facilities management, training and upskilling for timely reporting, escalation, investigation and analysis of incidents.

Except in markets where cover is provided through State-mandated healthcare, the Bank provides global access to medical and healthcare services. Counselling and proactive wellbeing support is provided through the Employee Assistance Programme and Unmind platform.

Mental health is treated with the same priority as physical health. Over 600 Mental Health First Aiders across 51 markets support early intervention and stigma reduction.

In 2025, 795 of our locations achieved the WELL Health-Safety Rating — an increase of more than 640 sites from 2024 — and 21 locations earned the WELL Equity Rating, an addition of 12 from 2024 while we are on our way to obtaining certifications in major projects embedding accessibility, belonging and equitable experiences deeper into our global workplace strategy. These achievements reflect our continued effort to ensure every colleague feels safe, supported and able to perform at their best, wherever they are.

Looking ahead, priorities include strengthening preventive risk management through data driven insights supporting decision making, embedding wellbeing into leadership capability, and reinforcing a culture of continuous improvement.

Supply Chain Management

Our purchases of goods and services are governed through a third-party risk management framework through which we aim to follow the highest standards in terms of selection of suppliers, due diligence and contract management.

For information about how the PLC Group engages with suppliers on environmental and social matters, please see our Supplier Charter and Supplier Diversity and Inclusion Standard.

We publish a Modern Slavery Statement annually under the UK Modern Slavery Act 2015 and Australian Modern Slavery Act 2018. The 2025 Modern Slavery Statement describes the actions the Group has taken during 2025 to assess and manage the risk of slavery, forced, bonded or compulsory labour, the worst forms of child labour, and human trafficking (modern slavery) in its operations and supply chain.

Our Supplier Charter and Supplier Diversity and Inclusion standard can be viewed at sc.com/suppliercharter and sc.com/supplierdiversity

Clients and Products

We aim to design and offer products based on client needs to ensure fair client treatment and to support fair outcomes for clients. The PLC Group has in place a risk framework, comprising policies, standards and controls to support these objectives in alignment with our Conduct Risk Management approach. We ensure products sold are suitable for clients and comply with relevant laws and regulations.

We also review our products on a periodic basis and refine them to keep them relevant to the changing needs of clients and to meet regulatory obligations. We have processes and guidelines specific to each of our client industries, to promptly resolve client complaints and understand and respond to client issues.

Environmental impact of our operations

The PLC Group aims to minimise the environmental impact of our operations as part of our commitment to be a responsible company. The PLC Group reports on energy, water and non-hazardous waste data and the targets the PLC Group has set to reduce energy, water and waste consumption. In 2025, the PLC Group achieved its net zero target across Scope 1 and 2 emissions, marking a significant milestone

The PLC Group's reporting methodology is based upon the "The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition)".

Information on the principles and methodologies used to calculate the GHG emissions of the PLC Group can be found in our Environmental Reporting Criteria document at sc.com/environmentcriteria

Summary of Activities of the Company's Jersey Branch

Standard Chartered Bank Jersey Branch's Affluent banking activities include deposit taking, lending and investment business in accordance with Jersey laws and regulations.

Auditor

The Audit Committee reviews the appointment of the Group statutory auditor, its effectiveness and its relationship with the Group, which includes monitoring our use of the auditors for non-audit services and the balance of audit and non-audit fees paid. Each director believes that there is no relevant information of which our Group statutory auditor is unaware. Each has taken all reasonable steps necessary as a director to be aware of any relevant audit information and to establish that Ernst & Young LLP (EY) is made aware of any pertinent information. A resolution to re-appoint EY as auditor was passed at the 2025 PLC Annual General Meeting.

By order of the Court

Bill Winters

Director

24 February 2026

Company Reference Number: ZC18

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the Group and Company Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company financial statements for each financial year. Under that law:

- the Group financial statements have been prepared in accordance with UK-adopted International Accounting Standards and International Financial Reporting Standards as adopted by the European Union
- the Company financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards 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.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of their profit or loss for that period.

In preparing each of the Group and Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable, relevant and reliable
- state whether they have been prepared in accordance with UK-adopted International Accounting Standards and International Financial Reporting Standards as adopted by the European Union
- assess the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and Directors' Report that comply with that law and those regulations.

Responsibility statement of the directors in respect of the Directors' Report and Financial Statements

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the emerging risks and uncertainties that they face.

We consider the Directors' Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary to assess the Group's position and performance, business model and strategy.

By order of the Court

Bill Winters
Director

24 February 2026

Risk review and Capital review

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 Credit Risk section (page 30) to the end of other principal risks in the same section (page 70); and

b) Capital review: Tables marked as 'audited' from the start of 'Capital base' (page 71) to the end of 'Total capital' (page 71).

Risk Management Framework

The Risk Management Framework (RMF) enables the Group to manage enterprise-wide risks, with the objective of maximising risk-adjusted returns while remaining within our Risk Appetite (RA). The RMF has been designed in accordance with the PLC Group's Enterprise Risk Management Framework (ERMF). It is reviewed and approved by the SC Bank Court annually, with the latest version being effective from August 2025.

The PLC Group 2025 Annual Report (pages 220 to 232) outlines our risk management approach through the Enterprise Risk Management Framework. The PLC Group 2025 Annual Report also defines our Risk Culture, Roles and Responsibilities, the Risk Function, approach to Risk Identification and Assessment, Risk Appetite and Stress Testing, and Principal Risks that are also applicable to the Group

RMF effectiveness reviews

Effectiveness review of the RMF is managed as part of the PLC Group ERMF effectiveness review. At Group level, a self-assessment is conducted to assess the overall effectiveness of the RMF, and the results are taken into consideration in the ERMF effectiveness review. The GCRO is responsible for annually affirming the effectiveness of the RMF to the Court Risk Committee (CRC).

The RMF effectiveness review measures year-on-year progress. Ongoing effectiveness reviews allow for a structured approach to identify improvement opportunities and build plans to address them.

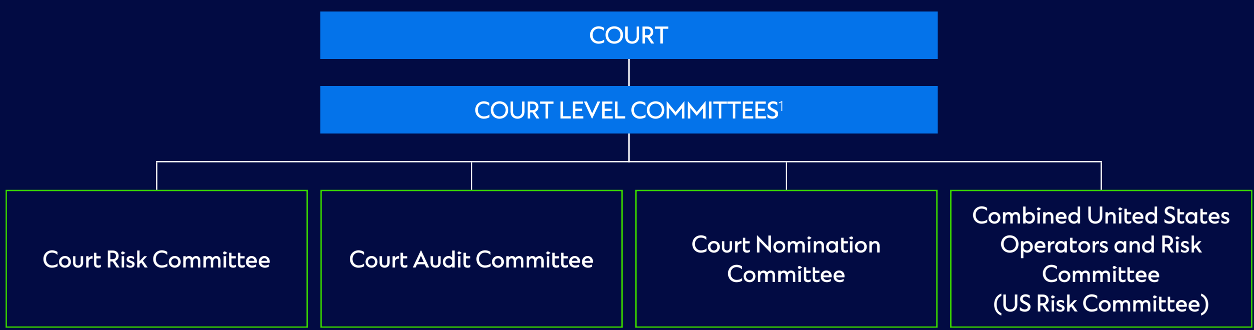
Executive and Board risk oversight

Overview

The corporate governance and committee structure helps the Group to conduct our business. The Court has ultimate responsibility for risk management and approves the RMF based on the recommendation of the Court Risk Committee, which also recommends the Group RA Statement for all PRTs and other risks. During the financial year ended on 31 December 2025, the Court comprised of the majority of the independent non-executive directors from the PLC Board, executive directors from the PLC Board as well as an executive director and non-executive director who are appointed solely to the Court with the specific purpose of providing independent decision making at the Court meetings.

Court and Executive level risk committee governance structure

The Committee governance structure below presents the view as of 2025.



1 The Court also has a Standing Committee with a remit to approve matters, on behalf of the Court, where a formal resolution is required for legal and regulatory purposes.

Court Risk Committee
The CRC is concerned with the oversight and review of principal risks.

Court Audit Committee
The Court Audit Committee is concerned with the oversight and review of financial, audit, internal control and non-financial crime issues.

Court Nomination Committee
The Court Nomination Committee is responsible for oversight and review of the composition of, and appointments to the Company's Court, and the development of a diverse pipeline for succession.

Combined United States Operations and Risk Committee (US Risk Committee)
The Committee is appointed by the SC Bank Court to oversee risk and governance of the Combined US Operations (CUSO): and to ensure compliance with the Dodd-Frank Act section 165 Enhanced Prudential Standards. The Committee is responsible for approval and oversight of the US strategy, the Risk Management Framework and associated policies, and the Risk Appetite Statement and metrics for CUSO. The Committee also approves the remuneration and performance objectives of key US Officers.

The Group has two management level committees, namely the Standard Chartered Bank Executive Risk Committee (SCB ERC) and Solo & Standard Chartered Bank UK (Branch) Asset and Liability Management Committee (Solo & SCB ALCO).

Standard Chartered Bank Executive Risk Committee
SCB ERC is responsible for ensuring the effective management of risk throughout the Group in support of the Group's strategy. The GCRO chairs the Committee, whose members are drawn from the GMT. The Committee oversees the implementation of the RMF, including the delegation of any part of its authorities to appropriate individuals or properly constituted sub-committees. SCB ERC relies on joint meetings with the PLC Group Risk Committee to provide oversight of the PRTs across clients, businesses, products and functions. The Committee requests and receives relevant information to fulfil its governance mandates relating to the risks to which the Group is exposed, and alerts Senior or Executive management when risk reports do not meet its requirements.

Solo & Standard Chartered Bank UK (Branch) Asset and Liability Management Committee
Solo & SCB ALCO is appointed by the SC Bank CFO and chaired by the Group Treasurer. The Committee is responsible for determining the Group's approach to balance sheet management and ensuring that, in executing the Group's strategy, the Group operates within the internally approved RA and external requirements relating to capital, loss-absorbing capacity, liquidity, leverage, Interest Rate Risk in the Banking Book (IRRBB), Banking Book Basis Risk and Structural Foreign Exchange Risk. The Committee is also responsible for ensuring that internal and external recovery planning requirements are met.

The SCB ERC and Solo & SCB ALCO receive reports that include information on risk measures, RA metrics and thresholds, risk concentrations, forward-looking assessments, updates on specific risk situations, and actions agreed by these committees to reduce or manage risk.

Principal Risk Types
PRTs are those risks that are inherent in our strategy and business model and have been formally defined in the Group's RMF. These risks, including mitigation and monitoring thereof, are managed in line with the PLC Group's RTFs which are cascaded to the Group. The PRTs and associated RA Statements are approved by the Court, and reviewed annually.

Financial Principal Risk Types
Credit Risk
Mitigation
We apply segment-specific PLC Group policies for Corporate Investment Banking (CIB) and Wealth and Retail Banking (WRB), which set the principles that must be followed for the end-to-end credit process covering initiation, assessment, documentation, approval, monitoring, and governance.

We also apply the PLC Group standards for the eligibility, enforceability, and effectiveness of mitigation arrangements. Potential losses are mitigated using a range of tools, such as collateral, netting agreements, credit insurance, credit derivatives and guarantees.

Risk mitigants are carefully assessed for their market value, legal enforceability, correlation, and counterparty risk of the protection provider. Collateral is valued prior to drawdown and monitored regularly thereafter as required, to reflect current market conditions, the probability of recovery, and the period of time to realise the collateral in the event of liquidation. We also seek to diversify collateral holdings across asset classes and markets.

Where guarantees, credit insurance, standby letters of credit or credit derivatives are used as Credit Risk mitigation, the creditworthiness of the protection provider is assessed and monitored using the same credit process applied to the obligor.

Monitoring

The Group regularly monitors credit exposures, portfolio performance, external trends and emerging risks that may impact risk management outcomes. Internal risk management reports that are presented to risk committees contain information on key political and economic trends across major portfolios and countries, portfolio delinquency and loan impairment performance.

In CIB, clients and portfolios are subject to additional review when they display signs of actual or potential weakness; for example, where there is a decline in the client's position within their industry, financial deterioration, a breach of covenants, or non-performance of an obligation within the stipulated period. Such accounts are subject to a dedicated early alert process overseen by the Credit Issues Committee in the relevant countries where client account strategies and credit grades are re-evaluated. In addition, remedial actions can be undertaken, such as exposure reduction, security enhancement or exiting the account. Stressed Assets Group (SAG) is the specialist recovery unit for CIB that operates independently from the main business. The Stressed Asset Risk (SAR) is the second line risk unit. SAR is responsible for the independent challenge, monitoring and approving of the credit risk decisions including stage 3 credit impairment provision of the credit-impaired accounts.

Regular portfolio reviews across industries are conducted. Senior members from the CIB business and Risk participate in more extensive portfolio reviews (known as the 'industry portfolio review') for certain industry groups. In addition to a review of the portfolio information, this industry portfolio review incorporates industry outlook, key elements of the business strategy, RA, credit profile, and emerging and horizon risks. A summary of these industry portfolio reviews is also shared with the CIB Financial Risk Committee.

For WRB, exposures and collateral monitoring are performed at the counterparty and/or portfolio level across different client segments to ensure transactions and portfolio exposures remain within RA. Portfolio delinquency trends are also monitored. Accounts that are past due (or perceived as high risk but not yet past due) are subject to collections or recovery processes managed by a specialist independent function. In some countries, aspects of collections and recovery activities are outsourced. For discretionary lending portfolios, similar processes to those of CIB are followed.

Any material in-country developments that may impact sovereign ratings are monitored closely by Country Risk within the ERM function. The Country Risk Early Warning system, a triage-based risk identification system, categorises countries based on a forward-looking view of possible downgrades and the potential incremental risk-weighted assets (RWA) impact.

In addition, an independent Credit Risk Review team within the ERM function performs assessments of the Credit Risk profiles at various portfolio levels. They focus on selected countries and segments through deep dives, comparative analysis, and review and challenge of the basis of credit approvals. The review aims to ensure that the evolving Credit Risk profiles of CIB and WRB are well managed within RA and policies. Results of the reviews are reported to the SC Bank ERC and CRC.

Credit rating and measurement

All credit proposals are subject to a robust credit risk assessment. It includes a comprehensive evaluation of the client's credit quality, including willingness, ability, and capacity to repay. The primary lending consideration for counterparties is based on their credit quality and operating cashflows while for individual borrowers it is based on personal income or wealth. The risk assessment gives due consideration to the client's liquidity and leverage position.

Where applicable, the assessment includes a detailed analysis of the Credit Risk mitigation arrangements to determine the level of reliance on such arrangements as the secondary source of repayment in the event of a significant deterioration in a client's credit quality leading to default. Client income, net worth, and the liquidity of assets by class are considered for overall risk assessment for wealth lending. Wealth lending credit limits are subject to the availability of qualified collateral.

We implement a standard alphanumeric Credit Risk grade system to differentiate the credit quality of exposures for CIB clients, whereby credit grades (CG) 1 to 12 are assigned to reflect the probability of default of performing clients (CG 1 being the best performing), and credit grades 13 and 14 are assigned to non-performing or defaulted clients.

WRB internal ratings-based portfolios use application and behavioural credit scores that are calibrated to generate a probability of default. The Risk Decision Framework uses a credit rating system to define the portfolio/new booking segmentation, shape and decision criteria for the unsecured consumer business segment.

Advanced Internal Ratings Based (AIRB) models cover the majority of our exposures and are used in assessing risks at a customer and portfolio level, setting strategy and optimising our risk-return decisions. The PLC Group Model Risk Committee (MRC) approves material internal ratings-based risk measurement models. Prior to review and approval, all internal ratings-based models are validated by an independent model validation team. Reviews are also triggered if the performance of a model deteriorates materially against predetermined thresholds, measured through the ongoing model performance monitoring process.

We adopt the AIRB approach under the Basel regulatory framework to calculate Credit Risk capital requirements for the majority of our exposures. The Group has also established a global programme to assess capital requirements necessary to be implemented to meet the latest revised Basel III regulation (referred to as Basel 3.1 or Basel IV).

Credit Concentration Risk

Credit Concentration Risk for CIB is managed through concentration limits covering large exposure limit to a single counterparty or a group of connected counterparties (based on control and economic dependence criteria), or at portfolio level for multiple exposures that are closely correlated. Single name and Portfolio RA metrics are set, where appropriate, by credit grade, industry, products, tenor, collateralisation level, top clients, and exposure to holding companies.

For concentrations that are material at a Group level, breaches and potential breaches are monitored by the respective governance committees and reported to the SC Bank ERC and CRC.

Credit impairment

For CIB, in line with the regulatory guidelines, Stage 3 ECL is considered when an obligor is more than 90 days past due on any amount payable to the Group, or the obligor has symptoms of unlikeliness to pay its credit obligations in full as they fall due. These credit-impaired accounts are managed by SAG.

In WRB, loans to individuals and small businesses are considered credit-impaired as soon as any payment of interest or principal is 90 days overdue or they meet other objective evidence of impairment, such as bankruptcy, debt restructuring, fraud, or death, with unlikely continuation of contractual payments. Financial assets are written-off, in the amount that is determined to be irrecoverable, when they meet conditions set such that empirical evidence suggests the client is unlikely to meet their contractual obligations, or a loss of principal is reasonably expected.

Estimating the amount and timing of future recoveries involves significant judgement and considers the assessment of matters such as future economic conditions and the value of collateral, for which there may not be a readily accessible market. The total amount of the Group's impairment provision is inherently uncertain, being sensitive to changes in economic and credit conditions across the markets in which the Group operates.

Read more on sensitivity analysis of ECL under IFRS 9 in the Risk profile section on page 57

Underwriting

The underwriting of securities and loans is in scope of the CIB RA. The Underwriting Committee approves individual proposals to underwrite new security issues and loans for our clients in compliance with the RA statement. Additional risk triggers are set based on the type of exposure and credit grade as approved by the GCRO.

Traded Risk

Mitigation

Traded Risk limits are calibrated to ensure that risk exposure is affordable under both normal and stress conditions. The Traded Risk Policy sets the principles that must be followed for the end-to-end traded risk management process including limit setting, risk capture and measurement, limit monitoring and escalation, risk mitigation, and stress testing. Policies are reviewed and approved by the Global Head, Traded Risk Management periodically to ensure their ongoing effectiveness.

Market Risk Measurement

The Group uses a VaR model to measure the risk of losses arising from future potential adverse movements in market rates, prices, and volatilities.

VaR provides a consistent measure that can be applied across trading businesses and products over time and can be set against actual daily trading profit and loss outcomes.

For day-to-day risk management, VaR is calculated as at the close of business, generally at UK time, for expected market movements over one business day and to a confidence level of 97.5 per cent.

The Group applies two VaR methodologies:

- Historical simulation: this involves the revaluation of all existing positions to reflect the effect of historically observed changes in Market Risk factors on the valuation of the current portfolio. This approach is applied for general Market Risk factors and the majority of specific (credit spread) risk factors. The enhanced Volatility Scaling VaR (VSV) model went live in January 2025 where risk factors' returns are scaled to reflect historical volatility. The VSV model is more responsive to volatility changes observed in the market.
- Monte Carlo simulation: this methodology is used in conjunction with historical simulations when historical data is not directly available. This approach is applied for the idiosyncratic credit spread risk factor or single name equity risk factor. The simulation is performed by calibrating the model to preserve volatility of risk factors.

As an input to regulatory capital, trading book VaR is calculated for expected movements over 10 business days and to a confidence level of 99 per cent. Some types of market risks are not captured in the regulatory VaR measure and these risks not in VaR are subject to capital add-ons.

Counterparty Credit Risk measurement

A Potential Future Exposure (PFE) model is used to measure the credit exposure arising from the positive mark-to-market of traded products. The PFE model provides a quantitative estimate of future potential movements in market rates, prices, and volatilities at a certain confidence level over different time horizons based on the tenor of the transactions.

The Group applies two PFE methodologies: simulation-based, used for the bulk of FX, interest rates and commodity products, and add-on-based for credit products and residual non-simulation-based products.

Monitoring

Traded Risk Management monitors the overall portfolio risk and ensures that it is within specified limits and therefore RA. Limits are typically reviewed at least once a year.

All material Traded Risks are monitored daily against approved limits. Traded Risk limits apply at all times unless separate intra-day limits have been set.

Treasury Risk

We apply the PLC Group policies for the management of material Treasury Risks and closely monitor our risk profile through RA metrics set at Solo and country level.

Capital Risk

In order to manage Capital Risk, strategic business, financial plans and capital plans (Corporate Plan) are drawn up covering a five-year horizon which are approved by the Court annually. The plan ensures that adequate levels of capital, including loss absorbing capacity, and an efficient mix of the different components of capital, are maintained to support our strategy and business plans. This process considers downside scenarios and the availability of recovery actions to course correct, as appropriate.

Treasury is responsible for the ongoing assessment of the demand for capital and the updating of the Solo's capital plan.

Solo level RA metrics including capital, leverage and Minimum Requirement for own funds and Eligible Liability (MREL), are assessed within the Corporate Plan to ensure that the strategy can be achieved within risk tolerances.

Structural Foreign Exchange (FX) Risk

The Group's structural FX position results from the Company's non-US dollar investment in the share capital and reserves of subsidiaries and branches. The FX translation gains or losses are recorded in the Company's translation reserves, with a direct impact on the PLC Group's and Solo's Common Equity Tier 1 (CET1) ratio.

Hedges are contracted across PLC Group and Solo to manage their structural FX position in accordance with the RA. As a result net investment hedges to partially cover its exposure to certain non-US dollar currencies, mitigating the FX impact of such positions on its CET1 ratios.

Read more on our Structural foreign exchange exposures on page 61

Liquidity and Funding Risk

At Solo and entity level we implement various RA metrics to monitor and manage liquidity and funding risk. This ensures that the Group maintains an adequate and well-diversified liquidity buffer, as well as a stable funding base, to meet its liquidity and funding regulatory requirements.

Read more on Liquidity and Funding Risk on page 63

Interest Rate Risk in the Banking Book

At Solo level, we implement the RA for Economic Value of Equity and Annual Earnings at Risk and monitor these against limits and management action triggers. This risk arises from differences in the repricing profile, interest rate basis, and optionality of banking book assets, liabilities and off-balance sheet items. IRRBB represents an economic and earnings risk to the Group and its capital adequacy.

Read more on IRRBB on page 69

Pension Risk

Pension Risk is the potential for loss due to having to meet an actuarially assessed shortfall in the Group's pension plans. Pension Risk arises from the Group's contractual or other liabilities with respect to its occupational pension plans or other long-term benefit obligations. For a funded plan it represents the risk that additional contributions will need to be made because of a future funding shortfall. For unfunded obligations, it represents the risk that the cost of meeting future benefit payments is greater than currently anticipated.

Recovery and Resolution Planning

In line with PRA requirements, the Group maintains a Recovery Plan and a Solo Recovery Plan (SCB UK and its branches). The Solo Recovery Plan includes a set of recovery indicators, an escalation framework, and a set of management actions capable of being implemented during a stress. The Solo Recovery Plan is also subject to periodic fire-drill testing in line with the Group. Other major entities of SC Bank also maintain their own recovery plans in line with the Group Standards and local requirements.

As the UK resolution authority, the BoE set a single point of entry bail-in at the ultimate holding company level (Standard Chartered PLC) as the preferred resolution strategy for the PLC Group. In support of this strategy, the PLC Group has a set of capabilities, arrangements, and resources in place to maintain, test and improve resolution capabilities, and continue to meet the required resolvability outcomes on an ongoing basis.

The Resolvability Self-Assessment Report was submitted by the PLC Group to the PRA in October 2023, with an update provided in January 2024. The PLC Group also published its latest resolvability disclosure, as required by the BoE, on 6 August 2024. The next PLC Group Resolvability Self-Assessment Report will be submitted to the BoE/PRA in October 2026.

Monitoring

On a day-to-day basis, Treasury Risk is managed by Treasury, Finance, and Country CEOs. The Group regularly reports and monitors Treasury Risk inherent in its business activities and those that arise from internal and external events.

Internal risk management reports covering the capital, liquidity and IRRBB positions are presented to the Solo & SCB ALCO. The reports contain key information on balance sheet trends, exposures against RA and supporting risk measures which enable members to make informed decisions around the overall management of the balance sheet. In addition, an independent Treasury CRO within ERM reviews the prudence and effectiveness of Treasury Risk management.

Pension Risk is managed by the Head of Pensions and Reward Analytics, and monitored by the Treasury CRO on a periodic basis.

Non-financial Principal Risk Types

In the same way as financial risks, non-financial risk types are managed in line with the PLC Group's RTFs which are cascaded to the Group. Our management of ESGR Risk is set out below.

Read more on Operational and Technology, Information and Cyber Security, Model, Financial Crime and Compliance PRTs on pages 229 to 232 of the PLC Group 2025 Annual Report

Environmental, Social and Governance and Reputational (ESGR) Risk

ESGR Risk is defined as the risk of potential or actual adverse impact on the environment and/or society, or to the Group's financial performance, operations or the Group's name, brand or standing, arising from environmental, social or governance factors, or as a result of the Group's actual or perceived actions or inactions. ESGR Risk continues to be an area of growing importance, driving a need for strategic transformation across business activities and risk management.

Mitigation

The ESGR RTF provides the overall risk management approach for Environmental, Social and Governance and Reputational risks.

The ESG Risk policy outlines the Group's commitment to integrating ESG considerations into its business, operations, and decision-making process. The policy sets out the requirements for identifying, assessing, escalating and managing ESG risks for the Group's operations, clients/transactions and third parties.

The Reputational Risk policy outlines the requirements for identifying, assessing, escalating and managing negative shifts in stakeholder perceptions arising from client on-boarding and due diligence, transactions, product design and product features, or strategic coverages such as entry into new markets or investments. Whenever potential for stakeholder concerns is identified, issues are subject to review and decision by both the first and second lines of defence. The policy also sets out the key considerations for mitigating greenwashing risk that can arise during product and/or deal lifecycle, sustainability reporting and disclosures, and external campaigns related to sustainability themes.

Monitoring

Exposure to Reputational Risks arising from transactions, clients, products and strategic coverage is monitored through established triggers to prompt the appropriate risk-based considerations and assessment by the first line of defence and escalations to the second line of defence. Risk acceptance decisions and thematic trends are also reviewed on a periodic basis.

Exposure to ESG Risks is monitored through triggers embedded within the first line of defence processes. The environmental and social risks are considered for clients and transactions via Client Environmental, Social and Governance Risk Assessments (C-ESGRA), Transaction Environmental and Social Risk Assessments (ESRA), Reputational Risk Materiality Assessments (RRMA) and/or Climate Risk Assessments (CRAs). Vendors that identified as high risk which meet the high-risk category-country combinations based on responses provided by the supplier at onboarding are assessed for modern slavery risk.

Exposure to Climate Risk is monitored in conjunction with other PRTs. We have embedded qualitative and quantitative climate considerations into the Group's Credit Underwriting Principles for Oil and Gas, Mining, Shipping, Commercial real estate and Project Finance portfolio. Starting October 2025, we have introduced a Client-level Physical Risk Grading Framework in order to identify and monitor key risk hotspots in the CIB portfolio with regards to clients' exposure to extreme weather events. This is in addition to the Transition Risk Grading already in place for CIB clients. We have also expanded coverage of Climate and Credit Risk considerations to physical collateral, as they serve as key risk mitigants especially in default events. We use available data or proxy methodologies to assess the portfolios within WRB for transition risks particularly consumer mortgage. We assess physical risk concentrations for our WRB portfolio on a quarterly basis and assess the physical risk vulnerabilities of our sites periodically and when new sites are onboarded. We have initiated an evaluation of physical risk vulnerabilities at our primary vendors' delivery sites this year. We are also monitoring the climate risk-related vulnerabilities and readiness of our top corporate liquidity providers, including the concentration of liquidity exposures on clients with high transition and/or high physical risk.

Our Net Zero Climate Risk Working Forum meets every two months to discuss account plans and risk management strategies for high climate risk and net zero divergent clients. We are also enhancing the oversight on any new grossly misaligned clients through a mandatory second line review as part of the deal approval process. Stress testing and scenario analysis are used to assess the impact of ESGR related risks. The impact on capital requirements has been included in the PLC Group Internal Capital Adequacy Assessment Process (ICAAP). Management information is reviewed at a quarterly frequency and any breaches in RA are reported to the GRC and BRC.

Credit Risk

Basis of preparation

Unless otherwise stated the balance sheet and income statement information within this section is based on the financial booking location. The presentation of segmental information has been changed in 2025 as set out in Note 1 to the financial statements. Prior period amounts have been re-presented in line with this change.

Loans and advances to customers and banks held at amortised cost in this 'Risk profile' section include reverse repurchase agreement balances held at amortised cost, per Note 15 "Reverse repurchase and repurchase agreements including other similar secured lending and borrowing".

Credit Risk overview

Credit Risk is the potential for loss due to the failure of a counterparty to meet its obligations to pay the Group. Credit exposures arise from both the banking and trading books.

Impairment model

IFRS 9 mandates an impairment model that requires the recognition of expected credit losses (ECL) on all financial debt instruments held at amortised cost, Fair Value through Other Comprehensive Income (FVOCI), undrawn loan commitments, and financial guarantees.

Read more on the accounting policy on page 101 and the IFRS 9 expected credit loss methodology on page 54

Summary of Credit Risk Performance

Maximum exposure

The Group's on-balance sheet maximum exposure to Credit Risk increased by $19.7 billion to $562.9 billion (31 December 2024: $543.2 billion).

Cash and balances at central banks increased by $8.3 billion to $64.9 billion (31 December 2024: $56.7 billion), reflecting higher statutory reserve requirements and increased unrestricted balances driven by funding inflows and high-quality liquid asset deployment. Loans and advances to customers increased by $1.0 billion to $159.3 billion (31 December 2024: $158.2 billion), comprising increases of $0.8 billion in CIB and $6.5 billion across WRB and Ventures, offset by a $6.4 billion decrease in Central and other items. Debt securities (not held at fair value through profit or loss) increased by $7.5 billion to $103.7 billion (31 December 2024: $96.2 billion) due to maturing exposures. Fair value through profit and loss increased by $18.5 billion to $120.8 billion (31 December 2024: $102.3 billion), largely due to an increase in debt securities and loans to customers. Derivative financial instruments decreased by $16.2 billion to $66.5 billion (31 December 2024: $82.7 billion) mainly due to the weakening of the US dollar.

Off-balance sheet instruments increased by $43.6 billion to $248.9 billion (31 December 2024: $205.3 billion) due to increases in financial guarantees and other equivalents, and undrawn commitments driven by client demand.

Read more on Maximum exposure to Credit Risk on page 31

Loans and Advances

The Group continues to focus on high-quality origination, with 93 per cent (31 December 2024: 93 per cent) of the Group's gross loans and advances to customers remaining in stage 1 at $151.2 billion (31 December 2024: $149.8 billion).

Stage 1 gross loans and advances to customers increased by $1.5 billion to $151.2 billion (31 December 2024: $149.8 billion). CIB gross stage 1 balances increased by $1.5 billion in the financing, insurance and non-banking sector. WRB gross stage 1 balances increased by $5.9 billion largely due to higher secured wealth and mortgages balances. This was offset by a $6.2 billion reduction in Central and other items primarily due to the maturity of placements held with the Monetary Authority of Singapore.

Stage 2 gross loans and advances to customers decreased by $0.5 billion to $6.8 billion (31 December 2024: $7.3 billion). CIB gross stage 2 balances decreased by $0.6 billion to $5.6 billion (31 December 2024: $6.3 billion), driven by the financing, insurance and non-banking sector. WRB gross stage 2 balances are broadly unchanged at $1.2 billion (31 December 2024: $1.0 billion).

Stage 3 gross loans and advances to customers were broadly stable at $4.0 billion (31 December 2024: $4.1 billion) across all segments.

Read more on Analysis of financial instrument by stage on page 33; Credit quality by client segment on page 35

Credit impairment charges

The Group's credit impairment was a net charge of $248 million (31 December 2024: $15 million).

WRB contributed a net charge of $299 million (31 December 2024: $260 million) driven by increase in charge-offs due to the higher interest rate environment impacting repayments on credit cards and personal loans, and maturity and portfolio growth of digital partnerships in Indonesia.

For CIB, the credit impairment release of $97 million was primarily driven by stage 3 releases that was lower by $189 million when compared to 2024. Stage 1 and 2 increased by $55 million due to overlays and portfolio movements.

Ventures net impairment charge was $33 million (31 December 2024: $25 million) due to portfolio growth and maturity of Trust Bank Plc.

For Central and other items, credit impairment charge was lower at $13 million (31 December 2024: $16 million).

Read more on Credit impairment charges on page 43

Maximum exposure to Credit Risk (audited)

The table below presents the Group's maximum exposure to Credit Risk for its on-balance sheet and off-balance sheet financial instruments as at 31 December 2025, before and after taking into account any collateral held or other Credit Risk mitigation.

Read more about Summary of Credit Risk Performance on page 30

Group

	2025				2024			
		Credit risk management				Credit risk management		
	Maximum exposure $million	Collateral[8] $million	Master netting agreements $million	Net Exposure $million	Maximum exposure $million	Collateral[8] $million	Master netting agreements $million	Net exposure $million
On-balance sheet								
Cash and balances at central banks	**64,943**	**–**	**–**	**64,943**	56,665	–	–	56,665
Loans and advances to banks[1]	**24,771**	**3,698**	**–**	**21,073**	22,941	2,889	–	20,052
of which – reverse repurchase agreements and other similar secured lending	**3,698**	**3,698**	**–**	**–**	2,889	2,889	–	–
Loans and advances to customers[1]	**159,254**	**61,700**	**–**	**97,554**	158,242	54,780	–	103,462
of which – reverse repurchase agreements and other similar secured lending	**7,350**	**7,350**	**–**	**–**	9,121	9,121	–	–
Investment securities – Debt securities and other eligible bills[2,3]	**103,665**	**–**	**–**	**103,665**	96,179	–	–	96,179
Fair value through profit or loss[4]	**120,756**	**66,326**	**–**	**54,430**	102,258	65,603	–	36,655
Loans and advances to banks	**2,435**	**–**	**–**	**2,435**	2,033	–	–	2,033
Loans and advances to customers	**8,945**	**–**	**–**	**8,945**	3,989	–	–	3,989
Reverse repurchase agreements and other similar lending	**66,326**	**66,326**	**–**	**–**	65,603	65,603	–	–
Investment securities – Debt securities and other eligible bills[2,3]	**43,050**	**–**	**–**	**43,050**	30,633	–	–	30,633
Derivative financial instruments[5]	**66,479**	**12,912**	**50,816**	**2,751**	82,717	12,984	65,027	4,706
Accrued income	**1,697**	**–**	**–**	**1,697**	1,846	–	–	1,846
Assets held for sale[9]	**909**	**–**	**–**	**909**	866	–	–	866
Other assets[6]	**20,435**	**–**	**–**	**20,435**	21,535	–	–	21,535
Total balance sheet	**562,909**	**144,636**	**50,816**	**367,457**	543,249	136,256	65,027	341,966
Off-balance sheet[7]								
Undrawn Commitments	**143,923**	**2,972**	**–**	**140,951**	123,931	1,861	–	122,070
Financial Guarantees and other equivalents	**104,930**	**2,754**	**–**	**102,176**	81,343	1,570	–	79,773
Total off-balance sheet	**248,853**	**5,726**	**–**	**243,127**	205,274	3,431	–	201,843
Total	**811,762**	**150,362**	**50,816**	**610,584**	748,523	139,687	65,027	543,809

1 Amounts are net of ECL provisions. An analysis of credit quality is set out in the credit quality analysis section on page 35. Further details of collateral held by client segment and stage are set out in the collateral analysis section on page 44. The Group also has credit mitigation through Credit Default Swaps and Credit Linked Notes as set out on page 47.

2 Excludes equity and other investments of $256 million (31 December 2024: $263million). Further details are set out in Note 12 Financial instruments.

3 The Group has credit insurance over $4.2 billion (31 December 2024: $4.03 billion) of other eligible bills.

4 Excludes equity and other investments of $322 million (31 December 2024: $1,366 million). Further details are set out in Note 12 Financial instruments.

5 The Group enters into master netting agreements, which in the event of default result in a single amount owed by or to the counterparty through netting the sum of the positive and negative mark-to-market values of applicable derivative transactions.

6 Other assets include cash collateral, and acceptances, in addition to unsettled trades and other financial assets.

7 Excludes ECL provisions of $189 million (31 December 2024: $208 million) which are reported under Provisions for liabilities and charges.

8 Adjusted for over-collateralisation, which has been determined with reference to the drawn and undrawn component as this best reflects the effect on the amount arising from expected credit losses. Loans and advances to customers collateral now re-presented between on and off -balance sheet as it also includes guarantees.

9 The amount is after ECL provisions. Further details are set out in Note 20 Assets held for sale and associated liabilities.

Company

	2025				2024			
		Credit risk management				Credit risk management		
	Maximum exposure $million	Collateral[7] $million	Master netting agreements $million	Net Exposure $million	Maximum exposure $million	Collateral[7] $million	Master netting agreements $million	Net exposure $million
On-balance sheet								
Cash and balances at central banks	**52,348**	**–**	**–**	**52,348**	45,233	–	–	45,233
Loans and advances to banks[1]	**11,108**	**855**	**–**	**10,253**	11,755	1,423	–	10,332
of which – reverse repurchase agreements and other similar secured lending	**855**	**855**	**–**	**–**	1,423	1,423	–	–
Loans and advances to customers[1]	**80,091**	**21,919**	**–**	**58,172**	77,597	24,378	–	53,219
of which – reverse repurchase agreements and other similar secured lending	**6,865**	**6,865**	**–**	**–**	9,041	9,041	–	–
Investment securities – Debt securities and other eligible bills[2]	**79,448**	**–**	**–**	**79,448**	81,855	–	–	81,855
Fair value through profit or loss[3]	**99,705**	**60,950**	**–**	**38,755**	87,122	62,141	–	24,981
Loans and advances to banks	**2,337**	**–**	**–**	**2,337**	1,880	–	–	1,880
Loans and advances to customers	**6,615**	**–**	**–**	**6,615**	3,276	–	–	3,276
Reverse repurchase agreements and other similar lending	**60,950**	**60,950**	**–**	**–**	62,141	62,141	–	–
Investment securities – Debt securities and other eligible bills[2]	**29,803**	**–**	**–**	**29,803**	19,825	–	–	19,825
Derivative financial instruments[4]	**66,631**	**12,063**	**52,411**	**2,157**	82,844	11,788	67,030	4,026
Accrued income	**1,127**	**–**	**–**	**1,127**	1,256	–	–	1,256
Assets held for sale[8]	**227**	**–**	**–**	**227**	474	–	–	474
Other assets[5]	**14,577**	**–**	**–**	**14,577**	17,587	–	–	17,587
Total balance sheet	**405,262**	**95,787**	**52,411**	**257,064**	405,723	99,730	67,030	238,963
Off-balance sheet[6]								
Undrawn Commitments	**80,006**	**1,957**	**–**	**78,049**	69,293	1,033	–	68,260
Financial Guarantees and other equivalents[10]	**91,342**	**2,231**	**–**	**89,111**	69,038	1,215	–	67,823
Total off-balance sheet	**171,348**	**4,188**	**–**	**167,160**	138,331	2,248	–	136,083
Total[9]	**576,610**	**99,975**	**52,411**	**424,224**	544,054	101,978	67,030	375,046

1 Amounts are net of ECL provisions. An analysis of credit quality is set out in the credit quality analysis section page 35. Further details of collateral held by client. Segment and stage are set out in the collateral analysis section page 44. The Group also has credit mitigation through Credit Linked Notes as set out on page 47.

2 Excludes equity and other investments of $236 million (31 December 2024: $246 million). Further details are set out in Note 12 Financial instruments.

3 Excludes equity and other investments of $189 million (31 December 2024: $1,227 million). Further details are set out in Note 12 Financial instruments.

4 The Group enters into master netting agreements, which in the event of default result in a single amount owed by or to the counterparty through netting the sum of the positive and negative mark-to-market values of applicable derivative transactions.

5 Other assets include cash collateral, and acceptances, in addition to unsettled trades and other financial assets.

6 Excludes ECL provisions of $153 million (31 December 2024: $148 million) which are reported under Provisions for liabilities and charges.

7 Adjusted for over-collateralisation, which has been determined with reference to the drawn and undrawn component as this best reflects the effect on the amount arising from expected credit losses. Loans and advances to customers collateral now re-presented between on and off -balance sheet as it also includes guarantees.

8 The amount is after ECL provisions. Further details are set out in Note 20 Assets held for sale and associated liabilities.

9 Excludes 'Amounts due from subsidiary undertakings and other related parties' of $11,538 million (31 December 2024: $10,066 million). The amounts are held within stage 1 and rated as 'strong' and is net of an expected credit loss of $3.0 million (31 December 2024: $2.4 million).

10 In prior reporting periods, the Company excluded disclosure of certain guarantees provided to custody clients of subsidiaries. This omission has been identified and corrected in the current period. These guarantees provide protection against negligence and non-payment of damages associated with such negligence in the provision of custody services. The maximum exposure to loss under these guarantees was $86.3 billion (31 December 2024: $88.8 billion). Based on current information, the Company does not expect any material losses to arise from these guarantees. These amounts are not included in the table above.

Analysis of financial instrument by stage (audited)

The table below presents the gross and credit impairment balances by stage for amortised cost and FVOCI financial instruments as at 31 December 2025.

Read more about Summary of Credit Risk Performance on page 30

Group

	2025											
	Stage 1			Stage 2			Stage 3			Total		
	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million
Cash and balances at central banks	**63,717**	**–**	**63,717**	**463**	**(1)**	**462**	**773**	**(9)**	**764**	**64,953**	**(10)**	**64,943**
Loans and advances to banks (amortised cost)	**24,521**	**(3)**	**24,518**	**216**	**–**	**216**	**41**	**(4)**	**37**	**24,778**	**(7)**	**24,771**
Loans and advances to customers (amortised cost)	**151,235**	**(292)**	**150,943**	**6,793**	**(190)**	**6,603**	**4,027**	**(2,319)**	**1,708**	**162,055**	**(2,801)**	**159,254**
Debt securities and other eligible bills[5]	**102,189**	**(43)**		**1,198**	**(5)**		**296**	**(5)**		**103,683**	**(53)**	
Amortised cost	**33,660**	**(16)**	**33,644**	**243**	**(2)**	**241**	**26**	**–**	**26**	**33,929**	**(18)**	**33,911**
FVOCI[2]	**68,529**	**(27)**		**955**	**(3)**		**270**	**(5)**		**69,754**	**(35)**	**–**
Accrued income (amortised cost)[4]	**1,697**	**–**	**1,697**	**–**	**–**	**–**	**–**	**–**	**–**	**1,697**	**–**	**1,697**
Assets held for sale	**920**	**(22)**	**898**	**8**	**–**	**8**	**8**	**(5)**	**3**	**936**	**(27)**	**909**
Other assets [4]	**20,435**	**–**	**20,435**	**–**	**–**	**–**	**3**	**(3)**	**–**	**20,438**	**(3)**	**20,435**
Undrawn commitments[3]	**140,508**	**(30)**		**3,411**	**(24)**		**4**	**(2)**		**143,923**	**(56)**	
Financial guarantees, trade credits and irrevocable letter of credits[3]	**103,099**	**(21)**		**1,240**	**(14)**		**591**	**(98)**		**104,930**	**(133)**	
Total	**608,321**	**(411)**		**13,329**	**(234)**		**5,743**	**(2,445)**		**627,393**	**(3,090)**	
	2024											
Cash and balances at central banks	55,815	–	55,815	432	(4)	428	426	(4)	422	56,673	(8)	56,665
Loans and advances to banks (amortised cost)	22,556	(5)	22,551	313	(1)	312	80	(2)	78	22,949	(8)	22,941
Loans and advances to customers (amortised cost)	149,751	(254)	149,497	7,292	(193)	7,099	4,098	(2,452)	1,646	161,141	(2,899)	158,242
Debt securities and other eligible bills[5]	94,480	(20)		1,612	(4)		103	(2)		96,195	(26)	
Amortised cost	36,867	(14)	36,853	473	(2)	471	42	–	42	37,382	(16)	37,366
FVOCI[2]	57,613	(6)		1,139	(2)		61	(2)		58,813	(10)	
Accrued income (amortised cost)[4]	1,846	–	1,846	–	–	–	–	–	–	1,846	–	1,846
Assets held for sale	822	(7)	815	38	–	38	58	(45)	13	918	(52)	866
Other assets [4]	21,535	–	21,535	–	–	–	3	(3)	–	21,538	(3)	21,535
Undrawn commitments[3]	120,578	(25)		3,346	(33)		7	(1)		123,931	(59)	
Financial guarantees, trade credits and irrevocable letter of credits[3]	78,996	(13)		1,744	(7)		603	(129)		81,343	(149)	
Total	546,379	(324)		14,777	(242)		5,378	(2,638)		566,534	(3,204)	

1 Gross carrying amount for off-balance sheet refers to notional values.
2 These instruments are held at fair value on the balance sheet. The ECL provision in respect of debt securities measured at FVOCI is held within the OCI reserve.
3 These are off-balance sheet instruments. Only the ECL is recorded on-balance sheet as a liability and therefore there is no "net carrying amount". ECL allowances on off-balance sheet instruments are held as liability provisions to the extent that the drawn and undrawn components of loan exposures can be separately identified. Otherwise they will be reported against the drawn component.
4 Stage 1 ECL is not material.
5 Stage 3 gross includes $278 million (2024: $59 million) originated credit-impaired debt securities with impairment of $5 million (2024: $Nil).

Company

	2025											
	Stage 1			Stage 2			Stage 3			Total		
	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million
Cash and balances at central banks	**52,226**	**–**	**52,226**	**122**	**–**	**122**	**–**	**–**	**–**	**52,348**	**–**	**52,348**
Loans and advances to banks (amortised cost)	**10,965**	**(2)**	**10,963**	**145**	**–**	**145**	**1**	**(1)**	**–**	**11,111**	**(3)**	**11,108**
Loans and advances to customers (amortised cost)	**75,255**	**(124)**	**75,131**	**3,817**	**(112)**	**3,705**	**2,697**	**(1,442)**	**1,255**	**81,769**	**(1,678)**	**80,091**
Debt securities and other eligible bills	**79,073**	**(34)**		**390**	**(2)**		**–**	**–**		**79,463**	**(36)**	
Amortised cost	**31,665**	**(14)**	**31,651**	**97**	**(1)**	**96**	**–**	**–**	**–**	**31,762**	**(15)**	**31,747**
FVOCI[2]	**47,408**	**(20)**		**293**	**(1)**		**–**	**–**		**47,701**	**(21)**	**–**
Accrued income (amortised cost)[4]	**1,127**		**1,127**			**–**			**–**	**1,127**	**–**	**1,127**
Assets held for sale	**239**	**(12)**	**227**	**–**	**–**	**–**	**–**	**–**	**–**	**239**	**(12)**	**227**
Other assets[4]	**14,577**	**–**	**14,577**	**–**	**–**	**–**	**–**	**–**	**–**	**14,577**	**–**	**14,577**
Undrawn commitments[3]	**77,412**	**(18)**		**2,592**	**(16)**		**2**	**(1)**		**80,006**	**(35)**	
Financial guarantees, trade credits and irrevocable letter of credits[3]	**90,280**	**(17)**		**541**	**(12)**		**521**	**(89)**		**91,342**	**(118)**	
Total[5]	**401,154**	**(207)**		**7,607**	**(142)**		**3,221**	**(1,533)**		**411,982**	**(1,882)**	

	2024											
Cash and balances at central banks	45,093	–	45,093	140	–	140	–	–	–	45,233	–	45,233
Loans and advances to banks (amortised cost)	11,545	(1)	11,544	209	(1)	208	3	–	3	11,757	(2)	11,755
Loans and advances to customers (amortised cost)	72,697	(116)	72,581	4,010	(99)	3,911	2,685	(1,580)	1,105	79,392	(1,795)	77,597
Debt securities and other eligible bills	81,618	(16)		244	(1)		–	–		81,862	(17)	
Amortised cost	35,212	(7)	35,205	–	–	–	–	–	–	35,212	(7)	35,205
FVOCI[2]	46,406	(9)		244	(1)		–	–		46,650	(10)	
Accrued income (amortised cost)[4]	1,256		1,256			–			–	1,256	–	1,256
Assets held for sale	479	(5)	474	–	–	–	–	–	–	479	(5)	474
Other assets[4]	17,587	–	17,587	–	–	–	–	–	–	17,587	–	17,587
Undrawn commitments[3]	66,520	(15)		2,770	(17)		3	–		69,293	(32)	
Financial guarantees, trade credits and irrevocable letter of credits[3,6]	67,538	(10)		1,059	(4)		441	(102)		69,038	(116)	
Total[5]	364,333	(163)		8,432	(122)		3,132	(1,682)		375,897	(1,967)	

1 Gross carrying amount for off-balance sheet refers to notional values.
2 These instruments are held at fair value on the balance sheet. The ECL provision in respect of debt securities measured at FVOCI is held within the OCI reserve.
3 These are off-balance sheet instruments. Only the ECL is recorded on-balance sheet as a liability and therefore there is no "net carrying amount". ECL allowances on off-balance sheet instruments are held as liability provisions to the extent that the drawn and undrawn components of loan exposures can be separately identified. Otherwise they will be reported against the drawn component.
4 Stage 1 ECL is not material.
5 Excludes 'Amounts due from subsidiary undertakings and other related parties' of $11,538 million (31 December 2024: $10,066 million). The amounts are held within stage 1 and rated as 'strong' and is net of an expected credit loss of $3.0 million (31 December 2024: $2.4 million).
6 In prior reporting periods, the Company excluded disclosure of certain guarantees provided to custody clients of subsidiaries. This omission has been identified and corrected in the current period. These guarantees provide protection against negligence and non-payment of damages associated with such negligence in the provision of custody services. The maximum exposure to loss under these guarantees was $86.3 billion (31 December 2024: $88.8 billion). Based on current information, the Company does not expect any material losses to arise from these guarantees. These amounts are not included in the table above.

Credit quality analysis (audited)

Credit quality by client segment

For CIB, exposures are analysed by credit grade (CG), which plays a central role in the quality assessment and monitoring of risk. All loans are assigned a CG, which is reviewed periodically and amended in light of changes in the borrower's circumstances or behaviour. CGs 1 to 12 are assigned to stage 1 and stage 2 (performing) clients or accounts, while CGs 13 and 14 are assigned to stage 3 (credit-impaired) clients. The mapping of credit quality is as follows.

Mapping of credit quality

The Group uses the following internal risk mapping to determine the credit quality for loans.

	Credit risk management			Private Banking[1]	Wealth & Retail Banking[4]
	Maximum exposure $million	Collateral[8] $million	Master netting agreements $million	Net exposure $million	Net exposure $million
Strong	1A to 5B	AAA/AA+ to BBB-/BB+[2]	0 to 0.425	Class I and Class IV	Current loans (no past dues nor impaired)
Satisfactory	6A to 11C	BB to CCC+[3]	0.426 to 15.75	Class II and Class III	Loans past due till 29 days
Higher risk	Grade 12	CCC+/C	15.751 to 99.999	Stressed Assets Group (SAG) Managed	Past due loans 30 days and over till 90 days

1 For Private Banking, classes of risk represent the type of collateral held. Class I represents facilities with liquid collateral, such as cash and marketable securities. Class II represents unsecured/partially secured facilities and those with illiquid collateral, such as equity in private enterprises. Class III represents facilities with residential or Commercial real estate collateral. Class IV covers margin trading facilities.

2 Banks' rating: AAA/AA+ to BB+/BB. Sovereigns' rating: AAA to BB+.

3 Banks' rating: BB to "CCC+ to C". Sovereigns' rating: BB+/BB to B-/CCC+.

4 Wealth & Retail Banking excludes Private Banking. Medium enterprise clients within Business Banking are managed using the same internal credit grades as CIB.

The table below sets out the gross loans and advances held at amortised cost, ECL provisions and ECL coverage by business segment and stage. ECL coverage represents the ECL reported for each segment and stage as a proportion of the gross loan balance for each segment and stage.

Read more about Summary of Credit Risk Performance on page 30

Loans and advances by client segment (audited)

Group

	2025							
		Customers						
Amortised cost	Banks $million	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Ventures $million	Central & other items $million	Customer Total $million	Undrawn commitments $million	Financial Guarantees $million
Stage 1	24,521	84,810	51,641	902	13,882	151,235	140,508	103,099
• Strong	16,991	58,892	47,206	896	13,126	120,120	126,631	60,779
• Satisfactory	7,530	25,918	4,435	6	756	31,115	13,877	42,320
Stage 2	216	5,609	1,179	5	–	6,793	3,411	1,240
• Strong	41	1,459	848	–	–	2,307	1,078	299
• Satisfactory	172	3,488	68	–	–	3,556	2,165	873
• Higher risk	3	662	263	5	–	930	168	68
Of which (stage 2):								
• Less than 30 days past due	–	86	68	–	–	154	–	–
• More than 30 days past due	3	69	263	5	–	337	–	–
Stage 3, credit-impaired financial assets	41	2,842	1,170	13	2	4,027	4	591
Gross balance[1]	24,778	93,261	53,990	920	13,884	162,055	143,923	104,930
Stage 1	(3)	(72)	(186)	(23)	(11)	(292)	(30)	(21)
• Strong	(1)	(30)	(158)	(21)	(11)	(220)	(14)	(9)
• Satisfactory	(2)	(42)	(28)	(2)	–	(72)	(16)	(12)
Stage 2	–	(137)	(51)	(2)	–	(190)	(24)	(14)
• Strong	–	(3)	(34)	–	–	(37)	(1)	–
• Satisfactory	–	(123)	(4)	–	–	(127)	(15)	(9)
• Higher risk	–	(11)	(13)	(2)	–	(26)	(8)	(5)
Of which (stage 2):								
• Less than 30 days past due	–	(9)	(4)	–	–	(13)	–	–
• More than 30 days past due	–	–	(13)	(2)	–	(15)	–	–
Stage 3, credit-impaired financial assets	(4)	(1,653)	(658)	(6)	(2)	(2,319)	(2)	(98)
Total credit impairment	(7)	(1,862)	(895)	(31)	(13)	(2,801)	(56)	(133)
Net carrying value	24,771	91,399	53,095	889	13,871	159,254		
Stage 1	0.0%	0.1%	0.4%	2.5%	0.1%	0.2%	0.0%	0.0%
• Strong	0.0%	0.1%	0.3%	2.3%	0.1%	0.2%	0.0%	0.0%
• Satisfactory	0.0%	0.2%	0.6%	33.3%	0.0%	0.2%	0.1%	0.0%
Stage 2	0.0%	2.4%	4.3%	40.0%	0.0%	2.8%	0.7%	1.1%
• Strong	0.0%	0.2%	4.0%	0.0%	0.0%	1.6%	0.1%	0.0%
• Satisfactory	0.0%	3.5%	5.9%	0.0%	0.0%	3.6%	0.7%	1.0%
• Higher risk	0.0%	1.7%	4.9%	40.0%	0.0%	2.8%	4.8%	7.4%
Of which (stage 2):								
• Less than 30 days past due	0.0%	10.5%	5.9%	0.0%	0.0%	8.4%	0.0%	0.0%
• More than 30 days past due	0.0%	0.0%	4.9%	40.0%	0.0%	4.5%	0.0%	0.0%
Stage 3, credit-impaired financial assets (S3)	9.8%	58.2%	56.2%	46.2%	100.0%	57.6%	50.0%	16.6%
• Stage 3 Collateral	–	90	437	–	–	527	–	56
Fair value through profit or loss								
Performing	31,769	45,831	–	–	–	45,831	–	–
• Strong	23,502	26,951	–	–	–	26,951	–	–
• Satisfactory	8,267	18,880	–	–	–	18,880	–	–
• Higher risk	–	–	–	–	–	–	–	–
Impaired (CG13-14)	92	14	–	–	–	14	–	–
Gross balance (FVTPL)[2]	31,861	45,845	–	–	–	45,845	–	–
Net carrying value (incl FVTPL)	56,632	137,244	53,095	889	13,871	205,099	–	–

1 Loans and advances includes reverse repurchase agreements and other similar secured lending of $7,350 million under Customers and of $3,698 million under Banks, held at amortised cost.

2 Loans and advances includes reverse repurchase agreements and other similar secured lending of $36,900 million under Customers and of $29,426 million under Banks, held at fair value through profit or loss.

Amortised cost	Banks $million	Customers: Corporate & Investment Banking $million	Customers: Wealth & Retail Banking $million	Customers: Ventures $million	Customers: Central & other items $million	Customers: Customer Total $million	Undrawn commitments $million	Financial Guarantees $million
	2024							
Stage 1	22,556	83,297	45,743	584	20,127	149,751	120,578	78,996
• Strong	14,002	59,798	41,697	576	19,750	121,821	109,269	50,039
• Satisfactory	8,554	23,499	4,046	8	377	27,930	11,309	28,957
Stage 2	313	6,251	1,001	5	35	7,292	3,346	1,744
• Strong	7	896	684	–	–	1,580	851	371
• Satisfactory	121	4,683	81	–	–	4,764	2,341	1,210
• Higher risk	185	672	236	5	35	948	154	163
Of which (stage 2):								
• Less than 30 days past due	–	52	81	–	–	133	–	–
• More than 30 days past due	2	5	236	5	–	246	–	–
Stage 3, credit-impaired financial assets	80	2,877	1,117	6	98	4,098	7	603
Gross balance[1]	22,949	92,425	47,861	595	20,260	161,141	123,931	81,343
Stage 1	(5)	(69)	(174)	(11)	–	(254)	(25)	(13)
• Strong	(4)	(26)	(133)	(10)	–	(169)	(14)	(5)
• Satisfactory	(1)	(43)	(41)	(1)	–	(85)	(11)	(8)
Stage 2	(1)	(134)	(55)	(4)	–	(193)	(33)	(7)
• Strong	–	(4)	(17)	–	–	(21)	(2)	–
• Satisfactory	(1)	(95)	(7)	–	–	(102)	(22)	(4)
• Higher risk	–	(35)	(31)	(4)	–	(70)	(9)	(3)
Of which (stage 2):								
• Less than 30 days past due	–	(1)	(7)	–	–	(8)	–	–
• More than 30 days past due	–	–	(31)	(4)	–	(35)	–	–
Stage 3, credit-impaired financial assets	(2)	(1,830)	(616)	(6)	–	(2,452)	(1)	(129)
Total credit impairment	(8)	(2,033)	(845)	(21)	–	(2,899)	(59)	(149)
Net carrying value	22,941	90,392	47,016	574	20,260	158,242	–	–
Stage 1	0.0%	0.1%	0.4%	1.9%	0.0%	0.2%	0.0%	0.0%
• Strong	0.0%	0.0%	0.3%	1.7%	0.0%	0.1%	0.0%	0.0%
• Satisfactory	0.0%	0.2%	1.0%	12.5%	0.0%	0.3%	0.1%	0.0%
Stage 2	0.3%	2.1%	5.5%	80.0%	0.0%	2.6%	1.0%	0.4%
• Strong	0.0%	0.4%	2.5%	0.0%	0.0%	1.3%	0.2%	0.0%
• Satisfactory	0.8%	2.0%	8.6%	0.0%	0.0%	2.1%	0.9%	0.3%
• Higher risk	0.0%	5.2%	13.1%	80.0%	0.0%	7.4%	5.8%	1.8%
Of which (stage 2):								
• Less than 30 days past due	0.0%	1.9%	8.6%	0.0%	0.0%	6.0%	0.0%	0.0%
• More than 30 days past due	0.0%	0.0%	13.1%	80.0%	0.0%	14.2%	0.0%	0.0%
Stage 3, credit-impaired financial assets (S3)	2.5%	63.6%	55.1%	100.0%	0.0%	59.8%	14.3%	21.4%
• Stage 3 Collateral	1	169	412	–	–	581	–	45
Fair value through profit or loss								
Performing	29,725	41,897	–	–	–	41,897	–	–
• Strong	23,890	24,589	–	–	–	24,589	–	–
• Satisfactory	5,825	17,200	–	–	–	17,200	–	–
• Higher risk	10	108	–	–	–	108	–	–
Impaired (CG13-14)	–	3	–	–	–	3	–	–
Gross balance (FVTPL)[2]	29,725	41,900	–	–	–	41,900	–	–
Net carrying value (incl FVTPL)	52,666	132,292	47,016	574	20,260	200,142	–	–

1 Loans and advances includes reverse repurchase agreements and other similar secured lending of $9,121 million under Customers and of $2,889 million under Banks, held at amortised cost.

2 Loans and advances includes reverse repurchase agreements and other similar secured lending of $37,911 million under Customers and of $27,692 million under Banks, held at fair value through profit and loss.

Loans and advances by client segment (audited)

Company

Amortised cost	Banks $million	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Central & other items $million	Customer Total $million	Undrawn commitments $million	Financial Guarantees[4] $million
	2025						
		Customers					
Stage 1	10,965	59,119	11,614	4,522	75,255	77,412	90,280
• Strong	7,577	42,374	9,417	3,865	55,656	66,991	50,505
• Satisfactory	3,388	16,745	2,197	657	19,599	10,421	39,775
Stage 2	145	3,481	336	–	3,817	2,592	541
• Strong	18	720	222	–	942	905	174
• Satisfactory	127	2,258	40	–	2,298	1,597	319
• Higher risk	–	503	74	–	577	90	48
Of which (stage 2):							
• Less than 30 days past due	–	79	40	–	119	–	–
• More than 30 days past due	–	55	74	–	129	–	–
Stage 3, credit-impaired financial assets	1	2,040	657	–	2,697	2	521
Gross balance[1]	11,111	64,640	12,607	4,522	81,769	80,006	91,342
Stage 1	(2)	(40)	(78)	(6)	(124)	(18)	(17)
• Strong	(1)	(14)	(73)	(6)	(93)	(5)	(7)
• Satisfactory	(1)	(26)	(5)	–	(31)	(13)	(10)
Stage 2	–	(88)	(24)	–	(112)	(16)	(12)
• Strong	–	(1)	(16)	–	(17)	–	–
• Satisfactory	–	(87)	(2)	–	(89)	(11)	(7)
• Higher risk	–	–	(6)	–	(6)	(5)	(5)
Of which (stage 2):							
• Less than 30 days past due	–	(3)	(2)	–	(5)	–	–
• More than 30 days past due	–	–	(6)	–	(6)	–	–
Stage 3, credit-impaired financial assets	(1)	(1,034)	(408)	–	(1,442)	(1)	(89)
Total credit impairment	(3)	(1,162)	(510)	(6)	(1,678)	(35)	(118)
Net carrying value	11,108	63,478	12,097	4,516	80,091		
Stage 1	0.0%	0.1%	0.7%	0.1%	0.2%	0.0%	0.0%
• Strong	0.0%	0.0%	0.8%	0.2%	0.2%	0.0%	0.0%
• Satisfactory	0.0%	0.2%	0.2%	0.0%	0.2%	0.1%	0.0%
Stage 2	0.0%	2.5%	7.1%	0.0%	2.9%	0.6%	2.2%
• Strong	0.0%	0.1%	7.2%	0.0%	1.8%	0.0%	0.0%
• Satisfactory	0.0%	3.9%	5.0%	0.0%	3.9%	0.7%	2.2%
• Higher risk	0.0%	0.0%	8.1%	0.0%	1.0%	5.6%	10.4%
Of which (stage 2):							
• Less than 30 days past due	0.0%	3.8%	5.0%	0.0%	4.2%	0.0%	0.0%
• More than 30 days past due	0.0%	0.0%	8.1%	0.0%	4.7%	0.0%	0.0%
Stage 3, credit-impaired financial assets (S3)	100.0%	50.7%	62.1%	0.0%	53.5%	50.0%	17.1%
• Stage 3 Collateral	–	76	249	–	325	–	48
Fair value through profit or loss							
Performing	28,358	41,543	–	–	41,543	–	–
• Strong	20,718	23,677	–	–	23,677	–	–
• Satisfactory	7,640	17,866	–	–	17,866	–	–
• Higher risk	–	–	–	–	–	–	–
Impaired (CG13-14)	–	1	–	–	1	–	–
Gross balance (FVTPL)[2]	28,358	41,544	–	–	41,544	–	–
Net carrying value (incl FVTPL)[3]	39,466	105,022	12,097	4,516	121,635	–	–

1 Loans and advances include reverse repurchase agreements and other similar secured lending for $6,865 million under Customers and for $855 million under Banks, held at amortised cost.

2 Loans and advances include reverse repurchase agreements and other similar secured lending for $34,929 million under Customers and for $26,021 million under Banks, held at fair value through profit and loss.

3 Excludes 'Amounts due from subsidiary undertakings and other related parties' of $11,538 million. The amounts are held within stage 1 and rated as 'strong' at 31 December 2025 and is net of an expected credit loss of $3 million.

4 Excludes certain guarantees provided to custody clients of subsidiaries. These guarantees provide protection against negligence and non-payment of damages associated with such negligence in the provision of custody services. The maximum exposure to loss under these guarantees was $86.3 billion Based on current information, the Company does not expect any material losses are expected to arise from these guarantees. These amounts are not included in the table above.

	2024						
		Customers					
Amortised cost	Banks $million	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Central & other items $million	Customer Total $million	Undrawn commitments $million	Financial Guarantees[4] $million
Stage 1	11,545	60,503	11,380	814	72,697	66,520	67,538
• Strong	6,614	44,809	9,397	501	54,707	57,856	41,193
• Satisfactory	4,931	15,694	1,983	313	17,990	8,664	26,345
Stage 2	209	3,787	223	–	4,010	2,770	1,059
• Strong	3	367	99	–	466	539	250
• Satisfactory	118	3,074	38	–	3,112	2,152	744
• Higher risk	88	346	86	–	432	79	65
Of which (stage 2):							
• Less than 30 days past due	–	42	38	–	80	–	–
• More than 30 days past due	–	–	86	–	86	–	–
Stage 3, credit-impaired financial assets	3	2,005	680	–	2,685	3	441
Gross balance[1]	11,757	66,295	12,283	814	79,392	69,293	69,038
Stage 1	(1)	(48)	(68)	–	(116)	(15)	(10)
• Strong	–	(16)	(59)	–	(75)	(7)	(3)
• Satisfactory	(1)	(32)	(9)	–	(41)	(8)	(7)
Stage 2	(1)	(68)	(31)	–	(99)	(17)	(4)
• Strong	–	–	(5)	–	(5)	(2)	–
• Satisfactory	(1)	(48)	(2)	–	(50)	(13)	(2)
• Higher risk	–	(20)	(24)	–	(44)	(2)	(2)
Of which (stage 2):							
• Less than 30 days past due	–	–	(2)	–	(2)	–	–
• More than 30 days past due	–	–	(24)	–	(24)	–	–
Stage 3, credit-impaired financial assets	–	(1,175)	(405)	–	(1,580)	–	(102)
Total credit impairment	(2)	(1,291)	(504)	–	(1,795)	(32)	(116)
Net carrying value	11,755	65,004	11,779	814	77,597	–	–
Stage 1	0.0%	0.1%	0.6%	0.0%	0.2%	0.0%	0.0%
• Strong	0.0%	0.0%	0.6%	0.0%	0.1%	0.0%	0.0%
• Satisfactory	0.0%	0.2%	0.5%	0.0%	0.2%	0.1%	0.0%
Stage 2	0.5%	1.8%	13.9%	0.0%	2.5%	0.6%	0.4%
• Strong	0.0%	0.0%	5.1%	0.0%	1.1%	0.4%	0.0%
• Satisfactory	0.8%	1.6%	5.3%	0.0%	1.6%	0.6%	0.3%
• Higher risk	0.0%	5.8%	27.9%	0.0%	10.2%	2.5%	3.1%
Of which (stage 2):							
• Less than 30 days past due	0.0%	0.0%	5.3%	0.0%	2.5%	0.0%	0.0%
• More than 30 days past due	0.0%	0.0%	27.9%	0.0%	27.9%	0.0%	0.0%
Stage 3, credit-impaired financial assets (S3)	0.0%	58.6%	59.6%	0.0%	58.8%	0.0%	23.1%
• Stage 3 Collateral	–	123	244	–	367	–	20
Fair value through profit or loss							
Performing	26,846	40,449	–	–	40,449	–	–
• Strong	21,409	23,548	–	–	23,548	–	–
• Satisfactory	5,437	16,882	–	–	16,882	–	–
• Higher risk	–	19	–	–	19	–	–
Impaired (CG13-14)	–	2	–	–	2	–	–
Gross balance (FVTPL)[2]	26,846	40,451	–	–	40,451	–	–
Net carrying value (incl FVTPL)[3]	38,601	105,455	11,779	814	118,048	–	–

1 Loans and advances include reverse repurchase agreements and other similar secured lending of $9,041 million under Customers and of $1,423 million under Banks, held at amortised cost.

2 Loans and advances include reverse repurchase agreements and other similar secured lending of $37,175 million under Customers and of $24,966 million under Banks, held at fair value through profit and loss.

3 Excludes 'Amounts due from subsidiary undertakings and other related parties' of $10,066 million. The amounts are held within stage 1 and rated as 'strong' at 31 December 2024 and is net of an expected credit loss of $2.4 million.

4 In prior reporting periods, the Company excluded disclosure of certain guarantees provided to custody clients of subsidiaries. This omission has been identified and corrected in current period. These guarantees provide protection against negligence and non-payment of damages associated with such negligence in the provision of custody services. The maximum exposure to loss under these guarantees was $88.8 billion. Based on current information, the Company does not expect any material losses to arise from these guarantees. These amounts are not included in the table above.

Movement in gross exposures and credit impairment for loans and advances, debt securities, undrawn commitments and financial guarantees (audited)

The tables overleaf set out the movement in gross exposures and credit impairment by stage in respect of amortised cost loans to banks and customers, undrawn commitments, financial guarantees and debt securities classified at amortised cost and FVOCI. The tables are presented for the Group and separately for CIB and WRB (which also includes a separate presentation for secured and unsecured exposures).

Methodology

The movement lines within the tables are an aggregation of monthly movements over the year and will therefore reflect the accumulation of multiple trades during the year. The credit impairment charge in the income statement comprises the amounts within the boxes in the table below less recoveries of amounts previously written off. Discount unwind is reported in net interest income and related to stage 3 financial instruments only.

The approach for determining the key line items in the tables is set out below.

- **Transfers** – transfers between stages are deemed to occur at the beginning of a month based on prior month closing balances.
- **Net remeasurement from stage changes** – the remeasurement of credit impairment provisions arising from a change in stage is reported within the stage that the assets are transferred to. For example, assets transferred into stage 2 are remeasured from a 12 month to a lifetime expected credit loss, with the effect of remeasurement reported in stage 2. For stage 3, this represents the initial remeasurement from specific provisions recognised on individual assets transferred into stage 3 in the year.
- **Net changes in exposures** – new business written less repayments in the year. Within stage 1, new business written will attract up to 12 months of expected credit loss charges. Repayments of non-amortising loans (primarily within CIB) will have low amounts of expected credit loss provisions attributed to them, due to the release of provisions over the term to maturity. In stages 2 and 3, the net change in exposures reflects repayments although stage 2 may include new facilities where clients are on non-purely precautionary early alert, or are CG 12.
- **Changes in risk parameters** – for stages 1 and 2, this reflects changes in the PD, LGD and EAD of assets during the year, which includes the impact of releasing provisions over the term to maturity. It also includes the effect of changes in forecasts of macroeconomic variables during the year and movements in management overlays. In stage 3, this line represents additional specific provisions recognised on exposures held within stage 3.
- **Interest due but not paid** – change in contractual amount of interest due in stage 3 financial instruments but not paid, being the net of accruals, repayments and write-offs, together with the corresponding change in credit impairment.

Changes to ECL models, which incorporates changes to model approaches and methodologies, is not reported as a separate line item as it has an impact over a number of lines and stages.

Movements during the year

Stage 1 gross exposures increased by $55.2 billion to $521.6 billion (31 December 2024: $466.4 billion). CIB exposure increased due to higher exposures in financial guarantees in the financing, insurance and non-banking sector. WRB exposures increased, driven by higher demand for mortgage and secured wealth products in Singapore.

Total stage 1 provisions increased by $72 million to $389 million (31 December 2024: $317 million). CIB provisions increased due to higher management overlays and portfolio movements. WRB provisions increased due to increased level of provisions on credit cards and personal loans and unsecured lending.

Stage 2 gross exposures decreased by $1.4 billion to $12.9 billion (31 December 2024: $14.3 billion), mainly driven by the financing, insurance and non-banking sector.

Stage 2 provisions decreased by $4 million to $233 million (31 December 2024: $237 million) as a result of a strategic pivot to affluent clients and improvements from credit remediation actions in WRB.

Stage 3 gross exposures increased by $0.1 billion to $5.0 billion (31 December 2024: $4.9 billion), driven by the increase in personal loans and other unsecured lending in WRB. There was an increase of $0.2 billion in debt securities classified as POCI to $0.3 billion (31 December 2024: $0.1 billion) due to higher holdings of treasury bills in one defaulted sovereign.

Stage 3 provisions decreased by $0.2 billion to $2.4 billion (31 December 2024: $2.6 billion) due to repayments and write-offs in CIB.

All segments – Group (audited)

Amortised cost and FVOCI	Stage 1			Stage 2			Stage 3[4]			Total		
	Gross balance[5] $million	Total credit impairment $million	Net $million	Gross balance[5] $million	Total credit impairment $million	Net $million	Gross balance[5] $million	Total credit impairment $million	Net $million	Gross balance[5] $million	Total credit impairment $million	Net $million
As at 1 January 2024	439,826	(255)	439,571	17,181	(276)	16,905	6,090	(3,197)	2,893	463,097	(3,728)	459,369
Transfers to stage 1	10,616	(351)	10,265	(10,609)	351	(10,258)	(7)	–	(7)	–	–	–
Transfers to stage 2	(21,414)	78	(21,336)	21,836	(103)	21,733	(422)	25	(397)	–	–	–
Transfers to stage 3	(1,531)	62	(1,469)	538	44	582	993	(106)	887	–	–	–
Net change in exposures	48,007	(169)	47,838	(12,337)	25	(12,312)	(1,023)	578	(445)	34,647	434	35,081
Net remeasurement from stage changes	–	33	33	–	(118)	(118)	–	(94)	(94)	–	(179)	(179)
Changes in models	–	–	–	–	–	–	–	–	–	–	–	–
Changes in risk parameters	–	69	69	–	(42)	(42)	–	(467)	(467)	–	(440)	(440)
Derecognised	–	–	–	–	–	–	–	–	–	–	–	–
Write-offs	–	–	–	–	–	–	(687)	687	–	(687)	687	–
Interest due but unpaid	–	–	–	–	–	–	(132)	132	–	(132)	132	–
Discount unwind	–	–	–	–	–	–	–	106	106	–	106	106
Exchange translation differences and other movements[1]	(9,143)	216	(8,927)	(2,302)	(118)	(2,420)	79	(250)	(171)	(11,366)	(152)	(11,518)
As at 31 December 2024[2]	466,361	(317)	466,044	14,307	(237)	14,070	4,891	(2,586)	2,305	485,559	(3,140)	482,419
Income statement ECL (charge)/release[3]		(67)			(135)			17			(185)	
Recoveries of amounts previously written off		–			–			167			167	
Total credit impairment (charge)/release		(67)			(135)			184			(18)	
As at 1 January 2025	**466,361**	**(317)**	**466,044**	**14,307**	**(237)**	**14,070**	**4,891**	**(2,586)**	**2,305**	**485,559**	**(3,140)**	**482,419**
Transfers to stage 1	**11,669**	**(274)**	**11,395**	**(11,667)**	**274**	**(11,393)**	**(2)**	**–**	**(2)**	**–**	**–**	**–**
Transfers to stage 2	**(26,950)**	**67**	**(26,883)**	**27,307**	**(86)**	**27,221**	**(357)**	**19**	**(338)**	**–**	**–**	**–**
Transfers to stage 3	**(130)**	**–**	**(130)**	**(1,504)**	**124**	**(1,380)**	**1,634**	**(124)**	**1,510**	**–**	**–**	**–**
Net change in exposures	**57,306**	**(169)**	**57,137**	**(13,553)**	**(21)**	**(13,574)**	**(1,002)**	**444**	**(558)**	**42,751**	**254**	**43,005**
Net remeasurement from stage changes	**–**	**39**	**39**	**–**	**(66)**	**(66)**	**–**	**(106)**	**(106)**	**–**	**(133)**	**(133)**
Changes in models	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Changes in risk parameters	**–**	**112**	**112**	**–**	**(84)**	**(84)**	**–**	**(604)**	**(604)**	**–**	**(576)**	**(576)**
Write-offs	**–**	**–**	**–**	**–**	**–**	**–**	**(497)**	**497**	**–**	**(497)**	**497**	**–**
Interest due but unpaid	**–**	**–**	**–**	**–**	**–**	**–**	**(128)**	**128**	**–**	**(128)**	**128**	**–**
Discount unwind	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**81**	**81**	**–**	**81**	**81**
Exchange translation differences and other movements[1]	**13,296**	**153**	**13,449**	**(2,032)**	**(137)**	**(2,169)**	**420**	**(177)**	**243**	**11,684**	**(161)**	**11,523**
As at 31 December 2025[2]	**521,552**	**(389)**	**521,163**	**12,858**	**(233)**	**12,625**	**4,959**	**(2,428)**	**2,531**	**539,369**	**(3,050)**	**536,319**
Income statement ECL (charge)/release[3]		**(18)**			**(171)**			**(266)**			**(455)**	
Recoveries of amounts previously written off		**–**			**–**			**211**			**211**	
Total credit impairment (charge)/release		**(18)**			**(171)**			**(55)**			**(244)**	

1 Includes fair value adjustments and amortisation on debt securities.
2 Excludes Cash and balances at central banks, Accrued income, Assets held for sale and Other assets gross balance of $88,024 million (31 December 2024: $80,975 million) and total credit impairment of $40 million (31 December 2024: $63 million).
3 Does not include charge relating to Other assets of $4 million (31 December 2024: release of $3 million).
4 Stage 3 gross includes $278 million (31 December 2024: $59 million) and ECL $5 million (31 December 2024: $Nil) originated credit-impaired debt securities
5 The gross balance includes the notional amount of off balance sheet instruments.

All segments – Company (audited)

Amortised cost and FVOCI	Stage 1 Gross balance[4] $million	Stage 1 Total credit impairment $million	Stage 1 Net $million	Stage 2 Gross balance[4] $million	Stage 2 Total credit impairment $million	Stage 2 Net $million	Stage 3 Gross balance[4] $million	Stage 3 Total credit impairment $million	Stage 3 Net $million	Total Gross balance[4] $million	Total Total credit impairment $million	Total Net $million
As at 1 January 2024	284,671	(132)	284,539	10,316	(107)	10,209	4,357	(2,276)	2,081	299,344	(2,515)	296,829
Transfers to stage 1	7,448	(173)	7,275	(7,445)	173	(7,272)	(3)	–	(3)	–	–	–
Transfers to stage 2	(14,259)	35	(14,224)	14,573	(52)	14,521	(314)	17	(297)	–	–	–
Transfers to stage 3	(187)	(4)	(191)	(270)	48	(222)	457	(44)	413	–	–	–
Net change in exposures	29,361	(64)	29,297	(7,981)	(2)	(7,983)	(822)	398	(424)	20,558	332	20,890
Net remeasurement from stage changes	–	7	7	–	(21)	(21)	–	(19)	(19)	–	(33)	(33)
Changes in risk parameters	–	31	31	–	29	29	–	(304)	(304)	–	(244)	(244)
Write-offs	–	–	–	–	–	–	(422)	422	–	(422)	422	–
Interest due but unpaid	–	–	–	–	–	–	(145)	145	–	(145)	145	–
Discount unwind	–	–	–	–	–	–	–	51	51	–	51	51
Exchange translation differences and other movements[1]	(7,116)	143	(6,973)	(901)	(191)	(1,092)	24	(72)	(48)	(7,993)	(120)	(8,113)
As at 31 December 2024[2]	299,918	(157)	299,761	8,292	(123)	8,169	3,132	(1,682)	1,450	311,342	(1,962)	309,380
Income statement ECL (charge)/release[3]		(26)			6			75			55	
Recoveries of amounts previously written off		–			–			60			60	
Total credit impairment (charge)/release		(26)			6			135			115	
As at 1 January 2025	**299,918**	**(157)**	**299,761**	**8,292**	**(123)**	**8,169**	**3,132**	**(1,682)**	**1,450**	**311,342**	**(1,962)**	**309,380**
Transfers to stage 1	**7,296**	**(136)**	**7,160**	**(7,294)**	**136**	**(7,158)**	**(2)**	**–**	**(2)**	**–**	**–**	**–**
Transfers to stage 2	**(17,350)**	**22**	**(17,328)**	**17,634**	**(35)**	**17,599**	**(284)**	**13**	**(271)**	**–**	**–**	**–**
Transfers to stage 3	**(106)**	**–**	**(106)**	**(974)**	**62**	**(912)**	**1,080**	**(62)**	**1,018**	**–**	**–**	**–**
Net change in exposures	**38,911**	**(61)**	**38,850**	**(8,551)**	**(39)**	**(8,590)**	**(754)**	**273**	**(481)**	**29,606**	**173**	**29,779**
Net remeasurement from stage changes	**–**	**2**	**2**	**–**	**(24)**	**(24)**	**–**	**(79)**	**(79)**	**–**	**(101)**	**(101)**
Changes in risk parameters	**–**	**41**	**41**	**–**	**(32)**	**(32)**	**–**	**(261)**	**(261)**	**–**	**(252)**	**(252)**
Write-offs	**–**	**–**	**–**	**–**	**–**	**–**	**(207)**	**207**	**–**	**(207)**	**207**	**–**
Interest due but unpaid	**–**	**–**	**–**	**–**	**–**	**–**	**3**	**(3)**	**–**	**3**	**(3)**	**–**
Discount unwind	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**57**	**57**	**–**	**57**	**57**
Exchange translation differences and other movements[1]	**4,316**	**94**	**4,410**	**(1,622)**	**(87)**	**(1,709)**	**253**	**4**	**257**	**2,947**	**11**	**2,958**
As at 31 December 2025[2]	**332,985**	**(195)**	**332,790**	**7,485**	**(142)**	**7,343**	**3,221**	**(1,533)**	**1,688**	**343,691**	**(1,870)**	**341,821**
Income statement ECL (charge)/release[3]		**(18)**			**(95)**			**(67)**			**(180)**	
Recoveries of amounts previously written off		**–**			**–**			**92**			**92**	
Total credit impairment (charge)/release		**(18)**			**(95)**			**25**			**(88)**	

1 Includes fair value adjustments and amortisation on debt securities.

2 Excludes Cash and balances at central banks, Accrued income, Assets held for Sale and Other assets gross balance of $68,291 million (31 December 2024: $64,555 Million) and total credit impairment of $12 million (31 December 2024: $5 million). Also excluded Amounts due from subsidiary undertakings and other related parties of $11,538 million (31 December 2024: $10,066 million). The amounts are held within stage 1 and is net of an expected credit loss of $3.0 million (31 December 2024: $2.4 million). In prior reporting periods, the Company excluded disclosure of certain guarantees provided to custody clients of subsidiaries. This omission has been identified and corrected in the current period. These guarantees provide protection against negligence and non payment of damages associated with such negligence in the provision of custody services. The maximum exposure to loss under these guarantees was $86.3 billion (31 December 2024: $88.8 billion). Based on current information, the Company does not expect any material losses to arise from these guarantees. These amounts are not included in the table above.

3 Does not include charge relating to Other assets of $Nil (31 December 2024: $2 million).

4 The gross balance includes the notional amount of off balance sheet instruments.

Credit impairment charge (audited)

The table below analyses credit impairment charges or releases of the ongoing business portfolio and restructuring business portfolio for the year ended 31 December 2025.

Read more on Summary of Credit Risk Performance on page 30

	2025			2024[1]		
	Stage 1 & 2 $million	Stage 3 $million	Total $million	Stage 1 & 2 $million	Stage 3 $million	Total $million
Ongoing business portfolio						
Corporate & Investment Banking	**73**	**(170)**	**(97)**	18	(304)	(286)
Wealth & Retail Banking	**97**	**202**	**299**	150	110	260
Ventures	**7**	**26**	**33**	13	12	25
Central & other items	**16**	**(3)**	**13**	18	(2)	16
Total credit impairment charge/(release)	**193**	**55**	**248**	199	(184)	15

1 Business segments 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 credit. Impairment charge.

Problem credit management and provisioning (audited)

Forborne and other modified loans by client segment

A forborne loan arises when a concession has been made to the contractual terms of a loan in response to a customer's financial difficulties.

Net forborne loans increased by $41 million to $544 million (31 December 2024: $503 million) largely due to an increase in net performing forborne loans in CIB. Net non-performing forborne loans decreased by $18 million to $443 million (31 December 2024: $461 million) with a $51 million reduction in CIB partly offset by a $33 million increase in WRB.

The table below presents loans with forbearance measures by segment.

Group

	2025			2024		
Amortised cost	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Total $million	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Total $million
Gross stage 1 and 2 forborne loans	**89**	**20**	**109**	17	26	43
Modification of terms and conditions[1]	**89**	**20**	**109**	17	26	43
Impairment provisions	**(8)**	**–**	**(8)**	–	(1)	(1)
Modification of terms and conditions[1]	**(8)**	**–**	**(8)**	–	(1)	(1)
Net stage 1 and 2 forborne loans	**81**	**20**	**101**	17	25	42
Collateral	**–**	**11**	**11**	–	25	25
Gross stage 3 forborne loans	**835**	**191**	**1,026**	960	148	1,108
Modification of terms and conditions[1]	**834**	**191**	**1,025**	959	148	1,107
Refinancing[2]	**1**	**–**	**1**	1	–	1
Impairment provisions	**(501)**	**(82)**	**(583)**	(575)	(72)	(647)
Modification of terms and conditions[1]	**(500)**	**(82)**	**(582)**	(574)	(72)	(646)
Refinancing[2]	**(1)**	**–**	**(1)**	(1)	–	(1)
Net stage 3 forborne loans	**334**	**109**	**443**	385	76	461
Collateral	**26**	**21**	**47**	74	53	127
Net carrying value of forborne loans	**415**	**129**	**544**	402	101	503

1 Modification of terms is any contractual change apart from refinancing, as a result of credit stress of the counterparty, i.e. interest reductions, loan covenant waivers.

2 Refinancing is a new contract to a lender in credit stress, such that they are refinanced and can pay other debt contracts that they were unable to honour.

Company

Amortised cost	2025 Corporate & Investment Banking $million	2025 Wealth & Retail Banking $million	2025 Total $million	2024 Corporate & Investment Banking $million	2024 Wealth & Retail Banking $million	2024 Total $million
Gross stage 1 and 2 forborne loans	50	11	61	–	15	15
Modification of terms and conditions[1]	50	11	61	–	15	15
Impairment provisions	(2)	–	(2)	–	–	–
Modification of terms and conditions[1]	(2)	–	(2)	–	–	–
Net stage 1 and 2 forborne loans	48	11	59	–	15	15
Collateral	–	9	9	–	14	14
Gross stage 3 forborne loans	593	3	596	701	7	708
Modification of terms and conditions[1]	593	3	596	701	7	708
Refinancing[2]	–	–	–	–	–	–
Impairment provisions	(309)	(1)	(310)	(394)	(3)	(397)
Modification of terms and conditions[1]	(309)	(1)	(310)	(394)	(3)	(397)
Refinancing[2]	–	–	–	–	–	–
Net stage 3 forborne loans	284	2	286	307	4	311
Collateral	21	2	23	62	3	65
Net carrying value of forborne loans	332	13	345	307	19	326

1 Modification of terms is any contractual change apart from refinancing, as a result of credit stress of the counterparty, i.e. interest reductions, loan covenant waivers.

2 Refinancing is a new contract to a lender in credit stress, such that they are refinanced and can pay other debt contracts that they were unable to honour.

Credit risk mitigation

Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, netting arrangements, credit insurance and credit derivatives, taking into account expected volatility and guarantees.

The reliance that can be placed on these mitigants is carefully assessed in light of issues such as legal certainty and enforceability, market valuation correlation and counterparty risk of the guarantor.

Collateral (audited)

A secured loan is one where the borrower pledges an asset as collateral of which the Group is able to take possession in the event that the borrower defaults.

The collateral values in the table below (which covers loans and advances to banks and customers, excluding those held at fair value through profit or loss) are adjusted where appropriate in accordance with our risk mitigation policy and for the effect of over-collateralisation. The extent of over-collateralisation has been determined with reference to both the drawn and undrawn components of exposure as this best reflects the effect of collateral and other credit enhancements on the amounts arising from ECL. The value of collateral reflects management's best estimate and is backtested against our prior experience.

Collateral held on loans and advances

The table below details collateral held against exposures, separately disclosing stage 2 and stage 3 exposure and corresponding collateral.

Group

	Net amount outstanding			Collateral			Net exposure		
Amortised cost	Total $million	Stage 2 financial assets $million	Credit-impaired financial assets (S3) $million	Total[2] $million	Stage 2 financial assets $million	Credit-impaired financial assets (S3) $million	Total $million	Stage 2 financial assets $million	Credit-impaired financial assets (S3) $million
2025									
Corporate & Investment Banking[1]	116,170	5,688	1,226	21,424	1,493	90	94,746	4,195	1,136
Wealth & Retail Banking	53,095	1,128	512	39,761	681	437	13,334	447	75
Ventures	889	3	7	–	–	–	889	3	7
Central & other items	13,871	–	–	4,213	–	–	9,658	–	–
Total[2]	184,025	6,819	1,745	65,398	2,174	527	118,627	4,645	1,218
2024									
Corporate & Investment Banking[1]	113,333	6,429	1,125	26,379	2,398	170	86,954	4,031	955
Wealth & Retail Banking	47,016	946	501	31,210	688	412	15,806	258	89
Ventures	574	1	–	–	–	–	574	1	–
Central & other items	20,260	35	98	80	35	–	20,180	–	98
Total[2]	181,183	7,411	1,724	57,669	3,121	582	123,514	4,290	1,142

1 Includes loans and advances to banks.

2 Adjusted for over-collateralisation based on the drawn and undrawn components of exposures.

Company

Amortised cost	2025								
	Net amount outstanding			Collateral			Net exposure		
	Total $million	Stage 2 financial assets $million	Credit-impaired financial assets (S3) $million	Total[2] $million	Stage 2 financial assets $million	Credit-impaired financial assets (S3) $million	Total $million	Stage 2 financial assets $million	Credit-impaired financial assets (S3) $million
Corporate & Investment Banking[1]	**74,586**	**3,538**	**1,006**	**12,272**	**939**	**76**	**62,314**	**2,599**	**930**
Wealth & Retail Banking	**12,097**	**312**	**249**	**6,771**	**99**	**249**	**5,326**	**213**	**–**
Central & other items	**4,516**	**–**	**–**	**3,731**	**–**	**–**	**785**	**–**	**–**
Total [2]	**91,199**	**3,850**	**1,255**	**22,774**	**1,038**	**325**	**68,425**	**2,812**	**930**
	2024								
Corporate & Investment Banking[1]	76,759	3,927	833	19,149	1,542	123	57,610	2385	710
Wealth & Retail Banking	11,779	192	275	6,653	110	244	5,126	82	31
Central & other items	814	–	–	–	–	–	814	–	–
Total [2]	89,352	4,119	1,108	25,802	1,652	367	63,550	2,467	741

1 Includes loans and advances to banks.
2 Adjusted for over-collateralisation based on the drawn and undrawn components of exposures.

Collateral – Corporate & Investment Banking (audited)

Our underwriting standards encourage taking specific charges on assets and we consistently seek high-quality, investment-grade collateral. 80 per cent (31 December 2024: 88 per cent) of tangible collateral excluding reverse repurchase agreements and financial guarantees held comprises physical assets or is property based, with the remainder held in cash. Overall collateral decreased by $5.0 billion to $21.4 billion (31 December 2024: $26.4 billion). Non-tangible collateral, such as guarantees and standby letters of credit, is also held against corporate exposures, although the financial effect of this type of collateral is less significant in terms of recoveries. However, this is considered when determining the probability of default and other credit-related factors. Collateral is also held against off balance sheet exposures, including undrawn commitments and trade-related instruments.

The following table provides an analysis of the types of collateral held against CIB loan exposures.

Corporate & Investment Banking

Amortised cost	Group 2025 $million	Group 2024 $million	Company 2025 $million	Company 2024 $million
Maximum exposure	**116,170**	113,333	**74,586**	76,759
Property	**3,454**	3,459	**1,925**	1,752
Plant, machinery and other stock	**710**	904	**436**	636
Cash	**1,811**	1,031	**1,000**	835
Reverse repos	**6,897**	11,972	**3,989**	10,464
AAA	**587**	–	**–**	–
AA- to AA+	**233**	897	**57**	742
A- to A+	**2,428**	8,225	**2,426**	8,225
BBB- to BBB+	**1,229**	981	**598**	564
Lower than BBB-	**–**	95	**–**	–
Unrated	**2,420**	1,774	**908**	933
Financial guarantees and insurance	**5,677**	5,564	**4,083**	4,187
Commodities	**11**	33	**8**	8
Ships and aircraft	**2,864**	3,416	**831**	1,267
Total value of collateral[1,2]	**21,424**	26,379	**12,272**	19,149
Net exposure	**94,746**	86,954	**62,314**	57,610

1 Adjusted for over-collateralisation based on the drawn and undrawn components of exposures.
2 The group also has credit mitigation through Credit Default Swaps and Credit Linked Notes as set out on page 47.

Collateral – Wealth & Retail Banking (audited)

Group

In WRB, fully secured products increased by 2 per cent to 88 per cent of the total portfolio (31 December 2024: 86 per cent) due to an increase in the mortgages portfolio and higher demand for secured wealth products.

The following table presents an analysis of loans to individuals by product; split between fully secured, partially secured and unsecured:

	2025				2024			
Amortised cost	Fully secured[1] $million	Partially secured[1] $million	Unsecured $million	Total[2] $million	Fully secured[1] $million	Partially secured[1] $million	Unsecured $million	Total[2] $million
Maximum exposure	**46,855**	**69**	**6,171**	**53,095**	40,229	226	6,561	47,016
Loans to individuals								
Mortgages	**25,659**	**–**	**–**	**25,659**	23,001	–	–	23,001
CCPL [5]	**–**	**–**	**5,201**	**5,201**	–	–	5,930	5,930
Secured wealth products	**20,495**	**–**	**–**	**20,495**	16,595	–	–	16,595
Other[4,5]	**701**	**69**	**970**	**1,740**	633	226	631	1,490
Total collateral[2]				**39,761**				31,210
Net exposure[3]				**13,334**				15,806
Percentage of total loans	**88%**	**0%**	**12%**		86%	0%	14%	

1 Secured loans are fully secured if the fair value of the collateral is equal to or greater than the loan at the time of origination. All other secured loans are considered to be partly secured.
2 Collateral values are adjusted where appropriate in accordance with our risk mitigation policy and for the effect of over-collateralisation.
3 Amounts net of ECL.
4 Includes Auto Loans previously presented separately. Prior period has been represented.
5 Prior period has been represented between CCPL and Other for $463 million under Fully secured to align product classification.

Company

In WRB, $9.6 billion which equates to 79 per cent of the portfolio is fully secured (31 December 2024: 80 per cent).

The following table presents an analysis of loans to individuals by product; split between fully secured, partially secured and unsecured.

	2025				2024			
Amortised cost	Fully secured[1] $million	Partially secured[1] $million	Unsecured $million	Total[2] $million	Fully secured[1] $million	Partially secured[1] $million	Unsecured $million	Total[2] $million
Maximum exposure	**9,601**	**47**	**2,449**	**12,097**	9,375	167	2,237	11,779
Loans to individuals								
Mortgages	**5,082**	**–**	**–**	**5,082**	5,030	–	–	5,030
CCPL [5]	**–**	**–**	**1,822**	**1,822**	–	–	1,890	1,890
Secured wealth products	**3,933**	**–**	**–**	**3,933**	3,860	–	–	3,860
Other[4,5]	**586**	**47**	**627**	**1,260**	485	167	347	999
Total collateral[2]				**6,771**				6,653
Net exposure[3]				**5,326**				5,126
Percentage of total loans	**79%**	**0%**	**21%**		80%	1%	19%	

1 Secured loans are fully secured if the fair value of the collateral is equal to or greater than the loan at the time of origination. All other secured loans are considered to be partly secured.
2 Collateral values are adjusted where appropriate in accordance with our risk mitigation policy and for the effect of over-collateralisation.
3 Amounts net of ECL.
4 Includes Auto loans previously presented separately. Prior period has been represented.
5 Prior period has been represented between CCPL and Other for $464 million under fully secured to align product classification.

Mortgage loan-to-value ratios by geography (audited)

Loan-to-value (LTV) ratios measure the ratio of the current mortgage outstanding to the current fair value of the properties on which they are secured.

In mortgages, the value of property held as security significantly exceeds the value of mortgage loans. The average LTV of the overall mortgage portfolio is low at 45.3 per cent (31 December 2024: 45.1 per cent). Singapore, which represents 62.6 per cent of the mortgage portfolio as at 31 December 2025, has an average LTV of 42.7 per cent (31 December 2024: 42.5 per cent).

An analysis of LTV ratios by geography for the mortgage portfolio is presented in the table below.

	2025					2024				
Amortised cost	Singapore %	Malaysia %	Jersey %	Others %	Total %	Singapore %	Malaysia %	Jersey %	Others %	Total %
Less than 50 per cent	**51.8**	**37.1**	**30.5**	**61.8**	**49.8**	52.7	37.4	28.2	62.8	51.0
50 per cent to 59 per cent	**19.4**	**15.5**	**14.0**	**16.1**	**17.8**	21.8	15.2	14.9	16.5	19.2
60 per cent to 69 per cent	**15.8**	**18.6**	**30.9**	**13.1**	**17.0**	15.6	18.1	33.7	12.4	16.7
70 per cent to 79 per cent	**12.7**	**15.9**	**17.7**	**7.2**	**12.5**	9.6	16.2	17.6	6.4	10.4
80 per cent to 89 per cent	**0.2**	**10.9**	**6.3**	**1.4**	**2.4**	0.1	11.6	3.9	1.2	2.2
90 per cent to 99 per cent	**0.0**	**1.4**	**0.3**	**0.3**	**0.3**	0.0	0.9	1.7	0.5	0.4
100 per cent and greater	**0.1**	**0.6**	**0.3**	**0.1**	**0.2**	0.1	0.6	0.1	0.3	0.2
Average portfolio loan-to-value	**42.7**	**55.3**	**57.5**	**42.4**	**45.3**	42.5	55.4	58.8	42.2	45.1
Loans to individuals – mortgages ($million)	**16,054**	**3,738**	**2,348**	**3,519**	**25,659**	13,756	3,332	2,142	3,771	23,001

Collateral and other credit enhancements possessed or called upon (audited)

The Group obtains assets by taking possession of collateral (such as property, plant and equipment) or calling upon other credit enhancements (such as guarantees). Repossessed properties are sold in an orderly fashion. Where the proceeds are in excess of the outstanding loan balance the excess is returned to the borrower.

Certain equity securities acquired may be held by the Group for investment purposes and are classified as fair value through profit or loss, and the related loan written off. The carrying value of collateral possessed and held by the Group as at 31 December 2025 is $Nil (31 December 2024: $23.7 million).

Other Credit Risk mitigation

Other forms of Credit Risk mitigation are set out below.

Credit default swaps

The Group has entered into credit default swaps for portfolio management purposes, referencing loan assets with a notional value of $3.5 billion (31 December 2024: $2.8 billion). These credit default swaps are accounted for as financial guarantees per IFRS 9 as they will only reimburse the holder for an incurred loss on an underlying debt instrument. The Group continues to hold the underlying assets referenced in the credit default swaps and it continues to be exposed to related Credit and Foreign Exchange Risk on these assets.

Credit linked notes

The Group has issued credit linked notes for portfolio management purposes, referencing loan assets with a notional value of $22.4 billion (31 December 2024: $18.6 billion). The Group continues to hold the underlying assets for which the credit linked notes provide mitigation. The credit linked notes are recognised as a financial liability at amortised cost on the balance sheet and are adjusted, where appropriate, for reductions in expected future cash flows with a corresponding credit to credit impairment in the income statement.

Off-balance sheet exposures

For certain types of exposures, such as letters of credit and guarantees, the Group obtains collateral such as cash depending on internal Credit Risk assessments, as well as in the case of letters of credit holding legal title to the underlying assets should a default take place.

Other portfolio analysis

This section provides maturity analysis of loans and advances by business segment.

Contractual maturity analysis of loans and advances by client segment (audited)

Shorter maturities give us the flexibility to respond promptly to events and rebalance or reduce our exposure to clients or sectors that are facing increased pressure or uncertainty.

Loans and advances to the CIB segment remain predominantly short-term, with $53.5 billion (31 December 2024: $58.4 billion) maturing in less than one year. The WRB loan book continues to be longer-term in nature with 45 per cent (31 December 2024: 47 per cent) of the loans maturing over five years, as mortgages constitute the majority of this portfolio.

Group

	2025				2024			
Amortised cost	One year or less $million	One to five years $million	Over five years $million	Total $million	One year or less $million	One to five years $million	Over five years $million	Total $million
Corporate & Investment Banking	**53,534**	**26,658**	**13,069**	**93,261**	58,427	20,537	13,461	92,425
Wealth & Retail Banking	**25,051**	**4,557**	**24,382**	**53,990**	20,579	4,748	22,534	47,861
Ventures	**920**	**–**	**–**	**920**	391	204	–	595
Central & other items	**13,611**	**272**	**1**	**13,884**	20,259	–	1	20,260
Gross loans and advances to customers	**93,116**	**31,487**	**37,452**	**162,055**	99,656	25,489	35,996	161,141
Impairment provisions	**(2,577)**	**(173)**	**(51)**	**(2,801)**	(2,652)	(172)	(75)	(2,899)
Net loans and advances to customers	**90,539**	**31,314**	**37,401**	**159,254**	97,004	25,317	35,921	158,242
Net loans and advances to banks	**22,128**	**2,259**	**384**	**24,771**	20,285	2,376	280	22,941

Company

	2025				2024			
Amortised cost	One year or less $million	One to five years $million	Over five years $million	Total[1] $million	One year or less $million	One to five years $million	Over five years $million	Total[1] $million
Corporate & Investment Banking	**38,454**	**18,067**	**8,119**	**64,640**	44,859	12,646	8,790	66,295
Wealth & Retail Banking	**6,488**	**2,367**	**3,752**	**12,607**	5,831	2,278	4,174	12,283
Ventures	**–**	**–**	**–**	**–**	–	–	–	–
Central & other items	**4,249**	**272**	**1**	**4,522**	813	–	1	814
Gross loans and advances to customers	**49,191**	**20,706**	**11,872**	**81,769**	51,503	14,924	12,965	79,392
Impairment provisions	**(1,558)**	**(86)**	**(34)**	**(1,678)**	(1,683)	(75)	(37)	(1,795)
Net loans and advances to customers[1]	**47,633**	**20,620**	**11,838**	**80,091**	49,820	14,849	12,928	77,597
Net loans and advances to banks	**9,685**	**1,039**	**384**	**11,108**	10,162	1,313	280	11,755

1 Excludes 'Amounts due from subsidiary undertakings and other related parties' of $11,538 million (31 December 2024: $10,066 million). The amounts are held within stage 1 and rated as 'strong' and is net of an expected credit loss of $3 million (31 December 2024: $2.4 million).

Credit quality by industry
Loans and advances

This section provides an analysis of the Group's amortised cost portfolio by industry on a gross, total credit impairment and net basis.

Group

To better reflect the concentration risks for net loans and advances to customers, the Group has now included details of geographic concentrations for this portfolio. For total net loans and advances to customers, $61.5 billion (31 December 2024: $63.5 billion) is booked in Singapore, $21.9 billion (31 December 2024: $25.8 billion) is booked in the UK and $24.6 billion (31 December 2024: $18.3 billion) is booked in the US.

As the Group operates a global booking model across the CIB and Central and other items segments, the booking location does not necessarily reflect the country of risk (which is the country that can directly or indirectly put the counterparty at risk for the highest amount of potential financial losses) of the underlying counterparties. For the portion of loans and advances analysed by industry in the tables below, $28.5 billion (31 December 2024: $36.8 billion) is booked in Singapore and $21.9 billion (31 December 2024: $25.8 billion) in UK. On a country of risk basis, the UK and Singapore would be approximately 69% (31 December 2024: 74%) and 41% (31 December 2024: 28%) lower respectively, with increases in loans to customers in India, UAE and the US.

	2025											
	Stage 1			Stage 2			Stage 3			Total		
Amortised cost	Gross balance $million	Total credit impairment $million	Net carrying amount $million	Gross balance $million	Total credit impairment $million	Net carrying amount $million	Gross balance $million	Total credit impairment $million	Net carrying amount $million	Gross balance $million	Total credit impairment $million	Net carrying amount $million
Industry:												
Energy	10,988	(16)	10,972	640	(17)	623	458	(410)	48	12,086	(443)	11,643
Manufacturing	10,394	(10)	10,384	527	(15)	512	564	(289)	275	11,485	(314)	11,171
Financing, insurance and non-banking	27,437	(9)	27,428	386	(7)	379	72	(66)	6	27,895	(82)	27,813
Transport, telecom and utilities	10,746	(8)	10,738	1,809	(41)	1,768	390	(108)	282	12,945	(157)	12,788
Food and household products	7,120	(6)	7,114	295	(17)	278	185	(177)	8	7,600	(200)	7,400
Commercial real estate	6,720	(3)	6,717	939	(18)	921	163	(91)	72	7,822	(112)	7,710
Mining and quarrying	3,296	(5)	3,291	214	(7)	207	32	(28)	4	3,542	(40)	3,502
Consumer durables	3,235	(6)	3,229	232	(14)	218	194	(190)	4	3,661	(210)	3,451
Construction	1,364	(2)	1,362	319	(1)	318	127	(127)	–	1,810	(130)	1,680
Trading companies & distributors	374	–	374	6	–	6	77	(46)	31	457	(46)	411
Government	13,762	(13)	13,749	119	–	119	473	(62)	411	14,354	(75)	14,279
Other	3,256	(5)	3,251	123	–	123	109	(61)	48	3,488	(66)	3,422
Total[2]	98,692	(83)	98,609	5,609	(137)	5,472	2,844	(1,655)	1,189	107,145	(1,875)	105,270
Retail Products:												
Mortgages	24,836	(9)	24,827	542	(3)	539	437	(144)	293	25,815	(156)	25,659
Credit Cards	3,600	(86)	3,514	153	(36)	117	43	(36)	7	3,796	(158)	3,638
Personal Loans and other unsecured lending	2,384	(86)	2,298	81	(7)	74	158	(76)	82	2,623	(169)	2,454
Secured wealth products	20,077	(27)	20,050	313	(5)	308	477	(341)	136	20,867	(373)	20,494
Other	1,646	(1)	1,645	95	(2)	93	68	(67)	1	1,809	(70)	1,739
Total	52,543	(209)	52,334	1,184	(53)	1,131	1,183	(664)	519	54,910	(926)	53,984
Net carrying value (customers)[1]	151,235	(292)	150,943	6,793	(190)	6,603	4,027	(2,319)	1,708	162,055	(2,801)	159,254
Net carrying value (Banks)[1]	24,521	(3)	24,518	216	–	216	41	(4)	37	24,778	(7)	24,771

1 Includes reverse repurchase agreements and other similar secured lending held at amortised cost of $7,350 million for Customers and $3,698 million for Banks.

2 Includes Central & other items loans and advances to customers balance as set out in the Loans and advances by client segment table on page 36.

Amortised cost	2024 Stage 1 Gross balance $million	Stage 1 Total credit impairment $million	Stage 1 Net carrying amount $million	Stage 2 Gross balance $million	Stage 2 Total credit impairment $million	Stage 2 Net carrying amount $million	Stage 3 Gross balance $million	Stage 3 Total credit impairment $million	Stage 3 Net carrying amount $million	Total Gross balance $million	Total Total credit impairment $million	Total Net carrying amount $million
Industry:												
Energy	10,695	(11)	10,684	449	(33)	416	859	(551)	308	12,003	(595)	11,408
Manufacturing	9,610	(9)	9,601	509	(10)	499	390	(278)	112	10,509	(297)	10,212
Financing, insurance and non-banking	26,699	(12)	26,687	804	(1)	803	86	(74)	12	27,589	(87)	27,502
Transport, telecom and utilities	9,542	(9)	9,533	1,962	(26)	1,936	330	(85)	245	11,834	(120)	11,714
Food and household products	6,484	(8)	6,476	267	(8)	259	236	(184)	52	6,987	(200)	6,787
Commercial real estate	5,394	(7)	5,387	879	(9)	870	120	(82)	38	6,393	(98)	6,295
Mining and quarrying	3,757	(3)	3,754	251	(12)	239	124	(56)	68	4,132	(71)	4,061
Consumer durables	2,699	(6)	2,693	187	(16)	171	245	(229)	16	3,131	(251)	2,880
Construction	1,181	(1)	1,180	478	(5)	473	171	(160)	11	1,830	(166)	1,664
Trading companies & distributors	364	–	364	2	–	2	82	(44)	38	448	(44)	404
Government	24,374	–	24,374	428	(12)	416	193	(18)	175	24,995	(30)	24,965
Other	2,624	(2)	2,622	72	(4)	68	139	(68)	71	2,835	(74)	2,761
Total[4]	103,423	(68)	103,355	6,288	(136)	6,152	2,975	(1,829)	1,146	112,686	(2,033)	110,653
Retail Products:												
Mortgages	22,266	(7)	22,259	436	(2)	434	431	(123)	308	23,133	(132)	23,001
Credit Cards	3,665	(70)	3,595	95	(37)	58	49	(44)	5	3,809	(151)	3,658
Personal Loans and other unsecured lending[3]	2,822	(82)	2,740	67	(13)	54	113	(62)	51	3,002	(157)	2,845
Secured wealth products	16,110	(24)	16,086	387	(5)	382	460	(334)	126	16,957	(363)	16,594
Other[2,3]	1,465	(3)	1,462	19	–	19	70	(60)	10	1,554	(63)	1,491
Total	46,328	(186)	46,142	1,004	(57)	947	1,123	(623)	500	48,455	(866)	47,589
Net carrying value (customers)[1]	149,751	(254)	149,497	7,292	(193)	7,099	4,098	(2,452)	1,646	161,141	(2,899)	158,242
Net carrying value (Banks)[1]	22,556	(5)	22,551	313	(1)	312	80	(2)	78	22,949	(8)	22,941

1 Includes reverse repurchase agreements and other similar secured lending held at amortised cost of $9,121 million for Customers and $2,889 million for Banks.
2 Includes Auto Loans previously presented separately. Prior period has been represented.
3 Prior period has been represented between Personal Loans and other unsecured lending and Other for $463 million to align product classification.
4 Include Central & other items loans and advances to customers balance as set out in the Loans and advances by client segment table on page 37.

Company

To better reflect the concentration risks for net loans and advances to customers, the Company has now included details of geographic concentrations for this portfolio. For total net loans and advances to customers, $24.6 billion (31 December 2024: $18.3 billion) is booked in the US and $21.9 billion (31 December 2024: $25.8 billion) is booked in the UK, all of which is within the analysis by industry in the table below.

As the Company operates a global booking model across CIB and Central and other items segments, the booking location does not necessarily reflect the country of risk (which is the country that can directly or indirectly put the counterparty at risk for the highest amount of potential financial losses) of the underlying counterparties. On a country of risk basis, the UK would be approximately 78% (31 December 2024: 84%) lower respectively, with increases in loans to customers in India and UAE.

	2025											
	Stage 1			Stage 2			Stage 3			Total		
Amortised cost	Gross balance $million	Total credit impairment $million	Net carrying amount $million	Gross balance $million	Total credit impairment $million	Net carrying amount $million	Gross balance $million	Total credit impairment $million	Net carrying amount $million	Gross balance $million	Total credit impairment $million	Net carrying amount $million
Industry:												
Energy	**6,958**	**(2)**	**6,956**	**360**	**(5)**	**355**	**241**	**(191)**	**50**	**7,559**	**(198)**	**7,361**
Manufacturing	**6,067**	**(5)**	**6,062**	**333**	**(12)**	**321**	**505**	**(245)**	**260**	**6,905**	**(262)**	**6,643**
Financing, insurance and non-banking	**24,275**	**(7)**	**24,268**	**348**	**(7)**	**341**	**24**	**(18)**	**6**	**24,647**	**(32)**	**24,615**
Transport, telecom and utilities	**5,886**	**(6)**	**5,880**	**1,330**	**(37)**	**1,293**	**316**	**(88)**	**228**	**7,532**	**(131)**	**7,401**
Food and household products	**4,209**	**(3)**	**4,206**	**128**	**(10)**	**118**	**46**	**(44)**	**2**	**4,383**	**(57)**	**4,326**
Commercial real estate	**5,005**	**(2)**	**5,003**	**714**	**(12)**	**702**	**161**	**(89)**	**72**	**5,880**	**(103)**	**5,777**
Mining and quarrying	**2,638**	**(4)**	**2,634**	**120**	**(1)**	**119**	**29**	**(26)**	**3**	**2,787**	**(31)**	**2,756**
Consumer durables	**2,436**	**(6)**	**2,430**	**57**	**(4)**	**53**	**175**	**(171)**	**4**	**2,668**	**(181)**	**2,487**
Construction	**1,181**	**(1)**	**1,180**	**14**	**–**	**14**	**66**	**(65)**	**1**	**1,261**	**(66)**	**1,195**
Trading companies & distributors	**215**	**–**	**215**	**1**	**–**	**1**	**54**	**(24)**	**30**	**270**	**(24)**	**246**
Government	**2,865**	**(8)**	**2,857**	**75**	**–**	**75**	**339**	**(22)**	**317**	**3,279**	**(30)**	**3,249**
Other	**1,906**	**(2)**	**1,904**	**1**	**–**	**1**	**84**	**(51)**	**33**	**1,991**	**(53)**	**1,938**
Total[2]	**63,641**	**(46)**	**63,595**	**3,481**	**(88)**	**3,393**	**2,040**	**(1,034)**	**1,006**	**69,162**	**(1,168)**	**67,994**
Retail Products:												
Mortgages	**4,839**	**(5)**	**4,834**	**111**	**(2)**	**109**	**227**	**(89)**	**138**	**5,177**	**(96)**	**5,081**
Credit Cards	**375**	**(9)**	**366**	**80**	**(16)**	**64**	**6**	**(5)**	**1**	**461**	**(30)**	**431**
Personal Loans and other unsecured lending	**1,404**	**(55)**	**1,349**	**31**	**(3)**	**28**	**21**	**(5)**	**16**	**1,456**	**(63)**	**1,393**
Secured wealth products	**3,798**	**(7)**	**3,791**	**53**	**(2)**	**51**	**383**	**(292)**	**91**	**4,234**	**(301)**	**3,933**
Other	**1,198**	**(2)**	**1,196**	**61**	**(1)**	**60**	**20**	**(17)**	**3**	**1,279**	**(20)**	**1,259**
Total	**11,614**	**(78)**	**11,536**	**336**	**(24)**	**312**	**657**	**(408)**	**249**	**12,607**	**(510)**	**12,097**
Net carrying value (customers)[1]	**75,255**	**(124)**	**75,131**	**3,817**	**(112)**	**3,705**	**2,697**	**(1,442)**	**1,255**	**81,769**	**(1,678)**	**80,091**
Net carrying value (Banks)[1]	**10,965**	**(2)**	**10,963**	**145**	**–**	**145**	**1**	**(1)**	**–**	**11,111**	**(3)**	**11,108**

1 Includes reverse repurchase agreements and other similar secured lending held at amortised cost of $6,865 million for Customers and $855 million for Banks.

2 Include Central & other items loans and advances to customers balance as set out in the Loans and advances by client segment table on page 38.

	2024											
	Stage 1			Stage 2			Stage 3			Total		
Amortised cost	Gross balance $million	Total credit impairment $million	Net carrying amount $million	Gross balance $million	Total credit impairment $million	Net carrying amount $million	Gross balance $million	Total credit impairment $million	Net carrying amount $million	Gross balance $million	Total credit impairment $million	Net carrying amount $million
Industry:												
Energy	7,345	(5)	7,340	342	(10)	332	564	(266)	298	8,251	(281)	7,970
Manufacturing	6,415	(7)	6,408	330	(4)	326	312	(234)	78	7,057	(245)	6,812
Financing, insurance and non-banking	23,812	(9)	23,803	413	(1)	412	24	(22)	2	24,249	(32)	24,217
Transport, telecom and utilities	5,256	(6)	5,250	1,485	(22)	1,463	267	(62)	205	7,008	(90)	6,918
Food and household products	3,743	(4)	3,739	106	(5)	101	83	(59)	24	3,932	(68)	3,864
Commercial real estate	3,655	(7)	3,648	443	(8)	435	115	(79)	36	4,213	(94)	4,119
Mining and quarrying	2,795	(2)	2,793	56	(8)	48	51	(48)	3	2,902	(58)	2,844
Consumer durables	1,796	(6)	1,790	83	(9)	74	225	(209)	16	2,104	(224)	1,880
Construction	878	(1)	877	127	–	127	105	(96)	9	1,110	(97)	1,013
Trading companies & distributors	227	–	227	2	–	2	54	(23)	31	283	(23)	260
Government	3,874	–	3,874	378	(3)	375	94	(18)	76	4,346	(21)	4,325
Other	1,521	(1)	1,520	22	(2)	20	111	(59)	52	1,654	(62)	1,592
Total[4]	61,317	(48)	61,269	3,787	(72)	3,715	2,005	(1,175)	830	67,109	(1,295)	65,814
Retail Products:												
Mortgages	4,805	(5)	4,800	69	(1)	68	243	(81)	162	5,117	(87)	5,030
Credit Cards	599	(12)	587	35	(16)	19	18	(10)	8	652	(38)	614
Personal Loans and other unsecured lending[3]	1,285	(44)	1,241	32	(8)	24	21	(9)	12	1,338	(61)	1,277
Secured wealth products	3,708	(6)	3,702	79	(2)	77	367	(285)	82	4,154	(293)	3,861
Other[2,3]	983	(1)	982	8	–	8	31	(20)	11	1,022	(21)	1,001
Total	11,380	(68)	11,312	223	(27)	196	680	(405)	275	12,283	(500)	11,783
Net carrying value (customers)[1]	72,697	(116)	72,581	4,010	(99)	3,911	2,685	(1,580)	1,105	79,392	(1,795)	77,597
Net carrying value (Banks)[1]	11,545	(1)	11,544	209	(1)	208	3	–	3	11,757	(2)	11,755

1 Includes reverse repurchase agreements and other similar secured lending held at amortised cost of $9,041 million for Customers and $1,423 million for Banks.
2 Includes Auto Loans previously presented separately. Prior period has been represented.
3 Prior period has been represented between Personal Loans and other unsecured lending and Other for $464 million to align product classification.
4 Include Central & other items loans and advances to customers balance as set out in the Loans and advances by client segment table on page 39.

Debt securities and other eligible bills (audited)

This section provides further detail on gross debt securities and treasury bills.

The standard credit ratings used by the Group are those used by Standard & Poor's or its equivalent. Debt securities held that have a short-term rating are reported against the long-term rating of the issuer. For securities that are unrated, the Group applies an internal credit rating, as described under the credit rating and measurement section on page 26. Total gross debt securities and other eligible bills increased by $7.5 billion to $103.7 billion (31 December 2024: $96.2 billion) largely due to deployment of excess surplus in Singapore Stage 1 exposures.

Stage 1 gross balance increased by $7.7 billion to $102.2 billion (31 December 2024: $94.5 billion) due to deployment of excess surplus in Singapore.

Stage 2 gross balance decreased by $0.4 billion to $1.2 billion (31 December 2024: $1.6 billion).

Stage 3 gross balance increased by $0.2 billion to $0.3 billion (31 December 2024: $0.1 billion).

Group

	2025			2024		
Amortised cost and FVOCI	Gross $million	ECL $million	Net[2] $million	Gross $million	ECL $million	Net[2] $million
Stage 1	**102,189**	**(43)**	**102,146**	94,480	(20)	94,460
• Strong	**98,296**	**(36)**	**98,260**	90,971	(16)	90,955
• Satisfactory	**3,893**	**(7)**	**3,886**	3,509	(4)	3,505
Stage 2	**1,198**	**(5)**	**1,193**	1,612	(3)	1,609
• Strong	**68**	**–**	**68**	560	–	560
• Satisfactory	**1,130**	**(5)**	**1,125**	31	–	31
• High Risk	**–**	**–**	**–**	1,021	(3)	1,018
Stage 3	**296**	**(5)**	**291**	103	(2)	101
Gross balance[1]	**103,683**	**(53)**	**103,630**	96,195	(25)	96,170

1 Stage 3 gross includes $278 million (31 December 2024: $59 million) originated credit-impaired debt securities with $5m impairment (31 December 2024: $Nil) The Group also has credit insurance over $4.2 billion (31 December 2024: $4.03 billion) of other eligible bills.

2 FVOCI instrument are not presented net of ECL. While the presentation is on a net basis for the table, the total net on-balance sheet amount is $103,665 million (31 December 2024: $96,179 million). Refer to the Analysis of financial instrument by stage table on page 33.

Company

	2025			2024		
Amortised cost and FVOCI	Gross $million	ECL $million	Net $million	Gross $million	ECL $million	Net $million
Stage 1	**79,073**	**(34)**	**79,039**	81,618	(15)	81,603
• Strong	**75,799**	**(28)**	**75,771**	78,648	(12)	78,636
• Satisfactory	**3,274**	**(6)**	**3,268**	2,970	(3)	2,967
Stage 2	**390**	**(2)**	**388**	244	(2)	242
• Strong	**48**	**–**	**48**	–	–	–
• Satisfactory	**342**	**(2)**	**340**	6	–	6
• High Risk	**–**	**–**	**–**	238	(2)	236
Stage 3	**–**	**–**	**–**	–	–	–
Gross balance[1]	**79,463**	**(36)**	**79,427**	81,862	(17)	81,845

1 FVOCI instrument are not presented net of ECL. While the presentation is on a net basis for the table, the total net on-balance sheet amount is $79,448 million (31 December 2024: $81,855 million). Refer to the Analysis of financial instrument by stage table on page 33.

IFRS 9 expected credit loss methodology (audited)

Approach for determining expected credit losses

Credit loss terminology

Component	Definition
Probability of default (PD)	The probability that a counterparty will default, over the next 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2), incorporating the impact of forward-looking economic assumptions that have an effect on Credit Risk, such as unemployment rates and GDP forecasts. The PD estimates will fluctuate in line with the economic cycle. The lifetime (or term structure) PDs are based on statistical models, calibrated using historical data and adjusted to incorporate forward-looking economic assumptions.
Loss given default (LGD)	The loss that is expected to arise on default, incorporating the impact of forward-looking economic assumptions where relevant, which represents the difference between the contractual cash flows due and those that the bank expects to receive. The Group estimates LGD based on the history of recovery rates and considers the recovery of any collateral that is integral to the financial asset, taking into account forward-looking economic assumptions where relevant.
Exposure at default (EAD)	The expected balance sheet exposure at the time of default, taking into account expected changes over the lifetime of the exposure. This incorporates the impact of drawdowns of facilities with limits, principal and repayments of interest and amortisation.

To determine the expected credit loss (ECL), these components are multiplied together: PD for the reference period (up to 12 months or lifetime) x LGD x EAD and discounted to the balance sheet date using the effective interest rate as the discount rate.

IFRS 9 ECL models have been developed for the CIB business on a global basis, in line with their respective portfolios. However, for some of the key countries, country-specific models have also been developed. The calibration of forward-looking information is assessed at a country or region level to take into account local macroeconomic conditions.

Retail ECL models are country and product specific given the local nature of the retail business.

For less material portfolios, primarily in retail, the Group has adopted less sophisticated approaches based on historical roll rates or loss rates:

- For medium-sized portfolios, a roll rate model is applied, which uses a matrix that gives the average loan migration rate between delinquency states from period to period. A matrix multiplication is then performed to generate the final PDs by delinquency bucket over different time horizons.
- For smaller portfolios, a loss rate approach is applied. These use an adjusted gross charge-off rate, developed using monthly write-off and recoveries over an appropriate historical observation window (typically 12 months, extended to 24 months for certain portfolios where this provides a more stable and representative estimate), and total outstanding balances.
- While the loss rate approaches do not incorporate forward looking information, to the extent that there are significant changes in the macroeconomic forecasts, an assessment is completed on whether an adjustment to the modelled output is required.

For a limited number of exposures, proxy parameters or approaches are used where the data is not available to calculate the origination PDs for the purpose of applying the SICR criteria; or for some retail portfolios where a full history of LGD data is not available, estimates based on the loss experience from similar portfolios are used. The use of proxies is monitored and will reduce over time.

When existing IFRS 9 PD models are redeveloped, where material and without undue cost or effort, origination PDs are recalibrated if there is a change in measurement approach to ensure credit risk is measured on a consistent basis. A change in measurement approach refers to changes in the conceptual or methodological basis of PD estimation that affect comparability of estimates with the previous model.

The following processes are in place to assess the ongoing performance of the models:

- Quarterly model monitoring that uses recent data to compare the differences between model predictions and actual outcomes against approved thresholds.
- Annual independent validation is performed by Group Model Valuation (GMV) with the depth of validation varies determined by the model materiality. Material models would go through a full annual re-validation process, while a less intensive validation process will be performed on non-material models.

Application of lifetime ECL

ECL is estimated based on the period over which the Group is exposed to Credit Risk. For the majority of exposures this equates to the maximum contractual period. For retail credit cards and corporate overdraft facilities, however, the Group does not typically enforce the contractual period, which can be as short as one day. As a result, the period over which the Group is exposed to Credit Risk for these instruments reflects their behavioural life, which incorporates expectations of customer behaviour and the extent to which Credit Risk management actions curtail the period of that exposure. The average behavioural life for retail credit cards is between 3 and 6 years across our footprint markets.

The behavioural life for corporate overdraft facilities is 24 months.

Key assumptions and judgements in determining ECL

Incorporation of forward-looking information

The evolving economic environment is a key determinant of the ability of a bank's clients to meet their obligations as they fall due. It is a fundamental principle of IFRS 9 that the provisions banks hold against potential future credit risk losses should depend not just on the health of the economy today but should also take into account potential changes to the economic environment. For example, if a bank were to anticipate a sharp slowdown in the world economy over the coming year, it should hold more provisions today to absorb the credit losses likely to occur in the near future.

To capture the effect of changes to the economic environment, the PDs and LGDs used to calculate ECL incorporate forward-looking information in the form of forecasts of the values of economic variables and asset prices that are likely to have an effect on the repayment ability of the Group's clients.

The 'Base Forecast' of the economic variables and asset prices is based on management's view of the five-year outlook, supported by projections from the Group's in-house research team and outputs from a third-party model that project specific economic variables and asset prices. The research team takes consensus views into consideration and senior management reviews projections for some core country variables against consensus when forming their view of the outlook. For the period beyond five years, management utilises the in-house research view and third-party model outputs, which allow for a reversion to long-term growth rates or norms. All projections are updated on a quarterly basis.

Forecast of key macroeconomic variables underlying the ECL calculation and the impact on non-linearity

In the Base Forecast – management's view of the most likely outcome – the pace of growth of the world economy in 2026 is expected to remain broadly unchanged from 2024 at around 3.1 per cent. This compares to the average of 3.7 per cent growth for the 10 years prior to COVID-19 (between 2010 and 2019). Growth in 2025 had been supported by exporters front-loading exports to the US and consumers in key markets remaining resilient. 2025 for many economies is likely to be a year of transition from monetary to fiscal policy, and from export-led to increasingly domestic (particularly investment-led) growth.

The US economy is expected to grow slightly faster in 2026 than the 1.5 per cent growth for last year. The outlook is supported by strong business investment and spending, which will be underpinned by corporate tax cuts and the race for AI adoption. Similarly, the outlook for the Middle East is expected to be slightly better in 2026 as OPEC+ cuts are phased out resulting in the gradual recovery in oil output. Ongoing diversification and infrastructure programmes will also support investment spending. In Asia growth is expected to remain robust though moderate on the fading effects from the strong front-loading of exports to the US in 2025. Political uncertainty in some countries may also weigh on growth. Africa is expected to remain strong with the region less exposed than others to trade tensions. In larger economies such as Nigeria and South Africa, reform momentum will provide additional support. In contrast, growth prospects in the Euro area are expected to remain muted at around 1 per cent (unchanged from 2025) given trade pressures – both from US tariffs and increasing competition from China – and the uneven picture across economies in the region.

The risks around the economic outlook remain elevated amid persistent trade policy uncertainty, heightened geopolitical tensions, including around disruptions to global international relationships, and fears of financial-market corrections – all of which point to potentially higher probability of adverse outcomes.

While the quarterly Base Forecast inform the Group's strategic plan, one key requirement of IFRS 9 is that the assessment of provisions should consider multiple future economic environments. For example, the global economy may grow at a different pace than the Base Forecast, and these variations would have different implications for the provisions that the Group should hold today. As the negative impact of an economic downturn on credit losses tends to be greater than the positive impact of an economic upturn, if the Group sets provisions only on the ECL under the Base Forecast it might maintain a level of provisions that does not appropriately capture the range of potential outcomes. To address the inherent uncertainty in economic forecast, and the property of skewness (or non-linearity), IFRS 9 requires reported ECL to be a probability-weighted ECL calculated over a range of possible outcomes.

To assess the range of possible outcomes, the Group simulates a set of 50 scenarios around the Base Forecast, calculates the ECL under each of them and assigns an equal weight of 2 per cent to each scenario outcome. These scenarios are generated by a Monte Carlo simulation, which addresses the challenges of crafting many realistic alternative scenarios in the many countries in which the Group operates. The alternative scenarios are modelled while considering the degree of historical uncertainty (or volatility) observed from Q1 1990 to Q3 2023 around economic outcomes, the trends in each macroeconomic variable modelled and the correlation in the unexplained movements around these trends. Collectively, the 50 scenarios explore a range of hypothetical alternative outcomes for the global economy, including scenarios that turn out better than expected and those that amplify anticipated stresses.

The tables on page 57 provide a summary of the Group's Base Forecast for key markets. The peak/trough amounts in the tables show the highest and lowest points within the Base Forecast.

China's GDP growth is expected to ease slightly to 4.3 per cent in 2026 from 4.9 per cent in 2025, reflecting the fading impact from the front-loading of activity last year and the ongoing correction in the property sector. Similarly, GDP growth is expected to moderate in Singapore as external demand turns less supportive in 2026. While growth in India is also expected to ease to 6.5 per cent from 6.9 per cent in 2025, it will remain amongst the fastest growing economies in the world. The outlook will be supported by consumption (supported by policies such as tax cuts), ample rainfall and low inflation. Growth in the UAE is also expected to remain robust in 2026 at 4 per cent (down from 5 percent in 2025). The forecast assumes continued hydrocarbon-sector expansion as oil output rises. Growth in the non-oil sector is also expected to be strong.

Brent crude oil prices are expected to average around $63 in 2026 compared to $69 in 2025. They are expected to rise modestly over the next few years. The five-year average oil price is $70.

2025 year-end forecasts[7]

	China[5]				UAE				Singapore[6]				India			
	5 yr average base forecast	Base forecast quarterly peak/trough	Low[2]	High[3]	5 yr average base forecast	Base forecast quarterly peak/ trough	Low[2]	High[3]	5 yr average base forecast	Base forecast quarterly peak/ trough	Low[2]	High[3]	5 yr average base forecast	Base forecast quarterly peak/ trough	Low[2]	High[3]
GDP growth (YoY%)	**3.8**	**4.7/3.3**	**(6.9)**	**14.3**	**3.3**	**4.8/2.2**	**(3.9)**	**9.4**	**2.7**	**4.3/0.5**	**(5.5)**	**9.8**	**6.3**	**6.5/5.9**	**3.0**	**10.5**
Unemployment (%)	**3.3**	**3.4/3.3**	**2.9**	**3.8**	**N/A**	**N/A**	**NA**	**NA**	**2.8**	**3.0/2.8**	**1.7**	**4.3**	**N/A**	**N/A**	**NA**	**NA**
3-month interest rates (%)	**1.4**	**1.5/1.4**	**(0.3)**	**3.6**	**3.7**	**3.7/3.7**	**0.3**	**7.0**	**2.4**	**3.0/1.0**	**(0.4)**	**6.4**	**6.3**	**6.5/5.8**	**1.0**	**13.7**
House prices (YoY%)	**(0.1)**	**2.3/(2.5)**	**(8.3)**	**15.4**	**2.1**	**4.2/1.8**	**(15.8)**	**21.4**	**2.8**	**3.7/2.6**	**(16.8)**	**22.5**	**6.3**	**6.5/6.1**	**2.0**	**10.6**

2024 year-end forecasts

	China[5]				UAE				Singapore[6]				India			
	5 yr average base forecast	Base forecast quarterly peak/ trough	Low[2]	High[3]	5 yr average base forecast	Base forecast quarterly peak/ trough	Low[2]	High[3]	5 yr average base forecast	Base forecast quarterly peak/ trough	Low[2]	High[3]	5 yr average base forecast	Base forecast quarterly peak/ trough	Low[2]	High[3]
GDP growth (YoY%)	4.1	5.3/3.2	(1.0)	9.3	3.7	5.4/2.7	(0.1)	12.6	2.3	3.4/0.6	(2.7)	7.0	6.6	7.1/5.9	3.2	10.0
Unemployment (%)	3.3	3.5/3.1	2.8	3.7	NA	NA	NA	NA	2.7	2.8/2.7	2.0	3.6	NA	NA	NA	NA
3-month interest rates (%)	1.7	1.9/1.6	0.6	3.0	2.9	3.6/2.7	0.5	5.5	2.0	2.4/1.6	0.3	3.9	6.0	6.2/6.0	1.9	10.3
House prices (YoY%)	(1.3)	2.3/(5.6)	(10.1)	7.8	3.5	12.4/1.9	(12.0)	22.3	2.4	3.2/(0.4)	(10.5)	17.5	6.4	7.3/6.0	(0.1)	12.6

	2025 year-end forecasts				2024 year-end forecasts			
	5 yr average base forecast	Base forecast peak/trough	Low[2]	High[3]	5 yr average base forecast	Base forecast peak/trough	Low[2]	High[3]
Brent Crude, $ pb	**69.5**	**75.2/62.0**	**30**	**146.5**	76.2	77.8/74.8	44.5	107.8

1 NA – Not available.
2 Represents the 10th percentile in the range of economic scenarios used to determine non-linearity.
3 Represents the 90th percentile in the range of economic scenarios used to determine non-linearity.
4 Base forecasts are evaluated from Q1 2026 to Q4 2030. The forward-looking simulation starts from Q1 2026.
5 A judgemental management adjustment is held in respect of the China commercial real estate sector as discussed below.
6 Singapore unemployment rate covers the resident unemployment rate, which refers to citizens and permanent residents.
7 Data presented are those used in the calculation of ECL. These may differ slightly to forecasts presented elsewhere in the Financial statements as they are finalised before the period end.

Judgemental adjustments

As at 31 December 2025, the Group held $96 million (31 December 2024: $50 million) of judgemental management overlays, $74 million (31 December 2024: $42 million) of which relates to CIB, $11 million (31 December 2024: $1 million) to WRB and $11 million (31 December 2024: $7 million) to Central and other items.

Overlays in CIB and Central and other items have been taken for Bangladesh by estimating the impact of deterioration to certain exposures in the country which reflects that the political situation has contributed to an increasing level of uncertainty in the macroeconomic outlook as well as the impact of a recent change in the restructuring policy announced by the local regulator and has been determined by estimating the impact of deterioration to certain exposures. Overlays have also been taken across CIB and WRB for marginal amounts relating to climate risks and other items.

Read more on the adjustment for Climate Risk in Note 1 of the "Notes to the financial statements" on page 92

As at 31 December 2025, judgemental post model adjustments which increased ECL by a net $38 million (31 December 2024: $9 million decrease in ECL) have been applied.

There was a $56 million (31 December 2024: $16 million) upward adjustment for non-linearity which has been estimated by assigning probability weights of 59 per cent, 26 per cent and 15 per cent respectively to the Base Forecast, Market Correction and Bank Capital Stress Test roll forward scenarios which are presented on page 58 and comparing this to the unweighted Base Forecast ECL. At 31 December 2024, probability weights of 68 per cent, 22 per cent and 10 per cent respectively to the Base Forecast, Higher for Longer Commodities and Rates and Global Trade and Geopolitical Tensions scenarios as disclosed in the 2024 financial statements. The nonlinearity PMA represents the difference between the probability weighted ECL calculated using the three scenarios and the probability weighted ECL calculated by the Monte Carlo model together with an adjustment of $4 million (31 December 2024: Nil) to incorporate non-linearity for portfolios under a loss rate approach. There was also a remaining $18 million reduction (31 December 2024: $25 million reduction) in ECL which relates to adjustments applied to and for certain WRB models, primarily to adjust for temporary factors impacting modelled outputs. These will be released when these factors normalise.

Judgemental adjustments are re-assessed quarterly, are reviewed and approved by the IFRS 9 Impairment Committee and will be released when the risks are no longer relevant.

Stage 3 assets

Credit-impaired assets managed by Stressed Asset Risk incorporate forward-looking economic assumptions in respect of the recovery outcomes identified, and are assigned individual probability weightings. These assumptions are not based on a Monte Carlo simulation but are informed by the Base Forecast.

Sensitivity of expected credit loss calculation to macroeconomic variables

The ECL calculation relies on multiple variables and is inherently non-linear and portfolio-dependent, which implies that no single analysis can fully demonstrate the sensitivity of the ECL to changes in the macroeconomic variables. The Group has conducted a series of analyses with the aim of identifying the macroeconomic variables which might have the greatest impact on overall ECL. These encompassed single variable and multi-variable exercises, using simple up/down variation and extracts from actual calculation data, as well as bespoke scenario design and assessments.

The primary conclusion of these exercises is that no individual macroeconomic variable is materially influential. The Group believes this is plausible as the number of variables used in the ECL calculation is large. This does not mean that macroeconomic variables are uninfluential; rather, that the Group believes that consideration of macroeconomics should involve whole scenarios, as this aligns with the multi-variable nature of the calculation.

The Group faces downside risks in the operating environment related to the uncertainties surrounding the macroeconomic outlook. To explore this, a sensitivity analysis of ECL was undertaken to explore the effect of slower economic recoveries across the Group's footprint markets. Two downside scenarios are considered. The first scenario explores a modest downturn driven by financial market corrections in the US and other major economies. The second is a roll forward of the 2025 Bank of England's Bank Capital Stress Test (BCST) scenario and is characterised by a synchronised and severe downturn across all key markets, global supply side disruptions (including tariffs) and a high commodity price, inflation and interest rate environment.

	Baseline		Market Correction		Bank Capital Stress Test	
	Five year average	Peak/Trough	Five year average	Peak/Trough	Five year average	Peak/Trough
China GDP	3.8	4.7/3.3	3.4	4.1/1.9	2.8	4.4/(1.8)
China unemployment	3.3	3.4/3.3	3.5	3.7/3.3	4.4	5.0/3.6
China property prices	(0.1)	2.3/(2.5)	(2.6)	1.8/(10.0)	(4.1)	10.8/(12.4)
UAE GDP	3.3	4.8/2.2	3.2	4.5/2.4	2.2	3.9/(0.7)
UAE property prices	2.1	4.2/1.8	1.9	2.5/0.6	(4.7)	8.1/(16.2)
US GDP	1.9	2.1/1.2	1.2	2.5/(0.8)	0.1	1.4/(3.8)
Singapore GDP	2.7	4.3/0.5	2.2	3.7/(1.2)	1.1	3.8/(7.0)
India GDP	6.3	6.5/5.9	5.9	6.3/4.9	4.8	6.2/0.0
Crude oil	69.5	75.2/62.0	67.5	75.2/55.6	109.1	139.2/81.0

The total reported stage 1 and 2 ECL provisions (including both on and off-balance sheet instruments) would be approximately $67 million higher under the Market Correction scenario and $350 million higher under the BCST roll forward scenario than the baseline ECL provisions (which excluded the impact of multiple economic scenarios and management overlays which may already capture some of the risks in these scenarios). The proportion of stage 2 assets would increase from 2.6 per cent in the base case to 2.7 per cent and 4.3 per cent respectively under the Market Correction and BCST roll forward scenarios. This includes the impact of exposures transferring to stage 2 from stage 1 but does not consider an increase in stage 3 defaults.

Under the Market Correction scenario, the majority of the increase in CIB came from the main corporate and project finance portfolio, with commercial real estate and sovereign exposures impacted in the BCST roll forward scenario. For the WRB portfolios most of the increases came from the unsecured retail portfolios with Singapore credit cards most impacted.

There was no material change in modelled stage 3 provisions as these primarily relate to unsecured retail exposures for which the LGD is not sensitive to changes in the macroeconomic forecasts. There is also no material change for non-modelled stage 3 exposures as these are more sensitive to client specific factors than to alternative macroeconomic scenarios.

The actual outcome of any scenario may be materially different due to, among other factors, the effect of management actions to mitigate potential increases in risk and changes in the underlying portfolio.

Modelled provisions

	Increase in ECL	
	Market Correction $million	Bank Capital Stress Test $ million
Stage 1		
Corporate & Investment Banking	23	23
Wealth & Retail Banking	7	14
Ventures	–	–
Central & Others	9	64
Total increase in stage 1 ECL	39	101
Stage 2		
Corporate & Investment Banking	22	145
Wealth & Retail Banking	6	51
Ventures	–	–
Central & Others	–	53
Total increase in stage 2 ECL	28	249
Total Stage 1 & 2		
Corporate & Investment Banking	45	168
Wealth & Retail Banking	13	65
Ventures	–	–
Central & Others	9	117
Total increase in stage 1 & 2 ECL	67	350

Significant increase in credit risk (SICR)

Quantitative criteria

SICR is assessed by comparing the risk of default at the reporting date to the risk of default at origination. Whether a change in the risk of default is significant or not is assessed using quantitative and qualitative criteria. These criteria have been separately defined for each business and where meaningful are consistently applied across business lines.

Assets are considered to have experienced SICR if they have breached both relative and absolute thresholds for the change in the average annualised IFRS 9 lifetime probability of default (IFRS 9 PD) over the residual term of the exposure.

The absolute measure of increase in credit risk is used to capture instances where the IFRS 9 PDs on exposures are relatively low at initial recognition as these may increase by several multiples without representing a significant increase in credit risk. Where IFRS 9 PDs are relatively high at initial recognition, a relative measure is more appropriate in assessing whether there is a significant increase in credit risk, as the IFRS 9 PDs increase more quickly.

The SICR thresholds have been calibrated based on the following principles:

- Stability – The thresholds are set to achieve a stable stage 2 population at a portfolio level, trying to minimise the number of accounts moving back and forth between stage 1 and stage 2 in a short period of time
- Accuracy – The thresholds are set such that there is a materially higher propensity for stage 2 exposures to eventually default than is the case for stage 1 exposures
- Dependency from backstops – The thresholds are stringent enough such that a high proportion of accounts transfer to stage 2 due to movements in forward-looking IFRS 9 PDs rather than relying on backward-looking backstops such as arrears
- Relationship with business and product risk profiles – The thresholds reflect the relative risk differences between different products, and are aligned to business processes

For CIB clients the quantitative thresholds are a relative 100 per cent increase in IFRS 9 PD and an absolute change in IFRS 9 PD of between 50 and 100 bps for investment grade and sub-investment grade assets.

For WRB (excluding Private Banking) clients, portfolio specific quantitative thresholds are applied across the following portfolios: Credit cards (Singapore, Malaysia and UAE), Business client mortgages (India), and Mortgages (UAE). In 2025, we have updated SICR for UAE mortgage, Singapore Credit cards and Malaysia Credit cards. The impact of these changes was not material. These thresholds capture relative and absolute increases in IFRS 9 PD, with average lifetime IFRS 9 PD cut-offs. They are further tailored based on customer utilisation bands for credit cards; behavioural score and maximum delinquency in the last 12 months for Business client mortgages. The approach also differentiates between exposures that are current and those that are 1 to 29 days past due.

The range of thresholds applied are:

Portfolio	Relative IFRS 9 PD increase (%)	Absolute IFRS 9 PD increase (%)	Customer utilisation (%)	Average IFRS 9 PD (lifetime)
Credit cards – Current	70 – 200	3.5 – 6.2	85 – 95	4.15 – 13.5
Credit cards – 1-29 days past due	20 – 180	2.5 – 6.1	25 – 46	5.4 – 9.5
Business client mortgages – Current	100	4.4	–	–
Business client mortgages – 1-29 days past due	100	7.0	–	–
Mortgages-Current	500	2.75	–	–
Mortgages-1-29 days past due	700	3.5	–	–

For all other material WRB portfolios (excluding Private Banking) for which a statistical model has been built, the quantitative SICR thresholds applied are a relative threshold of 100 per cent increase in IFRS 9 PD and an absolute change in IFRS 9 PD of between 100 and 350 bps depending on the product. Certain countries have a higher absolute threshold reflecting the lower default rate within their personal loan portfolios compared with the Group's other personal loan portfolios. The original lifetime IFRS 9 PD term structure is determined based on the original application score or risk segment of the client.

For all Private Banking classes, in line with risk management practice, an increase in credit risk is deemed to have occurred where margining or LTV covenants have been breached. For Class I assets (lending against diversified liquid collateral), if these margining requirements have not been met within 30 days of a trigger, a SICR is assumed to have occurred. For Class I and Class III assets (real-estate lending), a SICR is assumed to have occurred where the bank is unable to 'sell down' the applicable assets to meet revised collateral requirements within five days of a trigger. Class II assets are typically unsecured or partially secured, or secured against illiquid collateral such as shares in private companies. Significant credit deterioration of these assets is deemed to have occurred when any early alert trigger has been breached.

Qualitative criteria

Qualitative factors that indicate that there has been a significant increase in credit risk include processes linked to current risk management, such as placing loans on non-purely precautionary early alert or being assigned a CG12 rating. An account is placed on non-purely precautionary early alert if it exhibits risk or potential weaknesses of a material nature requiring closer monitoring, supervision or attention by management. Weaknesses in such a borrower's account, if left uncorrected, could result in deterioration of repayment prospects and the likelihood of being downgraded. 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.

All client assets that have been assigned a CG12 rating, equivalent to 'Higher risk', are deemed to have experienced a significant increase in credit risk. Accounts rated CG12 are primarily managed by relationship managers in the CIB unit with support from SAG for certain accounts. All CIB clients are placed in CG12 when they are 30 DPD unless they are granted a waiver through a strict governance process.

In WRB, SICR is also assessed for where specific risk elevation events have occurred in a market that are not yet reflected in modelled outcomes or in other metrics. This is applied collectively either to impacted specific products/customer cohorts or across the overall consumer banking portfolio in the affected market.

For less material portfolios, which are modelled based on a roll-rate or loss-rate approach, SICR is primarily assessed through the 30 DPD trigger.

Backstop

Across all portfolios, accounts that are 30 or more DPD on contractual payments of principal and/or interest that have not been captured by the criteria above are considered to have experienced a significant increase in credit risk.

Expert credit judgement may be applied in assessing SICR to the extent that certain risks may not have been captured by the models or through the above criteria. Such instances are expected to be rare, for example due to events and material uncertainties arising close to the reporting date.

Traded Risk

Traded Risk

Counterparty Credit Risk

Counterparty Credit Risk is the potential for loss in the event of the default of a derivative counterparty, after taking into account the value of eligible collaterals and risk mitigation techniques. The Group's counterparty credit exposures are included in the Credit Risk section.

Derivative financial instruments Credit Risk mitigation

The Group enters into master netting agreements, which in the event of default result in a single amount owed by or to the counterparty through netting the sum of the positive and negative mark-to-market values of applicable derivative transactions.

In addition, the Group enters into collateral agreements with counterparties when collateral is deemed a necessary or desirable mitigant to the exposure. Cash collateral includes collateral called under a variation margin process from counterparties if total uncollateralised mark-to-market exposure exceeds the threshold and minimum transfer amount specified in the CSA. With certain counterparties, the CSA is reciprocal and requires the Group to post collateral if the overall mark-to-market values of positions are in the counterparty's favour and exceed an agreed threshold. To mitigate settlement risk of FX transactions, the Group uses safe settlement processes like Delivery versus Payment (DvP) and Continuously-Linked Settlements (CLS). The Group also enters into risk-reducing bilateral netting agreements to net payments and receipts of the same currency on the same day.

Market Risk (audited)

Market Risk is the potential for fair value loss due to adverse moves in financial markets.

A summary of our current policies and practices regarding Market Risk management is provided in the Principal Risks section (page 27).

The primary categories of Market Risk for the Group are:

- Interest Rate Risk: arising from changes in yield curves and implied volatilities
- Foreign Exchange Risk: arising from changes in currency exchange rates and implied volatilities
- Commodity Risk: arising from changes in commodity prices and implied volatilities
- Credit Spread Risk: arising from changes in the price of debt instruments and credit-linked derivatives and driven by factors other than the level of risk-free interest rates
- Equity Risk: arising from changes in the prices of equities and implied volatilities

Market Risk movements (audited)

Value at Risk (VaR) allows the Group to manage Market Risk across the trading book and most of the fair valued non-trading books.

Global financial markets generally proved resilient in 2025. The first half of the year was marked by trade concerns due to the US raising tariffs to the highest levels in a century and causing developed market equities to record a year-to-date fall of 17 per cent in April. The second half of the year saw fiscal and monetary stimulus with all major asset classes delivering positive returns and developed market equities ending the year with a 22 per cent return from the low in April. Highlights included: President Trump's April tariff announcement triggering a two-day $5 trillion stock market retracement followed by recovery as tariffs were paused and/or negotiated; the Federal Reserve cutting rates three times in 2025, while the European Central Bank cut rates eight times and the Bank of Japan hiked; oil prices reaching $78/barrel in June 2025 after military confrontation between Israel and Iran but falling to $60/barrel by year end on increased supply and weakening demand; Big Technology firms spending c$400 billion on AI infrastructure, raising concerns about the viability of returns; notable defaults in Q4 in the Private Credit market, including First Brands Group and Tricolor Holdings; and the price of gold increasing by 65 per cent as it is increasingly perceived as a safe haven asset.

Trading VaR

The Group's exposure to Market Risk arises predominantly from the Trading book:

- The Group provides clients with access to markets, facilitation of which entails the Group taking moderate Market Risk positions. All trading teams support client activity. There are no proprietary trading teams. Hence, income earned from Market Risk-related activities is primarily driven by the volume of client activity.

The average level of trading VaR in 2025 was $19.7 million, 7 per cent higher than 2024 ($18.4 million). The increase in average trading VaR was driven by an increase in market volatility combined with a VaR model enhancement to make the model more responsive to market volatility.

Daily Value at Risk (VaR at 97.5%, one day) (audited)

Trading	2025 Average $million	2025 High $million	2025 Low $million	2025 Year end $million	2024 Average $million	2024 High $million	2024 Low $million	2024 Year end $million
Commodity Risk	**9.1**	**18.8**	**2.4**	**11.0**	4.5	9.7	2.3	4.1
Interest Rate Risk	**9.8**	**19.8**	**6.0**	**9.2**	10.7	18.2	5.6	12.4
Credit Spread Risk	**7.2**	**10.4**	**3.4**	**5.9**	4.6	8.5	2.9	3.4
Foreign Exchange Risk	**6.8**	**12.8**	**3.5**	**4.0**	8.9	15.6	5.1	7.6
Diversification effect	**(13.2)**	**NA**	**NA**	**(13.1)**	(10.3)	NA	NA	(6.0)
Total[1]	**19.7**	**31.3**	**12.4**	**17.0**	18.4	29.4	11.0	21.5

The following table sets out how trading VaR is distributed across the Group's businesses:

Trading	2025 Average $million	2025 High $million	2025 Low $million	2025 Year end $million	2024 Average $million	2024 High $million	2024 Low $million	2024 Year end $million
Macro Trading[2]	**15.4**	**24.6**	**7.8**	**13.9**	15.8	27.7	8.0	17.7
Global Credit	**9.4**	**14.0**	**5.5**	**5.9**	5.2	9.2	3.1	4.0
XVA	**3.9**	**6.2**	**2.8**	**3.4**	4.3	5.7	3.3	3.3
Diversification effect	**(9.0)**	**NA**	**NA**	**(6.2)**	(6.9)	NA	NA	(3.5)
Total[1]	**19.7**	**31.3**	**12.4**	**17.0**	18.4	29.4	11.0	21.5

1 The total VaR is non-additive across risk types due to diversification effects, which is measured as the difference between the sum of the VaR by individual risk type or business and the combined total VaR. As the maximum and minimum occur on different days for different risk types or businesses, it is not meaningful to calculate a portfolio diversification benefit for these measures.

2 Macro Trading comprises the Rates, FX and Commodities businesses.

Structural foreign exchange exposures

The tables below set out the principal structural foreign exchange exposures (net of investment hedges) of the Group and the net investment hedges using derivative financial instruments to partly cover the Group's exposure to various foreign exchange currencies.

	2025 Structural foreign exchange exposure (net of investment hedges) $million	2025 Net investment hedges $million	2024 Structural foreign exchange exposure (net of investment hedges) $million	2024 Net investment hedges $million
Singapore dollar	**3,931**	**–**	3,279	–
Indian rupee	**2,159**	**3,099**	3,451	1,784
Malaysian ringgit	**1,637**	**–**	1,538	–
Euro	**1,448**	**–**	1,112	–
Bangladeshi taka	**1,102**	**–**	1,113	–
Thai baht	**769**	**–**	763	–
UAE dirham	**624**	**1,852**	797	1,470
Pakistani rupee	**381**	**–**	392	–
Indonesian rupiah	**264**	**–**	230	–
Other	**3,971**	**29**	3,512	–
Total	**16,286**	**4,980**	16,187	3,254

Changes in the valuation of these positions are taken to translation reserves. For analysis of the Group's capital position and requirements, refer to the Capital Review on page 71.

Non-Trading VaR

The Group's exposure to Market Risk also arises from the Non-trading book:

- Treasury is required to hold a liquid assets buffer, much of which is held in high-quality marketable debt securities
- The Group underwrites and sells down loans, and invests in select investment grade debt securities with no trading intent

The average level of non-trading VaR in 2025 was $36.8 million, 55 per cent higher than 2024 ($23.8 million). The increase in average non-trading VaR was driven by an increase in market volatility combined with a VaR model enhancement to make the model more responsive to market volatility and larger US agency bonds inventory in the CIB non-trading portfolio.

Daily Value at Risk (VaR at 97.5%, one day) (audited)

	2025				2024			
Non-Trading[1]	Average $million	High $million	Low $million	Year end $million	Average $million	High $million	Low $million	Year end $million
Interest Rate Risk	**29.7**	**45.1**	**16.5**	**28.3**	18.4	23.6	11.5	22.8
Credit Spread Risk	**15.5**	**24.6**	**9.9**	**9.9**	13.1	21.3	8.1	11.5
Commodity Risk	**1.3**	**4.9**	**0.2**	**1.0**	–	–	–	–
Equity Risk	**–**	**–**	**–**	**–**	0.4	0.9	–	–
Diversification effect	**(9.7)**	**NA**	**NA**	**(6.5)**	(8.1)	NA	NA	(4.2)
Total[2]	**36.8**	**51.0**	**22.8**	**32.7**	23.8	30.5	17.4	30.1

The following table sets out how non-trading VaR is distributed across the Group's businesses:

	2025				2024			
Non-Trading[1]	Average $million	High $million	Low $million	Year end $million	Average $million	High $million	Low $million	Year end $million
Global Credit	**22.5**	**31.4**	**9.9**	**21.6**	4.0	9.5	2.3	8.2
Treasury	**23.4**	**33.0**	**16.7**	**17.9**	22.8	27.2	16.8	27.0
Macro Trading	**1.3**	**4.9**	**0.2**	**1.0**	-	-	-	-
Listed Private Equity	**–**	**–**	**–**	**–**	0.4	0.9	–	–
Diversification effect	**(10.4)**	**NA**	**NA**	**(7.8)**	(3.4)	NA	NA	(5.1)
Total[2]	**36.8**	**51.0**	**22.8**	**32.7**	23.8	30.5	17.4	30.1

1 The non-trading book VaR does not include the loan underwriting business.

2 The total VaR is non-additive across risk types due to diversification effects, which is measured as the difference between the sum of the VaR by individual risk type or business and the combined total VaR. As the maximum and minimum occur on different days for different risk types or businesses, it is not meaningful to calculate a portfolio diversification benefit for these measures.

Liquidity and Funding Risk

Liquidity and Funding risk

Liquidity and Funding Risk is the risk that the Group may not have sufficient stable or diverse sources of funding to meet its obligations as they fall due.

The Group follows the PLC Group's Liquidity and Funding Risk framework, which requires each country to ensure that it operates within predefined liquidity limits and remains in compliance with PLC Group's liquidity policies and practices, as well as local regulatory requirements.

The table below shows the composition of liabilities in which customer deposits make up 52 per cent of total liabilities and equity as at 31 December 2025, the majority of which are current accounts, savings accounts and time deposits.

Composition of liabilities and equity	Percentage
Equity	6.0%
Subordinated liabilities and other borrowed funds	1.4%
Debt securities in issue	9.8%
Derivative financial instruments	11.5%
Customer accounts	52.1%
Deposit by banks	5.9%
Other liabilities	13.3%
Total	**100.0%**

Liquidity and Funding risk metrics

The Group monitors key liquidity metrics regularly on a country basis.

The following liquidity and funding Board Risk Appetite metrics define the maximum amount and type of risk that the Group is willing to assume in pursuit of its strategy: liquidity coverage ratio (LCR), internal liquidity stress tests, recovery capacity and net stable funding ratio (NSFR). In addition to the Board Risk Appetite, there are further limits that apply at Group and country level to measure and monitor specific risks such as cross currency risk, concentration risk and short term funding risk.

Liquidity coverage ratio (LCR)

The LCR aims to ensure that a bank has sufficient unencumbered high-quality liquid assets to meet its liquidity needs in a 30-calendar-day liquidity stress scenario. Standard Chartered Bank is not regulated for LCR, however, the bank and material subsidiaries in the consolidation group have standalone LCR ratios above 100 per cent at 31 December 2025, calculated under the Liquidity Coverage Ratio (CRR) Part of the PRA Rulebook.

Stressed coverage

Stress testing and scenario analysis are used to assess the financial and management capability to continue to operate effectively under extreme, but plausible, operating conditions and to understand the potential threats to the PLC Group's liquidity and other financial resources.

The PLC Group's internal liquidity adequacy assessment process ('ILAAP') stress testing framework covers the following stress scenarios:

- Standard Chartered-specific – Captures the liquidity impact from an idiosyncratic event affecting Standard Chartered only, with the rest of the market assumed to be operating normally.
- Market wide – Captures the liquidity impact from a market wide crisis affecting all participants in a country, region or globally.
- Combined – Assumes both Standard Chartered-specific and Market-wide events affect the PLC Group simultaneously and hence is the most severe scenario.

All scenarios include, but are not limited to, modelled outflows for retail and wholesale funding, off-balance sheet funding risk, cross currency funding risk, intraday risk, franchise risk and risks associated with a deterioration of a firm's credit rating. Concentration risk approach captures single name and industry concentrations.

As of 31 December 2025, all entities within the Group follow a consistent approach and met their individual ILAAP stress test requirements within risk appetite, and as a result, ensure Group has surplus liquidity on a consolidated basis to meet the defined risk appetite.

Net stable funding ratio (NSFR)

The NSFR is a balance sheet metric which requires institutions to maintain a stable funding profile in relation to an assumed duration of their assets and off-balance sheet activities over a one-year horizon. It is the ratio between the amount of available stable funding (ASF) and the amount of required stable funding (RSF). ASF factors are applied to balance sheet liabilities and capital, based on their perceived stability and the amount of stable funding they provide. Likewise, RSF factors are applied to assets and off-balance sheet exposures according to the amount of stable funding they require. Standard Chartered Bank is not regulated for NSFR, however the bank and material subsidiaries in the consolidation have standalone NSFR ratios above 100 per cent at 31 December 2025.

Liquidity pool

The liquidity value of the Group's LCR eligible liquidity pool at the reporting date was $142 billion. The figures in the below table account for haircuts, currency convertibility and portability constraints, and therefore are not directly comparable with the consolidated balance sheet. A liquidity pool is held to offset stress outflows as defined in the LCR per PRA rulebook.

	Group		Company	
	2025 $million	2024 $million	2025 $million	2024 $million
Level 1 securities				
Cash and balances at central banks	**67,309**	69,453	**50,444**	42,180
Central banks, governments/public sector entities	**58,290**	42,389	**28,941**	23,714
Multilateral development banks and international organisations	**10,624**	14,385	**8,055**	14,287
Other	**396**	343	**376**	343
Total Level 1 securities	**136,619**	126,570	**87,816**	80,524
Level 2A securities	**4,541**	4,060	**3,101**	3,306
Level 2B securities	**833**	411	**799**	410
Total LCR eligible assets	**141,993**	131,041	**91,716**	84,240

Liquidity analysis of the Group's balance sheet (audited)

Contractual maturity of assets and liabilities

The following table presents assets and liabilities by maturity groupings based on the remaining period to the contractual maturity date as at the balance sheet date on a discounted basis. Contractual maturities do not necessarily reflect actual repayments or cash flows.

Within the tables below, cash and balances with central banks, interbank placements and investment securities that are fair value through other comprehensive income are used by the Group principally for liquidity management purposes.

As at the reporting date, assets remain predominantly short-dated, with 65 per cent maturing in one year.

Group

	2025								
	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	Total $million
Assets									
Cash and balances at central banks	62,045	–	–	–	–	–	–	2,898	64,943
Derivative financial instruments	16,060	10,589	9,828	4,501	3,769	5,580	9,724	6,428	66,479
Loans and advances to banks[1,2]	13,885	14,124	9,945	5,251	3,550	6,050	2,660	1,167	56,632
Loans and advances to customers[1,2]	59,388	26,247	13,310	9,954	8,752	23,494	23,119	40,835	205,099
Investment securities[1]	14,428	18,630	12,067	10,529	9,401	15,016	32,814	34,408	147,293
Other assets	4,614	33,972	1,089	992	1,362	388	31	5,234	47,682
Due from subsidiary undertakings and other related parties	5,234	–	–	–	–	–	–	–	5,234
Total assets	175,654	103,562	46,239	31,227	26,834	50,528	68,348	90,970	593,362
Liabilities									
Deposits by banks[1,3]	26,152	1,966	1,340	690	612	2,062	2,222	4	35,048
Customer accounts[1,4]	238,169	30,048	19,038	7,067	7,474	5,133	1,427	589	308,945
Derivative financial instruments	16,958	13,463	9,147	4,830	3,290	5,303	9,840	5,389	68,220
Senior debt[5]	800	1,340	1,276	1,171	1,505	3,470	6,147	5,858	21,567
Other debt securities in issue[1]	2,853	3,239	8,989	5,692	3,383	2,189	7,804	2,648	36,797
Due to parent companies and other related undertakings	37,272	–	–	–	–	–	–	–	37,272
Other liabilities	6,468	26,620	871	547	163	1,350	1,800	3,881	41,700
Subordinated liabilities and other borrowed funds	2	38	102	83	130	406	1,003	6,411	8,175
Total liabilities	328,674	76,714	40,763	20,080	16,557	19,913	30,243	24,780	557,724
Net liquidity gap	(153,020)	26,848	5,476	11,147	10,277	30,615	38,105	66,190	35,638

1 Loans and advances, investment securities, deposits by banks, customer accounts and debt securities in issue include financial instruments held at fair value through profit or loss, see Note 12 Financial instruments.

2 Loans and advances include reverse repurchase agreements and other similar secured lending of $77.4 billion.

3 Deposits by banks include repurchase agreements and other similar secured borrowing of $7.2 billion.

4 Customer accounts include repurchase agreements and other similar secured borrowing of $31.7 billion.

5 Senior debt maturity profiles are based upon contractual maturity, which may be later than call options over the debt held by the Group.

	2024								
	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	Total $million
Assets									
Cash and balances at central banks	53,804	–	–	–	–	–	–	2,861	56,665
Derivative financial instruments	23,025	15,570	11,128	6,655	3,632	6,858	9,013	6,836	82,717
Loans and advances to banks[1,2]	11,412	13,483	7,778	5,090	3,333	7,517	2,881	1,172	52,666
Loans and advances to customers[1,2]	49,102	42,519	18,989	8,543	9,355	15,843	18,433	37,358	200,142
Investment securities[1]	7,519	15,812	9,680	4,581	7,223	18,256	26,620	38,750	128,441
Other assets	8,575	21,365	1,045	376	827	71	64	5,358	37,681
Due from subsidiary undertakings and other related parties	5,222	–	–	–	–	–	–	–	5,222
Total assets	158,659	108,749	48,620	25,245	24,370	48,545	57,011	92,335	563,534
Liabilities									
Deposits by banks[1,3]	21,215	2,145	1,473	786	451	4,288	1,935	3	32,296
Customer accounts[1,4]	221,755	25,761	15,092	5,243	6,086	6,420	2,358	426	283,141
Derivative financial instruments	22,341	17,329	10,929	6,454	3,640	6,168	9,285	6,431	82,577
Senior debt[5]	606	1,711	2,431	1,934	849	2,362	6,293	4,373	20,559
Other debt securities in issue[1]	2,672	2,314	6,479	4,521	4,726	806	6,673	3,290	31,481
Due to parent companies and other related undertakings	28,246	–	–	–	–	–	–	–	28,246
Other liabilities	9,131	23,171	669	483	125	3,987	419	2,774	40,759
Subordinated liabilities and other borrowed funds	8	36	–	73	19	206	532	9,485	10,359
Total liabilities	305,974	72,467	37,073	19,494	15,896	24,237	27,495	26,782	529,418
Net liquidity gap	(147,315)	36,282	11,547	5,751	8,474	24,308	29,516	65,553	34,116

1 Loans and advances, investment securities, deposits by banks, customer accounts and debt securities in issue include financial instruments held at fair value through profit or loss, see Note 12 Financial instruments.

2 Loans and advances include reverse repurchase agreements and other similar secured lending of $77.6 billion.

3 Deposits by banks include repurchase agreements and other similar secured borrowing of $8.4 billion.

4 Customer accounts include repurchase agreements and other similar secured borrowing of $34.7 billion.

5 Senior debt maturity profiles are based upon contractual maturity, which may be later than call options over the debt held by the Group.

Company

	2025								
	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	Total $million
Assets									
Cash and balances at central banks	51,364	–	–	–	–	–	–	984	52,348
Derivative financial instruments	16,137	10,484	9,672	4,417	4,018	5,725	9,770	6,408	66,631
Loans and advances to banks[1,2]	9,352	9,339	6,833	3,983	1,960	4,787	2,044	1,168	39,466
Loans and advances to customers[1,2]	33,110	14,914	10,551	7,569	7,148	19,444	13,810	15,089	121,635
Investment securities[1]	4,486	6,792	8,926	8,420	6,672	13,317	29,269	31,794	109,676
Investment in subsidiary undertaking	–	–	–	–	–	–	–	10,800	10,800
Other assets	2,817	21,577	477	487	984	82	20	2,482	28,926
Due from subsidiary undertakings and other related parties	11,538	–	–	–	–	–	–	–	11,538
Total assets	128,804	63,106	36,459	24,876	20,782	43,355	54,913	68,725	441,020
Liabilities									
Deposits by banks[1,3]	21,654	1,459	916	564	595	1,959	1,774	–	28,921
Customer accounts[1,4]	128,972	16,263	11,066	3,205	4,417	4,181	1,275	582	169,961
Derivative financial instruments	16,873	13,160	8,990	4,680	3,304	5,376	9,869	5,304	67,556
Senior debt[5]	795	1,340	1,226	1,127	1,505	3,480	5,767	5,857	21,097
Other debt securities in issue[1]	2,815	3,010	8,846	5,455	3,253	1,581	6,630	1,723	33,313
Due to parent companies and other related undertakings	50,980	–	–	–	–	–	–	–	50,980
Other liabilities	5,706	19,011	767	541	115	1,197	1,595	1,168	30,100
Subordinated liabilities and other borrowed funds	–	1	18	–	20	–	–	8,119	8,158
Total liabilities	227,795	54,244	31,829	15,572	13,209	17,774	26,910	22,753	410,086
Net liquidity gap	(98,991)	8,862	4,630	9,304	7,573	25,581	28,003	45,972	30,934

1 Loans and advances, investment securities, deposits by banks, customer accounts and debt securities in issue include financial instruments held at fair value through profit or loss, see Note 12 Financial instruments.
2 Loans and advances include reverse repurchase agreements and other similar secured lending of $68.7 billion.
3 Deposits by banks include repurchase agreements and other similar secured borrowing of $6.5 billion.
4 Customer accounts include repurchase agreements and other similar secured borrowing of $31.5 billion.
5 Senior debt maturity profiles are based upon contractual maturity, which may be later than call options over the debt held by the Group.

	2024								
	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	Total $million
Assets									
Cash and balances at central banks	44,072	–	–	–	–	–	–	1,161	45,233
Derivative financial instruments	23,313	15,490	10,848	6,513	3,741	6,913	9,901	6,125	82,844
Loans and advances to banks[1,2]	7,857	9,599	5,346	3,886	2,403	5,762	2,575	1,173	38,601
Loans and advances to customers[1,2]	30,561	20,110	14,562	6,837	7,989	13,176	10,613	14,200	118,048
Investment securities[1]	3,726	7,620	7,679	3,010	5,953	15,370	23,346	36,449	103,153
Investment in subsidiary undertaking	–	–	–	–	–	–	–	10,671	10,671
Other assets	7,595	15,370	652	234	359	33	51	2,781	27,075
Due from subsidiary undertakings and other related parties	10,066	–	–	–	–	–	–	–	10,066
Total assets	127,190	68,189	39,087	20,480	20,445	41,254	46,486	72,560	435,691
Liabilities									
Deposits by banks[1,3]	17,521	1,933	1,385	758	440	3,506	1,883	–	27,426
Customer accounts[1,4]	126,657	14,880	7,380	2,275	3,410	5,746	2,158	414	162,920
Derivative financial instruments	22,875	17,383	10,601	6,297	3,574	6,271	9,803	5,941	82,745
Senior debt[5]	606	1,690	2,380	1,934	849	2,303	6,271	4,373	20,406
Other debt securities in issue[1]	2,392	1,899	6,050	4,266	4,375	806	5,584	2,365	27,737
Due to parent companies and other related undertakings	42,313	–	–	–	–	–	–	–	42,313
Other liabilities	9,648	16,332	648	432	92	3,888	321	–	31,361
Subordinated liabilities and other borrowed funds	8	36	–	73	19	206	514	8,945	9,801
Total liabilities	222,020	54,153	28,444	16,035	12,759	22,726	26,534	22,038	404,709
Net liquidity gap	(94,830)	14,036	10,643	4,445	7,686	18,528	19,952	50,522	30,982

1 Loans and advances, investment securities, deposits by banks, customer accounts and debt securities in issue include financial instruments held at fair value through profit or loss, see Note 12 Financial instruments.

2 Loans and advances include reverse repurchase agreements and other similar secured lending of $72.6 billion.

3 Deposits by banks include repurchase agreements and other similar secured borrowing of $8.1 billion.

4 Customer accounts include repurchase agreements and other similar secured borrowing of $34.6 billion.

5 Senior debt maturity profiles are based upon contractual maturity, which may be later than call options over the debt held by the Group.

Behavioural maturity of financial assets and liabilities

The cash flows presented in the previous section reflect the cash flows that will be contractually payable over the residual maturity of the instruments. However, contractual maturities do not necessarily reflect the timing of actual repayments or cash flow. In practice, certain assets and liabilities behave differently from their contractual terms, especially for short-term customer accounts, credit card balances and overdrafts, which extend to a longer period than their contractual maturity. On the other hand, mortgage balances tend to have a shorter repayment period than their contractual maturity date. Expected customer behaviour is assessed and managed on a country basis using qualitative and quantitative techniques, including analysis of observed customer behaviour over time.

Maturity of financial liabilities on an undiscounted basis

The following table analyses the contractual cash flows payable for the Group's financial liabilities by remaining contractual maturities on an undiscounted basis (except for trading liabilities and derivatives not treated as hedging derivatives). The financial liability balances in the table below will not agree to the balances reported in the consolidated balance sheet as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments. Derivatives not treated as hedging derivatives are included in the 'On demand' time bucket and not by contractual maturity.

Within the 'More than five years and undated' maturity band are undated financial liabilities, the majority of which relate to subordinated debt, on which interest payments are not included as this information would not be meaningful, given the instruments are undated. Interest payments on these instruments are included within the relevant maturities up to five years.

Group

	2025								
	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	Total $million
Deposits by banks	**26,210**	**1,976**	**1,350**	**704**	**626**	**2,094**	**2,258**	**4**	**35,222**
Customer accounts	**239,259**	**30,237**	**19,289**	**7,224**	**7,673**	**5,210**	**1,486**	**614**	**310,992**
Derivative financial instruments	**67,741**	**1**	**19**	**16**	**42**	**41**	**267**	**163**	**68,290**
Debt securities in issue	**3,709**	**4,629**	**10,394**	**6,966**	**5,009**	**6,139**	**14,691**	**8,933**	**60,470**
Due to parent companies and other related undertakings	**37,272**								**37,272**
Subordinated liabilities and other borrowed funds	**32**	**55**	**137**	**87**	**137**	**448**	**1,365**	**11,251**	**13,512**
Other liabilities	**6,697**	**26,888**	**848**	**546**	**162**	**1,349**	**1,800**	**4,000**	**42,290**
Total liabilities	**380,920**	**63,786**	**32,037**	**15,543**	**13,649**	**15,281**	**21,867**	**24,965**	**568,048**

	2024								
Deposits by banks	21,217	2,158	1,510	800	467	4,294	1,935	4	32,385
Customer accounts	222,004	25,930	15,321	5,388	6,322	6,600	2,528	457	284,550
Derivative financial instruments	81,886	23	26	8	3	74	247	310	82,577
Debt securities in issue	3,340	4,052	9,000	6,524	5,679	3,654	13,819	8,176	54,244
Due to parent companies and other related undertakings	28,246								28,246
Subordinated liabilities and other borrowed funds	33	132	89	191	89	534	1,450	14,350	16,868
Other liabilities	10,019	23,101	659	464	125	3,925	419	2,981	41,693
Total liabilities	366,745	55,396	26,605	13,375	12,685	19,081	20,398	26,278	540,563

Company

	2025								
	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	Total $million
Deposits by banks	**21,711**	**1,468**	**920**	**574**	**605**	**1,979**	**1,774**	**–**	**29,031**
Customer accounts	**129,277**	**16,383**	**11,220**	**3,286**	**4,547**	**4,248**	**1,325**	**602**	**170,888**
Derivative financial instruments	**67,143**	**–**	**1**	**1**	**10**	**26**	**247**	**160**	**67,588**
Debt securities in issue	**3,666**	**4,399**	**10,195**	**6,684**	**4,879**	**5,522**	**13,124**	**7,982**	**56,451**
Due to parent companies and other related undertakings	**50,980**								**50,980**
Subordinated liabilities and other borrowed funds	**32**	**55**	**137**	**87**	**137**	**448**	**1,345**	**11,269**	**13,510**
Other liabilities	**4,303**	**19,276**	**744**	**539**	**114**	**1,197**	**1,595**	**3,298**	**31,066**
Total liabilities	**277,112**	**41,581**	**23,217**	**11,171**	**10,292**	**13,420**	**19,410**	**23,311**	**419,514**

	2024								
Deposits by banks	17,523	1,945	1,421	771	456	3,511	1,883	–	27,510
Customer accounts	126,792	14,989	7,501	2,351	3,561	5,919	2,312	438	163,863
Derivative financial instruments	82,072	23	25	8	3	68	237	309	82,745
Debt securities in issue	3,057	3,608	8,506	6,251	5,305	3,534	12,621	7,424	50,306
Due to parent companies and other related undertakings	42,313								42,313
Subordinated liabilities and other borrowed funds	–	132	41	191	92	138	1,619	14,121	16,334
Other liabilities	8,481	16,293	648	432	92	3,888	321	1,821	31,976
Total liabilities	280,238	36,990	18,142	10,004	9,509	17,058	18,993	24,113	415,047

Interest Rate Risk in the Banking Book

The following table provides the estimated impact to a hypothetical base case projection of the Group's earnings under the following scenarios:

- A 50 basis point parallel interest rate shock (up and down) to the current market-implied path of rates, across all yield curves.
- A 100 basis point parallel interest rate shock (up and down) to the current market-implied path of rates, across all yield curves.

These interest rate shock scenarios assume all other economic variables remain constant. The sensitivities shown represent the estimated change to a hypothetical base case projected net interest income (NII), plus the change in interest rate implied income and expense from FX swaps used to manage banking book currency positions, under the different interest rate shock scenarios.

The base case projected NII is based on the current market-implied path of rates and forward rate expectations. The NII sensitivities below stress this base case by a further 50 or 100bps. Actual observed interest rate changes will likely differ from market expectation. Accordingly, the shocked NII sensitivity does not represent a forecast of the Group's net interest income.

The interest rate sensitivities are indicative stress tests and based on simplified scenarios, estimating the aggregate impact of an unanticipated, instantaneous parallel shock across all yield curves over a one-year horizon, including the time taken to implement changes to pricing before becoming effective. The assessment assumes that the size and mix of the balance sheet remain constant and that there are no specific management actions in response to the change in rates. No assumptions are made in relation to the impact on credit spreads in a changing rate environment.

Significant modelling and behavioural assumptions are made regarding scenario simplification, market competition, pass-through rates, asset and liability re-pricing tenors, and price flooring. In particular, the assumption that interest rates of all currencies and maturities shift by the same amount concurrently, and that no actions are taken to mitigate the impacts arising from this are considered unlikely. Reported sensitivities will vary over time due to a number of factors including changes in balance sheet composition, market conditions, customer behaviour and risk management strategy. Therefore, while the NII sensitivities are a relevant measure of the Group's interest rate exposure, they should not be considered an income or profit forecast.

Net interest income sensitivity (audited)

Estimated one-year impact to earnings from a parallel shift in yield curves at the beginning of the period of:	2025 USD bloc $million	SGD bloc $million	EUR bloc $million	Other currency bloc $million	Total $million
+ 50 basis points	**10**	**10**	**10**	**90**	**120**
- 50 basis points	**(20)**	**(10)**	**(10)**	**(90)**	**(130)**
+ 100 basis points	**10**	**30**	**20**	**180**	**240**
- 100 basis points	**(30)**	**(30)**	**(30)**	**(180)**	**(270)**
	2024				
+ 50 basis points	20	10	10	80	120
- 50 basis points	(20)	(20)	(10)	(90)	(140)
+ 100 basis points	30	20	20	150	220
- 100 basis points	(50)	(40)	(20)	(170)	(280)

As at 31 December 2025, the Group estimates the one-year impact of an instantaneous, parallel increase across all yield curves of 50 basis points to increase projected NII by $120 million. The equivalent impact from a parallel decrease of 50 basis points would result in a reduction in projected NII of $130 million. The Group estimates the one-year impact of an instantaneous, parallel increase across all yield curves of 100 basis points to increase projected NII by $240 million. The equivalent impact from a parallel decrease of 100 basis points would result in a reduction in projected NII of $270 million.

The benefit from rising interest rates is primarily from reinvesting at higher yields and from assets re-pricing faster and to a greater extent than deposits.

Operational and Technology Risk

Operational and Technology Risk

Operational and Technology Risk profile

The Group follows PLC Group in terms of monitoring and managing our Operational and Technology risks. Details of these can be found on page 229 of the PLC Group's 2025 Annual Report.

Operational Risk events and losses

Operational losses are one indicator of the effectiveness and robustness of our non-financial risk and control environment.

The Group's profile of operational loss events in 2025 and 2024 is summarised in the table below, which shows the distribution of gross operational losses by Basel business line. In 2025, Payments and Settlements is higher due to high value payment related events and Retail Banking due to prior period adjustments.

	% Loss	
Distribution of Operational Losses by Basel business line[2]	2025	2024[1]
Agency Services	**12.4**	0.0
Asset Management	**0.0**	0.0
Commercial Banking	**7.0**	1.7
Corporate Finance	**0.0**	0.0
Corporate Items	**11.3**	82.5
Payment and Settlements	**40.4**	8.7
Retail Banking	**22.2**	4.1
Retail Brokerage	**0.0**	0.0
Trading and Sales	**6.7**	3.0

1 Losses in 2024 have been restated to include incremental events recognised in 2025.

2 Operational losses for 2024 and 2025 are based on data as at 5 January 2026.

The Group's profile of operational loss events in 2025 and 2024 is also summarised by Basel event type in the table below. It shows the distribution of gross operational losses by Basel event type.

	% Loss	
Distribution of Operational Losses by Basel event type[2]	2025	2024[1]
Business disruption and system failures	**2.5**	0.8
Client products and business practices	**1.5**	1.3
Damage to physical assets	**0.0**	0.0
Employment practices and workplace safety	**0.0**	0.1
Execution delivery and process management	**78.2**	95.7
External fraud	**9.8**	1.7
Internal fraud	**8.0**	0.4

1 Losses in 2024 have been restated to include incremental events recognised in 2025.

2 Operational losses for 2024 and 2025 are based on data as at 5 January 2026.

Other principal risks

The losses arising from operational failures for other principal and integrated risks are reported as operational losses. Operational losses do not include operational risk-related credit impairments.

Capital review

Capital management and governance

Capital disclosures in this document are provided on the basis of Standard Chartered Bank (Group), being Standard Chartered Bank and its subsidiaries.

Standard Chartered Bank is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA).

Capital requirements are set by the PRA for Standard Chartered Bank on a solo consolidation basis. The solo-consolidated group differs from Standard Chartered Bank (Company) in that it includes the full consolidation of four subsidiaries, namely Standard Chartered Holdings (International) B.V., Standard Chartered Grindlays PTY Limited, SCMB Overseas Limited and Corrasi Covered Bonds LLP.

The Group continues to operate through its branches and various subsidiaries, all of which remain well-capitalised in accordance with their applicable risk appetites and applicable regulatory requirements.

The Group's CET1 capital ratio remains stable at 13.3 per cent as of 31 December 2025 with a leverage ratio of 4.8 per cent. The Group maintains high levels of loss absorbing capacity.

RWAs increased by $6.6 billion to $175.8 billion. CET1 capital increased by $0.9 billion to $23.4 billion, driven primarily by profits of $3.4 billion and the foreign currency translation impact of $0.5 billion. These increases were partially offset by distributions of $2.7 billion and higher regulatory deductions of $0.3 billion (largely from intangible assets).

Capital ratios

	2025	2024
CET1	**13.3%**	13.3%
Tier 1 capital	**16.7%**	16.8%
Total capital	**21.5%**	23.0%

Capital base[1] (audited)

	2025 $million	2024 $million
CET1 capital instruments and reserves		
Capital instruments and the related share premium accounts	**20,893**	20,893
Of which: share premium accounts	**296**	296
Retained earnings	**10,090**	10,215
Accumulated other comprehensive income (and other reserves)	**(6,065)**	(6,939)
Non-controlling interests (amount allowed in consolidated CET1)	**198**	178
Independently audited year-end profits	**3,377**	2,953
Foreseeable dividends	**(192)**	(193)
CET1 capital before regulatory adjustments	**28,301**	27,107
CET1 regulatory adjustments		
Additional value adjustments (prudential valuation adjustments)	**(532)**	(426)
Intangible assets (net of related tax liability)	**(4,014)**	(3,675)
Deferred tax assets that rely on future profitability (excludes those arising from temporary differences)	**(15)**	(30)
Fair value reserves related to net losses on cash flow hedges	**(135)**	(8)
Deduction of amounts resulting from the calculation of excess expected loss	**(364)**	(417)
Net gains on liabilities at fair value resulting from changes in own credit risk	**308**	246
Defined-benefit pension fund assets	**(99)**	(115)
Fair value gains arising from the institution's own credit risk related to derivative liabilities	**(65)**	(91)
Exposure amounts which could qualify for risk weighting of 1250%	**(21)**	(116)
Total regulatory adjustments to CET1	**(4,937)**	(4,632)
CET1 capital	**23,364**	22,475
Additional Tier 1 capital (AT1) instruments[2]	**5,959**	5,917
AT1 regulatory adjustments	**(20)**	(20)
Tier 1 capital	**29,303**	28,372
Tier 2 capital instruments	**8,498**	10,583
Tier 2 regulatory adjustments	**(30)**	(30)
Tier 2 capital	**8,468**	10,553
Total capital	**37,771**	38,925
Total risk-weighted assets (unaudited)	**175,845**	169,223

1 Capital base is prepared on the regulatory scope of consolidation.
2 Includes Instrument issued by subsidiaries that are given recognition in AT1 Capital.

Leverage ratio

Capital and total exposures	2025 $million	2024 $million
Tier 1 capital	**29,303**	28,372
Total leverage ratio exposures	**613,113**	559,409
Leverage ratio	**4.8%**	5.1%

Independent Auditor’s report to the members of Standard Chartered Bank

Opinion

In our opinion:

- Standard Chartered Bank’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 Bank (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 39 to the financial statements, including: material accounting policy information.
Consolidated cash flow statement for the year then ended;	Risk review and Capital review disclosures marked as ‘audited’ from page 23 to page 71.
Related notes 1 to 39 to the financial statements, including: material accounting policy information;	
Risk review and Capital review disclosures marked as ‘audited’ from page 23 to page 71.	

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 and the Parent Company's ability to continue as a going concern for a period of twelve months from 24 February 2026.

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	We performed an audit of the complete financial information of 6 components in 5 countries and audit procedures on specific balances for a further 5 components in 4 countries. We performed central procedures for certain audit areas and balances as outlined in Tailoring the scope section of our report.
Key audit matters	Credit impairment Impairment of investments in subsidiary undertakings Valuation of financial instruments held at fair value with higher risk characteristics.
Materiality	Overall Group materiality of $258m 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, Saudi Arabia and Cote D'Ivoire, 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 11 components in 9 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 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.

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 11 components selected, we designed and performed audit procedures on the entire financial information of 6 components ("full scope components"). For 5 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 components	**54%**	54%	**83%**	84%	**63%**	61%
Specific scope components	**15%**	11%	**4%**	4%	**12%**	10%
Specified procedures	**0%**	3%	**0%**	0.50%	**0%**	3%
Total	**68%**	**68%**	**87%**	**89%**	**75%**	**74%**

Of the remaining components that together represent 32% of the Group's absolute PBT, none are individually greater than 4.5%. 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.

Audit procedures were performed on 2 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 9 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 f 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:

- India (including the shared services centre)
- Malaysia (including the shared services centre)
- 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 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 page 29 in the 'Risk profile' section, and in the Strategic Report on pages 9-10 and 14-15, 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 Strategic 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.

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.

Risk	Our response to the risk
Credit Impairment Refer to Note 8 of the financial statements; and relevant credit risk disclosures (including pages 30 - 59) At 31 December 2025, the Group reported a credit impairment balance sheet provision of $3,090 million (2024: $3,204 million), and an income statement charge of $248 million (2024: $15 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:	We evaluated the adequacy of the design of the Group's controls over material ECL balances. Operating effectiveness was tested for controls upon which we intended to place reliance. We performed an overall stand-back assessment of the ECL allowance in total and by stage. We considered the overall level of economic uncertainty, credit quality of the Group's portfolios, the impact of sovereign risk, 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	Our response to the 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 to ECL.	**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, deferment 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. 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.

Risk	Our response to the risk
	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 55 to 58 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 uplift 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.

Key observations communicated to the Audit Committee	How we scoped our audit to respond to the risk and involvement with component teams
We communicated that the Group 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, 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.	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 5 full scope and 4 specified 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.

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Risk	Our response to the risk
Impairment assessment of investments in subsidiary undertakings Refer to Note 31 of the financial statements. In the Parent Company financial statements as at 31 December 2025, the investment in subsidiary undertakings balance was $10,800 million (2024: $10,671 million). On an annual basis, management is required to perform an assessment for indicators of impairment in respect of investments in subsidiary undertakings. Where indicators of impairment are identified, the recoverable amount of the investment should be estimated. The Group identified indicators of impairment of investments in subsidiary undertakings, including macroeconomic and geopolitical factors which have an impact on the financial position and performance of the subsidiaries. In assessing for indicators of impairment, among other procedures, management compares the Net Asset Value ('NAV') of the subsidiary to the carrying value of each direct subsidiary of the Parent Company. Where the net assets do not support the carrying value, the recoverable amount is estimated by determining the higher of value in use (VIU) or fair value less cost to sell.	We obtained an understanding of management's process and evaluated the design of controls. Our audit strategy was fully substantive. We assessed the appropriateness of the Group's methodology for testing the impairment of investments in subsidiary undertakings for compliance with accounting standards. We compared the NAV of the subsidiaries to their carrying value to consider whether any impairment or reversal of impairment recognised in the Parent Company financial results was reasonable. Where the NAV did not support the carrying value, we obtained the VIU models to assess whether this was a reasonable basis for the recoverable amount. We performed the following procedures on the VIU models: • Agreed the material inputs in the VIU models to their source and tested the mathematical accuracy of the models. • Engaged EY specialists to assess the reasonableness of the regulatory capital haircut adjustment to future profitability forecasts and to calculate an independent range for assumptions underlying the VIU calculations, such as the discount rate and long-term growth rate.

Risk	Our response to the risk
Where the recoverable amount is based on the VIU, this is modelled by reference to future cashflow forecasts (profit forecasts including a regulatory capital haircut adjustment), discount rates and macroeconomic assumptions such as long-term growth rates. There is a risk that if the judgements and assumptions underpinning the impairment assessments are inappropriate, then the investments in subsidiaries balances may be misstated. The level of risk remains consistent with the prior year.	• Reconciled the future profitability forecasts used in the models to the Standard Chartered PLC Group's Board approved Corporate Plan ('the Plan'). We challenged the reasonableness of the forecasts through back testing to historical performance and evaluating underlying business strategies. We engaged EY specialists to determine the reasonableness of the forward macroeconomic inputs used in the Plan. • We assessed the appropriateness of disclosures for impairment of investments in subsidiary undertakings in accordance with IAS 36.

Key observations communicated to the Audit Committee	How we scoped our audit to respond to the risk and involvement with component teams
Investments in subsidiary undertakings balance reported in the Parent Company financial statements and the associated disclosures, are not materially misstated as at 31 December 2025.	All audit work performed to address this risk was materially undertaken centrally by the Group Audit Team.

Risk	Our response to the risk
Valuation of financial instruments held at fair value with higher risk characteristics (Level 3 and certain Level 2 portfolios) Refer to Notes 12 and 13 to the financial statements. At 31 December 2025, the Group reported financial assets measured at fair value of $257,567 million (2024: $245,417 million), and financial liabilities at fair value of $133,791 million (2024: 145,506 million), of which financial assets of $7,246 million (2024: $5,288 million) and financial liabilities of $2,005 million (2024: $2,016 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. 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 the Credit Valuation Adjustments for illiquid counterparties.	We evaluated the design and operating effectiveness of controls relating to the valuation of financial instruments, including independent price verification, model validation and approval, 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;

Risk

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, covering over 98% of the risk amount.

The key audit matters remain consistent from prior year.

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 $258 million (2024: $252 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 $179 million (2024: $164 million), which is 5% (2024: 5%) of adjusted profit before tax. We believe that adjusted profit before tax provides us with the most relevant and appropriate measure for the users of the financial statements, given the Company is profit making, it is consistent with the wider industry, and it is the standard for regulated entities.

Starting basis	• Reported profit before tax – $4,724m
Adjustments	• Non-recurring items– $433m
Materiality	• Adjusted profit before tax – $5,157m • Materiality of $258m (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 $129m (2024: $126m). 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 $28m (2024: $16m to $31m).

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 $13m (2024: $13m), 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 206, including the Strategic report (pages 1 to 15), the Directors' report (pages 16 to 21), the Statement of directors' responsibilities (page 22) and the information not marked as 'audited' in the Risk review and Capital review section (pages 23 to 71), and the Supplementary information (pages 201 to 206), 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 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 22, 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), 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 India, Singapore, the United States of America, the United Arab Emirates 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

Consolidated income statement

For the year ended 31 December 2025

	Notes	2025 $million	2024 $million
Interest income		**16,888**	19,310
Interest expense		**(13,173)**	(14,910)
Net interest income	3	**3,715**	4,400
Fees and commission income		**3,957**	3,486
Fees and commission expense		**(1,031)**	(824)
Net fee and commission income	4	**2,926**	2,662
Net trading income	5	**6,185**	5,530
Other operating income	6	**128**	(178)
Operating income		**12,954**	12,414
Staff costs		**(6,773)**	(6,417)
Premises costs		**(267)**	(254)
General administrative expenses		**(194)**	(223)
Depreciation and amortisation		**(721)**	(656)
Operating expenses	7	**(7,955)**	(7,550)
Operating profit before impairment losses and taxation		**4,999**	4,864
Credit impairment	8	**(248)**	(15)
Goodwill, property, plant and equipment and other impairment	9	**(29)**	(410)
Profit from associates and joint ventures		**2**	8
Profit before taxation		**4,724**	4,447
Taxation	10	**(1,314)**	(1,465)
Profit for the year		**3,410**	2,982
Profit attributable to:			
Non-controlling interests	28	**34**	39
Parent company shareholders		**3,376**	2,943
Profit for the year		**3,410**	2,982

The notes on pages 91 to 200 form an integral part of these financial statements.

Consolidated statement of comprehensive income

For the year ended 31 December 2025

	Notes	2025 $million	2024 $million
Profit for the year		**3,410**	2,982
Other comprehensive income/(loss)			
Items that will not be reclassified to income statement:		**(45)**	(198)
Own credit losses on financial liabilities designated at fair value through profit or loss		**(62)**	(319)
Equity instruments at fair value through other comprehensive income		**61**	(6)
Actuarial (loss)/gain on retirement benefit obligations	29	**(41)**	26
Revaluation (deficit)/surplus		**(3)**	9
Taxation relating to components of other comprehensive loss	10	**–**	92
Items that may be reclassified subsequently to income statement:		**953**	(278)
Exchange differences on translation of foreign operations:			
Net gains/(losses) taken to equity		**450**	(663)
Net gains on net investment hedges	13	**75**	44
Share of other comprehensive loss from associates and joint ventures		**–**	(5)
Debt instruments at fair value through other comprehensive income			
Net valuation gains taken to equity		**276**	216
Reclassified to income statement	6	**27**	172
Net impact of expected credit loss		**17**	(36)
Cash flow hedges:			
Net movements in cash flow hedge reserve	13	**150**	32
Taxation relating to components of other comprehensive income/(loss)	10	**(42)**	(38)
Other comprehensive income/(loss) for the year, net of taxation		**908**	(476)
Total comprehensive income for the year		**4,318**	2,506
Total comprehensive income attributable to:			
Non-controlling interests	28	**66**	22
Parent company shareholders		**4,252**	2,484
Total comprehensive income for the year		**4,318**	2,506

Balance sheets

As at 31 December 2025

	Notes	Group 2025 $million	Group 2024 $million	Company 2025 $million	Company 2024 $million
Assets					
Cash and balances at central banks	12,34	**64,943**	56,665	**52,348**	45,233
Financial assets held at fair value through profit or loss	12	**121,078**	103,624	**99,894**	88,349
Derivative financial instruments	12,13	**66,479**	82,717	**66,631**	82,844
Loans and advances to banks	12,14	**24,771**	22,941	**11,108**	11,755
Loans and advances to customers	12,14	**159,254**	158,242	**80,091**	77,597
Investment securities	12	**103,921**	96,442	**79,684**	82,101
Other assets	19	**38,158**	28,478	**23,568**	21,552
Due from subsidiary undertakings and other related parties		**5,234**	5,222	**11,538**	10,066
Current tax assets	10	**549**	644	**412**	516
Prepayments and accrued income		**2,038**	2,197	**1,392**	1,535
Interests in associates and joint ventures		**75**	75	**–**	–
Investments in subsidiary undertakings	31	**–**	–	**10,800**	10,671
Goodwill and intangible assets	16	**4,111**	3,774	**2,245**	1,988
Property, plant and equipment	17	**1,303**	1,144	**714**	659
Deferred tax assets	10	**387**	350	**251**	233
Retirement benefit schemes in surplus		**104**	118	**104**	118
Assets classified as held for sale	20	**957**	901	**240**	474
Total assets		**593,362**	563,534	**441,020**	435,691
Liabilities					
Deposits by banks	12	**25,758**	22,409	**20,607**	17,824
Customer accounts	12	**270,058**	239,204	**132,018**	119,502
Repurchase agreements and other similar secured borrowing	12,15	**5,186**	9,921	**4,828**	9,845
Financial liabilities held at fair value through profit or loss	12	**65,571**	62,929	**64,880**	61,683
Derivative financial instruments	12,13	**68,220**	82,577	**67,556**	82,745
Debt securities in issue	12,21	**43,577**	39,864	**37,849**	36,081
Other liabilities	22	**26,813**	27,767	**19,421**	21,486
Due to parent companies, subsidiary undertakings & other related parties		**37,272**	28,246	**50,980**	42,313
Current tax liabilities	10	**517**	559	**254**	294
Accruals and deferred income		**4,581**	4,265	**2,620**	2,441
Subordinated liabilities and other borrowed funds	12,26	**8,175**	10,359	**8,158**	9,801
Deferred tax liabilities	10	**523**	427	**358**	308
Provisions for liabilities and charges	23	**247**	261	**191**	186
Retirement benefit schemes in deficit		**312**	249	**216**	200
Liabilities included in disposal groups held for sale	20	**914**	381	**150**	–
Total liabilities		**557,724**	529,418	**410,086**	404,709
Equity					
Share capital and share premium account	27	**21,643**	21,643	**21,643**	21,643
Other reserves		**(6,065)**	(6,939)	**(3,666)**	(3,804)
Retained earnings		**13,744**	13,226	**7,235**	7,421
Total parent company shareholders' equity		**29,322**	27,930	**25,212**	25,260
Other equity instruments	27	**5,722**	5,722	**5,722**	5,722
Total equity excluding non-controlling interests		**35,044**	33,652	**30,934**	30,982
Non-controlling interests	28	**594**	464	**–**	–
Total equity		**35,638**	34,116	**30,934**	30,982
Total equity and liabilities		**593,362**	563,534	**441,020**	435,691

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 year after tax is $2,517 million (2024: Profit after tax $2,325 million).

The notes on pages 91 to 200 form an integral part of these financial statements

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

Bill Winters, Director

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	20,893	750	40	47	(514)	191	(13)	(6,260)	12,988	28,122	4,742	1,080	33,944
Profit for the year	–	–	–	–	–	–	–	–	2,943	2,943	–	39	2,982
Other comprehensive (loss)/income[7]	–	–	–	(292)	324	(90)[8]	21	(609)	187[2,9]	(459)	–	(17)	(476)
Distributions	–	–	–	–	–	–	–	–	–	–	–	(125)	(125)
Other equity instruments issued, net of expenses	–	–	–	–	–	–	–	–	–	–	980	–	980
Share option expense, net of taxation	–	–	–	–	–	–	–	–	205	205	–	–	205
Dividends on ordinary shares	–	–	–	–	–	–	–	–	(2,395)	(2,395)	–	–	(2,395)
Dividends on preference shares and AT1 securities	–	–	–	–	–	–	–	–	(349)	(349)	–	–	(349)
Deemed distribution to parent[3]	–	–	–	–	–	–	–	–	(226)	(226)	–	–	(226)
Other movements	–	–	–	(1)	7	–	–	210[4]	(127)[5]	89	–	(513)[6]	(424)
As at 31 December 2024	**20,893**	**750**	**40**	**(246)**	**(183)**	**101**	**8**	**(6,659)**	**13,226**	**27,930**	**5,722**	**464**	**34,116**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3,376**	**3,376**	**–**	**34**	**3,410**
Other comprehensive (loss)/income[7]	**–**	**–**	**–**	**(62)**	**301**	**(1)[8]**	**127**	**493**	**18[2,9]**	**876**	**–**	**32**	**908**
Distributions	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(98)**	**(98)**
Share option expense, net of taxation	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**200**	**200**	**–**	**–**	**200**
Dividends on ordinary shares	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(2,276)**	**(2,276)**	**–**	**–**	**(2,276)**
Dividends on preference shares and AT1 securities	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(389)**	**(389)**	**–**	**–**	**(389)**
Deemed distribution to parent[3]	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(276)**	**(276)**	**–**	**–**	**(276)**
Other movements	**–**	**–**	**–**	**–**	**(27)**	**–**	**–**	**43[4]**	**(135)[10]**	**(119)**	**–**	**162[6]**	**43**
As at 31 December 2025	**20,893**	**750**	**40**	**(308)**	**91**	**100**	**135**	**(6,123)**	**13,744**	**29,322**	**5,722**	**594**	**35,638**

1 Includes capital reserve of $35 million (31 December 2024: $35 million) and capital redemption reserve of $5 million (31 December 2024: $5 million).
2 Includes actuarial (loss)/gain, net of taxation on Group defined benefit schemes.
3 Relates to deemed capital contribution arising from share-based payment net of taxation of $276 million (31 December 2024: $226 million).
4 2025 movement mainly includes realisation of translation adjustment loss from sale of Standard Chartered Bank Gambia Limited ($8 million) and Standard Chartered Cameroon ($9 million) transferred to other operating income. 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.
5 Mainly includes movements related to Ghana hyperinflation.
6 Movement are primarily from non-controlling interest (refer note 28).
7 All the amounts are net of tax.
8 Includes $65 million (31 December 2024: $8 million) mark-to-market gain on equity instruments (net of tax), $57 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 $57 million (2024: $174 million) gain on sale of equity investment in other comprehensive income reserve transferred to retained earnings partly offset by $9 million (2024: $13 million) capital gain tax.
10 Includes $154 million recognised upon redemption of preference AT1 shares at their issue price. Those shares, issued by a subsidiary (Standard Chartered Bank Singapore Limited), were recognised against non-controlling interest and their carrying amount had been reduced below their issue price upon dividend payments made in prior period.

Note 27 includes a description of each reserve.

The notes on pages 91 to 200 form an integral part of these financial statements

Cash flow statement

For the year ended 31 December 2025

	Notes	Group 2025 $million	Group 2024 $million	Company 2025 $million	Company 2024 $million
Cash flows from operating activities:					
Profit before taxation		**4,724**	4,447	**3,245**	3,058
Adjustments for non-cash items and other adjustments included within income statement	33	**397**	1,107	**(429)**	(1)
Change in operating assets	33	**(7,631)**	(34,790)	**273**	(26,161)
Change in operating liabilities	33	**27,822**	25,731	**11,452**	13,864
Contributions to defined benefit schemes	29	**(77)**	(48)	**(46)**	(39)
UK and overseas taxes paid	10	**(1,282)**	(1,422)	**(711)**	(720)
Net cash from/(used in) operating activities		**23,953**	(4,975)	**13,784**	(9,999)
Cash flows from investing activities:					
Internally generated Capitalised Software	16	**(715)**	(479)	**(521)**	(246)
Purchase of property, plant and equipment	17	**(225)**	(224)	**(149)**	(176)
Disposal of property, plant and equipment	17	**17**	13	**3**	15
Acquisition of investment in subsidiaries, associates, and joint ventures		**–**	(1)	**–**	–
Dividends received from subsidiaries, associates and joint ventures	33	**2**	6	**1,260**	1,052
Disposal of investment in subsidiaries, associates and joint ventures[1]		**48**	51	**–**	26
Disposal of held for sale property, plant and equipment		**126**	–	**–**	–
Purchase of investment securities		**(128,640)**	(131,058)	**(68,809)**	(84,630)
Disposal and maturity of investment securities		**124,353**	132,861	**72,962**	91,907
Net cash (used in)/from investing activities		**(5,034)**	1,169	**4,746**	7,948
Cash flows from financing activities:					
Premises and equipment lease liability principal payment		**(90)**	(97)	**(42)**	(43)
Issue of Additional Tier 1 capital, net of expenses	27	**–**	980	**–**	980
Interest paid on subordinated liabilities	33	**(551)**	(569)	**(492)**	(528)
Repayment of subordinated liabilities	33	**(2,705)**	(1,000)	**(2,173)**	(1,000)
Proceeds from issue of senior debts	33	**2,500**	3,134	**2,455**	3,114
Repayment of senior debts	33	**(4,001)**	(2,480)	**(3,986)**	(2,471)
Interest paid on senior debts	33	**(376)**	(282)	**(374)**	(282)
Net cash inflow from non-controlling interests	28	**8**	(506)	**–**	–
Distributions and Dividends paid to non-controlling interests, preference shareholders and AT1 securities		**(487)**	(474)	**(389)**	(349)
Dividends paid to ordinary shareholders		**(2,276)**	(2,395)	**(2,276)**	(2,395)
Net cash used in financing activities		**(7,978)**	(3,689)	**(7,277)**	(2,974)
Net increase/(decrease) in cash and cash equivalents		**10,941**	(7,495)	**11,253**	(5,025)
Cash and cash equivalents at beginning of the year		**78,949**	88,360	**48,101**	53,988
Effect of exchange rate movements on cash and cash equivalents		**2,471**	(1,916)	**(64)**	(862)
Cash and cash equivalents at end of the year	34	**92,361**	78,949	**59,290**	48,101

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) and SCB Sierra Leone Limited ($17 million).

For Bank Group, interest received was $15,885 million (31 December 2024: $19,638 million), interest paid was $12,639 million (31 December 2024: $15,035 million).

For Bank Company, interest received was $11,945 million (31 December 2024: $13,579million), interest paid was $9,986 million (31 December 2024: $11,596 million).

Company 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	Total $million
At 1 January 2024	20,893	750	40	49	(716)	214	(51)	(2,939)	7,671	25,911	4,742	30,653
Profit for the year	–	–	–	–	–	–	–	–	2,325	2,325	–	2,325
Other comprehensive (loss)/income[4]	–	–	–	(291)	308	(83)	34	(326)	194[2]	(164)	–	(164)
Other equity instruments issued, net of expenses	–	–	–	–	–	–	–	–	–	–	980	980
share option expense, net of taxation	–	–	–	–	–	–	–	–	127	127	–	127
Dividends on ordinary shares	–	–	–	–	–	–	–	–	(2,395)	(2,395)	–	(2,395)
Dividends on preference share and AT1 securities	–	–	–	–	–	–	–	–	(349)	(349)	–	(349)
Deemed distribution to parent[3]	–	–	–	–	–	–	–	–	(144)	(144)	–	(144)
Other Movements	–	–	–	(1)	7	–	–	(49)	(8)	(51)	–	(51)
At 31 December 2024	**20,893**	**750**	**40**	**(243)**	**(401)**	**131**	**(17)**	**(3,314)**	**7,421**	**25,260**	**5,722**	**30,982**
Profit for the year	–	–	–	–	–	–	–	–	2,517	2,517	–	2,517
Other comprehensive (loss)/income[4]	–	–		(64)	295	(7)	54	(140)	18[2]	156	–	156
share option expense, net of taxation	–	–	–	–	–	–	–	–	135	135	–	135
Dividends on ordinary shares	–	–	–	–	–	–	–	–	(2,276)	(2,276)	–	(2,276)
Dividends on preference share and AT1 securities	–	–	–	–	–	–	–	–	(389)	(389)	–	(389)
Deemed distribution to parent[3]	–	–	–	–	–	–	–	–	(191)	(191)	–	(191)
Other Movements	–	–	–	–	–	–	–	–	–	–	–	–
At 31 December 2025	**20,893**	**750**	**40**	**(307)**	**(106)**	**124**	**37**	**(3,454)**	**7,235**	**25,212**	**5,722**	**30,934**

1 Includes capital reserve of $35 million (31 December 2024: $35 million) and capital redemption reserve of $5 million (31 December 2024: $5 million).
2 Includes actuarial (loss)/gain, net of taxation on Group defined benefit schemes.
3 Relates to deemed capital contribution arising from share-based payment net of taxation of $191 million (31 December 2024: $144 million).
4 All amounts are net of tax.

Note 27 includes a description of each reserve.

The notes on pages 91 to 200 form an integral part of these financial statements

Contents – Notes to the financial statements

Notes to the financial statements

1. Accounting policies

Statement of compliance

The Group financial statements consolidate Standard Chartered Bank (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 from the start of Risk profile section (page 30) to the end of other principal risks in the same section (page 70) excluding:

- Liquidity coverage ratio (LCR), (page 63)
- Stressed coverage, (page 63)
- Net stable funding ratio (NSFR), (page 63)
- Liquidity pool, (page 63)
- Interest Rate Risk in the Banking Book, (page 69)
- Operational risk, (page 70)
- Other principal risks, (page 70)

b Capital review: from the start of 'Capital Requirements Directive (CRD) capital base' to the end of 'movement in total capital', excluding capital ratios and risk-weighted assets (RWA)

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 in respect to the classification of income attributable to geographic markets which have 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 client segments in line with the Regulatory News Service filing (RNS) 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. Where the re-representation has impacted disclosure, it is included within the footnotes in the following sections and tables:

- Risk review: Credit impairment charge (audited)
- Note 2 Segmental information
- Note 4 Net fees and commission

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:

1. Accounting policies continued

Significant accounting estimates and critical judgements

Significant accounting estimates and judgements represent those items which 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 12)

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 16)
- Provisions for liabilities and charges – Other provisions (Note 23)
- Legal and regulatory matters – (Note 25)
- Retirement benefit obligations (Note 29)
- Share-based payments (Note 30)
- Investments in subsidiary undertakings (Note 31)

Climate 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.

The PLC Group has assessed the impact of climate risk on the financial report. This is set out within the non-financial and sustainability information statement and the Sustainability Review in the PLC Annual Report, which incorporate the PLC 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 PLC Group has described how it manages climate risk, which manifests through the PLC Group's business and operations and impact the relevant Principal Risk Types (PRTs). This is managed via the PLC Group ESGR Risk Type framework.

The areas of impact for the Group 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). At PLC Group level, 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.

1. Accounting policies continued

Across 2025 we focussed 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 PLC Group's 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 for the PLC Group, 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 PLC 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, whilst 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 Group assets supported by discounted cash flow models (such as Value in Use) which utilise the corporate plan.

The PLC 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. In reaching this conclusion, the Group also leverages assessments performed at PLC Group level and the extent to which the results impact the Group.

New accounting standards in issue but not yet effective

There were no new accounting standards or interpretations 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 January 1, 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 January 1, 2027 and whilst the Group assessment remains ongoing, it is currently not expected to have a material impact on the Group's financial statements other than a change in the presentation of the primary 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 Court 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:

- A 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, and recent regulatory developments.
- Consideration of stress testing performed, including the Solo Recovery Plan (RP) which includes 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, including the Solo capital and leverage ratios, and ICAAP which summarises the Solo 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 Solo, including the Internal Liquidity Adequacy Assessment Process (ILAAP), which considers the Solo and Group's liquidity position, its framework and whether sufficient liquidity resources are being maintained to meet liabilities as they fall due. Further, funding and liquidity was considered in the context of the risk appetite metrics, including the Solo 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 portfolio of debt securities held at amortised cost
- A detailed review of all principal 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

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. The analysis reflects the location in which the transaction or balance was booked.

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

Comparatives have been re-presented in line with the PLC Group's RNS on representation of financial information issued on 2 April 2025 to align with the information reviewed by the Chief Operating Decision Maker.

Profit before tax (PBT) by client segment

	2025					2024[1]				
	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Ventures[1] $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	**9,230**	**4,046**	**102**	**(424)**	**12,954**	8,837	4,052	86	(561)	12,414
External	**7,507**	**2,217**	**103**	**3,127**	**12,954**	6,697	2,390	87	3,240	12,414
Inter-segment	**1,723**	**1,829**	**(1)**	**(3,551)**	**–**	2,140	1,662	(1)	(3,801)	–
Operating expenses	**(5,083)**	**(2,557)**	**(114)**	**(201)**	**(7,955)**	(4,872)	(2,426)	(133)	(119)	(7,550)
Operating profit before impairment losses and taxation	**4,147**	**1,489**	**(12)**	**(625)**	**4,999**	3,965	1,626	(47)	(680)	4,864
Credit impairment	**97**	**(299)**	**(33)**	**(13)**	**(248)**	286	(260)	(25)	(16)	(15)
Other impairment	**(5)**	**(5)**	**–**	**(19)**	**(29)**	(195)	(72)	(8)	(135)	(410)
Profit from associates and joint ventures	**–**	**–**	**–**	**2**	**2**	–	–	–	8	8
Profit/(loss) before taxation	**4,239**	**1,185**	**(45)**	**(655)**	**4,724**	4,056	1,294	(80)	(823)	4,447
Total assets	**386,876**	**55,357**	**3,486**	**147,643**	**593,362**	375,902	49,161	3,088	135,383	563,534
Total liabilities	**504,576**	**92,169**	**3,178**	**(42,199)**	**557,724**	478,637	78,966	2,821	(31,006)	529,418

1 Segment results have been re-presented in line with the PLC Group's RNS on Re-Presentation of Financial Information issued on 2 April 2025.

Operating income by client segment

	2025					2024[1]				
	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Ventures[1] $million	Central & other items $million	Total $million	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Ventures $million	Central & other items $million	Total $million
Net interest income	**1,724**	**2,301**	**78**	**(388)**	**3,715**	2,378	2,404	52	(434)	4,400
Net fees and commission income	**1,724**	**1,210**	**23**	**(31)**	**2,926**	1,658	1,012	21	(29)	2,662
Net trading and other income	**5,782**	**535**	**1**	**(5)**	**6,313**	4,801	636	13	(98)	5,352
Operating income	**9,230**	**4,046**	**102**	**(424)**	**12,954**	8,837	4,052	86	(561)	12,414

1 Segment results have been re-presented in line with the PLC Group's RNS on Re-Presentation of Financial Information issued on 2 April 2025.

Reported operating income by geography[1]

	Singapore $million	India $million	UAE $million	UK $million	US $million	Others $million	Total $million
2025	**3,046**	**1,521**	**1,191**	**1,512**	**1,256**	**4,428**	**12,954**
2024	2,813	1,539	1,234	1,560	974	4,294	12,414

1 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	**2,105**	2,500
Loans and advances to banks	**1,175**	1,296
Loans and advances to customers	**9,002**	10,436
Debt securities	**3,517**	3,718
Other eligible bills	**1,009**	1,254
Accrued on impaired assets (discount unwind)	**80**	106
Interest income	**16,888**	19,310
Of which: financial instruments held at fair value through other comprehensive income	**2,955**	2,892
Deposits by banks	**702**	728
Customer accounts	**10,358**	11,896
Debt securities in issue	**1,582**	1,653
Subordinated liabilities and other borrowed funds	**485**	597
Interest expense on IFRS 16 lease liabilities	**46**	36
Interest expense	**13,173**	14,910
Net interest income	**3,715**	4,400

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.

4. Net fees and commission continued

	2025 $million	2024 $million
Fees and commissions income	**3,957**	3,486
Of which:		
Financial instruments that are not fair valued through profit or loss	**1,276**	1,162
Trust and other fiduciary activities	**353**	278
Fees and commissions expense	**(1,031)**	(824)
Of which:		
Financial instruments that are not fair valued through profit or loss	**(286)**	(156)
Trust and other fiduciary activities	**(23)**	(12)
Net fees and commission	**2,926**	2,662

	2025					2024[1]				
	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Ventures[1] $million	Central & other items $million	Total $million	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Ventures $million	Central & other items $million	Total $million
Transaction Services	**1,379**	**–**	**–**	**–**	**1,379**	1,274	–	–	–	1,274
Payments & Liquidity	**656**	**–**	**–**	**–**	**656**	657	–	–	–	657
Securities & Prime Services	**212**	**–**	**–**	**–**	**212**	141	–	–	–	141
Trade & Working Capital	**511**	**–**	**–**	**–**	**511**	476	–	–	–	476
Global Banking	**1,007**	**–**	**–**	**–**	**1,007**	876	–	–	–	876
Lending & Financing Solutions	**610**	**–**	**–**	**–**	**610**	598	–	–	–	598
Capital Market & Advisory	**397**	**–**	**–**	**–**	**397**	278	–	–	–	278
Global Markets	**41**	**–**	**–**	**–**	**41**	40	–	–	–	40
Macro Trading	**8**	**–**	**–**	**–**	**8**	7	–	–	–	7
Credit Trading	**33**	**–**	**–**	**–**	**33**	37	–	–	–	37
Valuation & Other Adj	**–**	**–**	**–**	**–**	**–**	(4)	–	–	–	(4)
Wealth Solutions	**–**	**1,135**	**1**	**–**	**1,136**	–	913	–	–	913
Investment Products	**–**	**839**	**–**	**–**	**839**	–	734	–	–	734
Bancassurance	**–**	**296**	**1**	**–**	**297**	–	179	–	–	179
CCPL & Other Unsecured Lending	**–**	**217**	**–**	**–**	**217**	–	229	–	–	229
Deposits	**–**	**104**	**–**	**–**	**104**	–	97	–	–	97
Mortgages & Other Secured Lending	**–**	**14**	**–**	**–**	**14**	–	20	–	–	20
Ventures	**–**	**–**	**41**	**–**	**41**	–	–	39	–	39
Treasury & Others	**1**	**19**	**(1)**	**(1)**	**18**	(2)	19	–	(19)	(2)
Net fees and commission income	**2,428**	**1,489**	**41**	**(1)**	**3,957**	**2,188**	**1,278**	**39**	**(19)**	**3,486**
Net fees and commission expense	**(704)**	**(279)**	**(18)**	**(30)**	**(1,031)**	(530)	(266)	(18)	(10)	(824)
Net fees and commission	**1,724**	**1,210**	**23**	**(31)**	**2,926**	**1,658**	**1,012**	**21**	**(29)**	**2,662**

1 Results have been re-presented to reflect the reallocation of Treasury and Other items across product.

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 $374 million (31 December 2024: $419 million), which will be earned evenly over the remaining life of the contract till June 2032. For the twelve months ended 31 December 2025, $45 million of fee income was released from deferred income (31 December 2024: $45 million).

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	**6,185**	5,530
Significant items within net trading income include:		
Gains on instruments held for trading[1]	**5,024**	4,272
Gains on financial assets mandatorily at fair value through profit or loss	**4,839**	4,580
Losses on financial liabilities designated at fair value through profit or loss	**(3,568)**	(3,162)

1 Includes $26 million gain (31 December 2024: $54 million loss) 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	**6**	7
Net loss on disposal of fair value through other comprehensive income debt instruments	**(27)**	(172)
Net loss on disposal of amortized cost financial assets	**(26)**	(18)
Net gain/(loss) on sale of businesses[1]	**4**[1]	(214)[2]
Dividend income	**6**	3
Others[3]	**165**	216
Other operating income/(loss)	**128**	(178)

1 Includes $3 million gain from disposal of businesses ($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 $17 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. Total cash consideration received was $51 million ($24 million: SCB Zimbabwe Limited, $10 million: SCB Angola S.A. and $17 million: SCB Sierra Leone Limited).

3 2025 balance includes $125 million gain on disposal of property, plant and equipment and IAS 29 adjustment Ghana hyperinflationary impact ($8 million). 2024 balance includes IAS 29 adjustment Ghana hyperinflationary impact ($139 million), Research and development expenditure credit ($32 million), mark-to-market gains from deferred compensation income ($17 million), rebates/incentives received from VISA card ($10 million), gain on disposal of property, plant and equipment ($3 million) and immaterial balances across other geographies.

7. Operating expenses

	2025 $million	2024 $million
Staff costs:		
Wages and salaries	**5,331**	5,007
Social security costs	**223**	184
Other pension costs (Note 29)	**392**	332
Share-based payment costs (Note 30)	**209**	219
Other staff costs	**618**	675
	6,773	6,417
Premises and equipment expenses:	**267**	254
General administrative expenses:		
UK bank levy	**52**	90
Other general administrative expenses	**142**	133
	194	223
Depreciation and amortisation:		
Property, plant and equipment:		
Premises	**153**	130
Equipment	**90**	68
Intangibles:		
Software	**474**	455
Acquired on business combinations	**4**	3
	721	656
Total operating expenses	**7,955**	7,550

Other staff costs include redundancy expenses of $103 million (31 December 2024: $142 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 benefits and interests in shares are disclosed in Note 37 Remuneration of Directors.

Transactions with directors, officers and other related parties are disclosed in Note 35.

Operating expenses include research expenditure of $797 million (31 December 2024: $801 million), which was recognized as an expense in the year.

Other general administrative expenses include recharges of $1,350 million (31 December 2024: $1,424 million) with respect to costs incurred by fellow subsidiary undertakings

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.

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 (page 54).

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 (page 55).

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 Retail Banking 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.

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

8. Credit impairment continued

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 (see page 58 to 59).

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.

8. Credit impairment continued

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 (page 43);
- 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 grade and is a qualitative trigger for significant increase in credit risk (see page 58)), 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 unlikeliness 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, which is independent of the Client Coverage/Relationship Managers. 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.

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 cashflow 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.

8. Credit impairment continued

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 be 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.

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.

8. Credit impairment continued

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 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	**230**	58
Net credit impairment against profit or loss during the period relating to debt securities[1]	**28**	(58)
Net credit impairment relating to financial guarantees and loan commitments	**(14)**	18
Net credit impairment relating to other financial assets	**4**	(3)
Credit impairment[1]	**248**	15

1 Includes impairment charge of $5 million (31 December 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 17)	**1**	2
Impairment of other intangible assets (Note 16)	**22**	383
Other	**6**	25
Goodwill, fixed assets and other impairment	**29**	410

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	–	–
Adjustments in respect of prior years (including double tax relief)	**(3)**	1
Foreign tax:		
Current tax charge on income for the year	**1,359**	1,357
Adjustments in respect of prior years	**(60)**	(7)
	1,296	1,351
Deferred tax:		
Origination/reversal of temporary differences	**69**	123
Adjustments in respect of prior years	**(51)**	(9)
	18	114
Tax on profits on ordinary activities	**1,314**	1,465
Effective tax rate	**27.8%**	32.9%

The tax charge for the year of $1,314 million (31 December 2024: $1,465 million) on a profit before tax of $4,724 million (31 December 2024: $4,447 million) reflects the impact of non-creditable withholding taxes and other taxes, and non-deductible expenses partly offset by adjustments in respect of prior periods.

10. Taxation continued

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	**4,724**		4,447	
Tax at 25 per cent (2024: 25 per cent)	**1,181**	**25.0**	1,112	25.0
Lower tax rates on overseas earnings	**(245)**	**(5.2)**	(274)	(6.2)
Higher tax rates on overseas earnings	**219**	**4.6**	269	6.1
Tax at domestic rates applicable where profits earned	**1,155**	**24.4**	1,107	24.9
Non-creditable withholding taxes and other taxes	**248**	**5.3**	221	5.0
Tax exempt income	**(48)**	**(1.0)**	(51)	(1.1)
Non-deductible expenses	**130**	**2.7**	156	3.5
Bank levy	**13**	**0.3**	23	0.5
Non-taxable losses on investments[1]	**8**	**0.2**	50	1.1
Payments on financial instruments in reserves	**(83)**	**(1.8)**	(75)	(1.7)
Deferred tax not recognised	**53**	**1.1**	64	1.4
Deferred tax rate changes	**4**	**0.1**	(3)	(0.1)
Adjustments to tax charge in respect of prior years	**(114)**	**(2.4)**	(15)	(0.3)
Other items	**(52)**	**(1.1)**	(12)	(0.3)
Tax on profit on ordinary activities	**1,314**	**27.8**	1,465	32.9

1 2025 Includes tax impact of $3million (2024: $55million) 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 reported 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.

	2025			2024		
Tax recognised in other comprehensive income	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	**(10)**	**10**	**–**	(16)	108	92
Own credit adjustment	**–**	**–**	**–**	1	27	28
Equity instruments at fair value through other comprehensive income	**(9)**	**–**	**(9)**	(17)	89	72
Retirement benefit obligations	**(1)**	**10**	**9**	–	(8)	(8)
Items that may be reclassed subsequently to income statement	**(3)**	**(39)**	**(42)**	(7)	(31)	(38)
Debt instruments at fair value through other comprehensive income	**(3)**	**(16)**	**(19)**	(7)	(20)	(27)
Cash flow hedges	**–**	**(23)**	**(23)**	–	(11)	(11)
Total tax credit/(charge) recognised in equity	**(13)**	**(29)**	**(42)**	(23)	77	54

10. Taxation continued

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

	Group		Company	
	2025 $million	2024 $million	2025 $million	2024 $million
Current tax comprises:				
Current tax assets	**644**	484	**516**	395
Current tax liabilities	**(559)**	(445)	**(294)**	(188)
Net current tax opening balance	**85**	39	**222**	207
Movements in income statement	**(1,296)**	(1,351)	**(740)**	(681)
Movements in other comprehensive income	**(13)**	(23)	**(13)**	(23)
Taxes paid	**1,282**	1,422	**711**	720
Other movements	**(26)**	(2)	**(22)**	(1)
Net current tax balance as at 31 December	**32**	85	**158**	222
Current tax assets	**549**	644	**412**	516
Current tax liabilities	**(517)**	(559)	**(254)**	(294)
Total	**32**	85	**158**	222

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

Group

	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	**(260)**	**(17)**	**–**	**–**	**(277)**
Impairment provisions on loans and advances	**178**	**(5)**	**–**	**–**	**173**
Tax losses carried forward	**69**	**9**	**(33)**	**–**	**45**
Equity instruments at fair value through other comprehensive income	**(32)**	**(5)**	**–**	**–**	**(37)**
Debt instruments at fair value through other comprehensive income	**(3)**	**7**	**–**	**(16)**	**(12)**
Cashflow hedges	**(7)**	**(4)**	**–**	**(23)**	**(34)**
Own credit adjustment	**–**	**–**	**–**	**–**	**–**
Retirement benefit obligations	**(7)**	**1**	**13**	**10**	**17**
Share-based payments	**41**	**2**	**6**	**–**	**49**
Other temporary differences	**(56)**	**(2)**	**(4)**	**2**	**(60)**
Net deferred tax	**(77)**	**(14)**	**(18)**	**(27)**	**(136)**

	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	(318)	8	53	(3)	(260)
Impairment provisions on loans and advances	203	(9)	(16)	–	178
Tax losses carried forward	70	(24)	23	–	69
Equity instruments at fair value through other comprehensive income	(126)	5	–	89	(32)
Debt instruments at fair value through other comprehensive income	28	4	(15)	(20)	(3)
Cashflow hedges	3	1	–	(11)	(7)
Own credit adjustment	(52)	25	–	27	–
Retirement benefit obligations	2	(4)	3	(8)	(7)
Share-based payments	30	–	11	–	41
Other temporary differences	80	2	(173)	35	(56)
Net deferred tax	(80)	8	(114)	109	(77)

10. Taxation continued

Deferred tax comprises assets and liabilities as follows:

	2025 Total $million	2025 Asset $million	2025 Liability $million	2024 Total $million	2024 Asset $million	2024 Liability $million
Deferred tax comprises:						
Accelerated tax depreciation	**(277)**	**41**	**(318)**	(260)	29	(289)
Impairment provisions on loans and advances	**173**	**175**	**(2)**	178	153	25
Tax losses carried forward	**45**	**14**	**31**	69	46	23
Equity instruments at fair value through other comprehensive income	**(37)**	**(2)**	**(35)**	(32)	(7)	(25)
Debt instruments at fair value through other comprehensive income	**(12)**	**(3)**	**(9)**	(3)	5	(8)
Cashflow hedges	**(34)**	**(12)**	**(22)**	(7)	(2)	(5)
Own credit adjustment	**–**	**–**	**–**	–	–	–
Retirement benefit obligations	**17**	**34**	**(17)**	(7)	14	(21)
Share-based payments	**49**	**14**	**35**	41	7	34
Other temporary differences	**(60)**	**126**	**(186)**	(56)	105	(161)
	(136)	**387**	**(523)**	(77)	350	(427)

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

Company

	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	**(202)**	**(12)**	**–**	**–**	**(214)**
Impairment provisions on loans and advances	**96**	**(1)**	**5**	**–**	**100**
Tax losses carried forward	**50**	**7**	**(12)**	**–**	**45**
Equity instruments at fair value through other comprehensive income	**(30)**	**(5)**	**–**	**–**	**(35)**
Debt instruments at fair value through other comprehensive income	**22**	**1**	**1**	**(22)**	**2**
Cashflow hedges	**(4)**	**(3)**	**–**	**(14)**	**(21)**
Own credit adjustment	**–**	**–**	**–**	**–**	**–**
Retirement benefit obligations	**(15)**	**1**	**2**	**9**	**(3)**
Share-based payments	**16**	**–**	**1**	**–**	**17**
Other temporary differences	**(8)**	**(5)**	**15**	**–**	**2**
Net deferred tax	**(75)**	**(17)**	**12**	**(27)**	**(107)**

	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	(264)	8	54	–	(202)
Impairment provisions on loans and advances	121	(7)	(18)	–	96
Tax losses carried forward	70	(25)	5	–	50
Equity instruments at fair value through other comprehensive income	(123)	2	–	91	(30)
Debt instruments at fair value through other comprehensive income	49	(1)	–	(26)	22
Cashflow hedges	5	3	–	(12)	(4)
Own credit adjustment	(52)	25	–	27	–
Retirement benefit obligations	(5)	(6)	3	(7)	(15)
Share-based payments	11	–	5	–	16
Other temporary differences	90	2	(100)	–	(8)
Net deferred tax	(98)	1	(51)	73	(75)

10. Taxation continued

Deferred tax comprises assets and liabilities as follows:

	2025 Total $million	2025 Asset $million	2025 Liability $million	2024 Total $million	2024 Asset $million	2024 Liability $million
Deferred tax comprises:						
Accelerated tax depreciation	**(214)**	**42**	**(256)**	(202)	31	(233)
Impairment provisions on loans and advances	**100**	**100**	**–**	96	96	–
Tax losses carried forward	**45**	**14**	**31**	50	26	24
Equity instruments at fair value through other comprehensive income	**(35)**	**(1)**	**(34)**	(30)	(7)	(23)
Debt instruments at fair value through other comprehensive income	**2**	**2**	**–**	22	22	–
Cashflow hedges	**(21)**	**(11)**	**(10)**	(4)	(2)	(2)
Own credit adjustment	**–**	**–**	**–**	–	–	–
Retirement benefit obligations	**(3)**	**19**	**(22)**	(15)	9	(24)
Share-based payments	**17**	**13**	**4**	16	6	10
Other temporary differences	**2**	**73**	**(71)**	(8)	52	(60)
	(107)	**251**	**(358)**	(75)	233	(308)

Group

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 $45 million relating to tax losses carried forward, of which $31 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.

Company

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 $45 million relating to tax losses carried forward, of which $31 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

Group

	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	**(379)**	**(2,912)**	(358)	(2,719)
Tax losses	**985**	**3,936**	1,027	4,099
Held over gains on incorporation of overseas branches	**(184)**	**(656)**	(171)	(610)
Other temporary differences	**305**	**1,174**	345	1,310

Company

	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	**(265)**	**(1,899)**	(243)	(1,768)
Tax losses	**880**	**3,403**	911	3,530
Held over gains on incorporation of overseas branches	**(184)**	**(656)**	(171)	(610)
Other temporary differences	**289**	**1,086**	333	1,245

11. Dividends

Accounting policy

The Court considers a number of factors which include 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.

Ordinary equity shares

	2025		2024	
	Cents per share	$million	Cents per share	$million
2024/2023 final dividend declared and paid during the year	**5**	**995**	6	1,240
2025/2024 interim dividend declared and paid during the year	**6**	**1,281**	6	1,155

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.

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:		
Floating rate preference shares of $5 each[1]	**47**	54
Additional Tier 1 securities: Fixed rate resetting perpetual subordinated contingent convertible securities	**342**	295
	389	349

1 Floating rate is based on Secured Overnight Financing Rate (SOFR), average rate paid for floating preference shares is 6.23% (2024: 7.21%).

12. 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.

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	• 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	• Global Banking • Transaction Banking • Retail Lending • Treasury Markets (Loans and Borrowings) • Global Markets	• Loans and advances • Debt securities
Hold to collect and sell	Business objective met through both hold to collect and by selling financial assets	• 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	• Treasury Markets • Central Credit Unit	• Debt securities
Fair value through profit or loss	All other business objectives, including trading and managing financial assets on a fair value basis	• 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	• Treasury Markets • Global Markets • All other business lines	• Derivatives • Equity shares • Trading portfolios • Reverse repos • Bond and Loan Syndication

12. Financial instruments continued

Accounting policy continued

The Group's business model assessment is as follows:

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.

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.

12. Financial instruments continued

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.

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.

12. Financial instruments continued

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 forborne 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.

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.

12. Financial instruments continued

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

Group

Assets	Notes	Assets at fair value: 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	Total financial assets at fair value $million	Assets held at amortised cost $million	Total $million
Cash and balances at central banks[1]		–	–	–	–	–	–	64,943	64,943
Financial assets held at fair value through profit or loss									
Loans and advances to banks[2,3]		2,435	–	–	–	–	2,435	–	2,435
Loans and advances to customers[3]		8,753	–	192	–	–	8,945	–	8,945
Reverse repurchase agreements and other similar secured lending	15	–	–	66,326	–	–	66,326	–	66,326
Debt securities, alternative tier one and other eligible bills		42,646	–	404	–	–	43,050	–	43,050
Equity shares		216	–	106	–	–	322	–	322
		54,050	–	67,028	–	–	121,078	–	121,078
Derivative financial instruments	13	65,464	1,015	–	–	–	66,479	–	66,479
Loans and advances to banks[2,3]	14	–	–	–	–	–	–	24,771	24,771
of which – reverse repurchase agreements and other similar secured lending	15	–	–	–	–	–	–	3,698	3,698
Loans and advances to customers[3]	14	–	–	–	–	–	–	159,254	159,254
of which – reverse repurchase agreements and other similar secured lending	15	–	–	–	–	–	–	7,350	7,350
Investment securities									
Debt securities, alternative tier one and other eligible bills		–	–	–	–	69,754	69,754	33,911	103,665
Equity shares		–	–	–	–	256	256	–	256
		–	–	–	–	70,010	70,010	33,911	103,921
Other assets	19	–	–	–	–	–	–	20,435	20,435
Assets held for sale	20	–	–	–	–	–	–	909	909
Total at 31 December 2025		119,514	1,015	67,028	–	70,010	257,567	304,223	561,790

1 Comprises cash held at central banks in restricted accounts of $2,893 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 Loans and advances to banks includes amounts due on demand from banks and other central banks.

3 Further analysed in Risk review and Capital review (pages 49 to 50).

12. Financial instruments continued

Assets	Notes	Assets at fair value: 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	Total financial assets at fair value $million	Assets held at amortised cost $million	Total $million
Cash and balances at central banks[1]		–	–	–	–	–	–	56,665	56,665
Financial assets held at fair value through profit or loss									
Loans and advances to banks[2,3]		2,033	–	–	–	–	2,033	–	2,033
Loans and advances to customers[3]		3,833	–	156	–	–	3,989	–	3,989
Reverse repurchase agreements and other similar secured lending	15	260	–	65,343	–	–	65,603	–	65,603
Debt securities, alternative tier one and other eligible bills		30,217	–	416	–	–	30,633	–	30,633
Equity shares		1,240	–	126	–	–	1,366	–	1,366
		37,583	–	66,041	–	–	103,624	–	103,624
Derivative financial instruments	13	81,252	1,465	–	–	–	82,717	–	82,717
Loans and advances to banks[2,3]	14	–	–	–	–	–	–	22,941	22,941
of which – reverse repurchase agreements and other similar secured lending	15	–	–	–	–	–	–	2,889	2,889
Loans and advances to customers[3]	14	–	–	–	–	–	–	158,242	158,242
of which – reverse repurchase agreements and other similar secured lending	15	–	–	–	–	–	–	9,121	9,121
Investment securities									
Debt securities, alternative tier one and other eligible bills		–	–	–	–	58,813	58,813	37,366	96,179
Equity shares		–	–	–	–	263	263	–	263
		–	–	–	–	59,076	59,076	37,366	96,442
Other assets	19	–	–	–	–	–	–	21,535	21,535
Assets held for sale	20	–	–	–	–	–	–	866	866
Total at 31 December 2024		118,835	1,465	66,041	–	59,076	245,417	297,615	543,032

1 Comprises cash held at central banks in restricted accounts of $2,859 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 Loans and advances to banks includes amounts due on demand from banks and other central banks.

3 Further analysed in Risk review and Capital review (pages 49 to 50).

12. Financial instruments continued

Company

Assets	Notes	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	Total financial assets at fair value $million	Assets held at amortised cost $million	Total $million
		Assets at fair value							
Cash and balances at central banks[1]		–	–	–	–	–	–	52,348	52,348
Financial assets held at fair value through profit or loss									
Loans and advances to banks[2,3]		2,337	–	–	–	–	2,337	–	2,337
Loans and advances to customers[3]		6,585	–	30	–	–	6,615	–	6,615
Reverse repurchase agreements and other similar secured lending	15	–	–	60,950	–	–	60,950	–	60,950
Debt securities, alternative tier one and other eligible bills		26,724	–	3,079	–	–	29,803	–	29,803
Equity shares		189	–	–	–	–	189	–	189
Other assets		–	–	–	–	–	–	–	–
		35,835	–	64,059	–	–	99,894	–	99,894
Derivative financial instruments	13	65,804	827	–	–	–	66,631	–	66,631
Loans and advances to banks[2,3]	14	–	–	–	–	–	–	11,108	11,108
of which – reverse repurchase agreements and other similar secured lending	15	–	–	–	–	–	–	855	855
Loans and advances to customers[3]	14	–	–	–	–	–	–	80,091	80,091
of which – reverse repurchase agreements and other similar secured lending	15	–	–	–	–	–	–	6,865	6,865
Investment securities									
Debt securities, alternative tier one and other eligible bills		–	–	–	–	47,701	47,701	31,747	79,448
Equity shares		–	–	–	–	236	236	–	236
		–	–	–	–	47,937	47,937	31,747	79,684
Other assets	19	–	–	–	–	–	–	14,577	14,577
Assets held for sale	20	–	–	–	–	–	–	227	227
Total at 31 December 2025		101,639	827	64,059	–	47,937	214,462	190,098	404,560

1 Comprises cash held at central banks in restricted accounts of $984 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 Loans and advances to banks includes amounts due on demand from banks and other central banks.
3 Further analysed in Risk review and Capital review (pages 51 to 52).

12. Financial instruments continued

Assets	Notes	Assets at fair value: 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	Total financial assets at fair value $million	Assets held at amortised cost $million	Total $million
Cash and balances at central banks[1]		–	–	–	–	–	–	45,233	45,233
Financial assets held at fair value through profit or loss									
Loans and advances to banks[2,3]		1,880	–	–	–	–	1,880	–	1,880
Loans and advances to customers[3]		3,247	–	29	–	–	3,276	–	3,276
Reverse repurchase agreements and other similar secured lending	15	260	–	61,881	–	–	62,141	–	62,141
Debt securities, alternative tier one and other eligible bills		17,187	–	2,638	–	–	19,825	–	19,825
Equity shares		1,223	–	4	–	–	1,227	–	1,227
Other assets		–	–	–	–	–	–	–	–
		23,797	–	64,552	–	–	88,349	–	88,349
Derivative financial instruments	13	81,534	1,310	–	–	–	82,844	–	82,844
Loans and advances to banks[2,3]	14	–	–	–	–	–	–	11,755	11,755
of which – reverse repurchase agreements and other similar secured lending	15	–	–	–	–	–	–	1,423	1,423
Loans and advances to customers[3]	14	–	–	–	–	–	–	77,597	77,597
of which – reverse repurchase agreements and other similar secured lending	15	–	–	–	–	–	–	9,041	9,041
Investment securities									
Debt securities, alternative tier one and other eligible bills		–	–	–	–	46,650	46,650	35,205	81,855
Equity shares		–	–	–	–	246	246	–	246
		–	–	–	–	46,896	46,896	35,205	82,101
Other assets	19	–	–	–	–	–	–	17,587	17,587
Assets held for sale	20	–	–	–	–	–	–	474	474
Total at 31 December 2024		105,331	1,310	64,552	–	46,896	218,089	187,851	405,940

1 Comprises cash held at central banks in restricted accounts of $1,160 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 Loans and advances to banks includes amounts due on demand from banks and other central banks.

3 Further analysed in Risk review and Capital review (pages 51 to 52).

12. Financial instruments continued

Group

Liabilities	Notes	Liabilities at fair value: Trading $million	Liabilities at fair value: Derivatives held for hedging $million	Liabilities at fair value: Designated at fair value through profit or loss $million	Liabilities at fair value: Total financial liabilities at fair value $million	Amortised cost $million	Total $million
Financial liabilities held at fair value through profit or loss							
Deposits by banks		–	–	2,118	2,118	–	2,118
Customer accounts		–	–	7,213	7,213	–	7,213
Repurchase agreements and other similar secured borrowing	15	–	–	33,660	33,660	–	33,660
Debt securities in issue	21	–	–	14,787	14,787	–	14,787
Short positions		7,793	–	–	7,793	–	7,793
		7,793	–	57,778	65,571	–	65,571
Derivative financial instruments	13	67,740	480	–	68,220	–	68,220
Deposits by banks		–	–	–	–	25,758	25,758
Customer accounts		–	–	–	–	270,058	270,058
Repurchase agreements and other similar secured borrowing	15	–	–	–	–	5,186	5,186
Debt securities in issue	21	–	–	–	–	43,577	43,577
Other liabilities	22	–	–	–	–	26,306	26,306
Subordinated liabilities and other borrowed funds	26	–	–	–	–	8,175	8,175
Liabilities included in disposal groups held for sale	20	–	–	–	–	908	908
Total at 31 December 2025		75,533	480	57,778	133,791	379,968	513,759

Liabilities	Notes	Liabilities at fair value: Trading $million	Liabilities at fair value: Derivatives held for hedging $million	Liabilities at fair value: Designated at fair value through profit or loss $million	Liabilities at fair value: Total financial liabilities at fair value $million	Amortised cost $million	Total $million
Financial liabilities held at fair value through profit or loss							
Deposits by banks		–	–	1,471	1,471	–	1,471
Customer accounts		–	–	9,222	9,222	–	9,222
Repurchase agreements and other similar secured borrowing	15	925	–	32,285	33,210	–	33,210
Debt securities in issue	21	–	–	12,176	12,176	–	12,176
Short positions		6,850	–	–	6,850	–	6,850
		7,775	–	55,154	62,929	–	62,929
Derivative financial instruments	13	81,764	813	–	82,577	–	82,577
Deposits by banks		–	–	–	–	22,409	22,409
Customer accounts		–	–	–	–	239,204	239,204
Repurchase agreements and other similar secured borrowing	15	–	–	–	–	9,921	9,921
Debt securities in issue	21	–	–	–	–	39,864	39,864
Other liabilities	22	–	–	–	–	27,350	27,350
Subordinated liabilities and other borrowed funds	26	–	–	–	–	10,359	10,359
Liabilities included in disposal groups held for sale	20	–	–	–	–	360	360
Total at 31 December 2024		89,539	813	55,154	145,506	349,467	494,973

12. Financial instruments continued

Company

Liabilities	Notes	Liabilities at fair value: 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	Total $million
Financial liabilities held at fair value through profit or loss							
Deposits by banks		–	–	1,787	1,787	–	1,787
Customer accounts		–	–	6,480	6,480	–	6,480
Repurchase agreements and other similar secured borrowing	15	–	–	33,162	33,162	–	33,162
Debt securities in issue	21	–	–	16,561	16,561	–	16,561
Short positions		6,890	–	–	6,890	–	6,890
Other liabilities		–	–	–	–	–	–
		6,890	–	57,990	64,880	–	64,880
Derivative financial instruments	13	67,143	413	–	67,556	–	67,556
Deposits by banks		–	–	–	–	20,607	20,607
Customer accounts		–	–	–	–	132,018	132,018
Repurchase agreements and other similar secured borrowing	15	–	–	–	–	4,828	4,828
Debt securities in issue	21	–	–	–	–	37,849	37,849
Other liabilities	22	–	–	–	–	18,970	18,970
Subordinated liabilities and other borrowed funds	26	–	–	–	–	8,158	8,158
Liabilities included in disposal groups held for sale	20	–	–	–	–	147	147
Total at 31 December 2025		74,033	413	57,990	132,436	222,577	355,013

Liabilities	Notes	Liabilities at fair value: 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	Total $million
Financial liabilities held at fair value through profit or loss							
Deposits by banks		–	–	1,463	1,463	–	1,463
Customer accounts		–	–	8,832	8,832	–	8,832
Repurchase agreements and other similar secured borrowing	15	724	–	32,156	32,880	–	32,880
Debt securities in issue	21	–	–	12,062	12,062	–	12,062
Short positions		6,446	–	–	6,446	–	6,446
Other liabilities		–	–	–	–	–	–
		7,170	–	54,513	61,683	–	61,683
Derivative financial instruments	13	82,064	681	–	82,745	–	82,745
Deposits by banks		–	–	–	–	17,824	17,824
Customer accounts		–	–	–	–	119,502	119,502
Repurchase agreements and other similar secured borrowing	15	–	–	–	–	9,845	9,845
Debt securities in issue	21	–	–	–	–	36,081	36,081
Other liabilities	22	–	–	–	–	21,124	21,124
Subordinated liabilities and other borrowed funds	26	–	–	–	–	9,801	9,801
Liabilities included in disposal groups held for sale	20	–	–	–	–	–	–
Total at 31 December 2024		89,234	681	54,513	144,428	214,177	358,605

12. 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.

Group

	2025					
				Related amount not offset in 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	Financial instruments $million	Financial collateral $million	Net amount $million
As at 31 December 2025						
Derivative financial instruments	**77,650**	**(11,171)**	**66,479**	**(50,816)**	**(12,912)**	**2,751**
Reverse repurchase agreements and other similar secured lending	**142,210**	**(64,836)**	**77,374**	**–**	**(77,374)**	**–**
Total Assets	**219,860**	**(76,007)**	**143,853**	**(50,816)**	**(90,286)**	**2,751**
Derivative financial instruments	**79,391**	**(11,171)**	**68,220**	**(50,816)**	**(10,790)**	**6,614**
Repurchase agreements and other similar secured borrowing	**103,682**	**(64,836)**	**38,846**	**–**	**(38,846)**	**–**
Total Liabilities	**183,073**	**(76,007)**	**107,066**	**(50,816)**	**(49,636)**	**6,614**
As at 31 December 2024						
Derivative financial instruments	98,176	(15,459)	82,717	(65,027)	(12,984)	4,706
Reverse repurchase agreements and other similar secured lending	115,927	(38,314)	77,613	–	(77,613)	–
Total Assets	214,103	(53,773)	160,330	(65,027)	(90,597)	4,706
Derivative financial instruments	98,036	(15,459)	82,577	(65,027)	(9,181)	8,369
Repurchase agreements and other similar secured borrowing	81,445	(38,314)	43,131	–	(43,131)	–
Total Liabilities	179,481	(53,773)	125,708	(65,027)	(52,312)	8,369

12. Financial instruments continued

Company

	2025					
	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 Financial instruments $million	Related amount not offset in the balance sheet Financial collateral $million	Net amount $million
As at 31 December 2025						
Derivative financial instruments	**77,802**	**(11,171)**	**66,631**	**(52,411)**	**(12,063)**	**2,157**
Reverse repurchase agreements and other similar secured lending	**132,907**	**(64,237)**	**68,670**	**–**	**(68,670)**	**–**
Total Assets	**210,709**	**(75,408)**	**135,301**	**(52,411)**	**(80,733)**	**2,157**
Derivative financial instruments	**78,727**	**(11,171)**	**67,556**	**(52,411)**	**(9,239)**	**5,906**
Repurchase agreements and other similar secured borrowing	**102,227**	**(64,237)**	**37,990**	**–**	**(37,990)**	**–**
Total Liabilities	**180,954**	**(75,408)**	**105,546**	**(52,411)**	**(47,229)**	**5,906**
As at 31 December 2024						
Derivative financial instruments	98,303	(15,459)	82,844	(67,030)	(11,788)	4,026
Reverse repurchase agreements and other similar secured lending	110,919	(38,314)	72,605	–	(72,605)	–
Total Assets	209,222	(53,773)	155,449	(67,030)	(84,393)	4,026
Liabilities						
Derivative financial instruments	98,204	(15,459)	82,745	(67,030)	(8,196)	7,519
Repurchase agreements and other similar secured borrowing	81,039	(38,314)	42,725	–	(42,725)	–
Total Liabilities	179,243	(53,773)	125,470	(67,030)	(50,921)	7,519

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	**57,778**	55,154
Amount Contractually obliged to repay at maturity	**57,591**	55,474
Difference between aggregate fair value and contractually obliged to repay at maturity	**187**	(320)
Cumulative change in Fair Value accredited to Credit Risk Difference	**(229)**	(182)

The net fair value loss on financial liabilities designated at fair value through profit or loss was $3,568 million for the year (31 December 2024: net loss of $3,162 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.

12. Financial instruments continued

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.

Valuation techniques

Refer to the fair value hierarchy explanation – Level 1, 2 and 3 (page 127)

- **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 requirement significant judgment, which include valuation multiples, discount rates, forecasted cash flows, etc.

12. Financial instruments continued

- **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, 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.

12. Financial instruments continued

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	**93**	**5**	**98**	91	2	93
Credit valuation adjustment	**95**	**3**	**98**	98	(3)	95
Debit valuation adjustment	**(98)**	**29**	**(69)**	(118)	20	(98)
Model valuation adjustment	**5**	**(2)**	**3**	4	1	5
Funding valuation adjustment	**31**	**8**	**39**	36	(5)	31
Other fair value adjustments	**19**	**1**	**20**	20	(1)	19
Total	**145**	**44**	**189**	131	14	145
Income deferrals						
Day 1 and other deferrals	**81**	**11**	**92**	63	18	81
Total	**81**	**11**	**92**	63	18	81

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.
- **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.

12. Financial instruments continued

- **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

Assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels 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.

12. Financial instruments continued

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

Group

Assets	2025 Level 1 $million	2025 Level 2 $million	2025 Level 3 $million	2025 Total $million	2024 Level 1 $million	2024 Level 2 $million	2024 Level 3 $million	2024 Total $million
Financial instruments held at fair value through profit or loss								
Loans and advances to banks	–	2,435	–	2,435	–	2,033	–	2,033
Loans and advances to customers	–	6,523	2,422	8,945	–	2,633	1,356	3,989
Reverse repurchase agreements and other similar secured lending	–	62,972	3,354	66,326	–	63,047	2,556	65,603
Debt securities and other eligible bills	16,060	25,986	1,004	43,050	13,686	16,084	863	30,633
Of which:								
Issued by central banks & governments	15,572	21,055	–	36,627	13,226	12,212	9	25,447
Issued by corporates other than financial institutions[1]	46	1,390	109	1,545	3	938	355	1,296
Issued by financial institutions[1]	442	3,541	895	4,878	457	2,934	499	3,890
Equity shares	213	6	103	322	1,241	9	116	1,366
Derivative financial instruments	761	65,596	122	66,479	448	82,122	147	82,717
Of which:								
Foreign exchange	127	52,646	58	52,831	201	68,511	58	68,770
Interest rate	39	10,026	44	10,109	27	11,558	78	11,663
Credit	–	507	16	523	–	792	9	801
Equity and stock index options	–	238	4	242	–	204	2	206
Commodity	595	2,179	–	2,774	220	1,057	–	1,277
Investment securities								
Debt securities and other eligible bills	36,121	33,633	–	69,754	27,696	31,117	–	58,813
Of which:								
Issued by central banks & governments	25,499	18,026	–	43,525	20,740	13,360	–	34,100
Issued by corporates other than financial institutions[1]	–	438	–	438	–	490	–	490
Issued by financial institutions[1]	10,622	15,169	–	25,791	6,956	17,267	–	24,223
Equity shares	12	3	241	256	10	3	250	263
Total assets at 31 December	53,167	197,154	7,246	257,567	43,081	197,048	5,288	245,417
Liabilities								
Financial instruments held at fair value through profit or loss								
Deposits by banks	–	2,008	110	2,118	–	1,421	50	1,471
Customer accounts	–	6,703	510	7,213	–	8,867	355	9,222
Repurchase agreements and other similar secured borrowing	–	33,660	–	33,660	–	33,210	–	33,210
Debt securities in issue	–	13,693	1,094	14,787	–	10,983	1,193	12,176
Short positions	1,217	6,500	76	7,793	1,596	5,074	180	6,850
Derivative financial instruments	384	67,621	215	68,220	446	81,893	238	82,577
Of which:								
Foreign exchange	159	53,950	21	54,130	210	67,757	11	67,978
Interest rate	83	10,058	22	10,163	14	12,216	23	12,253
Credit	–	1,160	117	1,277	–	996	166	1,162
Equity and stock index options	–	222	54	276	–	109	37	146
Commodity	142	2,231	1	2,374	222	815	1	1,038
Total liabilities at 31 December	1,601	130,185	2,005	133,791	2,042	141,448	2,016	145,506

1 Includes covered bonds of $3,008 million (2024: $3,690 million), securities issued by Multilateral Development Banks/International Organisations of $14,401 million (2024: $8,867 million) and State-owned agencies and development banks of $12,128 million (2024: $10,268 million).

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 $145 million (2024: $512 million) and $157 million (2024: $180 million) respectively.

12. Financial instruments continued

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

Company

	2025				2024			
Assets	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	–	2,337	–	2,337	–	1,880	–	1,880
Loans and advances to customers	–	5,746	869	6,615	–	2,414	862	3,276
Reverse repurchase agreements and other similar secured lending	–	57,913	3,037	60,950	–	59,942	2,199	62,141
Debt securities and other eligible bills	7,147	22,155	501	29,803	7,505	12,078	242	19,825
Of which:								
Issued by central banks & governments	6,807	15,690	–	22,497	7,112	7,281	–	14,393
Issued by corporates other than financial institutions[1]	41	1,008	89	1,138	3	694	141	838
Issued by financial institutions[1]	299	5,457	412	6,168	390	4,103	101	4,594
Equity shares	188	1	–	189	1,218	9	–	1,227
Derivative financial instruments	779	65,755	97	66,631	484	82,230	130	82,844
Of which:								
Foreign exchange	145	52,674	38	52,857	238	68,497	47	68,782
Interest rate	39	10,215	40	10,294	27	11,788	72	11,887
Credit	–	430	16	446	–	614	9	623
Equity and stock index options	–	10	3	13	–	97	2	99
Commodity	595	2,426	–	3,021	219	1,234	–	1,453
Investment securities								
Debt securities and other eligible bills	18,204	29,497	–	47,701	18,882	27,768	–	46,650
Of which:								
Issued by central banks & governments	7,902	13,985	–	21,887	12,419	9,475	–	21,894
Issued by corporates other than financial institutions[1]	–	438	–	438	–	490	–	490
Issued by financial institutions[1]	10,302	15,074	–	25,376	6,463	17,803	–	24,266
Equity shares	12	2	222	236	10	3	233	246
Total assets at 31 December	26,330	183,406	4,726	214,462	28,099	186,324	3,666	218,089
Liabilities								
Financial instruments held at fair value through profit or loss								
Deposits by banks	–	1,689	98	1,787	–	1,413	50	1,463
Customer accounts	–	6,226	254	6,480	–	8,580	252	8,832
Repurchase agreements and other similar secured borrowing	–	33,162	–	33,162	–	32,880	–	32,880
Debt securities in issue	–	15,481	1,080	16,561	–	10,932	1,130	12,062
Short positions	930	5,886	74	6,890	1,413	4,853	180	6,446
Derivative financial instruments	389	67,075	92	67,556	472	82,183	90	82,745
Of which:								
Foreign exchange	164	53,698	43	53,905	236	68,193	27	68,456
Interest rate	83	10,371	22	10,476	14	12,453	23	12,490
Credit	–	793	2	795	–	703	16	719
Equity and stock index options	–	21	24	45	–	16	23	39
Commodity	142	2,192	1	2,335	222	818	1	1,041
Total liabilities at 31 December	1,319	129,519	1,598	132,436	1,885	140,841	1,702	144,428

1 Includes covered bonds of $3,008 million (2024: $3,608 million), securities issued by Multilateral Development Banks/International Organisations of $13,769 million (2024: $8,479 million) and State-owned agencies and development banks of $11,838 million (2024: $9,883 million).

12. Financial instruments continued

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 $10 million (2024: $105 million) and $93 million (2024: $124 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.

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.

Group

	2025					2024				
		Fair value					Fair value			
	Carrying value $million	Level 1 $million	Level 2 $million	Level 3 $million	Total $million	Carrying value $million	Level 1 $million	Level 2 $million	Level 3 $million	Total $million
Assets										
Cash and balances at central banks[1]	**64,943**	**–**	**64,943**	**–**	**64,943**	56,665	–	56,665	–	56,665
Loans and advances to banks	**24,771**	**–**	**24,745**	**37**	**24,782**	22,941	–	22,780	162	22,942
of which – reverse repurchase agreements and other similar secured lending	**3,698**	**–**	**3,707**	**–**	**3,707**	2,889	–	2,892	–	2,892
Loans and advances to customers	**159,254**	**–**	**21,176**	**138,367**	**159,543**	158,242	–	35,308	125,075	160,383
of which – reverse repurchase agreements and other similar secured lending	**7,350**	**–**	**7,350**	**–**	**7,350**	9,121	–	9,121	–	9,121
Investment securities[2]	**33,911**	**–**	**34,492**	**–**	**34,492**	37,366	–	35,512	24	35,536
Other assets[1]	**20,435**	**–**	**20,435**	**–**	**20,435**	21,535	–	21,535	–	21,535
Assets held for sale	**909**	**74**	**45**	**790**	**909**	866	58	335	473	866
At 31 December	**304,223**	**74**	**165,836**	**139,194**	**305,104**	297,615	58	172,135	125,734	297,927
Liabilities										
Deposits by banks	**25,758**	**–**	**25,758**	**–**	**25,758**	22,409	–	22,246	–	22,246
Customer accounts	**270,058**	**–**	**269,946**	**–**	**269,946**	239,204	–	238,960	–	238,960
Repurchase agreements and other similar secured borrowing	**5,186**	**–**	**5,186**	**–**	**5,186**	9,921	–	9,921	–	9,921
Debt securities in issue	**43,577**	**31**	**43,694**	**–**	**43,725**	39,864	–	39,744	–	39,744
Subordinated liabilities and other borrowed funds	**8,175**	**–**	**8,639**	**–**	**8,639**	10,359	–	10,360	–	10,360
Other liabilities[1]	**26,306**	**–**	**26,306**	**–**	**26,306**	27,350	–	27,350	–	27,350
Liabilities held for sale	**908**	**147**	**761**	**–**	**908**	360	89	271	–	360
At 31 December	**379,968**	**178**	**380,290**	**–**	**380,468**	349,467	89	348,852	–	348,941

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 $15,935 million at 31 December 2025 and $14,223 million at 31 December 2024.

12. Financial instruments continued

Company

	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]	**52,348**	**–**	**52,348**	**–**	**52,348**	45,233	–	45,233	–	45,233
Loans and advances to banks	**11,108**	**–**	**11,108**	**–**	**11,108**	11,755	–	11,669	87	11,756
of which – reverse repurchase agreements and other similar secured lending	**855**	**–**	**855**	**–**	**855**	1,423	–	1,426	–	1,426
Loans and advances to customers	**80,091**	**–**	**9,704**	**70,671**	**80,375**	77,597	–	14,168	63,640	77,808
of which – reverse repurchase agreements and other similar secured lending	**6,865**	**–**	**6,866**	**–**	**6,866**	9,041	–	9,041	–	9,041
Investment securities[2]	**31,747**	**–**	**30,911**	**–**	**30,911**	35,205	–	33,387	–	33,387
Other assets[1]	**14,577**	**–**	**14,577**	**–**	**14,577**	17,587	–	17,587	–	17,587
Assets held for sale	**227**	**74**	**15**	**138**	**227**	474	–	–	474	474
At 31 December	**190,098**	**74**	**118,663**	**70,809**	**189,546**	187,851	–	122,044	64,201	186,245
Liabilities										
Deposits by banks	**20,607**	**–**	**20,607**	**–**	**20,607**	17,824	–	17,662	–	17,662
Customer accounts	**132,018**	**–**	**131,905**	**–**	**131,905**	119,502	–	119,255	–	119,255
Repurchase agreements and other similar secured borrowing	**4,828**	**–**	**4,828**	**–**	**4,828**	9,845	–	9,845	–	9,845
Debt securities in issue	**37,849**	**–**	**37,784**	**–**	**37,784**	36,081	–	35,938	–	35,938
Subordinated liabilities and other borrowed funds	**8,158**	**–**	**8,162**	**–**	**8,162**	9,801	–	9,801	–	9,801
Other liabilities[1]	**18,970**	**–**	**18,970**	**–**	**18,970**	21,124	–	21,124	–	21,124
Liabilities held for sale	**147**	**147**	**–**	**–**	**147**	–	–	–	–	–
At 31 December	**222,577**	**147**	**222,256**	**–**	**222,403**	214,177	–	213,625	–	213,625

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 $14,212 million as at 31 December 2025 and $13,135 million as at 31 December 2024.

12. Financial instruments continued

Loans and advances to customers by client segment[1]

Group

	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 $million	Stage 3 $million	Stage 1 and stage 2 $million	Total $million	Stage 3 $million	Stage 1 and stage 2 $million	Total $million
Corporate & Investment Banking	1,189	90,210	91,399	1,195	90,366	91,561	1,047	89,345	90,392	921	89,602	90,523
Wealth & Retail Banking	512	52,583	53,095	510	52,826	53,336	501	46,515	47,016	502	48,529	49,031
Ventures	7	882	889	7	883	890	–	574	574	–	573	573
Central & other items	–	13,871	13,871	–	13,756	13,756	98	20,162	20,260	98	20,158	20,256
Total as at	1,708	157,546	159,254	1,712	157,831	159,543	1,646	156,596	158,242	1,521	158,862	160,383

1 Loans and advances includes reverse repurchase agreements and other similar secured lending: carrying value $7,350 million and fair value $7,350 million (31 December 2024: $9,121 million and $9,121 million respectively).

Company

	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 $million	Stage 3 $million	Stage 1 and stage 2 $million	Total $million	Stage 3 $million	Stage 1 and stage 2 $million	Total $million
Corporate & Investment Banking	1,006	62,472	63,478	1,004	62,624	63,628	830	64,174	65,004	706	64,559	65,265
Wealth & Retail Banking	249	11,848	12,097	248	11,983	12,231	275	11,504	11,779	275	11,454	11,729
Ventures	–	–	–	–	–	–	–	–	–	–	–	–
Central & other items	–	4,516	4,516	–	4,516	4,516	–	814	814	–	814	814
Total as at	1,255	78,836	80,091	1,252	79,123	80,375	1,105	76,492	77,597	981	76,827	77,808

1 Loans and advances includes reverse repurchase agreements and other similar secured lending: carrying value $6,866 million and fair value $6,866 million (31 December 2024: $9,041 million and $9,041 million respectively).

12. Financial instruments continued

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:

Group

Instrument	Value as at 31 December 2025 Assets $million	Value as at 31 December 2025 Liabilities $million	Principal valuation technique	Significant unobservable inputs	Range[1]	Weighted average[2]
Loans and advances to customers[3]	**2,422**	–	Discounted cash flows	Price/yield	2.1% – 61.3%	8.7%
			Comparable pricing/yield	Price/yield	29.4% – 100%	93.2%
Reverse repurchase agreements and other similar secured lending	**3,354**	–	Discounted cash flows	Repo curve	0.6% – 8.1%	5.4%
				Price/yield	4.1% – 25.1%	11.3%
Debt securities, alternative tier one and other eligible securities	**1,004**	–	Discounted cash flows	Price/yield	3.1% – 53.8%	12.6%
Equity shares (includes private equity investments)	**344**	–	Comparable pricing/yield[4]	Price	N/A	N/A
			Discounted cash flows	Discount rates	9.2% to 25.9%	12.9%
			Option pricing model	Equity value based on EV/Revenue multiples	5.4x to 23.0x	11.5x
				Equity value based on EV/EBITDA multiples	3.2x to 3.2x	3.2x
				Equity value based on volatility	40.0% to 40.0%	40.0%
Derivative financial instruments of which:						
Foreign exchange	**58**	**21**	Option pricing model	Foreign exchange option implied volatility	0.4% – 44.6%	33.1%
			Discounted cash flows	Interest rate curves	0.4% – 36.0%	14.3%
				Foreign exchange curves	1.3% – 3.9%	1.7%
Commodities	–	**1**	Discounted cash flows	Commodity prices	$0.23 – $341.2	$62
			Internal Pricing Model	CM-CM correlation	59.7% – 97.4%	78.6%
Interest rate	**44**	**22**	Discounted cash flows	Interest rate curves	3.51% – 36.04%	9.8%
Credit	**16**	**117**	Discounted cash flows	Credit spreads	0.9% – 1.0%	0.9%
				Price/yield	5.1% – 25.1%	9.9%
			Internal Pricing Model	Bond option implied volatility	5% – 13%	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	–	**110**	Discounted cash flows	Price/yield	4.7% – 6.1%	5.9%
Customer accounts	–	**510**	Discounted cash flows	Price/yield	6.1% – 20.8%	12.5%
Debt securities in issue	–	**1,094**	Discounted cash flows	Price/yield	7.4% – 19.1%	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% – 13%	10.8%
Short positions	–	**76**	Discounted cash flows	Price/yield	7.1% – 7.1%	7.1%
Total	**7,246**	**2,005**				

1 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.

2 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.

3 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.

4 The inputs for equity shares under Comparable pricing/yield technique have been consolidated under 'Price' as they are not individually material.

12. Financial instruments continued

Instrument	Value as at 31 December 2024 Assets $million	Liabilities $million	Principal valuation technique	Significant unobservable inputs	Range[1]	Weighted average[2]
Loans and advances to customers[3]	1,356	–	Discounted cash flows	Price/yield	1.0% – 26.07%	6.8%
			Comparable pricing/yield	Price	1.27% – 100%	92.1%
Reverse repurchase agreements and other similar secured lending	2,556	–	Discounted cash flows	Repo curve	2.0% – 7.6%	6.2%
				Price/yield	5.0% – 10.5%	6.1%
Debt securities, alternative tier one and other eligible securities	854	–	Discounted cash flows	Price/yield	5.3% – 15.3%	8.7%
				Recovery rates	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)	366	–	Comparable pricing/yield[4]	Price	N/A	N/A
			Discounted cash flows	Discount rates	9.2% – 20.4%	12.1%
			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	50.0% – 50.0%	50.0%
Derivative financial instruments of which:						
Foreign exchange	58	11	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%
Commodities	–	1	Discounted cash flows	Commodity prices	$384 – $391	$387
				CM-CM correlation	73.7% – 97.9%	86.0%
Interest rate	78	23	Discounted cash flows	Interest rate curves	3.5% – 43.9%	5.1%
			Option pricing model	Bond option implied volatility	2.3% – 2.9%	2.7%
Credit	9	166	Discounted cash flows	Credit spreads	0.1% – 1.7%	0.8%
				Price/yield	4.8% – 5.9%	5.1%
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	–	50	Discounted cash flows	Credit spreads	0.2% – 3.2%	1.7%
Customer accounts	–	355	Discounted cash flows	Price/yield	4.8% – 12.7%	7.1%
				Interest rate curves	3.5% – 4.4%	4.1%
Debt securities in issue	–	1,193	Discounted cash flows	Price/yield	6.2% – 14.8%	12.7%
				Interest rate curves	3.5% – 4.4%	4.1%
			Internal pricing model	Equity-FX correlation	(36.4)% – 48.9%	5.0%
			Option pricing model	Bond option implied volatility	4.0% – 15.0%	12.5%
			Discounted cash flows	Price/yield	5.9% – 12.7%	6.3%
Short positions	–	180	Discounted cash flows	Price/yield	5.9% – 12.7%	6.3%
Other Liabilities	–	–	Comparable pricing/yield	EV/EBITDA multiples	3.07x-9.95x	6.84x
Total	5,288	2,016				

1 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.

2 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.

3 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.

4 The inputs for equity shares under Comparable pricing/yield technique have been consolidated under 'Price' as they are not individually material.

12. Financial instruments continued

Company

Instrument	Value as at 31 December 2025 Assets $million	Liabilities $million	Principal valuation technique	Significant unobservable inputs	Range[1]	Weighted average[2]
Loans and advances to customers[3]	**869**	–	Discounted cash flows	Price/yield	3.06% – 23.7%	10.3%
			Comparable pricing/Yield	Price/yield	29.4% – 99.58%	90.9%
Reverse repurchase agreements and other similar secured lending	**3,037**	–	Discounted cash flows	Repo curve	3.9% – 8.06%	5.8%
				Price/yield	4.1% – 25.1%	11.3%
Debt securities, alternative tier one and other eligible securities	**501**	–	Discounted cash flows	Price/yield	3.06% – 53.79%	16.5%
Equity shares (includes private equity investments)	**222**	–	Comparable pricing/yield[4]	Price	N/A	N/A
			Discounted cash flows	Discount rates	25.9% to 25.9%	25.9%
Derivative financial instruments of which:						
Foreign exchange	**38**	**43**	Option pricing model	Foreign exchange option implied volatility	0.35% – 44.6%	37.7%
			Discounted cash flows	Interest rate curves	0.35% – 36.04%	12.6%
Commodities	–	**1**	Discounted cash flows	Commodity prices	$0.23 – $341.19	$62.
			Internal Pricing Model	CM-CM correlation	59.71% – 97.4%	78.6%
Interest rate	**40**	**22**	Discounted cash flows	Interest rate curves	3.51% – 36.04%	10.4%
Credit	**16**	**2**	Discounted cash flows	Credit spreads	0.86% – 1.02%	0.9%
				Price/yield	5.06% – 25.1%	15.2%
			Internal Pricing Model	Bond option implied volatility	5% – 13%	10.8%
Equity and stock index	**3**	**24**	Internal pricing model	Equity-Equity correlation	50.76% – 100%	77.6%
				Equity-FX correlation	-26.92% – 46.76%	6.7%
Deposits by banks	–	**98**	Discounted cash flows	Price/y	4.72% – 4.72%	4.7%
Customer accounts	–	**254**	Discounted cash flows	Price/yield	8.08% – 20.78%	15.8%
Debt securities in issue	–	**1,080**	Discounted cash flows	Price/yield	16.99% – 16.99%	17.0%
				Interest rate curves	3.58% – 36.04%	13.4%
			Internal pricing model	Equity-Equity correlation	50.76% – 100%	77.6%
				Equity-FX correlation	-26.92% – 46.76%	6.7%
			Option pricing model	Bond option implied volatility	5% – 13%	10.8%
Short positions	–	**74**	Discounted cash flows	Price/yield	7.13% – 7.13%	7.1%
Total	**4,726**	**1,598**				

1 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.

2 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.

3 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.

4 The inputs for equity shares under Comparable pricing/yield technique have been consolidated under 'Price' as they are not individually material.

12. Financial instruments continued

Instrument	Value as at 31 December 2024 Assets $million	Liabilities $million	Principal valuation technique	Significant unobservable inputs	Range[1]	Weighted average[2]
Loans and advances to customers[3]	862	–	Discounted cash flows	Price/yield	1.8% – 26.1%	6.4%
			Comparable pricing/yield	Price	26.5% – 100%	92.7%
Reverse repurchase agreements and other similar secured lending	2,199	–	Discounted cash flows	Repo curve	2.0% – 7.6%	6.7%
				Price/yield	5.0% – 10.5%	6.1%
Debt securities, alternative tier one and other eligible securities	242	–	Discounted cash flows	Price/yield	5.3% – 15.3%	11.7%
				Recovery rate	0.01% – 15.0%	7.6%
Equity shares (includes private equity investments)	233	–	Comparable pricing/yield[4]	Price	N/A	N/A
			Discounted cash flows	Discount rates	12.5% – 20.4%	19.1%
			Option pricing model	Equity value based on EV/Revenue multiples	6.4x – 6.4x	6.4x
Derivative financial instruments of which:						
Foreign exchange	47	27	Option pricing model	Foreign exchange option implied volatility	10.2% – 46.2%	42.0%
				Interest rate curves	3.5% – 7.2%	4.2%
				Foreign exchange curves	0.03% – 34.3%	6.9%
Commodities	-	1	Discounted cash flows	Commodity prices	$384 – $391	$387
				CM-CM correlation	73.7% – 97.9%	86.0%
Interest rate	72	23	Discounted cash flows	Interest rate curves	3.5% – 7.2%	5.1%
Credit	9	16	Discounted cash flows	Credit spreads	0.1% – 1.7%	0.8%
				Price/yield	4.8% – 5.9%	5.3%
Equity and stock index	2	23	Internal pricing model	Equity-Equity correlation	44.9% – 100%	80.0%
				Equity-FX correlation	(36.4)% – 48.9%	5.0%
Deposits by banks	–	50	Discounted cash flows	Credit spreads	0.2% – 3.2%	1.7%
Customer accounts	–	252	Discounted cash flows	Price/yield	5.7% – 12.7%	7.5%
				Interest rate curves	3.5% – 4.4%	4.1%
Debt securities in issue	–	1,130	Discounted cash flows	Price/yield	6.2% – 14.8%	13.3%
				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% – 15.0%	12.5%
Short position	–	180	Discounted cash flows	Price/yield	5.9% – 12.7%	6.3%
Total	3,666	1,702				

1 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.

2 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.

3 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.

4 The inputs for equity shares under Comparable pricing/yield technique have been consolidated under 'Price' as they are not individually material.

12. Financial instruments continued

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

12. Financial instruments continued

Level 3 movement tables – financial assets

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

Group

Assets	Held at fair value through profit or loss						Investment securities		
	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	Derivative financial instruments $million	Debt securities, alternative tier one and other eligible bills $million	Equity shares $million	Total $million
At 01 January 2025	–	1,356	2,556	863	116	147	–	250	5,288
Total gains/(losses) recognised in income statement	–	23	(3)	36	(9)	(22)	–	–	25
Net trading income	–	23	(3)	36	(9)	(22)	–	–	25
Other operating income	–	–	–	–	–	–	–	–	–
Total losses recognised in other comprehensive income (OCI)	–	–	–	–	–	–	–	49	49
Fair value through OCI reserve	–	–	–	–	–	–	–	49	49
Exchange difference	–	–	–	–	–	–	–	–	–
Purchases	–	2,029	8,796	391	13	171	–	2	11,402
Sales	–	(601)	(6,941)	(921)	(10)	(114)	–	(60)	(8,647)
Settlements	–	(180)	(1,054)	(6)	–	(38)	–	–	(1,278)
Transfers out[1]	–	(803)	–	(280)	(7)	(23)	–	–	(1,113)
Transfers in[2]	–	598	–	921	–	1	–	–	1,520
Other Movement	–	–	–	–	–	–	–	–	–
At 31 December 2025	–	2,422	3,354	1,004	103	122	–	241	7,246
Recognised in the income statement[3]	–	(9)	(3)	5	(9)	(17)	–	–	(33)
At 01 January 2024	–	1,172	1,365	1,220	85	76	71	245	4,234
Total (losses)/gains recognised in income statement	(1)	(16)	18	(122)	7	(51)	–	–	(165)
Net trading income	(1)	(16)	18	(64)	7	(51)	–	–	(107)
Other operating income	–	–	–	(58)	–	–	–	–	(58)
Total gains recognised in other comprehensive income (OCI)	–	–	–	–	–	–	(11)	(8)	(19)
Fair value through OCI reserve	–	–	–	–	–	–	–	(4)	(4)
Exchange difference	–	–	–	–	–	–	(11)	(4)	(15)
Purchases	–	1,262	6,071	647	24	290	–	9	8,303
Sales	–	(1,261)	(4,251)	(899)	–	(174)	–	–	(6,585)
Settlements	(7)	(41)	(782)	–	–	(22)	–	–	(852)
Transfers out[1]	(13)	(243)	(5)	–	–	(7)	(260)	–	(528)
Transfers in[2]	21	483	140	17	–	35	200	4	900
At 31 December 2024	–	1,356	2,556	863	116	147	–	250	5,288
Recognised in the income statement[3]	–	7	1	(1)	7	(15)	–	–	(1)

1 Transfers out includes loans and advances, debt securities, alternative tier one and other eligible bills, reverse repurchase agreements 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, debt securities, alternative tier one and other eligible bills, reverse repurchase agreements, 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.

12. Financial instruments continued

Level 3 movement tables – financial assets

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

Company

Assets	Held at fair value through profit or loss					Investment securities		
	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	Derivative financial instruments $million	Debt securities, alternative tier one and other eligible bills $million	Equity shares $million	Total $million
At 01 January 2025	**–**	**862**	**2,199**	**242**	**130**	**–**	**233**	**3,666**
Total gains/(losses) recognised in income statement	**–**	**12**	**(1)**	**26**	**(10)**	**–**	**–**	**27**
Net trading income	**–**	**12**	**(1)**	**26**	**(10)**	**–**	**–**	**27**
Total losses recognised in other comprehensive income (OCI)	**–**	**–**	**–**	**–**	**–**	**–**	**49**	**49**
Fair value through OCI reserve	**–**	**–**	**–**	**–**	**–**	**–**	**49**	**49**
Purchases	**–**	**781**	**8,795**	**244**	**139**	**–**	**2**	**9,961**
Sales	**–**	**(409)**	**(6,941)**	**(342)**	**(114)**	**–**	**(62)**	**(7,868)**
Settlements	**–**	**(158)**	**(1,015)**	**(6)**	**(29)**	**–**	**–**	**(1,208)**
Transfers out[1]	**–**	**(803)**	**–**	**(230)**	**(21)**	**–**	**–**	**(1,054)**
Transfers in[2]	**–**	**584**	**–**	**567**	**2**	**–**	**–**	**1,153**
At 31 December 2025	**–**	**869**	**3,037**	**501**	**97**	**–**	**222**	**4,726**
Recognised in the income statement[3]	**–**	**(16)**	**(1)**	**–**	**–**	**–**	**–**	**(17)**
At 01 January 2024	–	1,024	1,092	114	72	–	226	2,528
Total (losses)/gains recognised in income statement	–	(24)	17	(50)	(41)	–	–	(98)
Net trading income	–	(24)	17	(50)	(41)	–	–	(98)
Other operating income	–	–	–	–	–	–	–	–
Total gains recognised in other comprehensive income (OCI)	–	–	–	–	–	–	–	–
Fair value through OCI reserve	–	–	–	–	–	–	1	1
Exchange difference	–	–	–	–	–	–	(1)	(1)
Purchases	–	683	5,177	423	317	–	9	6,609
Sales	(20)	(939)	(3,392)	(253)	(213)	–	–	(4,817)
Settlements	–	(28)	(782)	–	(13)	–	–	(823)
Transfers out[1]	–	(226)	(5)	–	(24)	(200)	(2)	(457)
Transfers in[2]	20	372	92	8	32	200	–	724
At 31 December 2024	–	862	2,199	242	130	–	233	3,666
Recognised in the income statement[3]	–	–	–	–	(13)	–	–	(13)

1 Transfers out includes loans and advances, debt securities, alternative tier one and other eligible bills, equity shares 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, 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.

12. Financial instruments continued

Level 3 movement tables – financial liabilities

Group

	Deposits by banks $million	Customer accounts $million	Debt securities in issue $million	Derivative financial instruments $million	Short positions $million	Total $million
At 01 January 2025	**50**	**355**	**1,193**	**238**	**180**	**2,016**
Total losses recognised in income statement – net trading income	**3**	**12**	**24**	**8**	**–**	**47**
Issues	**81**	**1,326**	**2,113**	**651**	**–**	**4,171**
Settlements	**(64)**	**(1,016)**	**(2,194)**	**(595)**	**(104)**	**(3,973)**
Transfers out[1]	**–**	**(230)**	**(58)**	**(88)**	**–**	**(376)**
Transfers in[2]	**40**	**63**	**16**	**1**	**–**	**120**
At 31 December 2025	**110**	**510**	**1,094**	**215**	**76**	**2,005**
Recognised in the income statement[3]	**3**	**2**	**2**	**(13)**	**–**	**(6)**
At 01 January 2024	68	232	1,026	162	103	1,591
Total losses recognised in income statement – net trading income	29	9	16	4	3	61
Issues	33	776	3,785	483	177	5,254
Settlements	(80)	(644)	(2,641)	(407)	(103)	(3,875)
Transfers out[1]	–	(26)	(1,063)	(10)	–	(1,099)
Transfers in[2]	–	8	70	6	–	84
At 31 December 2024	50	355	1,193	238	180	2,016
Recognised in the income statement[3]	29	5	2	2	–	38

1 Transfers out during the year primarily relates 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 relates to customer accounts, debt securities in issue and derivative financial instruments where the valuation parameters became 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.

Company

	Deposits by banks $million	Customer accounts $million	Debt securities in issue $million	Derivative financial instruments $million	Short positions $million	Total $million
At 01 January 2025	**50**	**252**	**1,130**	**90**	**180**	**1,702**
Total losses recognised in income statement – net trading income	**3**	**8**	**22**	**22**	**–**	**55**
Issues	**80**	**768**	**2,037**	**100**	**–**	**2,985**
Settlements	**(64)**	**(594)**	**(2,067)**	**(90)**	**(106)**	**(2,921)**
Transfers out[1]	**–**	**(230)**	**(58)**	**(31)**	**–**	**(319)**
Transfers in[2]	**29**	**50**	**16**	**1**	**–**	**96**
At 31 December 2025	**98**	**254**	**1,080**	**92**	**74**	**1,598**
Recognised in the income statement[3]	**3**	**–**	**–**	**–**	**–**	**3**
At 01 January 2024	68	130	861	62	103	1,224
Total losses recognised in income statement – net trading income	29	4	13	3	3	52
Issues	33	545	3,487	140	177	4,382
Settlements	(80)	(429)	(2,238)	(116)	(103)	(2,966)
Transfers out[1]	–	(26)	(1,063)	(5)	–	(1,094)
Transfers in[2]	–	28	70	6	–	104
At 31 December 2024	50	252	1,130	90	180	1,702
Recognised in the income statement[3]	29	–	–	(1)	–	28

1 Transfers out during the year primarily relates 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 relates 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.

12. Financial instruments continued

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.

Group

	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	**2,422**	**2,491**	**2,331**	**–**	**–**	**–**
Reverse Repurchase agreements and other similar secured lending	**3,354**	**3,386**	**3,326**	**–**	**–**	**–**
Debt securities, alternative tier one and other eligible bills	**1,004**	**1,025**	**985**	**–**	**–**	**–**
Equity shares	**103**	**113**	**92**	**241**	**265**	**217**
Derivative financial instruments	**(93)**	**(70)**	**(115)**	**–**	**–**	**–**
Customer accounts	**(510)**	**(497)**	**(525)**	**–**	**–**	**–**
Deposits by banks	**(110)**	**(108)**	**(112)**	**–**	**–**	**–**
Short positions	**(76)**	**(76)**	**(77)**	**–**	**–**	**–**
Debt securities in issue	**(1,094)**	**(1,017)**	**(1,171)**	**–**	**–**	**–**
At 31 December 2025	**5,000**	**5,247**	**4,734**	**241**	**265**	**217**
Financial instruments held at fair value						
Loans and advances	1,356	1,388	1,296	–	–	–
Reverse Repurchase agreements and other similar secured lending	2,556	2,591	2,521	–	–	–
Debt securities, alternative tier one and other eligible bills	863	896	831	–	–	–
Equity shares	116	127	105	250	275	225
Derivative financial instruments	(91)	(79)	(105)	–	–	–
Customer accounts	(355)	(344)	(367)	–	–	–
Deposits by banks	(50)	(50)	(50)	–	–	–
Short positions	(180)	(178)	(182)	–	–	–
Debt securities in issue	(1,193)	(1,134)	(1,252)	–	–	–
At 31 December 2024	3,022	3,217	2,797	250	275	225

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	
Financial instruments	2025 $million	2024 $million	2025 $million	2024 $million
Held at fair value through profit or loss	**246**	195	**(267)**	(225)
Fair value through other comprehensive income	**24**	25	**(24)**	(25)

12. Financial instruments continued

Company

	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	**869**	**919**	**811**	**–**	**–**	**–**
Reverse Repurchase agreements and other similar secured lending	**3,037**	**3,067**	**3,010**	**–**	**–**	**–**
Debt securities, alternative tier one and other eligible bills	**501**	**515**	**489**	**–**	**–**	**–**
Equity shares	**–**	**–**	**–**	**222**	**244**	**199**
Derivative financial instruments	**5**	**22**	**(10)**	**–**	**–**	**–**
Customer accounts	**(254)**	**(244)**	**(265)**	**–**	**–**	**–**
Deposits by banks	**(98)**	**(96)**	**(99)**	**–**	**–**	**–**
Short positions	**(74)**	**(74)**	**(75)**	**–**	**–**	**–**
Debt securities in issue	**(1,080)**	**(1,001)**	**(1,160)**	**–**	**–**	**–**
At 31 December 2025	**2,906**	**3,108**	**2,701**	**222**	**244**	**199**
Financial instruments held at fair value						
Loans and advances	862	888	819	–	–	–
Reverse Repurchase agreements and other similar secured lending	2,199	2,232	2,165	–	–	–
Debt securities, alternative tier one and other eligible bills	242	247	237	–	–	–
Equity shares	–	–	–	233	256	210
Derivative financial instruments	40	52	27	–	–	–
Customer accounts	(252)	(244)	(261)	–	–	–
Deposits by banks	(50)	(50)	(50)	–	–	–
Short positions	(180)	(178)	(182)	–	–	–
Debt securities in issue	(1,130)	(1,076)	(1,184)	–	–	–
At 31 December 2024	1,731	1,871	1,571	233	256	210

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	
Financial instruments	2025 $million	2024 $million	2025 $million	2024 $million
Held at fair value through profit or loss	**201**	140	**(206)**	(160)
Fair value through other comprehensive income	**22**	23	**(23)**	(23)

13. 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.

13. Derivative financial instruments 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

Group

Derivatives	2025 Notional principal amounts $million	2025 Assets $million	2025 Liabilities $million	2024 Notional principal amounts $million	2024 Assets $million	2024 Liabilities $million
Foreign exchange derivative contracts[1]:						
Forward foreign exchange contracts	**5,982,099**	**41,876**	**42,276**	5,007,030	55,423	53,632
Currency swaps and options	**1,457,790**	**10,955**	**11,854**	1,241,536	13,347	14,346
	7,439,889	**52,831**	**54,130**	6,248,566	68,770	67,978
Interest rate derivative contracts:						
Swaps	**10,108,824**	**19,920**	**20,167**	6,790,635	24,809	25,007
Forward rate agreements and options	**321,508**	**1,321**	**1,083**	292,625	2,283	2,678
	10,430,332	**21,241**	**21,250**	7,083,260	27,092	27,685
Exchange traded futures and options	**634,982**	**39**	**84**	375,487	30	27
Credit derivative contracts	**82,463**	**523**	**1,277**	220,389	801	1,162
Equity and stock index options	**12,958**	**242**	**276**	7,427	206	146
Commodity derivative contracts	**184,168**	**2,774**	**2,374**	142,065	1,277	1,038
Gross total derivatives	**18,784,792**	**77,650**	**79,391**	14,077,194	98,176	98,036
Offset	**–**	**(11,171)**	**(11,171)**	–	(15,459)	(15,459)
Total derivatives	**18,784,792**	**66,479**	**68,220**	14,077,194	82,717	82,577

1 Foreign exchange derivative contracts include precious metals derivatives.

13. Derivative financial instruments continued

Company

Derivatives	2025 Notional principal amounts $million	2025 Assets $million	2025 Liabilities $million	2024 Notional principal amounts $million	2024 Assets $million	2024 Liabilities $million
Foreign exchange derivative contracts[1]:						
Forward foreign exchange contracts	**6,117,189**	**42,099**	**42,261**	5,040,980	55,576	54,196
Currency swaps and options	**1,444,474**	**10,758**	**11,644**	1,233,628	13,206	14,260
	7,561,663	**52,857**	**53,905**	6,274,608	68,782	68,456
Interest rate derivative contracts:						
Swaps	**10,159,444**	**20,141**	**20,484**	6,826,162	25,053	25,248
Forward rate agreements and options	**326,751**	**1,284**	**1,078**	293,160	2,263	2,674
	10,486,195	**21,425**	**21,562**	7,119,322	27,316	27,922
Exchange traded futures and options	**634,982**	**40**	**85**	375,487	30	27
Credit derivative contracts	**75,850**	**446**	**795**	213,526	623	719
Equity and stock index options	**1,993**	**13**	**45**	2,210	99	39
Commodity derivative contracts	**186,156**	**3,021**	**2,335**	143,982	1,453	1,041
Gross total derivatives	**18,946,839**	**77,802**	**78,727**	14,129,135	98,303	98,204
Offset	**–**	**(11,171)**	**(11,171)**	–	(15,459)	(15,459)
Total derivatives	**18,946,839**	**66,631**	**67,556**	14,129,135	82,844	82,745

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 60). The Derivatives and Hedging sections of the Risk review and Capital review (page 59) explain the Group's risk management of derivative contracts and application of hedging.

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.

Group

	2025 Notional principal amounts $million	2025 Assets $million	2025 Liabilities $million	2024 Notional principal amounts $million	2024 Assets	2024 Liabilities
Derivatives designated as fair value hedges:						
Interest rate swaps	**42,671**	**516**	**399**	42,694	639	622
Currency swaps	**1,954**	**92**	**–**	1,035	–	56
	44,625	**608**	**399**	43,729	639	678
Derivatives designated as cash flow hedges:						
Interest rate swaps	**38,948**	**168**	**40**	32,651	68	134
Forward foreign exchange contracts	**3,848**	**110**	**31**	9,173	608	–
Currency swaps	**644**	**10**	**10**	2,163	114	1
	43,440	**288**	**81**	43,987	790	135
Derivatives designated as net investment hedges:						
Forward foreign exchange contracts	**4,868**	**119**	**–**	3,222	36	–
Total derivatives held for hedging	**92,933**	**1,015**	**480**	90,938	1,465	813

13. Derivative financial instruments continued

Company

	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	**40,695**	**513**	**394**	41,622	616	621
Currency swaps	**193**	**2**	**–**	–	–	–
	40,888	**515**	**394**	41,622	616	621
Derivatives designated as cash flow hedges:						
Interest rate swaps	**20,322**	**87**	**19**	23,611	49	60
Forward foreign exchange contracts	**2,579**	**107**	**–**	8,884	578	–
Currency swaps	**–**	**–**	**–**	1,231	31	–
	22,901	**194**	**19**	33,726	658	60
Derivatives designated as net investment hedges:						
Forward foreign exchange contracts	**4,839**	**118**	**–**	3,222	36	–
Total derivatives held for hedging	**68,628**	**827**	**413**	78,570	1,310	681

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 12). 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.

13. Derivative financial instruments continued

Hedging instruments and ineffectiveness

Group

Interest rate[1]	Notional $million	Carrying Amount Asset $million	Carrying Amount Liability $million	Change in fair value used to calculate hedge ineffectiveness[2] $million	Ineffectiveness recognised in profit or loss $million
Interest rate swaps – debt securities/subordinated notes issued	**23,972**	**372**	**340**	**319**	**–**
Interest rate swaps – loans and advances to customers	**214**	**–**	**3**	**1**	**–**
Interest rate swaps – debt securities and other eligible bills	**18,485**	**144**	**56**	**(319)**	**(9)**
Interest and currency risk[1]					
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	**44,625**	**608**	**399**	**142**	**(9)**
Interest rate swaps – debt securities/subordinated notes issued	28,236	199	588	(57)	(4)
Interest rate swaps – loans and advances to customers	807	1	12	(3)	–
Interest rate swaps – debt securities and other eligible bills	13,651	439	22	141	2
Interest and currency risk[1]					
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	43,729	639	678	19	(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 Asset $million	Carrying Amount Liability $million	Accumulated amount of fair value hedge adjustments included in the carrying amount Asset $million	Accumulated amount of fair value hedge adjustments included in the carrying amount Liability $million	Change in the value used for calculating hedge ineffectiveness[1] $million	Cumulative balance of fair value adjustments from de-designated hedge relationships[2] $million
Debt securities/subordinated notes issued	**–**	**26,038**	**–**	**32**	**(460)**	**(164)**
Debt securities and other eligible bills	**18,449**	**–**	**(46)**	**–**	**310**	**73**
Loans and advances to customers	**214**	**–**	**–**	**–**	**(1)**	**–**
Total as at 31 December 2025	**18,663**	**26,038**	**(46)**	**32**	**(151)**	**(91)**
Debt securities/subordinated notes issued	–	29,845	–	503	104	(242)
Debt securities and other eligible bills	13,195	–	(327)	–	(130)	204
Loans and advances to customers	811	–	4	–	4	4
Total as at 31 December 2024	14,006	29,845	(323)	503	(22)	(34)

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	**142**	19
Change in fair value of hedged risks attributable to hedged items	**(151)**	(22)
Net ineffectiveness loss to net trading income	**(9)**	(3)
Amortisation (loss)/gain to net interest income	**(16)**	129

13. Derivative financial instruments continued

Hedging instruments and ineffectiveness

Company

Interest rate[1]	Notional $million	Carrying Amount Asset $million	Carrying Amount Liability $million	Change in fair value used to calculate hedge ineffectiveness $million	Ineffectiveness recognised in profit or loss $million
Interest rate swaps – debt securities/subordinated notes issued	**23,798**	**372**	**340**	**319**	**–**
Interest rate swaps – loans and advances to customers	**149**	**–**	**3**	**2**	**–**
Interest rate swaps – debt securities and other eligible bills	**16,748**	**141**	**51**	**(309)**	**(9)**
Interest and currency risk[1]					
Cross currency swaps – debt securities/subordinated notes issued	**193**	**2**	**–**	**1**	**–**
Cross currency swaps – debt securities and other eligible bills	**–**	**–**	**–**	**–**	**–**
Total as at 31 December 2025	**40,888**	**515**	**394**	**13**	**(9)**
Interest rate swaps – debt securities/subordinated notes issued	28,236	200	588	(57)	(4)
Interest rate swaps – loans and advances to customers	760	–	12	(4)	–
Interest rate swaps – debt securities and other eligible bills	12,626	416	21	137	2
Interest and currency risk[1]					
Cross currency swaps – debt securities/subordinated notes issued	–	–	–	8	–
Cross currency swaps – debt securities and other eligible bills	–	–	–	(10)	–
Total as at 31 December 2024	41,622	616	621	74	(2)

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 the value used for calculating hedge ineffectiveness[1]	Cumulative balance of fair value adjustments from de-designated hedge relationships[2]
	Asset $million	Liability $million	Asset $million	Liability $million	$million	$million
Debt securities/subordinated notes issued	**–**	**24,183**	**–**	**114**	**(320)**	**(164)**
Debt securities and other eligible bills	**16,695**	**–**	**(51)**	**–**	**300**	**75**
Loans and advances to customers	**150**	**–**	**–**	**–**	**(2)**	**–**
Total as at 31 December 2025	**16,845**	**24,183**	**(51)**	**114**	**(22)**	**(89)**
Debt securities/subordinated notes issued	–	28,751	–	444	45	(242)
Debt securities and other eligible bills	12,192	–	(314)	–	(125)	204
Loans and advances to customers	765	–	5	–	4	4
Total as at 31 December 2024	12,957	28,751	(309)	444	(76)	(34)

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	**13**	74
Change in fair value of hedged risks attributable to hedged items	**(22)**	(76)
Net ineffectiveness loss to net trading income	**(9)**	(2)
Amortisation (loss)/gain to net interest income	**(16)**	131

13. Derivative financial instruments continued

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

Group

		Carrying Amount					
	Notional $million	Asset $million	Liability $million	Change in fair value used to calculate hedge ineffectiveness[1] $million	Gain/(loss) recognised in OCI $million	Ineffectiveness gain/(loss) recognised in net trading income $million	Amount reclassified from reserves to income $million
Interest rate risk							
Interest rate swaps	**38,948**	**168**	**40**	**172**	**169**	**3**	**–**
Currency risk							
Forward foreign exchange contract	**3,848**	**110**	**31**	**(6)**	**(5)**	**(1)**	**–**
Cross currency swaps	**644**	**10**	**10**	**(93)**	**(94)**	**1**	**–**
Total as at 31 December 2025	**43,440**	**288**	**81**	**73**	**70**	**3**	**–**
Interest rate risk							
Interest rate swaps	32,651	68	134	(1)	2	(3)	–
Currency risk							
Forward foreign exchange contract	9,173	608	–	42	42	–	–
Cross currency swaps	2,163	114	1	76	77	(1)	–
Total as at 31 December 2024	43,987	790	135	117	121	(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 hedges ineffectiveness[1] $million	Cash flow hedge reserve $million	Cumulative balance in the cash flow hedge reserve from de-designated hedge relationships $million
Customer accounts	**15**	**2**	**14**	(82)	(3)	16
Debt securities and other eligible bills	**(17)**	**1**	**–**	(7)	(16)	(4)
Loans and advances to customers	**(145)**	**156**	**(3)**	22	32	(6)
Intragroup borrowing currency hedge	**77**	**–**	**–**	(54)	–	–
Total as at 31 December	**(70)**	**159**	**11**	(121)	13	6

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

13. 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	**8**	(13)
Gain recognised in other comprehensive income on effective portion of changes in fair value of hedging instruments	**70**	121
Loss/(Gain) reclassified to income statement when hedged item affected net profit	**80**	(89)
Taxation charge relating to cash flow hedges	**(23)**	(11)
Cash flow hedge reserve balance as at 31 December	**135**	8

Hedging instruments and ineffectiveness

Company

	Notional $million	Carrying Amount: Asset $million	Carrying Amount: Liability $million	Change in fair value used to calculate hedge ineffectiveness[1] $million	Gain/(loss) recognised in OCI $million	Ineffectiveness gain/(loss) recognised in net trading income $million	Amount reclassified from reserves to income $million
Interest rate risk							
Interest rate swaps	**20,322**	**87**	**19**	**72**	**72**	**–**	**–**
Currency risk							
Forward foreign exchange contract	**2,579**	**107**	**–**	**(2)**	**(2)**	**–**	**–**
Cross currency swaps	**–**	**–**	**–**	**(77)**	**(77)**	**–**	**–**
Total as at 31 December 2025	**22,901**	**194**	**19**	**(7)**	**(7)**	**–**	**–**
Interest rate risk							
Interest rate swaps	23,611	49	60	45	47	(2)	–
Currency risk							
Forward foreign exchange contract	8,884	578	–	34	34	–	–
Cross currency swaps	1,231	31	–	53	53	–	–
Total as at 31 December 2024	33,726	658	60	132	134	(2)	–

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	**11**	**2**	**14**	(81)	(3)	16
Debt securities and other eligible bills	**(17)**	**–**	**–**	(5)	(18)	(4)
Loans and advances to customers	**(64)**	**73**	**(5)**	6	31	(6)
Intragroup borrowing currency hedge	**77**	**–**	**–**	(54)	–	–
Total as at 31 December	**7**	**75**	**9**	(134)	10	6

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

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	**(17)**	(51)
(Loss)/gain recognised in other comprehensive income on effective portion of changes in fair value of hedging instruments	**(7)**	134
Loss/(gain) reclassified to income statement when hedged item affected net profit	**75**	(88)
Taxation charge relating to cash flow hedges	**(14)**	(12)
Cash flow hedge reserve balance as at 31 December	**37**	(17)

13. Derivative financial instruments continued

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.

Hedging instruments and ineffectiveness

Group

		Carrying amount					
Derivative forward currency contracts[1]	Notional $million	Asset $million	Liability $million	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
As at 31 December 2025	**4,868**	**119**	**–**	**75**	**75**	**–**	**–**
As at 31 December 2024	3,222	36	–	44	44	–	–

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 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	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	**(75)**	**118**	**–**	(44)	36	–

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.

	2025 $million	2024 $million
Gains recognised in other comprehensive income	**75**	44

Hedging instruments and ineffectiveness

Company

		Carrying amount					
Derivative forward currency contracts[1]	Notional $million	Asset $million	Liability $million	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
As at 31 December 2025	**4,839**	**118**	**–**	**75**	**75**	**–**	**–**
As at 31 December 2024	3,222	36	–	15	15	–	–

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 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	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	**(75)**	**117**	**–**	(15)	36	–

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.

13. Derivative financial instruments continued

Impact of net investment hedges on other comprehensive income

	2025 $million	2024 $million
Gains recognised in other comprehensive income	75	15

Maturity of hedging instruments

Group

		2025				2024			
Fair value hedges		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
Interest rate swap									
Notional	$million	285	5,340	27,768	9,278	1,300	8,850	22,506	10,038
Cross currency swap									
Notional	$million	–	–	1,954	–	–	–	1,035	–
Average fixed interest rate (to USD) (%)	EUR	–	–	2.30	–	–	–	2.40	–
Average exchange rate	EUR/USD	–	–	0.90	–	–	–	0.91	–
Cash flow hedges									
Interest rate swap									
Notional	$million	1,253	11,099	25,217	1,379	2,250	13,331	15,286	1,784
Average fixed interest rate (%)	USD	4.00	4.10	3.60	3.70	5.02	4.59	4.06	3.74
Cross currency swap									
Notional	$million	–	538	106	–	28	1,525	610	–
Average fixed interest rate (%)	INR	–	10.10	10.60	–	–	9.19	11.41	–
	JPY	–	–	–	–	–	0.08	–	–
	BRL	–	10.90	–	–	–	–	10.90	–
Average exchange rate	INR/USD	–	87.60	83.01	–	–	83.63	83.20	–
	JPY/USD	–	–	–	–	–	153.62	–	–
	BRL/USD	–	5.53	–	–	–	–	5.53	–
Forward foreign exchange contracts									
Notional	$million	718	2,834	296	–	2,024	6,860	289	–
Average exchange rate	HKD/USD	7.77	7.75	–	–	–	–	–	–
	BRL/USD	–	6.54	6.37	–	–	–	6.5	–
	JPY/USD	148.75	147.10	–	–	147.38	146.65	–	–
Net investment hedges									
Foreign exchange derivatives									
Notional	$million	4,839	29	–	–	3,222	–	–	–
Average exchange rate	INR/USD	86.63	–	–	–	84.07	–	–	–
	AED/USD	3.67	–	–	–	3.67	–	–	–

13. Derivative financial instruments continued

Maturity of hedging instruments

Company

Fair value hedges		2025 Less than one month	2025 More than one month and less than one year	2025 One to five years	2025 More than five years	2024 Less than one month	2024 More than one month and less than one year	2024 One to five years	2024 More than five years
Interest rate swap									
Notional	$million	259	4,544	26,614	9,279	1,300	8,715	21,569	10,038
Cross currency swap									
Notional	$million	–	–	193	–	–	–	–	–
Average fixed interest rate (to USD) (%)	HKD	–	–	2.36	–	–	–	–	–
Average exchange rate	HKD/USD	–	–	7.85	–	–	–	–	–
Cash flow hedges									
Interest rate swap									
Notional	$million	994	7,441	11,507	380	2,005	11,373	9,449	784
Average fixed interest rate (%)	USD	4.02	4.16	3.67	3.54	5.36	4.30	4.29	3.95
Cross currency swap									
Notional	$million	–	–	–	–	–	1,231	–	–
Average fixed interest rate (%)	JPY	–	–	–	–	–	0.19	–	–
Average exchange rate	JPY/USD	–	–	–	–	–	153.62	–	–
Forward foreign exchange contracts									
Notional	$million	608	1,971	–	–	2,024	6,860	–	–
Average exchange rate	INR/USD	–	–	–	–	147.38	145.65	–	–
	HKD/USD	7.77	–	–	–	–	–	–	–
	JPY/USD	148.75	147.10	–	–	–	–	–	–
Net investment hedges									
Foreign exchange derivatives									
Notional	$million	4,839	–	–	–	3,222	–	–	–
Average exchange rate	INR/USD	86.63	–	–	–	84.07	–	–	–
	AED/USD	12.86	–	–	–	3.67	–	–	–

14. Loans and advances to banks and customers

Accounting policy

Refer to Note 12 Financial instruments for the relevant accounting policy

	Group		Company	
	2025 $million	2024 $million	2025 $million	2024 $million
Loans and advances to banks	**24,778**	22,949	**11,111**	11,757
Expected credit loss	**(7)**	(8)	**(3)**	(2)
	24,771	22,941	**11,108**	11,755
Loans and advances to customers	**162,055**	161,141	**81,769**	79,392
Expected credit loss	**(2,801)**	(2,899)	**(1,678)**	(1,795)
	159,254	158,242	**80,091**	77,597
Total loans and advances to banks and customers[1]	**184,025**	181,183	**91,199**	89,352

1 Includes $2.5 billion (Group) and $0.4 billion (Company) (31 December 2024: $1.8 billion (Group) and $0.6 billion (Company)) of assets pledged as collateral.

Analysis of loans and advances to customers by client segments and related impairment provisions as set out within the Risk review and Capital review (page 48).

15. 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

	Group		Company	
	2025 $million	2024 $million	2025 $million	2024 $million
Banks	**33,124**	30,581	**26,876**	26,389
Customers	**44,250**	47,032	**41,794**	46,216
	77,374	77,613	**68,670**	72,605
Of which:				
Fair value through profit or loss	**66,326**	65,603	**60,950**	62,141
Banks	**29,426**	27,692	**26,021**	24,966
Customers	**36,900**	37,911	**34,929**	37,175
Held at amortised cost	**11,048**	12,010	**7,720**	10,464
Banks	**3,698**	2,889	**855**	1,423
Customers	**7,350**	9,121	**6,865**	9,041

15. Reverse repurchase and repurchase agreements including other similar lending and borrowing continued

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

	Group		Company	
	2025 $million	2024 $million	2025 $million	2024 $million
Securities and collateral received (at fair value)	**79,073**	81,108	**69,841**	75,641
Securities and collateral which can be repledged or sold (at fair value)	**76,666**	80,860	**68,477**	75,394
Amounts repledged/transferred to others for financing activities, to satisfy liabilities under sale and repurchase agreements (at fair value)	**16,533**	27,683	**15,988**	27,354

Repurchase agreements and other similar secured borrowing

	Group		Company	
	2025 $million	2024 $million	2025 $million	2024 $million
Banks	**7,172**	8,416	**6,527**	8,139
Customers	**31,674**	34,716	**31,463**	34,586
	38,846	43,132	**37,990**	42,725
Of which:				
Fair value through profit or loss	**33,660**	33,211	**33,162**	32,880
Banks	**5,754**	7,570	**5,467**	7,369
Customers	**27,906**	25,641	**27,695**	25,511
Held at amortised cost	**5,186**	9,921	**4,828**	9,845
Banks	**1,418**	846	**1,060**	770
Customers	**3,768**	9,075	**3,768**	9,075

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

Group

Collateral pledged against repurchase agreements	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	**4,828**	**8,493**	**10,046**	**–**	**23,367**
Off-balance sheet					
Repledged collateral received	**–**	**–**	**–**	**16,533**	**16,533**
At 31 December 2025	**4,828**	**8,493**	**10,046**	**16,533**	**39,900**
On-balance sheet					
Debt securities and other eligible bills	4,297	4,185	7,592	–	16,074
Off-balance sheet					
Repledged collateral received	–	–	–	27,683	27,683
At 31 December 2024	4,297	4,185	7,592	27,683	43,757

Company

Collateral pledged against repurchase agreements	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	**4,665**	**8,359**	**9,998**	**–**	**23,022**
Off-balance sheet					
Repledged collateral received	**–**	**–**	**–**	**15,988**	**15,988**
At 31 December 2025	**4,665**	**8,359**	**9,998**	**15,988**	**39,010**
On-balance sheet					
Debt securities and other eligible bills	4,296	4,159	7,542	–	15,997
Off-balance sheet					
Repledged collateral received	–	–	–	27,354	27,354
At 31 December 2024	4,296	4,159	7,542	27,354	43,351

16. 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 (page 158).

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 the 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.

16. Goodwill and intangible assets continued

Group

	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	**1,292**	**128**	**4,480**	**5,900**	1,299	135	4,579	6,013
Exchange translation differences	**9**	**4**	**211**	**224**	(7)	2	(86)	(91)
Additions	**–**	**–**	**715**	**715**	–	–	479	479
Impairment	**–**	**–**	**(72)[1]**	**(72)**	–	–	(467)[1,2]	(467)
Amounts written off	**–**	**–**	**–**	**–**	–	(9)	(25)	(34)
At 31 December	**1,301**	**132**	**5,334**	**6,767**	1,292	128	4,480	5,900
Provision for amortisation								
At 1 January	**–**	**122**	**2,004**	**2,126**	–	115	1,688	1,803
Exchange translation differences	**–**	**4**	**98**	**102**	–	4	(32)	(28)
Amortisation	**–**	**4**	**474**	**478**	–	3	455	458
Impairment charge	**–**	**–**	**(50)[1]**	**(50)**	–	–	(84)[1,2]	(84)
Amounts written off	**–**	**–**	**–**	**–**	–	–	(23)	(23)
At 31 December	**–**	**130**	**2,526**	**2,656**	–	122	2,004	2,126
Net book value	**1,301**	**2**	**2,808**	**4,111**	1,292	6	2,476	3,774

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 $22 million (31 December 2024: $45 million).

2 During 2024, the Group performed a review of its computer software intangibles which were capitalised as at 31 December 2023, and impaired $338 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 $3,237 million (31 December 2024: $3,237 million), of which Nil was recognised in 2025 (31 December 2024: Nil).

Company

	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	**72**	**17**	**3,399**	**3,488**	72	28	3,568	3,668
Exchange translation differences	**–**	**2**	**135**	**137**	–	(1)	(75)	(76)
Additions	**–**	**–**	**521**	**521**	–	–	246	246
Impairment	**–**	**–**	**(49)[1]**	**(49)**	–	–	(327)[1,2]	(327)
Amounts written off	**–**	**–**	**–**	**–**	–	(10)	(13)	(23)
At 31 December	**72**	**19**	**4,006**	**4,097**	72	17	3,399	3,488
Provision for amortisation								
At 1 January	**–**	**16**	**1,484**	**1,500**	–	17	1,292	1,309
Exchange translation differences	**–**	**2**	**64**	**66**	–	(1)	(33)	(34)
Amortisation	**–**	**–**	**319**	**319**	–	–	305	305
Impairment charge	**–**	**–**	**(33)[1]**	**(33)**	–	–	(67)[1,2]	(67)
Amounts written off	**–**	**–**	**–**	**–**	–	–	(13)	(13)
At 31 December	**–**	**18**	**1,834**	**1,852**	–	16	1,484	1,500
Net book value	**72**	**1**	**2,172**	**2,245**	72	1	1,915	1,988

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 $16 million (31 December 2024: $22 million).

2 During 2024, the Group performed a review of its computer software intangibles which were capitalised as at 31 December 2023, and impaired $238 million of the 2024 net book value due to limitations in the available evidence to support the continued capitalisation of the assets.

16. Goodwill and intangible assets continued

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.

Group

	2025			2024		
Cash generating unit	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						
Africa & Middle East	**64**			65		
Pakistan	**30**	**33.9**	**2.5**	31	35.9	3.3
Bahrain	**34**	**16.1**	**1.0**	34	12.4	0.8
Asia	**290**			278		
Singapore	**290**	**13.1**	**2.0**	278	13.0	2.3
Global CGUs	**947**			949		
Wealth Management	**83**	**15.1**	**1.6**	83	15.0	1.8
Corporate & Investment Banking	**864**	**15.5**	**2.1**	866	15.5	2.3
	1,301			1,292		

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.

Company

Acquired intangibles primarily comprise those recognised as part of the acquisitions of American Express Bank, Tradewinds, Australia and New Zealand Project Finance and Grindlays.

Significant items of goodwill arising on acquisitions have been allocated to the following cash generating units for the purposes of impairment testing:

Cash generating unit	2025 Goodwill $million	2024 Goodwill $million
Country CGUs		
Bahrain	**17**	17
Global CGUs		
Corporate & Investment Banking	**55**	55
	72	72

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.

17. 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	up to 50 years
Leasehold premises	up to 50 years
Leasehold improvements	shorter of remaining lease term and 10 years
Equipment and motor vehicles	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 18.

Group

	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	**602**	**548**	**991**	**30**	**2,171**	532	477	900	6	1,915
Exchange translation differences	**11**	**25**	**30**	**–**	**66**	5	(7)	(20)	(2)	(24)
Additions	**104**[1]	**121**[1]	**159**	**21**	**405**	91	106	112	27	336
Disposals and fully depreciated assets written off[2]	**(14)**	**(49)**	**(16)**	**–**	**(79)**	(17)	(28)	(1)	(1)	(47)
Other movement	**(3)**	**–**	**–**	**–**	**(3)**	(9)	–	–	–	(9)
Transfers to assets held for sale	**(43)**	**–**	**–**	**–**	**(43)**	–	–	–	–	–
As at 31 December	**657**	**645**	**1,164**	**51**	**2,517**	602	548	991	30	2,171
Depreciation										
Accumulated at 1 January	**218**	**339**	**460**	**10**	**1,027**	198	305	378	4	885
Exchange translation differences	**7**	**24**	**(1)**	**–**	**30**	(2)	4	(20)	(2)	(20)
Charge for the year	**43**	**74**	**110**	**16**	**243**	29	59	101	9	198
Impairment (release)/charge	**–**	**–**	**1**	**–**	**1**	–	–	2	–	2
Attributable to assets sold, transferred or written off[2]	**(10)**	**(47)**	**(15)**	**–**	**(72)**	(7)	(29)	(1)	(1)	(38)
Transfers to assets held for sale	**(15)**	**–**	**–**	**–**	**(15)**	–	–	–	–	–
Accumulated at 31 December	**243**	**390**	**555**	**26**	**1,214**	218	339	460	10	1,027
Net book amount at 31 December	**414**	**255**	**609**	**25**	**1,303**	384	209	531	20	1,144

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 $225 million (31 December 2024: $224 million).

2 In the cash flow statement, disposals of property, plant and equipment of $17 million (31 December 2024: $13 million) would include the gains and losses incurred as part of other operating income (Note 6) on disposal of assets during the year and the net book value disposed.

17. Property, plant and equipment continued

Company

	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	**249**	**377**	**550**	**28**	**1,204**	200	303	486	1	990
Exchange translation differences	**(6)**	**2**	**(2)**	**–**	**(6)**	11	(10)	(8)	–	(7)
Additions	**67[1]**	**82[1]**	**33**	**21**	**203**	58	91	72	27	248
Disposals and fully depreciated assets written off[2]	**(1)**	**(8)**	**(1)**	**–**	**(10)**	(11)	(7)	–	–	(18)
Other movement	**(3)**	**–**	**–**	**–**	**(3)**	(9)	–	–	–	(9)
Transfers to assets held for sale	**(14)**	**(1)**	**(1)**	**–**	**(16)**	–	–	–	–	–
As at 31 December	**292**	**452**	**579**	**49**	**1,372**	249	377	550	28	1,204
Depreciation										
Accumulated at 1 January	**65**	**214**	**256**	**10**	**545**	60	184	224	1	469
Exchange translation differences	**–**	**1**	**(3)**	**–**	**(2)**	(1)	(5)	(11)	–	(17)
Charge for the year	**16**	**51**	**44**	**16**	**127**	6	41	41	9	97
Impairment (release)/charge	**–**	**–**	**–**	**–**	**–**	–	–	2	–	2
Attributable to assets sold, transferred or written off[2]	**(1)**	**(7)**	**(1)**	**–**	**(9)**	–	(6)	–	–	(6)
Transfers to assets held for sale	**(1)**	**(1)**	**(1)**	**–**	**(3)**	–	–	–	–	–
Accumulated at 31 December	**79**	**258**	**295**	**26**	**658**	65	214	256	10	545
Net book amount at 31 December	**213**	**194**	**284**	**23**	**714**	184	163	294	18	659

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 $149 million (31 December 2024: $176 million).

2 In the cash flow statement, disposals of property, plant and equipment of $3 million (31 December 2024: $15 million) would include the gains and losses incurred as part of other operating income (Note 6) on disposal of assets during the year and the net book value disposed.

18. 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.

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 $136 million for Group and $63 million for Company (31 December 2024: $133 million for Group, $62 million for Company).

The total expense during the year in respect of leases with a term less than or equal to 12 months nil million for Group.

The right-of-use asset balances and depreciation charges are disclosed in Note 17. The lease liability balances are disclosed in Note 22 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:

Other liabilities – lease liabilities

	2025					2024				
Other liabilities – lease liabilities	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
Group	**175**	**161**	**332**	**234**	**902**	135	109	215	327	786
Company	**64**	**46**	**112**	**210**	**432**	71	50	101	235	457

19. Other assets

Other assets include:	Group 2025 $million	Group 2024 $million	Company 2025 $million	Company 2024 $million
Financial assets held at amortized cost (Note 12):				
Cash collateral[1]	**10,790**	9,181	**9,239**	8,196
Acceptances and endorsements	**5,411**	4,149	**3,339**	2,320
Unsettled trades and other financial assets	**4,234**	8,205	**1,999**	7,071
	20,435	21,535	**14,577**	17,587
Non-financial assets:				
Commodities and emissions certificate	**17,370**[2]	6,570[2]	**8,695**[3]	3,743[3]
Other assets	**353**	373	**296**	222
	38,158	28,478	**23,568**	21,552

1 Cash collateral are margins placed to collateralize net derivative mark-to-market positions.

2 Comprises precious metals and emission certificates, being inventory that is carried at fair value less costs to sell. $11.9 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: $3.8 billion). $5.5 billion is emissions certificates and other commodity related balances classified as Level 2 (31 December 2024: $2.7 billion).

3 Comprises precious metals and emission certificates, being inventory that is carried at fair value less costs to sell. $5.2 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: $3 billion). $3.5 billion is emissions certificates and other commodity related balances classified as Level 2 (31 December 2024: $0.7 billion).

20. 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 12 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

Group: The financial assets reported below are classified under Level 1 $74 million (31 December 2024: $58 million), Level 2 $45 million (31 December 2024: $335 million) and Level 3 $790 million (31 December 2024: $473 million).

Company: The financial assets reported below are classified under Level 1 $74 million (31 December 2024: nil), Level 2 $15 million (31 December 2024: nil) and Level 3 $138 million (31 December 2024: $474 million).

Assets held for sale	Group 2025 $million	Group 2024 $million	Company 2025 $million	Company 2024 $million
Financial assets held at amortised cost	**909**	866	**227**	474
Cash and balances at central banks	**–**	109		
Loans and advances to banks	**–**	–	**–**	–
Loans and advances to customers	**909**	656	**227**	474
Debt securities held at amortised cost	**–**	101	**–**	–
Property, plant and equipment[1]	**24**	8	**13**	–
Others	**24**	8	**13**	–
Others	**24**	27	**–**	–
	957	901	**240**	474

1 Consideration on disposal of Property, plant and equipment classified under assets held for sale was $126 million for Group (31 December 2024: nil).

Liabilities held for sale

Group: The financial liabilities reported below are classified under Level 1 $147 million (31 December 2024: $89 million) and Level 2 $761 million (31 December 2024: $271 million).

Company: The financial liabilities reported below are classified under Level 1 $147 million (31 December 2024: nil), Level 2 nil (31 December 2024: nil), Level 3 nil (31 December 2024: nil).

20. Assets held for sale and associated liabilities continued

	Group 2025 $million	Group 2024 $million	Company 2025 $million	Company 2024 $million
Financial liabilities held at amortised cost	**908**	360	**147**	–
Deposits by banks	**–**	–	**–**	–
Customer accounts	**908**	360	**147**	–
Other liabilities	**6**	16	**3**	–
Provisions for liabilities and charges	**–**	5	**–**	–
	914	381	**150**	–

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

Company: The amounts included in the tables above include $75 million of assets and $150 million of liabilities forming part of Sri Lanka business transferred to held for sale during the year

21. Debt securities in issue

Accounting policy

Refer to Note 12 Financial instruments for the relevant accounting policy.

Group

	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	**21,277**	**22,300**	**43,577**	17,606	22,258	39,864
Debt securities in issue included within:						
Financial liabilities held at fair value through profit or loss (Note 12)	**–**	**14,787**	**14,787**	–	12,176	12,176
Total debt securities in issue	**21,277**	**37,087**	**58,364**	17,606	34,434	52,040

Company

	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	**21,277**	**16,572**	**37,849**	17,457	18,624	36,081
Debt securities in issue included within:						
Financial liabilities held at fair value through profit or loss (Note 12)	**–**	**16,561**	**16,561**	–	12,062	12,062
Total debt securities in issue	**21,277**	**33,133**	**54,410**	17,457	30,686	48,143

In 2025, the Company issued a total of $176 million senior notes for general business purposes of the Group as shown below:

Securities	$million
CNY 500 million callable fixed rate senior notes due 2030 (callable 2028 and 2029)	**70**
CNY 400 million callable fixed rate senior notes due 2030 (callable 2028 and 2029)	**56**
USD 50 million callable fixed rate senior notes due 2030 (callable 2027, 2028 and 2029)	**50**
Total Senior Notes issued	**176**

In 2024, the Company issued a total of $2.5 billion senior notes for general business purposes of the Group as shown below:

Securities	$million
USD 1,000 million callable fixed rate senior notes due 2028 (callable 2027)	1,000
USD 1,500 million callable fixed rate senior notes due 2035 (callable 2034)	1,500
Total Senior Notes issued	2,500

22. Other liabilities

Accounting policy

Refer to Note 12 Financial instruments for the relevant accounting policy for financial liabilities, Note 18 Leased assets for the accounting policy for leases.

	Group		Company	
	2025 $million	2024 $million	2025 $million	2024 $million
Financial liabilities held at amortized cost (Note 12)				
Acceptances and endorsements	**5,417**	4,149	**3,339**	2,321
Cash collateral[1]	**12,912**	12,984	**12,063**	11,788
Property leases	**696**	603	**320**	327
Equipment leases	**13**	14	**12**	13
Unsettled trades and other financial liabilities	**7,268**	9,600	**3,236**	6,675
	26,306	27,350	**18,970**	21,124
Non-financial liabilities				
Other liabilities	**507**	417	**451**	362
	26,813	27,767	**19,421**	21,486

1 Cash collateral are margins received against collateralize net derivative mark-to-market positions.

23. 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.

Group

	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	**208**	**53**	**261**	180	55	235
Exchange translation differences	**(4)**	**–**	**(4)**	10	(3)	7
Charge/(release) against profit	**(14)**	**24**	**10**	18	14	32
Provisions utilised	**–**	**(19)**	**(19)**	–	(25)	(25)
Transfer[3]	**–**	**–**	**–**	–	12	12
Other movements	**(1)**	**–**	**(1)**	–	–	–
At 31 December	**189**	**58**	**247**	208	53	261

Company

	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	**148**	**38**	**186**	132	39	171
Exchange translation differences	**(2)**	**(1)**	**(3)**	(2)	(1)	(3)
Charge/(release) against profit	**7**	**9**	**16**	18	(5)	13
Provisions utilised	**–**	**(8)**	**(8)**	–	(2)	(2)
Transfer[3]	**–**	**–**	**–**	–	7	7
At 31 December	**153**	**38**	**191**	148	38	186

1 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.
2 Other provisions consist mainly of provisions for legal claims and regulatory and enforcement investigations and proceedings.
3 Includes the provisions transferred to held for sale.

24. 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, 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 prespecified terms and conditions in the form of loans, overdrafts, 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 generally 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.

	Group		Company	
	2025 $million	2024 $million	2025 $million	2024 $million
Financial guarantees and trade credits				
Financial guarantees, trade and irrevocable letters of credit	**104,930**	81,343	**91,342**	69,038
	104,930	81,343	**91,342**	69,038
Commitments				
Undrawn formal standby facilities, credit lines and other commitments to lend				
One year and over	**72,212**	60,968	**52,248**	45,406
Less than one year	**24,047**	20,396	**19,917**	17,079
Unconditionally cancellable	**47,664**	42,567	**7,841**	6,808
	143,923	123,931	**80,006**	69,293

	Group		Company	
Capital commitments	2025 $million	2024 $million	2025 $million	2024 $million
Contracted capital expenditure approved by the directors but not provided for in these accounts	**46**	121	**13**	–

24. Contingent liabilities and commitments continued

The table below shows the contract or underlying principal amounts and risk-weighted amounts of unmatured Group 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.

	Group		Company	
	2025 $million	2024 $million	2025 $million	2024 $million
Financial guarantees and other contingent liabilities (Group)				
Financial guarantees, trade and irrevocable letters of credit	**5,009**	3,771	**11,188**	11,790
Other contingent liabilities	**–**	–	**–**	–
	5,009	3,771	**11,188**	11,790
Commitments (Group)				
Undrawn commitments	**85**	1,243	**189**	1,613
	85	1,243	**189**	1,613

As set out in Note 25, the Group has contingent liabilities in respect of certain legal and regulatory matters.

25. 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 PLC 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 PLC 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 PLC Group. It is alleged that the individuals breached their duties to the PLC Group and caused a waste of corporate assets by permitting the conduct that gave rise to the costs and losses to the PLC 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 PLC 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 PLC Group by the BMIS bankruptcy trustee and the Fairfield funds' liquidators, in each case seeking to recover funds paid to the PLC 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 PLC Group continues to defend the lawsuit brought by the BMIS bankruptcy trustee.

25. Legal and regulatory matters continued

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.$2.7billion. 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.

26. Subordinated liabilities and other borrowed funds

Accounting policy

Refer to Note 12 Financial instruments for the relevant accounting policy.

	2025 $million	2024 $million
Subordinated loan capital – issued by subsidiary undertakings		
NPR2.4 billion 10.3 per cent fixed rate subordinated notes due 2028[2]	**17**	18
$540 million floating rate subordinated notes due 2030 (callable 2025)[1]	**–**	540
	17	558
Subordinated loan capital – issued by the Company		
$700 million 8.0 per cent subordinated notes due 2031	**330**	326
$500 million 4.96 per cent fixed rate subordinated notes due 2043	**500**	410
$2 billion 4.57 per cent fixed rate subordinated notes due 2044 (callable 2039)	**1,903**	1,849
$250 million 4.82 per cent fixed rate subordinated notes due 2048 (callable 2043)	**186**	250
$1.25 billion floating rate subordinated notes due 2032 (callable 2027)	**1,250**	1,250
$1 billion 3.516 per cent fixed rate reset subordinated debt due 2030 (callable 2025)	**–**	996
£504 million 6.1368 per cent fixed rate subordinated notes due 2043 (callable 2038)	**673**	624
$2 billion 5.3 per cent fixed rate reset subordinated notes due 2035 (callable 2030)	**1,857**	1,782
£527 million floating rate subordinated notes due 2039 (callable 2034)	**709**	660
€1 billion 2.5 per cent fixed rate reset subordinated notes due 2030 (callable 2025)	**–**	1,020
$750 million 3.603 per cent fixed rate reset subordinated notes due 2033 (callable 2032)	**750**	634
	8,158	9,801
Total for Group	**8,175**	10,359

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

	USD	GBP	EUR	NPR	Total
2025	**6,776**	**1,382**	**–**	**17**	**8,175**
2024	8,037	1,284	1,020	18	10,359

Redemptions and repurchases during the year

Standard Chartered Bank exercised its right to redeem $1 billion 3.516 per cent subordinated notes 2025, $540 million floating rate subordinated notes 2025 and €1 billion 2.5 per cent subordinated notes 2025.

Issuances during the year

There were no issuances during the year.

27. 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.

Group and Company

	Number of ordinary shares millions	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	20,597	20,597	296	750	21,643	4,742
Additional Tier 1 equity issuance	–	–	–	–	–	980
At 31 December 2024	**20,597**	**20,597**	**296**	**750**	**21,643**	**5,722**
Additional Tier 1 equity issuance	**–**	**–**	**–**	**–**	**–**	**–**
At 31 December 2025	**20,597**	**20,597**	**296**	**750**	**21,643**	**5,722**

1 Issued and fully paid ordinary shares of $1 each.
2 Includes preference share capital of $61,500.

Ordinary share capital

The authorised share capital of the Company at 31 December 2025 was $26,789 million and TWD 1,225 million (31 December 2024: $26,789 million and TWD 1,225 million) made up of 26,782 million ordinary shares of $1 each, 2.4 million non-cumulative irredeemable preference shares of $0.01 each, 1 million non-cumulative preference shares of $5 each, 15,000 non-cumulative redeemable preference shares of $5 each, 462,500 non-cumulative redeemable 8.125% preference shares of $5 each and 50 million non-cumulative redeemable preference shares of TWD24.50 each.

The issued share capital of the Company at 31 December 2025 was $20,597 million (31 December 2024: $20,597 million) made up of: 20,597 million ordinary shares of $1 each.

There was no new issue of shares during the year. The Company has one class of ordinary shares, which carries no rights to fixed income. Subject to any special rights or restrictions as to voting attached to any shares in accordance with the Company's Royal Charter Bye-Laws and Rules, on a show of hands every member present at a general meeting by a representative or proxy shall have one vote. On a poll, every member holding shares or stock of less than the nominal amount of $25 shall not have any vote, but every other member who is present in person or by proxy shall have votes in accordance with the following scale:

Nominal amount of Shares or Stock held	Nominal amount of Shares or Stock held
$25 or more but less than $50	1 vote
$50 or more but less than $100	2 votes
$100 or more but less than $250	3 votes
$250 or more but less than $375	4 votes
$375 or more but less than $500	5 votes
$500 or more but less than $750	6 votes
$750 or more but less than $1,000	7 votes
$1,000 or more but less than $1,250	8 votes
$1,250 or more but less than $1,500	9 votes
$1,500 or more	10 votes

Preference share capital

7,500 non-cumulative redeemable preference shares issued on 8 December 2006 with a nominal value of $5 each and 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 in whole or in part on 31 Jan 2027 and on any quarterly dividend payment date falling on or around ten-year intervals thereafter. The amount payable on redemption will be the paid-up amount of $100,000 per preference share to be redeemed, plus an amount equal to the accrued but unpaid dividend thereon up to but excluding the redemption date.

2.4 million non-cumulative irredeemable preference shares of $0.01 each.

27. Share capital, other equity instruments and reserves continued

Other equity instruments

The table provides details of outstanding Fixed Rate Resetting Perpetual Subordinated Contingent Convertible AT1 securities issued by Standard Chartered Bank. 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[2]	First reset dates[3]
02 June 2021	USD 1,250	1,250	4.75	14 January, 14 July each year	14 July 2031
23 August 2021	USD 1,500	1,500	4.30	19 February, 19 August each year	19 February 2029
15 August 2022	USD 1,000	1,000	7.75	15 February, 15 August each year	15 February 2028
31 March 2023	USD 750	750	7.75	30 January, 30 July each year	30 July 2037
31 March 2023	GBP 96	120	7.90	4 April, 4 October each year	4 April 2028
31 March 2023	GBP 99	122	7.90	4 April, 4 October each year	4 April 2028
27 March 2024	USD 400	400	7.875	8 March, 8 September each year	8 September 2030
19 September 2024	SGD 750	580	5.30	19 March, 19 September each year	19 March 2030
	Total	**5,722**			

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.

The principal terms of the AT1 securities are described below:

- The securities are perpetual and redeemable, at the option of the Company in whole but not in part, on the first call date or on any fifth anniversary after the first call 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 the Company 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 the Company, subject to certain additional restrictions set out in the terms and conditions. Accordingly, the Company 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 will be written down in full should the fully loaded Common Equity Tier 1 ratio of the issuer fall below 7.0 per cent (a Loss Absorption Event)

The securities rank behind the claims against the Company of: (a) unsubordinated creditors; (b) claims which are expressed to be subordinated to the claims of unsubordinated creditors of the Company but not further or otherwise; or (c) claims which are, or are expressed to be, junior to the claims of other creditors of the Company, 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 Loss Absorption Event.

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.

- 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. 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. 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

27. Share capital, other equity instruments and reserves continued

- 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 and own shares held (treasury shares)

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 Bank (the Company) were $2.6 billion (31 December 2024: $2.2 billion). Distributable reserves of the Company were $2.6 billion, which include the distributable portions of retained earnings. Distributable reserves are calculated from Retained earnings, reduced by ordinary dividend payments, distributions on additional tier 1 instruments, impairments in investments in subsidiaries, restricted items in line with section 830 and 831 of the Companies Act 2006, and the local statutory restrictions of foreign branches which are reasonably expected to be enforced. They are increased by profits and the realisation of retained earnings.

28. Non-controlling interests

Accounting policy

Non-controlling interests are measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

	2025 $million	2024 $million
At 1 January	**464**	1,080
Comprehensive income for the year	**66**	22
Profit/(loss) in equity attributable to non-controlling interests	**32**	(17)
Other profits attributable to non-controlling interests	**34**	39
Distributions	**(98)**	(125)
Others[1]	**162**	(513)
At 31 December	**594**	**464**

1 Movements in 2025 are primarily from non-controlling interest pertaining to Standard Chartered Bank Singapore Limited $154 million and Trust Bank Singapore Limited $8 million. Net cash flow from non-controlling interest is $8 million (2024: $506 million). Movements in 2024 are primarily from non-controlling interest pertaining to Standard Chartered Bank Singapore Limited $562 million pertaining to redemption of preference shares and Standard Chartered Bank Angola S.A. $6 million offset by Trust Bank Singapore Limited ($55 million).

29. Retirement benefit obligations

Accounting policy

The Group operates pension and other post-retirement benefit plans around the world, which can be 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.

Group

Retirement benefit obligations comprise:

	Obligation		Charge[1]	
	2025 $million	2024 $million	2025 $million	2024 $million
Defined benefit plans obligation	**186**	118	**102**	37
Defined contribution plans obligation	**22**	13	**290**	295
Total	**208**	131	**392[1]**	332[1]

1 Refer note 7 – Operating expenses.

The Group operates over 50 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 for employees, 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.

29. Retirement benefit obligations continued

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 IFRIC14.

UK Fund

The Standard Chartered Pension Fund (the 'UK Fund') is the Bank Group's largest pension plan, representing 55 per cent (31 December 2024: 56 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 IAS19, 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 $7 million (£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 Bank Group are in Germany, India, Jersey, United Arab Emirates (UAE) and the United States of America (US). Plans in Germany, India, Thailand and UAE remain open for accrual of future benefits.

Key assumptions

The principal financial assumptions used at 31 December 2025 were:

	2025			2024		
	UK Fund %	Overseas Plans[1] %	Unfunded Plans[2] %	UK Funded %	Overseas Plans[1] %	Unfunded Plans[2] %
Discount rate	**5.5**	**5.5 – 6.7**	**1.4 – 6.7**	5.5	3.4 – 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**	**0.0 – 2.8**	**0.0 – 2.4**	2.3	0.0 – 2.9	0.0 – 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	n/a	8% in 2024 reducing by 0.5% per annum to 5% in 2030

1 The range of assumptions shown is for the main funded defined benefit overseas plans in India, Jersey, and the US. These comprise around 75 per cent of the total liabilities of funded overseas defined benefit plans.

2 The range of assumptions shown is for the main unfunded plans in, India, Thailand, UAE, UK and the US. They comprise around 80 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 2024 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.

29. Retirement benefit obligations continued

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 (31 December 2024: $25 million) and $15 million for the other plans (31 December 2024: $15 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 (31 December 2024: $15 million) and $5 million for the other plans (31 December 2024: $10 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 (31 December 2024: nil) and approximately $5 million for the other plans (31 December 2024: $5 million)
- If longevity expectations increased by one year, the liability would increase by approximately $40 million for the UK Fund (31 December 2024: $35 million) and $10 million for the other plans (31 December 2024: $10 million)

Although this analysis does not take account of the full distribution of cash flows expected under the UK Fund, 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**	**73**	**20**
Benefits expected to be paid during 2027	**92**	**61**	**18**
Benefits expected to be paid during 2028	**94**	**63**	**17**
Benefits expected to be paid during 2029	**96**	**68**	**16**
Benefits expected to be paid during 2030	**99**	**71**	**18**
Benefits expected to be paid during 2031 to 2035	**529**	**402**	**87**

Fund values:

The fair value of assets and present value of liabilities of the defined benefit plans were:

	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**	**50**	**–**	**50**	2	–	2	43	–	43
Government bonds	**332**	**–**	**332**	**243**	**–**	**243**	342	–	342	204	–	204
Corporate bonds	**411**	**134**	**545**	**225**	**–**	**225**	357	126	483	253	–	253
Hedge funds	**–**	**4**	**4**	**2**	**–**	**2**	–	5	5	–	–	–
Infrastructure	**–**	**191**	**191**	**–**	**–**	**–**	–	170	170	–	–	–
Property	**–**	**80**	**80**	**–**	**18**	**18**	–	81	81	–	16	16
Derivatives	**2**	**(2)**	**–**	**–**	**–**	**–**	22	(1)	21	–	–	–
Cash and equivalents	**38**	**–**	**38**	**132**	**–**	**132**	35	–	35	29	–	29
Others	**9**	**–**	**9**	**6**	**–**	**6**	7	2	9	–	88	88
Total fair value of assets[1]	**794**	**407**	**1,201**	**658**	**18**	**676**	765	383	1,148	529	104	633

1 Self-investment is monitored closely and is less than $1 million of Standard Chartered equities and bonds for 2025 (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 Standard Chartered Group is a constituent of the relevant index.

29. Retirement benefit obligations continued

	2025			2024		
	Funded plans			Funded plans		
	UK Fund $million	Overseas Plans $million	Unfunded Plans $million	UK Fund $million	Overseas Plans $million	Unfunded Plans $million
Total fair value of assets	**1,201**	**672[1]**	**n/a**	1,148	633	n/a
Present value of liabilities	**(1,133)**	**(749)**	**(177)**	(1,070)	(655)	(174)
Net pension plan asset/(obligation)	**68**	**(77)**	**(177)**	78	(22)	(174)
Of which: Total pension assets in respect of plans in surplus	**68**	**36**	**–**	78	41	–
Of which: Total pension obligations in respect of plans in deficit	**–**	**(113)**	**(177)**	–	(63)	(174)

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

The pension cost for defined benefit plans was:

	2025				2024			
	Funded plans				Funded plans			
	UK Fund $million	Overseas plans $million	Other $million	Total $million	UK Fund $million	Overseas plans $million	Other $million	Total $million
Current service cost[1]	**–**	**26**	**5**	**31**	–	19	7	26
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)**	**(47)**	**–**	**(112)**	(56)	(26)	–	(82)
Interest on pension plan liabilities	**60**	**46**	**9**	**115**	54	27	8	89
Total charge to profit before deduction of tax	**(5)**	**93**	**14**	**102**	(2)	25	14	37
Net (gain)/losses on plan assets[4]	**18**	**(3)**	**–**	**15**	78	(3)	–	75
(Gains)/losses on liabilities	**10**	**17**	**(1)**	**26**	(103)	3	(1)	(101)
Total (gains)/losses recognised directly in statement of comprehensive income before tax	**28**	**14**	**(1)**	**41**	(25)	–	(1)	(26)
Deferred taxation	**(2)**	**(8)**	**–**	**(10)**	5	3	–	8
Total (gains)/losses after tax	**26**	**6**	**(1)**	**31**	(20)	3	(1)	(18)

1 Includes administrative expenses paid out of plan assets of $1 million (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 termination benefits paid out 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 $50 million (31 December 2024: $29 million gain).

Movement in the defined benefit pension deficit during the year comprise:

	2025				2024			
	Funded plans				Funded plans			
	UK Fund $million	Overseas plans $million	Other $million	Total $million	UK Fund $million	Overseas plans $million	Other $million	Total $million
Surplus/(deficit) at 1 January 2025	**78**	**(22)**	**(174)**	**(118)**	40	(20)	(181)	(161)
Contributions	**7**	**55**	**15**	**77**	13	18	17	48
Current service cost[1]	**–**	**(26)**	**(5)**	**(31)**	–	(19)	(7)	(26)
Past service cost and curtailments[2]	**–**	**(67)**	**–**	**(67)**	–	(2)	1	(1)
Settlement costs and transfers impact[3]	**–**	**(1)**	**–**	**(1)**	–	(3)	–	(3)
Net interest on the net defined benefit asset/liability	**5**	**1**	**(9)**	**(3)**	2	(1)	(8)	(7)
Actuarial gains/(losses)	**(28)**	**(14)**	**1**	**(41)**	25	–	1	26
Other Movement	**–**	**–**	**–**	**–**	–	(1)	–	(1)
Asset Ceiling[4]	**–**	**(4)**	**–**	**(4)**	–	–	–	–
Exchange rate adjustment	**6**	**1**	**(5)**	**2**	(2)	6	3	7
Surplus/(deficit) at 31 December 2025	**68**	**(77)**	**(177)**	**(186)**	78	(22)	(174)	(118)

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

2 Relates to provisional impact of plan amendments in India and RBAT court ruling in Kenya.

3 Impact of settlements relates to termination benefits in Indonesia.

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

29. Retirement benefit obligations continued

The Bank Group's expected contribution to its defined benefit pension plans in 2026 is $65 million.

	2025			2024		
	Assets $million	Obligations $million	Total $million	Assets $million	Obligations $million	Total $million
At 1 January	**1,781**	**(1,899)**	**(118)**	1,668	(1,829)	(161)
Contributions[1]	**88**	**(11)**	**77**	49	(1)	48
Current service cost[2]	**–**	**(31)**	**(31)**	–	(26)	(26)
Past service cost and curtailments	**–**	**(67)**	**(67)**	–	(1)	(1)
Settlement costs[3]	**–**	**(1)**	**(1)**	–	(3)	(3)
Interest cost on pension plan liabilities	**–**	**(115)**	**(115)**	–	(89)	(89)
Interest income on pension plan assets	**112**	**–**	**112**	82	–	82
Benefits paid out	**(167)**	**167**	**–**	(131)	131	–
Actuarial gains/(losses)[4]	**(15)**	**(26)**	**(41)**	(75)	101	26
Effect of Asset Ceiling[5]	**(4)**	**–**	**(4)**	–	–	–
Other Movement	**–**	**–**	**–**	212	(213)	(1)
Exchange rate adjustment	**78**	**(76)**	**2**	(24)	31	7
At 31 December	**1,873**	**(2,059)**	**(186)**	1,781	(1,899)	(118)

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 paid out in Indonesia.
4 Actuarial loss on obligation comprises of $8 million loss (31 December 2024: $133 million gain) from financial assumption changes, $1 million gain (31 December 2024: $11 million gain) from demographic assumption changes and $19 million loss (31 December 2024: $33 million loss) from experience.
5 Assets reflect a ceiling in Kenya and a legacy Zimbabwe arrangement, resulting from a restriction on the recognition of surplus.

Company

Retirement benefit obligations comprise:

	Obligation		Charge (Note 7)	
	2025 $million	2024 $million	2025 $million	2024 $million
Defined benefit plans obligation	**111**	81	**32**	22
Defined contribution plans obligation	**1**	1	**131**	147
Net obligation	**112**	82	**163**	169

Retirement benefit charge comprises:

UK Fund

See the Bank Group section on the UK Fund in this note (page 172). There are no differences between Bank Group and Company in respect of the Fund

Overseas Plans

The principal overseas defined benefit arrangements operated by the Company are in Germany, Jersey, India, United Arab Emirates (UAE) and the United States of America (US).

All Plans

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

The financial assumptions used at 31 December 2025 as shown below. Sensitivities are recorded on page 172 of the Bank Group accounts and those for non-UK Fund plans are applicable in proportion to the lower liabilities of the Company.

	2025			2024		
	UK Fund %	Overseas Plans[1] %	Unfunded Plans[2] %	UK Funded %	Overseas Plans[1] %	Unfunded Plans[2] %
Discount rate	**5.5**	**3.4 – 9.9**	**5.5 – 6.7**	5.5	3.4 – 12.5	4.5 – 6.9
Price inflation	**2.4**	**2.8 – 6.0**	**2.4 – 5.0**	2.5	2.0 – 6.0	2.5 – 6.9
Salary increases	**n/a**	**3.5 – 8.0**	**2.4 – 4.0**	n/a	3.5 – 8.5	4.5 – 8.5
Pension increases	**2.4**	**0.0 – 2.9**	**0.0 – 2.4**	2.3	0.0 – 2.9	0.0 – 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	n/a	8% in 2024 reducing by 0.5% per annum to 5% in 2030

1 The range of assumptions shown is for the main funded defined benefit overseas plans in Bangladesh, Germany, India, Jersey and the US. These comprise around 90 per cent of the total liabilities of funded overseas plans.
2 The range of assumptions shown is for the main unfunded defined benefit plans in India, UAE, UK and the US. These comprise around 90 per cent of the total liabilities of unfunded plans.

29. Retirement benefit obligations continued

Fund values:

The fair value of assets and present value of liabilities of the defined benefit plans were:

	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**	**36**	**–**	**36**	2	–	2	35	–	35
Government bonds	**332**	**–**	**332**	**231**	**–**	**231**	342	–	342	195	–	195
Corporate bonds	**411**	**134**	**545**	**221**	**–**	**221**	357	126	483	250	–	250
Hedge funds	**–**	**4**	**4**	**–**	**–**	**–**	–	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**	**58**	**–**	**58**	35	–	35	22	–	22
Others	**9**	**–**	**9**	**6**	**–**	**6**	7	2	9	–	37	37
Total fair value of assets[1]	**794**	**407**	**1,201**	**552**	**18**	**570**	765	383	1,148	502	52	554

1 Self investment is monitored closely and is less than $1 million of Standard Chartered equities and bonds for 2025 (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 Bank is a constituent of the relevant index.

	2025			2024		
	Funded plans			Funded plans		
	UK Fund $million	Overseas Plans $million	Unfunded Plans $million	UK Fund $million	Overseas Plans $million	Unfunded Plans $million
Total fair value of assets	**1,201**	**567[1]**	**n/a**	1,148	554	n/a
Present value of liabilities	**(1,133)**	**(585)**	**(161)**	(1,070)	(553)	(160)
Net pension plan asset/(obligation)	**68**	**(18)**	**(161)**	78	1	(160)
Of which: Total pension assets in respect of plans in surplus	**68**	**36**	**–**	78	40	–
Of which: Total pension obligations in respect of plans in deficit	**–**	**(54)**	**(161)**	–	(39)	(160)

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

The pension cost for defined benefit plans was:

	2025				2024			
	Funded plans				Funded plans			
	UK Fund $million	Overseas plans $million	Other $million	Total $million	UK Fund $million	Overseas plans $million	Other $million	Total $million
Current service cost[1]	**–**	**15**	**4**	**19**	–	9	4	13
Past service cost and curtailments[2]	**–**	**9**	**1**	**10**	–	2	(1)	1
Settlement cost[3]	**–**	**1**	**–**	**1**	–	3	–	3
Interest income on pension plan assets	**(65)**	**(38)**	**–**	**(103)**	(56)	(19)	–	(75)
Interest on pension plan liabilities	**60**	**36**	**9**	**105**	54	18	8	80
Total charge to profit before deduction of tax	**(5)**	**23**	**14**	**32**	(2)	13	11	22
Net (gain)/losses on plan assets[4]	**18**	**(2)**	**–**	**16**	78	(2)	–	76
(Gains)/losses on liabilities	**10**	**17**	**–**	**27**	(103)	(1)	(1)	(105)
Total (gains)/losses recognised directly in statement of comprehensive income before tax	**28**	**15**	**–**	**43**	(25)	(3)	(1)	(29)
Deferred taxation	**(2)**	**(7)**	**–**	**(9)**	5	1	–	6
Total (gains)/losses after tax	**26**	**8**	**–**	**34**	(20)	(2)	(1)	(23)

1 Includes administrative expenses paid out of plan assets of $1 million (2024: $1 million).
2 Relates to provisional impact of regulatory change in India.
3 Impact of settlements relates to termination benefits in Indonesia.
4 The actual return on the UK Fund assets was a loss of $47 million (2024: $22 million gain) and on overseas plan assets was a gain of $40 million (2024: $21 million gain).

29. Retirement benefit obligations continued

Movement in the defined benefit pension plans and post-retirement medical deficit during the year comprise:

	2025				2024			
	Funded plans				Funded plans			
	UK Fund $million	Overseas plans $million	Other $million	Total $million	UK Fund $million	Overseas plans $million	Other $million	Total $million
Deficit at 1 January	**78**	**1**	**(160)**	**(81)**	40	2	(170)	(128)
Contributions	**7**	**23**	**16**	**46**	13	10	16	39
Current service cost	**–**	**(15)**	**(4)**	**(19)**	–	(9)	(4)	(13)
Past service cost and curtailments	**–**	**(9)**	**(1)**	**(10)**	–	(2)	1	(1)
Settlement costs and transfers impact	**–**	**(1)**	**–**	**(1)**	–	(3)	–	(3)
Net interest on the net defined benefit asset/liability	**5**	**2**	**(9)**	**(2)**	2	1	(8)	(5)
Actuarial (losses)/gains	**(28)**	**(15)**	**–**	**(43)**	25	3	1	29
Other Movement	**–**	**–**	**–**	**–**	–	(1)	–	(1)
Effect of asset ceiling[1]	**–**	**(3)**	**–**	**(3)**	–	–	–	–
Exchange rate adjustment	**6**	**(1)**	**(3)**	**2**	(2)	–	4	2
Deficit at 31 December	**68**	**(18)**	**(161)**	**(111)**	78	1	(160)	(81)

1 Assets reflect a ceiling in a legacy Zimbabwe arrangement, resulting from a restriction on the recognition of surplus.

The Company's expected contribution to its defined benefit pension plans in 2026 is $39million

	2025			2024		
	Assets $million	Obligations $million	Total $million	Assets $million	Obligations $million	Total $million
At 1 January	**1,702**	**(1,783)**	**(81)**	1,599	(1,727)	(128)
Contributions[1]	**54**	**(8)**	**46**	39	–	39
Current service cost[2]	**–**	**(19)**	**(19)**	–	(13)	(13)
Past service cost and curtailments[3]	**–**	**(10)**	**(10)**	–	(1)	(1)
Settlement costs[4]	**–**	**(1)**	**(1)**	–	(3)	(3)
Interest cost on pension plan liabilities	**–**	**(105)**	**(105)**	–	(80)	(80)
Interest income on pension plan assets	**103**	**–**	**103**	75	–	75
Benefits paid out	**(148)**	**148**	**–**	(123)	123	–
Actuarial (losses)/gains[5]	**(16)**	**(27)**	**(43)**	(76)	105	29
Other Movement	**–**	**–**	**–**	212	(213)	(1)
Effect of asset ceiling[6]	**(3)**	**–**	**(3)**	–	–	–
Exchange rate adjustment	**76**	**(74)**	**2**	(24)	26	2
At 31 December	**1,768**	**(1,879)**	**(111)**	1,702	(1,783)	(81)

1 Includes employee contributions of $10 million (31 December 2024: nil).
2 Includes administrative expenses paid out of plan assets of $1 million (31 December 2024: $1 million).
3 Relates to provisional impact of regulatory change in India.
4 Impact of settlements relates to termination benefits in Indonesia.
5 Actuarial loss on obligation comprises of $9 million loss (31 December 2024: $135 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: $31 million loss) from experience.
6 Assets include a ceiling in a legacy Zimbabwe arrangement, resulting from a restriction on the recognition of surplus.

30. 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 2024 in respect of 2023 performance, which vest in 2025-2027, is recognised as an expense over the period from 1 January 2023 to the vesting dates in 2025-2027. 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] Total $million	2024[1] Total $million
Deferred share awards	**168**	125
Other share awards	**41**	96
Total share-based payments[1]	**209**	221

1 No forfeiture assumed.

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.

30. 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	The vesting of awards granted in 2025, 2024 and 2023 are subject to the following performance measures: • relative Total Shareholder Return (TSR)[1]; • Return on Tangible Equity (RoTE[2]) (with a Common Equity Tier 1 (CET1) underpin); and • strategic measures (including targets set for sustainability linked to business strategy) 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. Vested awards are delivered in ordinary Standard Chartered PLC shares.	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. 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. No dividend equivalents accrue for the LTIP awards made in 2025, 2024 or 2023 and the fair value takes this into account, calculated by reference to market consensus dividend yield.
Deferred shares	Used to deliver: • 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. Deferred share awards are not subject to any performance measures. Vested awards are delivered in ordinary Standard Chartered PLC shares.	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. 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.

1 TSR or Total Shareholder Return is the total return of the PLC Group's equity (share price growth and dividends) to investors.
2 2 ROTE is the ratio of the current year's profit available for distribution to ordinary share-holders to the average tangible equity, being ordinary shareholders' equity less the average intangible assets for the reporting period.

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 divided 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

30. Share-based payments continued

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	NA	20.49	NA	18.48	NA	14.86	NA	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, NA	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								

30. 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
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

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 Standard Chartered PLC shares 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)

Grant date	2025 24 September	2024 23 September
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.

30. Share-based payments continued

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 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).

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

	Discretionary[1,2]			
	LTIP	Deferred shares	Sharesave[2,6,7]	Weighted average Sharesave exercise price (£)
Outstanding at 1 January 2025[2]	**8,924,192**	**43,009,271**	**13,752,137**	**5.49**
Granted[3,4,5]	**1,825,362**	**13,385,159**	**3,427,900**	**–**
Lapsed[8]	**(304,929)**	**(527,940)**	**(921,597)**	**6.25**
Exercised	**(1,192,019)**	**(17,174,553)**	**(814,557)**	**3.90**
Outstanding at 31 December 2025	**9,252,606**	**38,691,937**	**15,443,883**	**6.78**
Total number of securities available for issue under the plan	**9,252,606**	**38,691,937**	**15,443,883**	
Percentage of the issued shares this represents as at 31 December 2024	**0.41**	**1.71**	**0.68**	**6.78**
Exercisable as at 31 December 2025	**–**	**58,438**	**68,827**	**5.49**
Range of exercise prices (£)	**–**	**–**	**4.23 – 11.10**	
Intrinsic value of vested but not exercised options ($ million)	**0.00**	**1.43**	**1.18**	
Weighted average contractual remaining life (years)	**7.07**	**7.99**	**2.08**	
Weighted average share price for awards exercised during the period (£)	**11.78**	**11.75**	**11.60**	

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

2 The opening balances were adjusted during the year due to a change in approach to determining which historical grants to include under the SC Bank consolidation.

3 1,825,362 (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.

4 11,905,575 (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. 114,069 (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. 39,009 (Deferred shares) granted as a notional dividend on 28 August 2025. 837,836 (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. 155,051 (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.

5 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.

6 The exercise price of Sharesave grants are determined with a 20% discount on the higher of the average closing price of the five 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 five 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 189 and 192-193 for information specific to Directors

30. Share-based payments continued

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

	Discretionary[1]			
	LTIP	Deferred shares	Sharesave[4,5]	Weighted average Sharesave exercise price (£)
Outstanding at 1 January 2024	10,338,310	39,709,125	10,876,723	4.57
Granted[2,3]	2,058,432	21,439,877	6,550,317	–
Lapsed[6]	(2,590,658)	(1,362,325)	(1,011,865)	4.91
Exercised	(877,142)	(16,687,307)	(2,618,370)	3.44
Outstanding at 31 December 2024	8,928,942	43,099,370	13,796,805	5.49
Total number of securities available for issue under the plan	8,928,942	43,099,370	13,796,805	
Percentage of the issued shares this represents as at 31 December 2024	0.37	1.78	0.57	5.49
Exercisable as at 31 December 2024	–	245,006	738,353	3.82
Range of exercise prices (£)	–	–	3.67 – 6.10	
Intrinsic value of vested but not exercised options ($ million)	0.00	3.03	5.60	
Weighted average contractual remaining life (years)	7.28	8.19	2.59	
Weighted average share price for awards exercised during the period (£)	6.60	6.68	8.25	

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

2 2,053,159 (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. 20,352,568 (Deferred shares) granted on 11 March 2024; 181,907 (Deferred shares) granted as a notional dividend on 1 March 2024; 452,138 (Deferred shares) granted on 17 June 2024; 69,815 (Deferred shares) granted as a notional dividend on 8 August 2024; 184,526 (Deferred shares) granted on 23 September 2024; 198,923 (Deferred shares) granted on 18 November 2024. 6,550,317 (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 The exercise price of Sharesave grants are determined with a 20% discount on the higher of the average closing price of the five 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.

5 All Sharesave awards are in the form of options. The exercise price of Sharesave options exercised 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.

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

See page 189 and pages 192- 193 for information specific to Directors.

31. 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.

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.

Other areas of accounting estimates and judgement

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.

Investments in subsidiary undertakings	2025 $million	2024 $million
As at 1 January	**10,671**	10,066
Additions[1]	**169**	601
Disposal	**–**	(7)
Impairment (charge)/release[2]	**(40)**	11
As at 31 December	**10,800**	10,671

1 2025 movement primarily includes Standard chartered AG limited $167 million. 2024 movement includes issuances of $580 million to Standard Chartered Bank (Singapore) Limited.

2 2025 movement primarily relates to the net of impairment charge of Standard Chartered Holdings Inc.

A complete list of subsidiary undertakings is included in Note 39.

During 2025 the Group disposed of some of its indirectly held investments in subsidiaries and the losses on disposal were Standard Chartered Bank Gambia Limited (loss: $5.4 million including translation adjustment loss: $8 million) and Standard Chartered Bank Cameroon S.A. (loss: $5.3 million including translation adjustment loss: $9 million).

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

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 $64.9 billion (31 December 2024: $56.7 billion) of which $2.9 billion (31 December 2024: $2.9 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.

32. 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.

The following table presents the Group's interests in consolidated structured entities.

	2025 $million	2024 $million
Principal and other structured finance	**436**	239
Total	**436**	239

Interests in unconsolidated structured entities:

Unconsolidated structured entities are all structured entities that are not controlled by the Group. The Group enters into 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.

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.

32. Structured entities continued

	2025						2024					
	Asset -backed securities $million	Lending $million	Corporate Lending & Structured Finance $million	Principal Finance funds $million	Other activities $million	Total $million	Asset -backed securities $million	Lending $million	Corporate Lending & 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	**590**	**458**	**197**	**78**	**–**	**1,323**	358	71	178	86	–	693
Loans and advances/ Investment securities at amortised cost	**8,316**	**12,988**	**10,759**	**–**	**107**	**32,170**	11,372	9,105	8,648	–	97	29,222
Investment securities (fair value through other comprehensive income)	**1,227**	**–**	**–**	**–**	**–**	**1,227**	1,421	–	–	–	–	1,421
Other assets	**–**	**8**	**12**	**–**	**–**	**20**	–	–	–	–	–	–
Total assets	**10,133**	**13,454**	**10,968**	**78**	**107**	**34,740**	13,151	9,176	8,826	86	97	31,336
Off-balance sheet	**151**	**9,552**	**6,817**	**23**	**32**	**16,575**	–	6,369	5,554	61	73	12,057
Group's maximum exposure to loss	**10,284**	**23,006**	**17,785**	**101**	**139**	**51,315**	13,151	15,545	14,380	147	170	43,393
Total assets of structured entities	**114,415**	**14,209**	**14,357**	**99**	**–**	**143,080**	86,906	9,492	10,748	115	–	107,261

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 transaction 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.

32. Structured entities continued

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.

33. 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	**(428)**	(420)	**(351)**	(259)
Interest expense on subordinated liabilities	**485**	597	**527**	682
Interest expense on senior debt securities in issue	**542**	651	**819**	1,077
Other non-cash items	**(118)**	(87)	**(92)**	(29)
Net (gain)/loss on sale of business	**(4)**	214	**–**	(26)
Pension costs for defined benefit schemes	**102**	37	**32**	22
Share-based payment costs	**209**	219	**153**	136
Impairment losses on loans and advances and other credit risk provisions	**248**	15	**88**	(114)
Dividend income from subsidiaries	**–**	–	**(1,260)**	(1,052)
Other impairment	**29**	410	**57**	273
Gain on disposal of property, plant and equipment	**(125)**	(3)	**(2)**	(3)
Loss on disposal of FVOCI & AMCST financial assets	**53**	190	**54**	154
Depreciation and amortisation	**721**	656	**446**	403
Fair value changes taken to PL	**(1,289)**	(1,418)	**(871)**	(1,226)
Foreign currency revaluation	**(26)**	54	**(29)**	(39)
Profit from associates and joint ventures	**(2)**	(8)	**–**	–
Total	**397**	1,107	**(429)**	(1)

Change in operating assets

	2025 $million	2024 $million	2025 $million	2024 $million
Decrease/(increase) in derivative financial instruments	**14,746**	(25,886)	**14,113**	(24,384)
Increase in debt securities, treasury bills and equity shares held at fair value through profit or loss	**(4,113)**	(6,173)	**(8,588)**	(4,319)
Increase in loans and advances to banks and customers	**(9,382)**	(7,165)	**(2,198)**	(970)
Net decrease/(increase) in prepayments and accrued income	**190**	(153)	**144**	(167)
Net (increase)/decrease in other assets	**(9,072)**	4,587	**(3,198)**	3,679
Total	**(7,631)**	(34,790)	**273**	(26,161)

Change in operating liabilities

	Group		Company	
	2025 $million	2024 $million	2025 $million	2024 $million
(Decrease)/increase in derivative financial instruments	**(12,814)**	**23,137**	**(13,032)**	22,001
Increase/(decrease) in deposits from banks, customer accounts, debt securities in issue and short positions	**32,068**	**2,008**	**17,650**	(4,981)
Increase in accruals and deferred income	**213**	**58**	**165**	25
Increase/(decrease) in amount due to parents/subsidiaries/ other related parties	**8,921**	**(2,059)**	**8,576**	(4,197)
Net (decrease)/increase in other liabilities	**(566)**	**2,587**	**(1,907)**	1,016
Total	**27,822**	**25,731**	**11,452**	13,864

33. 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	**10,357**	11,457	**9,803**	10,899
Interest paid	**(551)**	(569)	**(492)**	(528)
Repayment	**(2,705)**	(1,000)	**(2,173)**	(1,000)
Foreign exchange movements	**225**	(102)	**235**	(92)
Fair value changes from hedge accounting	**296**	(4)	**296**	(4)
Accrued interest and others	**556**	575	**491**	528
Closing balance	**8,178**	10,357	**8,160**	9,803

	Group		Company	
	2025 $million	2024 $million	2025 $million	2024 $million
Senior debt (including accrued interest):				
Opening balance	**8,469**	7,860	**8,413**	7,827
Proceeds from the issue	**2,500**	3,134	**2,455**	3,114
Interest paid	**(376)**	(282)	**(374)**	(282)
Repayment	**(4,001)**	(2,480)	**(3,986)**	(2,471)
Foreign exchange movements	**29**	(45)	**30**	(44)
Fair value changes from hedge accounting	**62**	–	**62**	–
Accrued interest and others	**362**	282	**(1,764)**	269
Closing balance	**7,045**	8,469	**4,836**	8,413

Senior debt is presented as part of debt securities in issue in the Group and Company balance sheets.

34. 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'.

The following balances have been identified by the Group and Company as being cash and cash equivalents based on the criteria described above.

	Group		Company	
	2025 $million	2024 $million	2025 $million	2024 $million
Cash and balances at central banks	**64,943**	56,665	**52,348**	45,233
Less: restricted balances	**(2,893)**	(2,859)	**(984)**	(1,160)
Treasury bills and other eligible bills	**13,104**	4,938	**1,440**	529
Loans and advances to banks	**4,387**	2,481	**2,701**	1,724
Loans and advances to customers	**11,301**	16,364	**2,226**	500
Investments	**273**	830	**272**	640
Amounts owed by and due to subsidiary	**1,246**	530	**1,287**	635
Total	**92,361**	78,949	**59,290**	48,101

35. Related party transactions

Directors and officers

Details of directors' remuneration and interests in shares are disclosed in the Note 37 Remuneration of Directors.

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 Group.

	2025[1] $million	2024 $million
Salaries, allowances and benefits in kind	**47**	40
Share-based payments	**40**	38
Bonuses paid or receivable	**–**	7
Termination benefits	**–**	2
Total	**87**	87

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

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

At 31 December 2025, the total amounts to be disclosed under the Companies Act 2006 (the Act) about loans to directors were as follows:

	2025 $million	2024 $million
Advances and credits	**4**	–
Deposits	**32**	–

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.

35. Related party transactions continued

Group

	2025				2024			
	Due from/to subsidiary undertakings and other related parties $million	Derivative financial instruments $million	Subordinated liabilities and other borrowed funds $million	Debt Securities $million	Due from/to subsidiary undertakings and other related parties $million	Derivative financial instruments $million	Subordinated liabilities and other borrowed funds $million	Debt Securities $million
Assets								
Ultimate parent company	**167**	**783**	**–**	**19**	51	1,111	–	14
Fellow subsidiaries of SC PLC Group	**5,067**	**9,347**	**–**	**426**	5,133	12,811	–	416
	5,234	**10,130**	**–**	**445**	5,184	13,922	–	430
Liabilities								
Ultimate parent company	**14,677**	**362**	**7,828**	**8,310**	11,331	167	10,015	8,096
Fellow subsidiaries of SC PLC Group	**22,595**	**9,227**	**–**	**977**	16,915	11,153	–	966
	37,272	**9,589**	**7,828**	**9,287**	28,246	11,320	10,015	9,062

	2025			
	Fees and commission income $million	Fees and commission expense $million	Interest income $million	Interest expense $million
Ultimate parent company	**–**	**–**	**–**	**1,479**
Fellow subsidiaries of SC PLC Group	**231**	**270**	**94**	**874**
	231	**270**	**94**	**2,353**

	2024			
	Fees and commission income $million	Fees and commission expense $million	Interest income $million	Interest expense $million
Ultimate parent company	–	–	–	1,604
Fellow subsidiaries of SC PLC Group	288	270	160	736
	288	270	160	2,340

The Group contributes to employee pension funds and provides banking services free of charge to the UK fund. For details of the funds (see Note 29).

The Group's employees participate in the Standard Chartered PLC group's share-based compensation plans (see Note 30). The cost of the compensation is recharged from Standard Chartered PLC to the Group's branches and subsidiaries.

Associates and joint ventures

	2025 $million	2024 $million
Assets		
Financial Assets held at FVTPL	**10**	–
Derivative assets	**5**	5
Total assets	**15**	5
Liabilities		
Deposits	**69**	30
Derivative liabilities	**3**	4
Total liabilities	**72**	34
Loan commitments and other guarantees[1]	**107**	12

1 The maximum loan commitments and other guarantees during the year was $107 million (31 December 2024: $12 million).

35. Related party transactions continued

Company

	2025				2024			
	Due from/to subsidiary undertakings and other related parties $million	Derivative financial instruments $million	Subordinated liabilities and other borrowed funds $million	Debt Securities $million	Due from/to subsidiary undertakings and other related parties $million	Derivative financial instruments $million	Subordinated liabilities and other borrowed funds $million	Debt Securities $million
Assets								
Ultimate parent company	**167**	**783**	**–**	**19**	51	1,111	–	11
Subsidiaries and fellow subsidiaries of SC PLC Group	**11,371**	**12,863**	**–**	**5,087**	9,980	17,546	–	4,283
	11,538	**13,646**	**–**	**5,106**	10,031	18,657	–	4,294
Liabilities								
Ultimate parent company	**14,677**	**362**	**7,828**	**8,310**	11,323	167	9,475	8,096
Subsidiaries and fellow subsidiaries of SC PLC Group	**36,303**	**13,336**	**–**	**83**	30,990	15,518	–	16
	50,980	**13,698**	**7,828**	**8,393**	42,313	15,685	9,475	8,112

	2025				
	Fees and commission income $million	Fees and commission expense $million	Interest income $million	Interest expense $million	Dividend income $million
Ultimate parent company	**–**	**–**	**–**	**1,468**	**–**
Subsidiaries and fellow subsidiaries of SC PLC Group	**443**	**382**	**486**	**1,322**	**1,260**
	443	**382**	**486**	**2,790**	**1,260**

	2024				
	Fees and commission income $million	Fees and commission expense $million	Interest income $million	Interest expense $million	Dividend income $million
Ultimate parent company	–	–	–	1,563	–
Subsidiaries and fellow subsidiaries of SC PLC Group	504	325	589	1,212	1,052
	504	325	589	2,775	1,052

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 non-consolidated independent trustee of its employer financed retirement benefit scheme.

The Company contributes to employee pension funds and provides banking services free of charge to the UK fund. For details of the funds see note 29.

The Company's employees participate in the Standard Chartered PLC group's share-based compensation plans (see note 30).

The Company has an agreement with Standard Chartered PLC that in the event of the Company defaulting on its debt coupon interest payments, where the terms of such debt requires it, Standard Chartered PLC shall issue shares as settlement for non-payment of the coupon interest.

36. 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 (EY LLP) and its associates (together EY 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 Standard Chartered PLC Group statutory audit	**36.9**	31.3
Of which fees for the statutory audit of Standard Chartered Bank Group	**27.3**	23.2
Fees payable to EY for other services provided to the Standard Chartered Bank Group:		
Audit of Standard Chartered Bank subsidiaries	**8.9**	8.1
Total Audit fees	**45.8**	39.4
Audit -related assurance services	**4.9**	4.1
Other assurance services	**4.9**	4.8
Other non-audit services	**1.3**	0.4
Transaction related services	**0.6**	0.6
Total fees payable	**57.5**	49.3

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 EY 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 EY LLP for issuing comfort letters.

Expenses incurred in respect of their role as auditors were reimbursed to EY LLP $1 million (2024: $1 million).

37. Remuneration of directors

This table sets out salary (including salary shares), pension and benefits received in 2025 and variable remuneration awards received in respect of 2025.

	2025[1] £million	2024[2] £million
Salaries and fees	**7,401**	8,707
Pension	**349**	457
Benefits	**635**	539
Annual incentive	**5,464**	4,418
Vesting of LTIP awards	**8,364**	7,932
Total fees payable	**22,213**	22,053

1 Following shareholder approval of the new remuneration policy at the May 2025 AGM, Bill Winters and Diego De Giorgi's salaries reduced by 40 per cent and 33 per cent respectively, effective from 1 April 2025.

2 The values of vesting 2022-24 LTIP awards have been restated based on the final vesting outcome of 88 per cent and actual share price of £11.908 when the awards vested in March 2025.

Additional information on the remuneration elements in the above single total figure table.

Salaries and fees

The total salaries of the three directors as at 1 January 2025 (or the date of appointment, if later) was £5,117,000. From 1 January to 31 March 2025, two of the directors received their salary paid part in cash and part in shares which are subject to a retention period and released pro rata over five years. The number of salary shares allocated was determined based on the monetary value and the prevailing market price of the Group's shares on the date of allocation. Following shareholder approval of the new remuneration policy at the May 2025 AGM, Bill Winters and Diego De Giorgi's salaries reduced by 40 per cent and 33 per cent respectively, effective from 1 April 2025 and all three salaries are now paid fully in cash.

The emoluments, including share-based payments and other benefits, of the highest paid director during 2025 were £12,694,475 (2024: £12,694,475). There were employer pension contributions for the highest paid director during 2025 of £175.425 (2024: £251,700).

The total annualised fees of the Chairman and directors as at 1 January 2025 (or the date of appointment, if later) were £3,442,158. There is no apportionment of remuneration between Standard Chartered Bank and Standard Chartered PLC.

37. Remuneration of directors continued

Share awards

No directors exercised share awards over Standard Chartered PLC during the year.

Pension and benefits

An explanation of pension and benefits for those directors who are also executive directors of the PLC Group can be found in the SC PLC Group's 2025 Directors' remuneration report on pages 182 to 185. The directors who are also employees of the PLC Group received a flexible benefits allowance in alignment with the UK workforce to include a mixture of core pension and benefits provision, including private medical cover, life assurance and permanent health insurance. Some directors use a Group car service for travelling and, in some circumstances, were accompanied by their spouses to attend events.

From 2025 for those directors who are also employees of the PLC Group, 30 per cent of annual incentive awards will be in deferred share awards, to be delivered pro-rata over three years. The proportion deferred will fall to 15 per cent over 3 years once an executive director has met their shareholding requirement.

Vesting of LTIP awards

The long-term incentive plan (LTIP) awards granted in March 2022 vested in March 2025, based on performance over the years 2022 to 2024. 88 per cent of these awards vested.

The LTIP awards granted in March 2023 are due to vest in March 2026, based on performance over the years 2023 to 2025. Following an assessment of the performance measures (RoTE with CET1 underpin, relative TSR, sustainability and strategic measures), the projected outcome of these awards is 88 per cent. The final assessment of the relative TSR performance will be conducted in March 2026, the end of the three-year performance period. Based on a share price of £15.95, the three-month average to 31 December 2025, the projected value to be delivered to the directors is £8,363,962.

The highest paid director has not exercised any share options during the year.

An LTIP award of 816,213 shares was made in May 2025 to the highest paid director, at a share price of £10.675 (adjusted for loss of dividend), which are subject to the satisfaction of stretching RoTE, relative TSR and sustainability performance measures over three years (2025 to 2027).

Other disclosures

The remuneration policy and practices applying to the Material Risk Taker employees of the Bank are the same as those applied by the SC PLC Group which are set out in the SC Pillar 3 report on pages 115 to 119.

Further information on the remuneration for those directors who are also executive directors of the PLC Group can be found in the PLC Group's 2025 Directors' remuneration report on pages 180 to 183.

38. Post balance sheet events

There have been no material events after the reporting date that require disclosure or adjustment in these financial statements.

39. Related undertakings of the Group

As at 31 December 2025, the Group's interests in related undertakings in accordance with Section 409 of the Companies Act 2006 are disclosed below. Unless otherwise stated, the share capital disclosed comprises ordinary or common shares which are held by subsidiaries of the Group. Unless otherwise indicated, all related undertakings are held indirectly.

Subsidiary Undertakings

Name	Proportion of shares held (%)	Footnotes
SC (Secretaries) Limited[ix]	100	1
SCMB Overseas Limited[v]	100	1, 151
Standard Chartered Africa Limited[v]	100	1, 151
Standard Chartered Bank[i]	100; 100[Q,T]	1
Standard Chartered Foundation[ix]	100	1, 146
Standard Chartered Health Trustee (UK) Limited[ix]	100	1
Standard Chartered Nominees (Private Clients UK) Limited[i]	100	1
Standard Chartered Securities (Africa) Holdings Limited[v]	100	1, 151
Standard Chartered Trustees (UK) Limited[ix]	100	1
Bricks (C&K) LP[ix]	100[Y]	2, 146
Bricks (C) LP[ix]	100[Y]	2, 146
Bricks (T) LP[ix]	100[Y]	2, 146
Corrasi Covered Bonds LLP[ix]	75[AA]	3
Standard Chartered Grindlays Pty Limited[v]	100	5
Standard Chartered Bank Insurance Agency (Proprietary) Limited[i]	100	7
Standard Chartered Investment Services (Proprietary) Limited[i]	100	7
Standard Chartered Bank Botswana Limited[i]	75.827	7
Standard Chartered Botswana Nominees (Proprietary) Limited[i]	100	7
Standard Chartered Botswana Education Trust[ix]	100[AB]	7
Standard Chartered Representação e Participações Ltda[i]	100	8
Standard Chartered Securities (B) Sdn Bhd[i]	100	97
SCB Investment Holding Company Limited[v]	100[A]	102
Standard Chartered Global Business Services Co., Ltd[vii]	100	12, 148
Standard Chartered Global Business Services (Guangzhou) Co., Ltd.[vii]	100	109, 148
Standard Chartered Bank Cote d'Ivoire SA[ix]	100	14
Standard Chartered Bank AG[i]	100	16
Standard Chartered Bank Ghana PLC[i]	69.416; 87.043[T]	18
Standard Chartered Ghana Nominees Limited[i]	100	18
Standard Chartered Wealth Management Limited Company[i]	100	19
Standard Chartered PF Real Estate (Hong Kong) Limited[v]	100	75
Standard Chartered Private Equity Limited[v]	100	20
Standard Chartered Asia Limited[v]	100; 100[AD]	20
Standard Chartered Global Business Services Private Limited[viii]	100	22

Name	Proportion of shares held (%)	Footnotes
Standard Chartered Finance Private Limited[viii]	98.895	23
Standard Chartered Capital Limited[i]	100	138
Standard Chartered Securities (India) Limited[i]	100	87
Standard Chartered (India) Modeling and Analytics Centre Private Limited[viii]	100	26
Standard Chartered Assurance Limited[i]	100; 100[M]	29
Standard Chartered Isle of Man Limited[i]	100	29
Standard Chartered Securities (Japan) Limited[i]	100	30
SCB Nominees (CI) Limited[i]	100	31
Standard Chartered Bancassurance Intermediary Limited[i]	100	32
Standard Chartered Investment Services Limited[v]	100	32
Standard Chartered Bank Kenya Limited[i]	74.318; 100[J]	32
Standard Chartered Securities (Kenya) Limited[i]	100	32
Standard Chartered Financial Services Limited[i]	100	32
Standard Chartered Kenya Nominees Limited[i]	100	32
Standard Chartered Metropolitan Holdings SAL[v]	100[A]	33
Cartaban (Malaya) Nominees Sdn Berhad[i]	100	34
Cartaban Nominees (Asing) Sdn Bhd[i]	100	34
Cartaban Nominees (Tempatan) Sdn Bhd[i]	100	34
Golden Maestro Sdn Bhd[v]	100	34
Price Solutions Sdn Bhd[i]	100	34
SCBMB Trustee Berhad[ix]	100	34
Standard Chartered Bank Malaysia Berhad[i]	100; 100[S]	34
Standard Chartered Saadiq Berhad[i]	100	34
Resolution Alliance Sdn Bhd[v]	91	35, 146
Standard Chartered Global Business Services Sdn Bhd[viii]	100	103
Standard Chartered Bank (Mauritius) Limited[i]	100	38
Standard Chartered Private Equity (Mauritius) Limited[i]	100	101
Standard Chartered Private Equity (Mauritius) II Limited[i]	100	101
Standard Chartered Private Equity (Mauritius) III Limited[i]	100	101
Subcontinental Equities Limited[v]	100	39
Standard Chartered Bank Nepal Limited[i]	70.21	40
Standard Chartered Holdings (Africa) B.V.[v]	100	1, 149
Standard Chartered Holdings (Asia Pacific) B.V.[v]	100	1, 149
Standard Chartered Holdings (International) B.V.[v]	100	1, 149
Standard Chartered MB Holdings B.V.[v]	100	1, 149
Standard Chartered Bank Nigeria Limited[i]	100; 100[N,T]	42
Standard Chartered Capital & Advisory Nigeria Limited[i]	100	42
Standard Chartered Nominees (Nigeria) Limited[i]	100	42
Standard Chartered Bank (Pakistan) Limited[i]	98.986	43
Standard Chartered Group Services, Manila Incorporated[viii]	100	44

39. Related undertakings of the Group continued

Name	Proportion of shares held (%)	Footnotes
Standard Chartered Global Business Services spółka z ograniczoną odpowiedzialnością[viii]	100	45
Standard Chartered Capital (Saudi Arabia)[i]	100	104
Standard Chartered Real Estate Investment Holdings (Singapore) Private Limited[v]	100	46
Raffles Nominees (Pte.) Limited[i]	100	47
SCTS Capital Pte. Ltd[i]	100	48
SCTS Management Pte. Ltd.[i]	100	48
Standard Chartered Bank (Singapore) Limited[i]	100[A,B,C,U,V,W]	48
Standard Chartered Trust (Singapore) Limited[ix]	100	48
Standard Chartered Holdings (Singapore) Private Limited[v]	100	48
Standard Chartered Nominees (Singapore) Pte Ltd[i]	100	48
Trust Bank Singapore Limited[i]	60	118
Standard Chartered Nominees South Africa Proprietary Limited (RF)[i]	100	52
Standard Chartered Bank Tanzania Limited[i]	100; 100[J]	53
Standard Chartered Tanzania Nominees Limited[i]	100	53
Standard Chartered Bank (Thai) Public Company Limited[i]	99.871	54
Standard Chartered Yatirim Bankasi Turk Anonim Sirket[ii]	100	55
Standard Chartered Bank Uganda Limited[i]	100	56
Standard Chartered Bank International (Americas) Limited[i]	100	100
Standard Chartered Holdings Inc.[v]	100	61
Standard Chartered Securities (North America) LLC[i]	100[AA]	61
Standard Chartered Trade Services Corporation[i]	100	83
Standard Chartered Bank (Vietnam) Limited[i]	100[X]	64
Sky Harmony Holdings Limited[v]	100	106
Standard Chartered Bank Zambia Plc[i]	90	107
Standard Chartered Zambia Securities Services Nominees Limited[i]	100	125
CMB Nominees (RF) Proprietary Limited[ix]	100	52
Standard Chartered Funds VCC[ix]	100	48
Standard Chartered Luxembourg S.A.[i]	100	95
Berkeley Square Finance 1 Designated Activity Company[i]	100	112
Slate One LLC[i]	100	94
Actis Treit Holdings (Mauritius) Limited[v]	62.001[A,B]	134, 146
Actis Treit Holdings No.1 (Singapore) Private Limited[v]	100	141, 146
Actis Treit Holdings No.2 (Singapore) Private Limited[v]	100	141, 146

Fellow Subsidiaries

Name	Proportion of shares held (%)	Footnotes
FinVentures UK Limited[v]	100	1, 151
SC Ventures G.P. Limited[v]	100	1
SC Ventures Innovation Investment L.P.[v]	100[Y]	1
Standard Chartered I H Limited[v]	100	1, 151
Standard Chartered Strategic Investments Limited[v]	100	1, 151
SC Ventures Holdings Limited[v]	100; 100[M]	1
Zodia Markets (UK) Limited[i]	100	1
Zodia Markets Holdings Limited[v]	83.96	1
Zodia Custody Limited[iv]	95.1; 15.132[K]	96
Zodia Holdings Limited[v]	100[A]	96
Assembly Payments UK Ltd[iv]	100	4, 146
CurrencyFair (UK) Limited[i]	100	4, 146
Zai Technologies Limited[iv]	100	4, 146
Assembly Payments Australia Pty Ltd[iv]	100	119, 146
Zai Australia Pty Ltd[iv]	100	11
CurrencyFair Australia Pty Ltd[iv]	100	6, 146
CurrencyFair (Canada) Ltd[iv]	100	10, 146
Guangzhou CurrencyFair Information Technology Limited[iv]	100	13,146,147
Solvezy Technology Ghana Ltd[iv]	100	17
CurrencyFair Asia Limited[iv]	100	85, 146
Zodia Custody (Hong Kong) Limited[iv]	100	120
Assembly Payments India Private Limited[iv]	100	86
SCV Research and Development Pvt. Ltd.[iv]	100	105
PT Labamu Sejahtera Indonesia[iv]	100	27
CurrencyFair Limited[iv]	100	135, 146, 153
CurrencyFair Nominees Limited[iv]	100	133, 146
Zodia Markets (Ireland) Limited[i]	100	121
Zodia Custody (Ireland) Limited[iv]	100	122
Solvezy Technology Kenya Limited[iv]	100	32
Assembly Payments Malaysia Sdn. Bhd.[iv]	100	37, 146
PromisePay Limited[iv]	100	41, 146
Standard Chartered Private Equity (Singapore) Pte. Ltd[v]	100	46
Audax Financial Technology Pte. Ltd[iv]	100[A]	132
CashEnable Pte. Ltd.[iv]	100[A]	131
Letsbloom Pte. Ltd.[iv]	100[A]	84
Libeara (Singapore) Pte. Ltd.[iv]	100	84
Libeara Pte. Ltd.[v]	100	84
SCV Research and Development Pte. Ltd.[iv]	100[A]	143
Zodia Custody (Singapore) Pte. Ltd.[iv]	100	143
Power2SME Pte. Ltd.[v]	91.577	131
SCV Master Holding Company Pte. Ltd.[v]	100; 100[M]	131
Solv-India Pte. Ltd.[v]	100	131
CurrencyFair (Singapore) Pte.Ltd[iv]	100	49, 146
Assembly Payments SGP Pte. Ltd.[iv]	100	50, 146
Assembly Payments Pte. Ltd.[iv]	100; 100[J]	50, 146
Furaha Finserve Uganda Limited[i]	100	57
Appro Onboarding Solutions FZ-LLC[iv]	100	58
Financial Inclusion Technologies Ltd[v]	100[A]	88
Furaha Holding Ltd[v]	100; 100[B]	59
myZoi Financial Inclusion Technologies LLC[iv]	100	60

39. Related undertakings of the Group continued

Name	Proportion of shares held (%)	Footnotes
CurrencyFair (USA) Inc[iv]	100[AC]	63, 146
Stanchart Nominees Limited[i]	100	1, 152
Standard Chartered Holdings Limited[v]	100	1, 147, 151, 152
Standard Chartered NEA Limited[v]	100	1, 147, 151
Standard Chartered Nominees Limited[i]	100	1, 152
Standard Chartered (Guangzhou) Business Management Co., Ltd.[ii]	100	108, 147, 148
Standard Chartered Bank (China) Limited[i]	100	69, 147, 148
Standard Chartered Securities (China) Limited[i]	100	70, 147, 148
Horsford Nominees Limited[i]	100	71
Marina Acacia Shipping Limited[vi]	100	72
Marina Amethyst Shipping Limited[vi]	100	72
Marina Angelite Shipping Limited[vi]	100	72
Marina Beryl Shipping Limited[vi]	100	72
Marina Emerald Shipping Limited[vi]	100	72
Marina Flax Shipping Limited[vi]	100	72
Marina Gloxinia Shipping Limited[vi]	100	72
Marina Hazel Shipping Limited[vi]	100	72
Marina Ilex Shipping Limited[vi]	100	72
Marina Iridot Shipping Limited[vi]	100	72
Marina Mimosa Shipping Limited[vi]	100	72
Marina Moonstone Shipping Limited[vi]	100	72
Marina Peridot Shipping Limited[vi]	100	72
Marina Sapphire Shipping Limited[vi]	100	72
Marina Tourmaline Shipping Limited[vi]	100	72
Standard Chartered Securities (Hong Kong) Limited[i]	100	72
Marina Leasing Limited[vi]	100	72
Standard Chartered Leasing Group Limited[v]	100	72
Standard Chartered Trade Support (HK) Limited[i]	100	72
Mox Bank Limited[i]	74.36	73
Standard Chartered Bank (Hong Kong) Limited[i]	100[A,B,C,D]	74
Standard Chartered Trustee (Hong Kong) Limited[ix]	100	76
Standard Chartered Funding (Jersey) Limited[v]	100	77
Standard Chartered Bank Korea Limitedi	100	78
Standard Chartered Securities Korea Co., Ltd[i]	100	79
Marina Morganite Shipping Limited[vi]	100	113, 150
Marina Moss Shipping Limited[vi]	100	113, 150
Marina Tanzanite Shipping Limited[vi]	100	113, 150
Marina Angelica Shipping Limited[vi]	100	80, 150
Marina Aventurine Shipping Limited[vi]	100	80, 150
Marina Citrine Shipping Limited[vi]	100	80, 150
Marina Dahlia Shipping Limited[vi]	100	80, 150
Marina Dittany Shipping Limited[vi]	100	80, 150
Marina Lilac Shipping Limited[vi]	100	80, 150
Marina Lolite Shipping Limited[vi]	100	80, 150
Marina Obsidian Shipping Limited[vi]	100	80, 150
Marina Quartz Shipping Limited[vi]	100	80, 150
Marina Remora Shipping Limited[vi]	100	80, 150
Marina Turquoise Shipping Limited[vi]	100	80, 150
Marina Zircon Shipping Limited[vi]	100	80, 150
Price Solution Pakistan (Private) Limited[i]	100	81
Standard Chartered Bank (Taiwan) Limited[i]	100	82
Letsbloom India Private Limited[iv]	100	90
Qatalyst Pte. Ltd.[iv]	72.727	131
Solv Vietnam Company Limited[iv]	100[X]	91
TASConnect (Hong Kong) Private Limited[iv]	100	92
TASConnect (Malaysia) Sdn. Bhd.[iv]	100	36
TASConnect (Shanghai) Financial Technology Pte. Ltd[iv]	100	136, 148
Zodia Custody Australia Pty. Ltd.[iv]	100	114
Zodia Markets (AME) Limited[iv]	100	115
Zodia Markets (Jersey) Limited[iv]	100	117
Fourtwothree Pte. Ltd[iv]	100	84
HAL Holding Ltd[iv]	100	140
Zodia Custody (Europe) S.A.[iv]	100	116
Anchorpoint Financial Limited[iv]	50.5	20
Appro Marketing Solutions L.L.C[iv]	100	126
CFZ Holding Limited[iv]	29.96;100[A]	135
Currencyfair Group Limited[iv]	100	135,146
Nusavest Pte. Ltd.[iv]	100	131
Regwise Ltd[iv]	100	145
Standard Chartered Services Holdings Limited[v]	100	1
Standard Chartered Services Limited[viii]	100	1
Tungsten Custody Solutions FZE[iv]	100	93
Tungsten Custody Solutions Ltd[iv]	100	62
Tungsten Holding Limited[iv]	100	62
Zodia Markets Technology Services FZCO[iv]	0.1	25

Associates

Name	Proportion of shares held (%)	Footnotes
Clifford Capital Holdings Pte. Ltd.[v]	9.9	98
Verified Impact Exchange Holdings Pte. Ltd[i]	13	99
Seychelles International Mercantile Banking Corporation Limited.[i]	22	65

Significant investment holdings and other related undertakings

Name	Proportion of shares held (%)	Footnotes
Corrasi Covered Bonds (LM) Limited[i]	20	3, 146
ATSC Cayman Holdco Limited[v]	5.272[A];100[B]	127
Actis Temple Stay Holdings (HK) Limited[v]	39.689[A]; 39.689[B]	128, 146
Mikado Realtors Private Limited[ix]	26	129
Industrial Minerals and Chemical Co. Pvt. Ltd[ix]	26	142
Paxata, Inc.[iii]	40.74[O]; 8.908[P]	63

39. Related undertakings of the Group continued

In liquidation

Name	Proportion of shares held (%)	Footnotes
Subsidiary Undertakings		
Standard Chartered Masterbrand Licensing Limited[ix]	100	110
Birdsong Limited[ix]	100	66
Nominees One Limited[ix]	100	66
Nominees Two Limited[ix]	100	66
Songbird Limited[ix]	100	66
Standard Chartered Secretaries (Guernsey) Limited[ix]	100	66
Standard Chartered Trust (Guernsey) Limited[ix]	100	66
Standard Chartered Financial Services (Luxembourg) S.A.[ix]	100	67
Banco Standard Chartered en Liquidacion[ix]	100	111
Standard Chartered Uruguay Representacion S.A.[ix]	100	68
SC Transport Leasing 1 LTD[ix]	100	130
SC Transport Leasing 2 Limited[ix]	100	130
Standard Chartered Leasing (UK) Limited[ix]	100	130
Fellow Subsidiaries		
Standard Chartered Trust (Hong Kong) Limited[i]	100	76

Subsidiary/Associate undertakings and Significant investment holdings – Liquidated/dissolved/sold

Name	Proportion of shares held (%)	Footnotes
Subsidiary Undertakings		
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
Standard Chartered Leasing (UK) 3 Limited[vi]	100	144
Cerulean Investments LP[ix]	100[Y]	144
Standard Chartered IL&FS Management (Singapore) Pte. Limited[ix]	50	51
St Helen's Nominees India Private Limited[i]	100	24
Standard Chartered Private Equity Advisory (India) Private Limited[viii]	100	24
Fellow Subsidiaries		
Assembly Payments HK Limited[iv]	100	21, 146
Standard Chartered Research and Technology India Private Limited[iv]	100[A,R]	123
CurrencyFair (Canada) Limited[iv]	100	28,146
Tawi Fresh Kenya Limited[iv]	100	32
Pegasus Dealmaking Pte. Ltd.[iv]	100	143
Promisepay (PTY) Ltd[iv]	100	124, 146
Marina Partawati Shipping Pte. Ltd.[vi]	100	137
SC Ventures Management Consulting (Shenzhen) Limited[ix]	100	139, 147
Marina Opah Shipping Pte. Ltd.[vi]	100	144
Marina Cobia Shipping Pte. Ltd.[vi]	100	144
Marina Aquata Shipping Pte. Ltd.[vi]	100	144
Marina Aruana Shipping Pte. Ltd.[vi]	100	144
Associates		
Fintech for International Development Ltd (In Liquidation 03/01/2024)[ix]	58.901[A]	89

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, 10th 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	5th Floor Standard House Bldg, The Mall, Queens Road, PO Box 496, Gaborone, Botswana
8	Avenida Brigadeiro Faria Lima, no 3.477, 6° 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, 17 B.P. 1141, Cote d'Ivoire
15	8 Ecowas Avenue, Banjul, Gambia
16	TaunusTurm, Taunustor 1, 60310, Frankfurt am Main, Germany
17	Standard Chartered Bank Building, 87 Independance 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	6th 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, 5th 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

39. Related undertakings of the Group continued

	Address
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
32	Standard Chartered@Chiromo, 48 Westlands Road, P. O. Box 30003 – 00100, Nairobi, Kenya
33	Atrium Building, Maarad Street, 3rd 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	6th Floor, Standard Chartered Tower, 19, Bank Street, Cybercity, Ebene, 72201, Mauritius
39	Mondial Management Services Ltd, Unit 2L, 2nd 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	8th 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	2nd 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, 11th, 12th and 14th Floor, Wireless Road, Lumpini, Patumwan, Bangkok, 10330, Thailand

	Address
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	Part of Level 15, Standard Chartered Bank Building, Plot 8, Burj Downtown, Dubai, United Arab Emirates
61	Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801, United States
62	Office 1809, 18 Floor Sky Tower, Shams Abu Dhabi, Al Reem Island, Abu Dhabi, United Arab Emirates
63	251 Little Falls Drive, Wilmington DE 19808, United States
64	Level 3, #CP1.L01 and CP2.L01, Capital Place, 29 Lieu Giai, Ngoc Ha Ward, Hanoi, 10000, Vietnam
65	Victoria House, State House Avenue, Victoria, MAHE, Seychelles
66	Bucktrout House, Glategny Esplanade, St Peter Port, GY1 3HQ, Guernsey
67	30 Rue Schrobilgen, 2526, Luxembourg
68	Luis Alberto de Herrera 1248, Torre II, Piso 11, Esc. 1111, Uruguay
69	Standard Chartered Tower, 201 Century Avenue, Pudong, Shanghai, 200120, China
70	1201 1-2, 15-16, 12/F, Unit No.1, Building No.1, No. 1 Dongsanhuan Zhong Road, Chaoyang District, Beijing, China
71	18/F., Standard Chartered Tower, 388 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong
72	15/F., Two International Finance Centre, No. 8 Finance Street, Central, Hong Kong
73	39/F., Oxford House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
74	32/F., 4-4A Des Voeux Road, Central, Hong Kong
75	14th Floor, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
76	14/F, Standard Chartered Bank Building, 4-4A Des Voeux Road, Central, Hong Kong
77	IFC 5, St Helier, JE1 1ST, Jersey
78	47, Jong-ro, Jongno-gu, Seoul, 110-702, Korea, Republic of
79	2F, 47, Jong-ro, Jongno-gu, Seoul, Korea, Republic of
80	Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, MH96960, Marshall Islands
81	3rd Floor Main SCB Building, I.I Chundrigar Road, Karachi, Sindh, 74000, Pakistan
82	1F, No.177 & 3F-6F, 18F, No.179, Liaoning Street, Zhongshan Dist., Taipei, 104, Taiwan (Province of China)
83	C/O Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808, United States
84	16 Raffles Quay, #16-02, Hong Leong Building, 048581, Singapore
85	Suite 12100, 12/F., YF Life Tower, 33 Lockhart Road, Wan Chai, Hong Kong
86	1st Floor, UB Plaza, No. 1 & 2, Vittal Mallya Road, Bengalur, India

39. Related undertakings of the Group continued

	Address
87	12th Floor, Crescenzo Business District,, Plot no. C-38/39, G-Block,, Bandra – Kurla Complex, Bandra East,, Mumbai, Maharashtra, 400051, India
88	16th Floor, WeWork Hub 71, Al Khatem Tower, ADGM Square, Al Maryah Island, Abu Dhabi, United Arab Emirates
89	Parker Andrews Ltd, 5th Floor. The Union Building, 51-59 Rose Lane, Norwich, NR1 1BY
90	Unit 1 – 127A, WeWork Futura, Magarpatta Road, Kirtane Baug, Hadpsar I.E., Pune – 411013, Maharashtra, India
91	L17-11, Floor 17, Vincom Center, 72 Le Thanh Ton, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam
92	30th floor, One Taikoo Place, 979 King's Road, Hong Kong, Hong Kong
93	5.01 and 5.02 Convention Tower, DWTC, Dubai, United Arab Emirates
94	Al Tamimi & Company International Limited, Tornado Tower, No. 17, 19th Floor, Doha, Qatar
95	53 Boulevard Royal, Grand Duchy of Luxembourg, 2449, Luxembourg
96	1st Floor, 6-8 Eastcheap, London, EC3M 1AE
97	G01-02, Wisma Haji Mohd Taha Building,, Jalan Gadong, BE4119, Brunei Darussalam
98	38 Beach Road, #19-11 South Beach Tower, 189767, Singapore
99	10 Marina Boulevard #08-08, Marina Bay Financial Centre, 018983, Singapore
100	1095 Avenue of Americas, New York City NY 10036, United States
101	c/o Ocorian Corporate Services (Mauritius) Ltd, 6th Floor, Tower A,1, Exchange Square, Wall Street, Ebene, Mauritius – 72201, Mauritius
102	c/o Maples Finance Limited, PO Box 1093 GT, Queensgate House, Georgetown, Grand Cayman, Cayman Islands
103	Level 1, Wisma Standard Chartered, Jalan Teknologi 8,, Taman Teknologi Malaysia, Bukit Jalil,, 57000 Kuala Lumpur, Wilayah Persekutuan, Malaysia
104	Al Faisaliah Office Tower Floor No 7 (T07D), King Fahad Highway, Olaya District, P.O box 295522, Riyadh, 11351, Saudi Arabia
105	No. 2734, 3rd Floor, Sector – I, HSR Layout, Bangalore, 560102, India
106	The Company's Registered Office, Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, Virgin Islands, British
107	Standard Chartered House, Stand No. 4642, Corner of Mwaimwene Road and Addis Ababa Drive, Lusaka, Lusaka, 10101, Zambia
108	Units 1101B (Office use only), No. 235 Tianhebei Rd., Tianhe District, Guangzhou City, Guangdong Province, China
109	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
110	C/O Teneo Financial Advisory Limited, The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT, United Kingdom
111	Jiron Huascar 2055, Jesus Maria, Lima, 15072, Peru
112	10 Earlsfort Terrace, Dublin 2, Dublin, D02 T380, Ireland

	Address
113	TMF Trust Labuan Limited, Brumby Centre, Lot 42, Jalan Muhibbah, 87000 Labuan F.T., Malaysia
114	c/o King & Wood Mallesons, Level 61, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000, Australia
115	2402B, 24th Floor, Tamouh Tower, Tamouh, Abu Dhabi, Al Reem Island, United Arab Emirates
116	2 Place de Paris, 2314, Luxembourg
117	No 1 Grenville Street, St Helier, JE2 4UF, Jersey
118	77 Robinson Road, #25-00 Robinson 77, 068896, Singapore
119	Level 22, 120 Spencer Street, Melbourne VIC 3000, Australia
120	Room 1915, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong
121	One Central Plaza, Temple Bar, Dublin 2, Dublin, D02 EF64, Ireland
122	27 Fitzwilliam Street, Dublin, D02 TP23, Ireland
123	No. 2734, Sector-I, HSR Layout, HSR Layout, Bangalore, Bangalore South, Karnataka, 560102, India
124	1st Floor Building 33, Waterford Office Park, Waterford Drive, Fourways, Gauteng, 2191, South Africa
125	Stand No. 4642, Corner of Mwaimwena Road and Addis Ababa Drive, Lusaka, 10101, Zambia
126	BurDubai First Business Center Office number B2007-258, Dubai, United Arab Emirates
127	Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue,George Town, Grand Cayman, KY1-9005, Cayman Islands
128	Unit 605-07, 6/F Wing OnCentre, 111 Connaught Road, Central,Sheung Wan, Hong Kong
129	1221 A, Devika Tower, 12th Floor, 6 Nehru Place, New Delhi 110019
130	The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT, United Kingdom
131	9 Raffles Place, #18-21 Republic Plaza, 048619, Singapore
132	Acclime Singapore Pte. Ltd, 9 Raffles Place #18-21, Republic Plaza, 048619, Singapore
133	WeWork, One Central Plaza, Dame Street, Dublin 2, Dublin, D02 K7K5, Ireland
134	IQEQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis, 11324, Mauritius
135	One, Central Plaza, Dame Street, Dublin 2, Dublin, D02 K7K5, Ireland
136	Level C, No. 888 2nd Huanhu West Road, Nanhui New Town, Pudong New Area, Shanghai, China
137	8 Marina Boulevard, Level 26, Marina Bay Financial Centre, Tower 1, 018981, Singapore
138	12th Floor, Parinee Crescenzo Building, Plot C-38 & 39, G Block Bandra (E) Opp. MCA Ground, Mumbai, 400051, India
139	Unit 8C-17B, Xinlikang Building, 3044 Xinghai Blvd, Nanshan District, Shenzhen, China
140	Dedicated desk # 14-123-039, 15th Floor, Al Khatem Tower, ADGM Square, Abu Dhabi, United Arab Emirates
141	6 Battery Road #13-01, 049909, Singapore
142	4thFloor, 274, Chitalia House, Dr. Cawasji Hormusji Road, Dhobi Talao, Mumbai City, Maharashtra, India 400 002, Mumbai, 400 002, India
143	9 Raffles Place, #26-01 Republic Plaza, 048619, Singapore
144	Ground Floor, Two Dockland Central, Guild Street, North Dock, Dublin, D01 K2C5, Ireland
145	100 Longwater Avenue, Reading, Berkshire, RG2 6GP, United Kingdom

39. Related undertakings of the Group continued

Other notes

	Other notes
146	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.
147	Registered as a Limited company under the Law of China
148	Limited liability company
149	The Group has determined the principal place of operation to be United Kingdom
150	The Group has determined the principal place of operation to be Hong Kong
151	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 and fellow subsidiaries taking an audit exemption for the year ended 31 December 2025 are: Subsidiaries – SCMB Overseas Limited 01764223, Standard Chartered Africa Limited 00002877and Standard Chartered Securities (Africa) Holdings Limited 05843604. Fellow subsidiaries – Standard Chartered Holdings Limited 02426156, Standard Chartered I H Limited 08414408, Finventures UK Limited 04275894, Standard Chartered Strategic Investments Limited 01388304 and Standard Chartered NEA Limited 05345091. 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) and Standard Chartered NEA Limited ($22.0million). In line with section 479C of the Companies Act 2006, the Parent undertaking (Standard Chartered Bank) guarantees all outstanding liabilities to which the subsidiary company is subject to at the end of the financial year including external liabilities of SCMB Overseas Limited ($6.3million)
152	Directly held related undertaking
153	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

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

Supplementary financial information

Contractual maturity of Loans, Investment securities and Deposits

	2025						
	Loans and advances to banks $million	Loans and advances to customers $million	Investment securities – Treasury and other eligible Bills $million	Investment securities – Debt securities $million	Investment securities – Equity shares $million	Bank deposits $million	Customer accounts $million
One year or less	**46,755**	**117,651**	**49,518**	**15,537**	**–**	**30,760**	**301,796**
Between one and five years	**8,710**	**46,613**	**–**	**47,830**	**–**	**4,284**	**6,560**
Between five and ten years	**881**	**13,746**	**–**	**10,911**	**–**	**4**	**532**
Between ten years and fifteen years	**164**	**6,410**	**–**	**4,032**	**–**	**–**	**47**
More than fifteen years and undated	**122**	**20,677**	**–**	**18,887**	**578**	**–**	**10**
Total	**56,632**	**205,097**	**49,518**	**97,197**	**578**	**35,048**	**308,945**
Total amortised cost and FVOCI exposures	**24,771**	**159,254**					
Of which: Fixed interest rate exposures	**19,843**	**81,749**					
Of which: Floating interest rate exposures	**4,928**	**77,505**					

	2024						
	Loans and advances to banks $million	Loans and advances to customers $million	Investment securities – Treasury and other eligible Bills $million	Investment securities – Debt securities $million	Investment securities – Equity shares $million	Bank deposits $million	Customer accounts
One year or less	41,096	128,508	29,750	15,066	–	26,070	273,937
Between one and five years	10,398	34,276	41	44,835	–	6,223	8,778
Between five and ten years	863	12,832	–	14,157	–	3	301
Between ten years and fifteen years	71	6,712	–	5,760	–	–	114
More than fifteen years and undated	238	17,814	–	17,204	1,629	2	11
Total	52,666	200,142	29,791	97,022	1,629	32,298	283,141
Total amortised cost and FVOCI exposures	22,941	158,242					
Fixed interest rate exposures	19,349	86,042					
Floating interest rate exposures	3,592	72,200					

Maturity and yield of Debt securities, alternative tier one and other eligible bills held at amortised cost

	One year or less		Between one and five years		Between five and ten years		More than ten years		Total	
	$million	Yield %	$million	Yield %	$million	Yield %	$million	Yield %	$million	Yield %
Central and other government agencies										
• US	**1,823**	**1.08**	**7,694**	**1.62**	**1,381**	**2.15**	**4,197**	**2.59**	**15,095**	**1.87**
• UK	**78**	**0.50**	**286**	**2.90**	**49**	**0.88**	**–**	**–**	**413**	**2.21**
• Other	**1,786**	**3.19**	**4,528**	**3.11**	**1,829**	**3.51**	**8**	**9.78**	**8,151**	**3.22**
Other debt securities	**1,395**	**6.67**	**2,426**	**6.00**	**4,088**	**4.86**	**2,343**	**–**	**10,252**	**5.22**
As at 31 December 2025	**5,082**	**3.35**	**14,934**	**2.81**	**7,347**	**3.99**	**6,548**	**3.15**	**33,911**	**3.21**

	One year or less		Between one and five years		Between five and ten years		More than ten years		Total	
	$million	Yield %	$million	Yield %	$million	Yield %	$million	Yield %	$million	Yield %
Central and other government agencies										
• US	1,172	1.64	7,070	1.92	3,375	1.54	4,353	2.76	15,970	2.05
• UK	17	0.50	588	1.97	44	0.88	–	–	649	1.85
• Other	1,510	3.66	5,882	3.85	1,569	4.46	14	9.62	8,975	3.93
Other debt securities	1,538	6.26	1,747	7.18	3,883	4.88	4,604	5.34	11,772	5.58
As at 31 December 2024	4,237	4.03	15,287	3.26	8,871	3.51	8,971	4.09	37,366	3.61

The maturity distributions are presented in the above table on the basis of contractual maturity dates. The weighted average yield for each range of maturities is calculated by dividing the annualised interest income for the year by the book amount of debt securities at that date.

Insured and uninsured deposits

SCB operates and provides services to customers across many countries and insured deposits is determined on the basis of limits enacted within local regulations.

	2025					2024				
	Insured deposits		Uninsured deposits			Insured deposits		Uninsured deposits		
	Bank deposits $million	Customer accounts $million	Bank deposits $million	Customer accounts $million	Total $million	Bank deposits $million	Customer accounts $million	Bank deposits $million	Customer accounts $million	Total $million
Current accounts	10	8,040	21,091	129,483	158,624	8	6,104	17,356	118,803	142,271
Savings deposits	–	6,399	–	17,304	23,703	–	6,161	–	17,224	23,385
Time deposits	27	6,657	6,368	108,171	121,223	–	5,646	5,900	93,675	105,221
Other deposits	–	51	7,552	32,840	40,443	–	104	9,030	35,426	44,560
Total	37	21,147	35,011	287,798	343,993	8	18,015	32,286	265,128	315,437

UK and non-UK deposits

The following table summarises the split of Bank and Customer deposits into UK and non-UK deposits for respective account lines based on the domicile or residence of the clients.

	2025					2024				
	UK deposits		Non-UK deposits			UK deposits		Non-UK deposits		
	Bank deposits $million	Customer accounts $million	Bank deposits $million	Customer accounts $million	Total $million	Bank deposits $million	Customer accounts $million	Bank deposits $million	Customer accounts $million	Total $million
Current accounts	403	7,241	20,698	130,282	158,624	478	5,751	16,886	119,156	142,271
Savings deposits	–	42	–	23,661	23,703	–	40	–	23,345	23,385
Time deposits	566	7,403	5,829	107,425	121,223	315	7,473	5,585	91,848	105,221
Other deposits	950	11,944	6,602	20,947	40,443	2,317	12,795	6,713	22,735	44,560
Total	1,919	26,630	33,129	282,315	343,993	3,110	26,059	29,184	257,084	315,437

Average balance sheets and yields and volume and price variances

Average balance sheets and yields

The following tables set out the average balances for the SC Bank Group's assets and liabilities for the periods ended 31 December 2025 and 31 December 2024 under the revised definition of net interest margin. For the purpose of these tables, average balances have been determined on the basis of daily balances, except for certain categories, for which balances have been determined less frequently. The Group does not believe that the information presented in these tables would be significantly different had such balances been determined on a daily basis.

	2025				
Average assets	Average non-interest earning balance $million	Average interest earning balance $million	Interest income $million	Gross yield %	Gross yield total balance %
Cash and balances at central banks	6,184	59,592	2,105	3.53	3.20
Gross loans and advances to banks	35,124	22,421	1,175	5.24	2.04
Gross loans and advances to customers	52,774	160,398	8,988	5.60	4.22
Impairment provisions against loans and advances to banks and customers	–	(3,224)	–	–	–
Investment securities – Treasury and Other Eligible Bills	19,271	21,068	1,009	4.79	2.50
Investment securities – Debt Securities	20,172	83,112	3,517	4.23	3.41
Investment securities – Equity Shares	1,397	–	–	–	–
Due from subsidiary undertakings and other related parties	–	5,521	94	1.70	1.70
Property, plant and equipment and intangible assets	4,312	–	–	–	–
Prepayments, accrued income and other assets	105,773	–	–	–	–
Investment associates and joint ventures	128	–	–	–	–
	245,135	348,888	16,888	4.84	2.84
Adjustment for trading book funding cost and others			788		
Total average assets	245,135	348,888	17,676	5.07	2.98

Average balance sheets and yields and volume and price variances continued

Average assets	2024 Average non-interest earning balance $million	Average interest earning balance $million	Interest income $million	Gross yield %	Gross yield total balance %
Cash and balances at central banks	6,262	55,364	2,500	4.52	4.06
Gross loans and advances to banks	33,338	22,539	1,296	5.75	2.32
Gross loans and advances to customers	44,176	166,285	10,415	6.26	4.95
Impairment provisions against loans and advances to banks and customers	–	(3,589)	–	–	–
Investment securities – Treasury and Other Eligible Bills	11,204	18,502	1,244	6.72	4.19
Investment securities – Debt Securities	17,532	83,820	3,728	4.45	3.68
Investment securities – Equity Shares	2,201	–	–	–	–
Due from subsidiary undertakings and other related parties	–	8,085	127	1.57	1.57
Property, plant and equipment and intangible assets	4,271	–	–	–	–
Prepayments, accrued income and other assets	80,414	–	–	–	–
Investment associates and joint ventures	145	–	–	–	–
	199,543	351,006	19,310	5.50	3.51
Adjustment for trading book funding cost and others			582		
Total average assets	199,543	351,006	19,892	5.67	3.61

Average liabilities	2025 Average non-interest bearing balance $million	Average interest bearing balance $million	Interest expense $million	Rate paid %	Rate paid total balance %
Deposits by banks	**13,082**	**22,402**	**702**	**3.13**	**1.98**
Customer accounts:					
Current accounts	**28,097**	**108,875**	**3,013**	**2.77**	**2.20**
Savings deposits	**–**	**23,926**	**471**	**1.97**	**1.97**
Time deposits	**10,647**	**100,278**	**4,745**	**4.73**	**4.28**
Other deposits	**36,357**	**4,591**	**187**	**4.07**	**0.46**
Debt securities in issue	**11,637**	**34,491**	**1,582**	**4.59**	**3.43**
Due to parent companies, subsidiary undertakings & other related parties	**–**	**34,925**	**1,942**	**5.56**	**5.56**
Accruals, deferred income and other liabilities	**121,081**	**794**	**46**	**5.79**	**0.04**
Subordinated liabilities and other borrowed funds	**–**	**8,390**	**485**	**5.78**	**5.78**
Non-controlling interests	**818**	**–**	**–**	**–**	**–**
Shareholders' funds	**33,631**	**–**	**–**	**–**	**–**
	255,350	**338,672**	**13,173**	**3.89**	**2.22**
Adjustment for trading book funding cost and others			**(2,326)**		
Financial guarantee fees on interest earning assets					
Total average liabilities and shareholders' funds	**255,350**	**338,672**	**10,847**	**3.20**	**1.83**

Average liabilities	2024 Average non-interest bearing balance $million	Average interest bearing balance $million	Interest expense $million	Rate paid %	Rate paid total balance %
Deposits by banks	12,443	20,302	728	3.59	2.22
Customer accounts:					
Current accounts	29,308	106,029	1,290	1.22	0.95
Savings deposits	–	19,917	570	2.86	2.86
Time deposits	9,454	98,355	4,987	5.07	4.63
Other deposits	34,254	9,428	476	5.05	1.09
Debt securities in issue	11,633	27,857	1,653	5.93	4.19
Due to parent companies, subsidiary undertakings & other related parties	–	29,325	4,573	15.59	15.59
Accruals, deferred income and other liabilities	94,604	572	36	6.29	0.04
Subordinated liabilities and other borrowed funds	–	12,975	597	4.60	4.60
Non-controlling interests	1,041	–	–	–	–
Shareholders' funds	33,052	–	–	–	–
	225,789	324,760	14,910	4.59	2.71
Adjustment for trading book funding cost and others			(1,898)		
Financial guarantee fees on interest earning assets					
Total average liabilities and shareholders' funds	225,789	324,760	13,012	4.01	2.36

Net interest margin

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

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

	2025 $million	2024 $million
Interest income (reported)	**16,888**	19,310
Adjustment for trading book funding cost and others	**788**	582
Interest Income adjusted for trading book funding cost and others	**17,676**	19,892
Average interest earning assets	**348,888**	351,006
Gross yield (%)	**5.07**	5.67
Interest expense (reported)	**13,173**	14,910
Adjustment for trading book funding cost and others	**(2,326)**	(1,898)
Interest expense adjusted for trading book funding cost and others	**10,847**	13,012
Average interest-bearing liabilities	**338,672**	324,760
Rate paid (%)	**3.20**	4.01
Net yield (%)	**1.87**	1.66
Adjusted net interest income[1]	**6,829**	6,880
Net interest margin (%)	**1.96**	1.96

1 Adjusted net interest income has been re-presented in line with the RNS on Re-Presentation of Financial Information issued on 2 April 2025 to reflect the reclassification of funding cost mismatches to non-net interest income (Non NII). Adjusted NII is reported NII less trading book funding cost, treasury currency management activities, cash collateral and prime service.

Volume and price variances

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

	2025 versus 2024			2024 versus 2023		
	(Decrease)/increase in interest due to:		Net increase/ (decrease) in interest	(Decrease)/increase in interest due to:		Net increase/ (decrease) in interest
	Volume $million	Rate $million	$million	Volume $million	Rate $million	$million
Interest earning assets						
Cash and unrestricted balances at central banks	**149**	**(544)**	**(395)**	(452)	139	(313)
Loans and advances to banks	**(6)**	**(115)**	**(121)**	(121)	242	121
Loans and advances to customers	**(316)**	**(1,110)**	**(1,426)**	421	586	1,007
Investment securities	**81**	**(527)**	**(446)**	(142)	260	118
Due from subsidiary undertakings and other related parties	**(44)**	**10**	**(34)**	47	(50)	(3)
Total interest earning assets	**(136)**	**(2,286)**	**(2,422)**	(247)	1,177	930
Interest bearing liabilities						
Subordinated liabilities and other borrowed funds	**(265)**	**153**	**(112)**	29	(34)	(5)
Deposits by banks	**66**	**(92)**	**(26)**	(19)	121	102
Customer accounts:						
Current accounts and savings deposits	**187**	**1,447**	**1,634**	90	(1,886)	(1,796)
Time and other deposits	**(137)**	**(393)**	**(530)**	(156)	654	498
Debt securities in issue	**304**	**(375)**	**(71)**	(192)	74	(118)
Due to parent companies, subsidiary undertakings & other related parties	**311**	**(2,943)**	**(2,632)**	403	2,053	2,456
Total interest bearing liabilities	**466**	**(2,203)**	**(1,737)**	155	982	1,137

Return on assets

	2025 $million	2024 $million
Profit attributable to shareholders	**3,376**	2,943
Total assets	**593,362**	563,534
Return on assets[1]	**0.6%**	0.5%

1 Represents profit attributable to Parent company shareholders divided by the total assets of the Group.

Supplementary people information

The following table summarises the number of employees within the Group and Company:

Group

	2025			2024		
	Business	Support services	Total	Business	Support services	Total
At 31 December	**19,259**	**47,265**	**66,524**	19,252	46,450	65,702
Average for the year	**19,353**	**46,408**	**65,761**	19,582	48,114	67,696

Company

	2025			2024		
	Business	Support services	Total	Business	Support services	Total
At 31 December	**8,076**	**11,744**	**19,820**	7,880	12,307	20,187
Average for the year	**7,992**	**11,939**	**19,932**	8,162	12,927	21,089

Important notices

Forward-looking statements

The information included in this document may contain ‘forward-looking statements’ based upon current expectations or beliefs as well as statements formulated with assumptions about future events. Forward-looking statements include, without limitation, projections, estimates, commitments, plans, approaches, ambitions and targets (including, without limitation, ESG commitments, ambitions and targets). Forward-looking statements often use words such as ‘may’, ‘could’, ‘will’, ‘expect’, ‘intend’, ‘estimate’, ‘anticipate’, ‘believe’, ‘plan’, ‘seek’, ‘aim’, ‘continue’ or other words of similar meaning to any of the foregoing. Forward-looking statements may also (or additionally) be identified by the fact that they do not relate only to historical or current facts.

By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties and other factors that could cause actual results, and the Group’s plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. Readers should not place reliance on, and are cautioned about relying on, any forward-looking statements.

There are several factors which could cause the Group’s actual results and its plans and objectives to differ materially from those expressed or implied in forward-looking statements. The factors include (but are not limited to): changes in global, political, economic, business, competitive and market forces or conditions, or in future exchange and interest rates; changes in environmental, geopolitical, social or physical risks; legal, regulatory and policy developments, including regulatory measures addressing climate change and broader sustainability-related issues; the development of standards and interpretations, including evolving requirements and practices in ESG reporting; the ability of the Group, together with governments and other stakeholders to measure, manage, and mitigate the impacts of climate change and broader sustainability-related issues effectively; risks arising out of health crises and pandemics; risks of cyber-attacks, data, information or security breaches or technology failures involving the Group; changes in tax rates or policy; future business combinations or dispositions; and other factors specific to the Group, including those identified in this document and financial statements of the Group. To the extent that any forward-looking statements contained in this document are based on past or current trends and/or activities of the Group, they should not be taken as a representation that such trends or activities will continue in the future.

No statement in this document is intended to be, nor should be interpreted as, a profit forecast or to imply that the earnings of the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Group. Each forward-looking statement speaks only as of the date that it is made. Except as required by any applicable laws or regulations, the Group expressly disclaims any obligation to revise or update any forward-looking statement contained within this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

Please refer to this document and the financial statements of the Group for a discussion of certain of the risks and factors that could adversely impact the Group’s actual results, and cause its plans and objectives, to differ materially from those expressed or implied in any forward-looking statements.

Financial instruments

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

Caution regarding climate and environment related information

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

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