

# 4Q'22 and FY'22 Results Presentation

16<sup>th</sup> February 2023



standard  
chartered

16/02/2023

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**Bill Winters**  
Group Chief Executive

3  
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# Opening remarks

## Summary

- A strong performance in 2022 in a challenging environment
  - Total income (ex-DVA) up 15% at constant currency (ccy); 4Q'22 up 26% at ccy
  - 6% positive income-to-cost jaws
  - Profit before tax up 15%
  - Return on tangible equity up 120bps to 8.0%, above pre-pandemic levels
- Capital remains strong with CET1 ratio of 14.0%, at the top of the 13-14% target range
  - \$2.8bn of capital returns announced since the start of 2022...
  - ... including a full year dividend up 6c / 50% to 18c per share and a new \$1bn share buy-back
- Continued strong execution on five strategic actions

## Outlook

- Positive outlook for most of our markets, albeit with some sovereign risk uncertainties
- Continued improvement in RoTE, now approaching 10% in 2023...
- ... and upgrading expectations for 2024 to >11% RoTE, and to continue to grow thereafter

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**Andy Halford**

Group Chief Financial Officer



# 4Q'22: Strong momentum exiting 2022

(\$bn)	4Q'21	4Q'22	YoY <sup>1</sup>	ccy <sup>1</sup>
Net interest income	1.7	2.0	19%	28%
Other income (ex-DVA)	1.6	1.8	14%	23%
<b>Operating Income (ex-DVA)</b>	<b>3.3</b>	<b>3.9</b>	17%	26%
DVA	0.0	(0.1)	Nm <sup>1</sup>	Nm <sup>1</sup>
<b>Operating income</b>	<b>3.3</b>	<b>3.7</b>	<b>12%</b>	<b>21%</b>
Operating expenses	(2.6)	(2.7)	(4)%	(14)%
UK bank levy	(0.1)	(0.1)	Nm <sup>1</sup>	Nm <sup>1</sup>
<b>Pre-provision operating profit</b>	<b>0.6</b>	<b>0.9</b>	<b>44%</b>	<b>46%</b>
Credit impairment	(0.2)	(0.3)	(69)%	(86)%
Other impairment <sup>5</sup>	0.0 <sup>5</sup>	(0.0)	Nm <sup>1</sup>	Nm <sup>1</sup>
Profit from associates	(0.0)	(0.0)	50%	50%
<b>Underlying profit before tax</b>	<b>0.4</b>	<b>0.5</b>	<b>21%</b>	<b>17%</b>
Restructuring	(0.3)	(0.1)	64%	59%
Other items <sup>5</sup>	(0.4) <sup>5</sup>	(0.3)	17%	16%
<b>Statutory profit before tax</b>	<b>(0.2)</b>	<b>0.1</b>	<b>Nm<sup>1</sup></b>	<b>Nm<sup>1</sup></b>
<b>Risk-weighted assets (RWA)</b>	<b>271</b>	<b>245</b>	<b>(10)%</b>	

Financial KPIs (4Q'22, YoY)	
<b>RoTE <sup>2</sup></b>	<b>Net interest margin (NIM)</b>
1.5% up 23bps	1.58% up 39bps
<b>CET1 ratio</b>	<b>Cost-to-income ratio<sup>3</sup></b>
14.0% down 19bps	70% down 7%pts
<b>LCR</b>	<b>Income-to-cost jaws<sup>4</sup></b>
147% up 4%pts	Positive 12%

- 4Q'22 income (ex-DVA) up 26% at ccy
  - Record 4Q'22 in Financial Markets<sup>6</sup>
- L&A to customers up 4% QoQ; flat underlying
- Expenses 4% higher, 14% higher at ccy
- 12% positive income-to-cost jaws ex-DVA at ccy
- Credit impairment charge of \$344m vs \$203m in 4Q'21
  - China CRE \$163m; Sovereign downgrades \$109m
  - \$6m net increase in overlays, \$210m remaining
- 4Q'22 Other items includes \$308m other impairment relating to China Bohai Bank;
  - 4Q'21 \$300m impairment charge repositioned to Restructuring and Other Items, and restated RoTE
- RWA reduced \$8bn in 4Q'22, including \$7bn optimisation and efficiency actions

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# FY'22: Income and profit before tax both up strongly with 15% YoY growth

(\$bn)	FY'21	FY'22	YoY <sup>1</sup>	ccy <sup>1</sup>
Net interest income	6.8	7.6	12%	18%
Other income (ex-DVA)	7.9	8.6	9%	14%
<b>Operating Income (ex-DVA)</b>	<b>14.7</b>	<b>16.2</b>	10%	15%
DVA	0.0	0.0	Nm <sup>1</sup>	Nm <sup>1</sup>
<b>Operating income</b>	<b>14.7</b>	<b>16.3</b>	<b>10%</b>	<b>16%</b>
Operating expenses	(10.3)	(10.6)	(4)%	(9)%
UK bank levy	(0.1)	(0.1)	Nm <sup>1</sup>	Nm <sup>1</sup>
<b>Pre-provision operating profit</b>	<b>4.3</b>	<b>5.5</b>	<b>27%</b>	<b>30%</b>
Credit impairment	(0.3)	(0.8)	Nm <sup>1</sup>	Nm <sup>1</sup>
Other impairment <sup>5</sup>	(0.1)	(0.1)	(44)%	(46)%
Profit from associates	0.2	0.2	(5)%	(5)%
<b>Underlying profit before tax</b>	<b>4.2</b>	<b>4.8</b>	<b>13%</b>	<b>15%</b>
Restructuring	(0.5)	(0.2)	66%	64%
Other items <sup>5</sup>	(0.3)	(0.3)	12%	11%
<b>Statutory profit before tax</b>	<b>3.3</b>	<b>4.3</b>	<b>28%</b>	<b>30%</b>
<b>Risk-weighted assets (RWA)</b>	<b>271</b>	<b>245</b>	<b>(10)%</b>	

Financial KPIs (FY'22, YoY)	
<b>RoTE <sup>2</sup></b>	<b>Net interest margin (NIM)</b>
8.0% up 120bps	1.41% up 20bps
<b>CET1 ratio</b>	<b>Cost-to-income ratio<sup>3</sup></b>
14.0% down 19bps	66% down 4%pts
<b>LCR</b>	<b>Income-to-cost jaws<sup>4</sup></b>
147% up 4%pts	Positive 6%

- FY'22 income (ex-DVA) up 15% at ccy
  - Record Financial Markets performance<sup>6</sup>
  - FY'22 NIM 141bps, up 20bps YoY
- Expenses 4% higher, 9% higher at ccy
- 6% positive income-to-cost jaws ex-DVA at ccy
- Credit impairment charge of \$838m vs \$263m in FY'21
  - China CRE \$582m; Sovereign downgrades \$283m
  - \$(228)m release of COVID-19 overlay
- Other items includes \$308m impairment on China Bohai Bank
- RWA reduced \$27bn in 2022 to \$245bn
- RoTE up 120bps to 8.0%
- Capital is strong, CET1 ratio of 14.0%
  - Full year ordinary dividend of 18c per share or \$523m
  - \$1bn share buy-back to start imminently

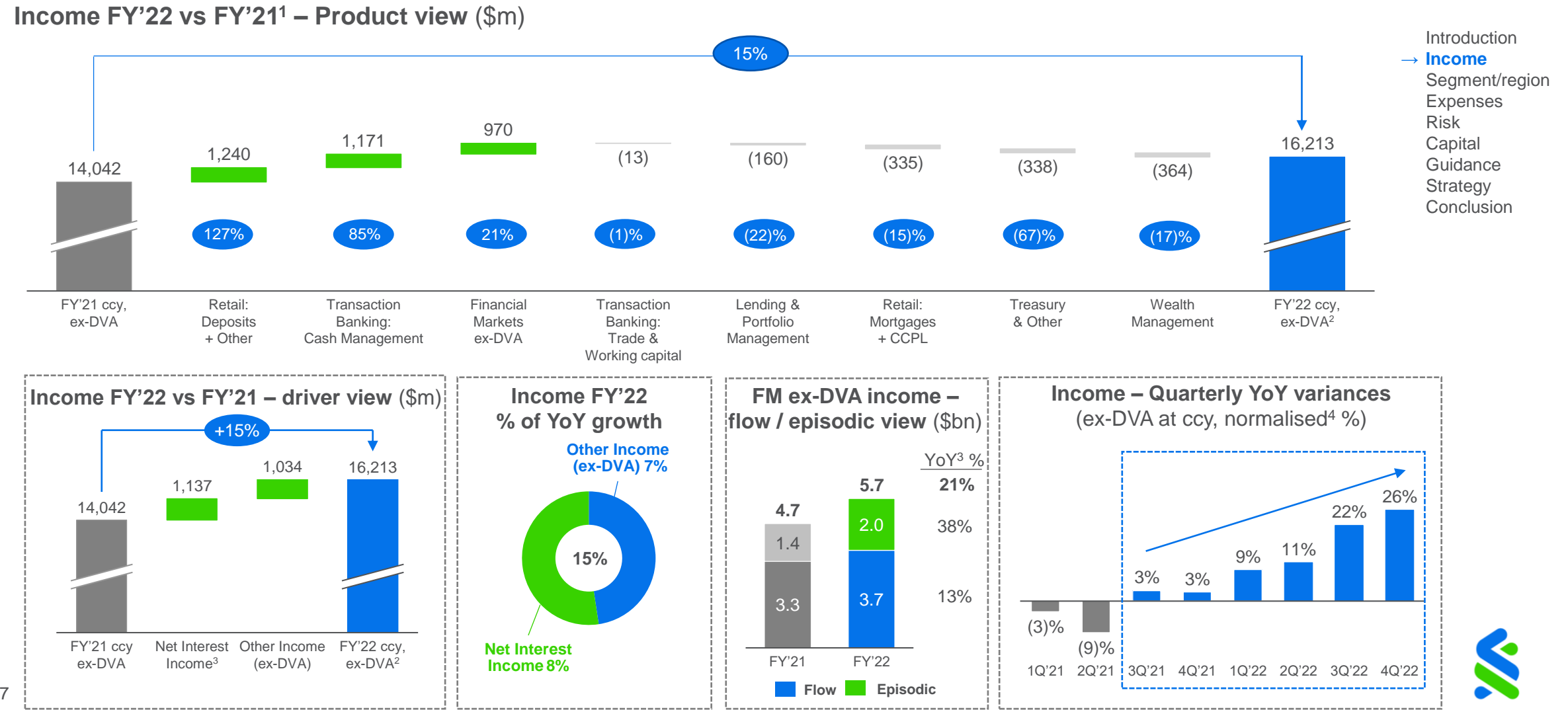
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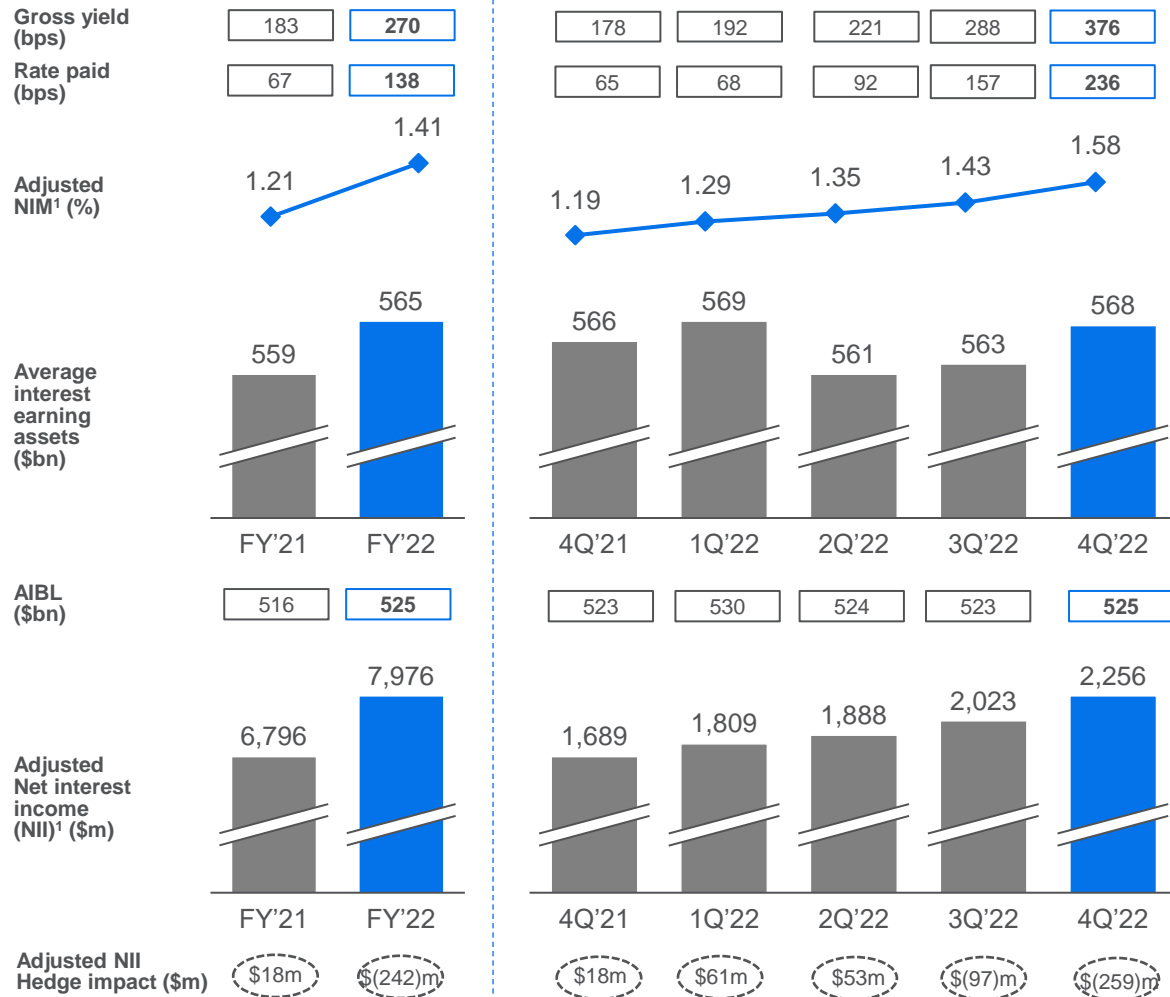


# FY'22 income up 15%; 4Q'22 up 26%, sixth consecutive quarter of top-line growth



# Further NIM progression and NII growth in 4Q'22

## Statutory adjusted basis



- FY'22 NII<sup>1</sup> up 17% YoY, up 24% at ccy
  - AIEA up \$6bn / 1%; AIBL up \$10bn / 2%
- FY'22 NIM<sup>2</sup> 141bps up 20bps / 17%
  - 2bps from refinement to Trading Book funding cost (TBFC) adjustment<sup>3</sup>
- 4Q'22 NII<sup>1</sup> up 34% YoY, up 43% at ccy
- 4Q'22 NIM<sup>2</sup> 158bps, up 15bps / 10% QoQ:
  - 21bps from interest rates
  - 7bps from refinement to TBFC adjustment<sup>3</sup>
  - (2)bps from change in product mix, including migration from CASA to TDs (see p51)
  - (11)bps from hedges
- Adjusted NII excludes TBFC of \$463m for FY'22 (4Q'22 \$250m); FY'23 likely to be ~\$1bn

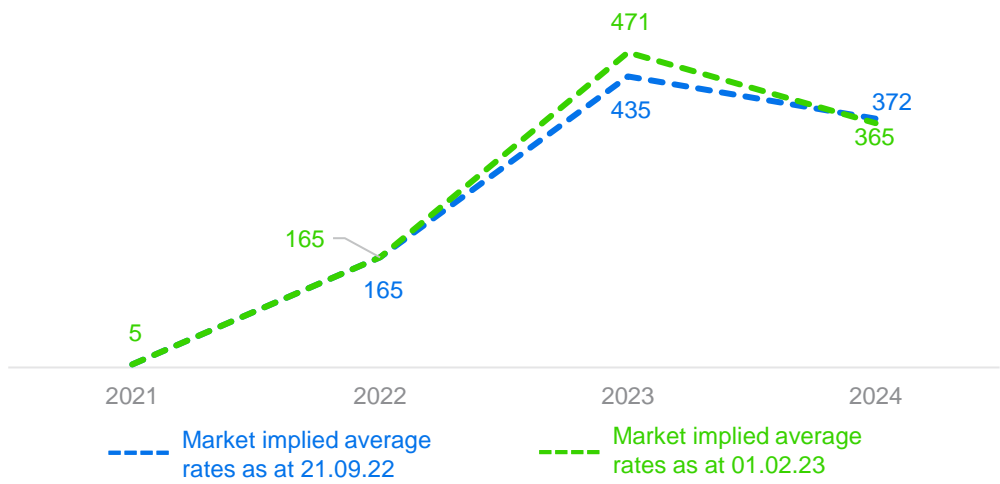
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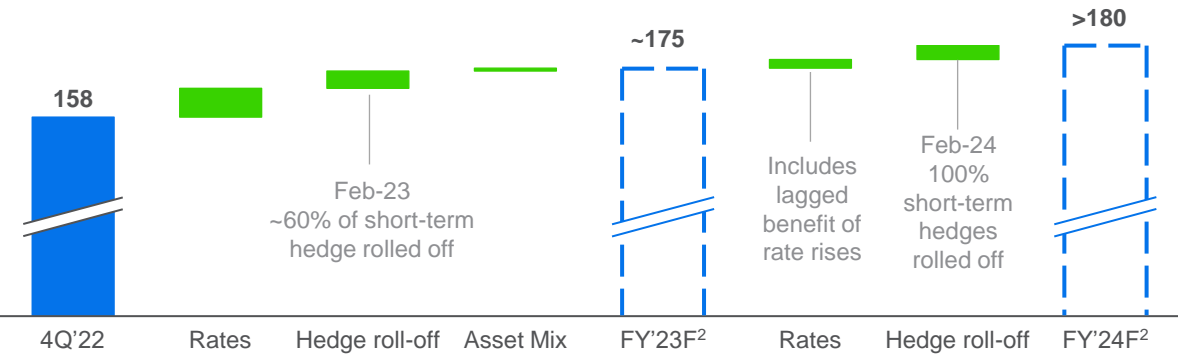


# 2023 NIM outlook upgraded, rising to ~1.75% and onto >1.80% in 2024

## USD SOFR O/N<sup>1</sup> (bps)



## Net Interest Margin<sup>2</sup> (bps)



- Further NIM expansion in 2023-24 driven by:
  - Higher expected rates in 2023
  - \$28bn short-term hedge positions with 60% expiring end of Feb'23, 100% by Feb'24
  - Treasury asset repricing lag: reinvesting maturing securities at higher yields
  - Mix shift from Treasury to higher yielding assets
- CASA betas for 2022 in line with expectations, accelerating in 4Q'22
  - CCIB TB (USD): ~60-80% in 2023, lower in 2024
  - CPBB: ~30-45% in 2023, lower in 2024
- CASA-TD migration in 2022 in line with expectations, accelerating in 4Q'22
  - TB CASA: ~55-65% of CCIB deposits in 2023-24
  - Retail CASA: ~55-65% of CPBB deposits in 2023-24
- 2023 NIM guidance up ~10bps from 3Q'22 guidance
  - ~3bps change in rates outlook
  - 7bps impact of refinement to TBFC adjustment

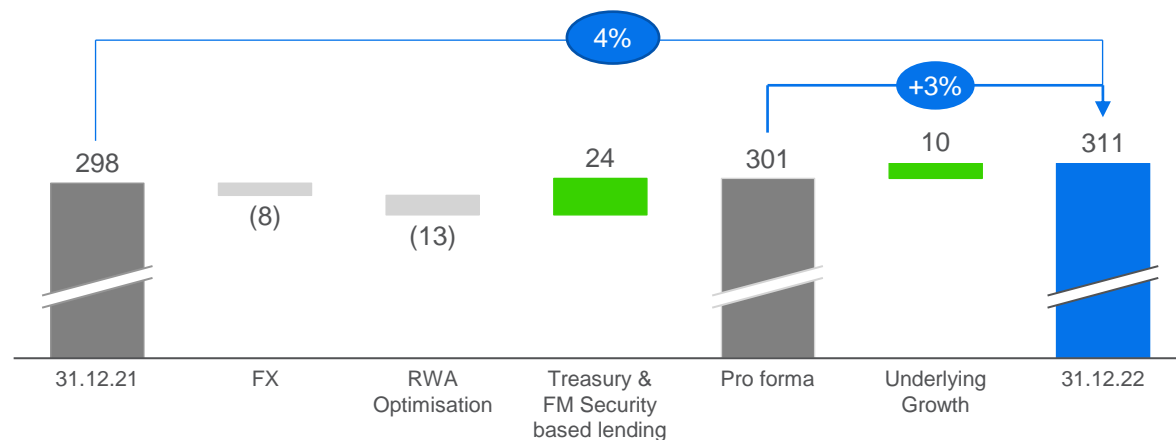
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# Customer assets grew 3% underlying in 2022; 4Q'22 broadly flat

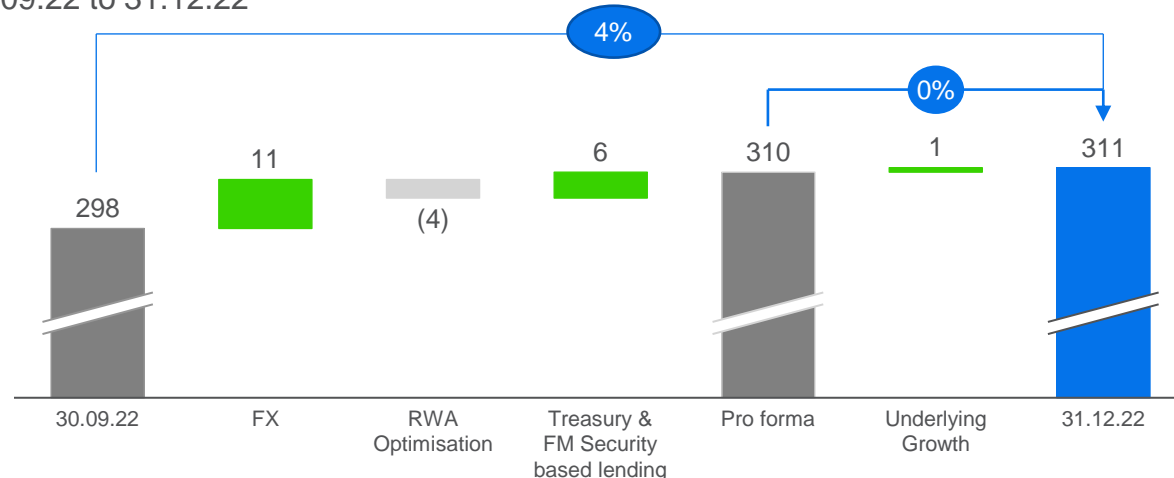
## Loans and advances to customers (\$bn)

31.12.21 to 31.12.22



## Loans and advances to customers (\$bn)

30.09.22 to 31.12.22

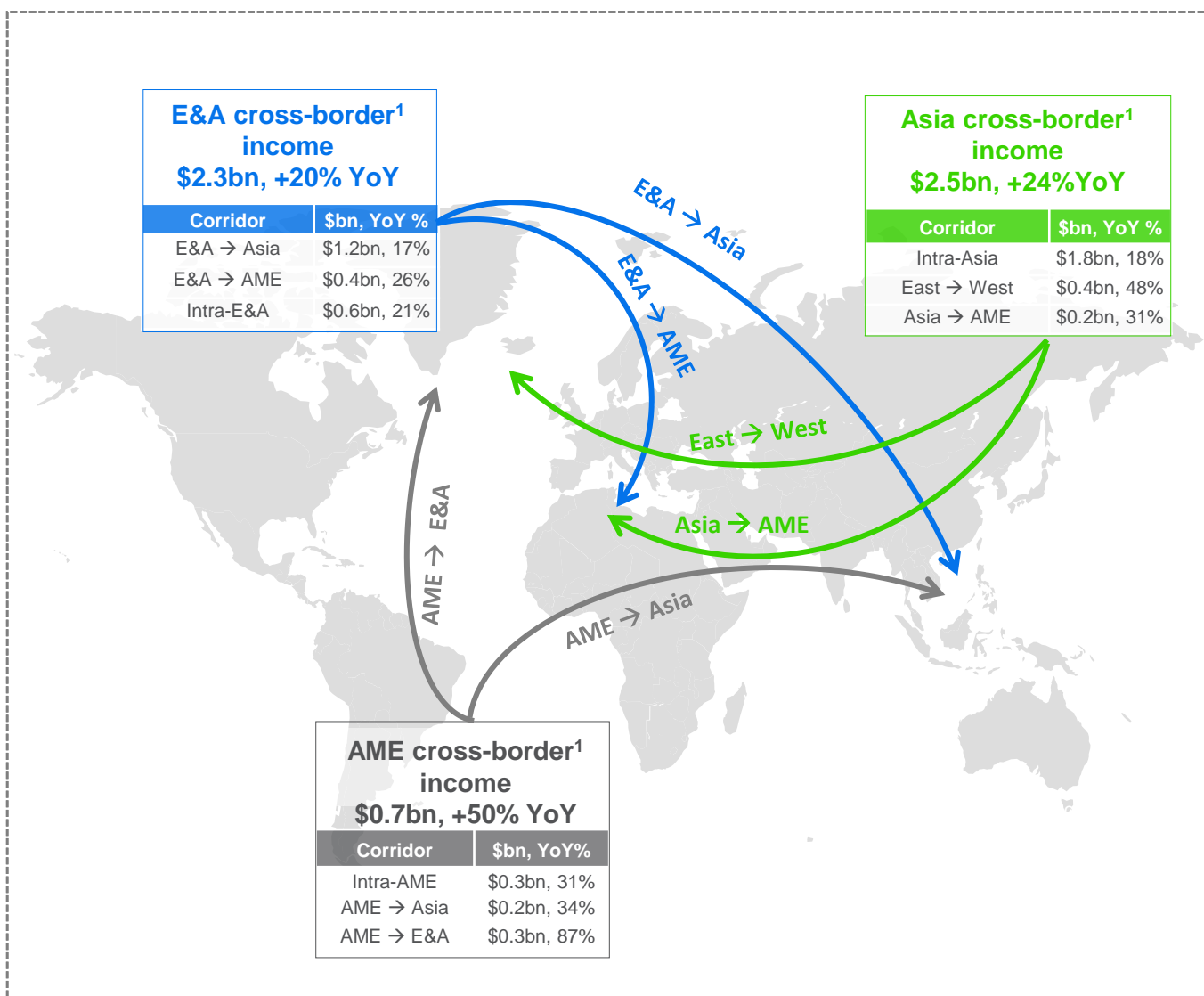


- L&A to customers up \$12bn / 3% underlying at ccy in 2022, broadly in-line with guidance
- Underlying growth across Transaction Banking Trade, Financial Markets and Retail Products
- 4Q'22 L&A to customers up \$1bn QoQ on an underlying basis at ccy, mainly from seasonality factors
- Expect low single digit percentage asset growth in 2023 and 2024

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# Good cross-border income growth across key trade corridors



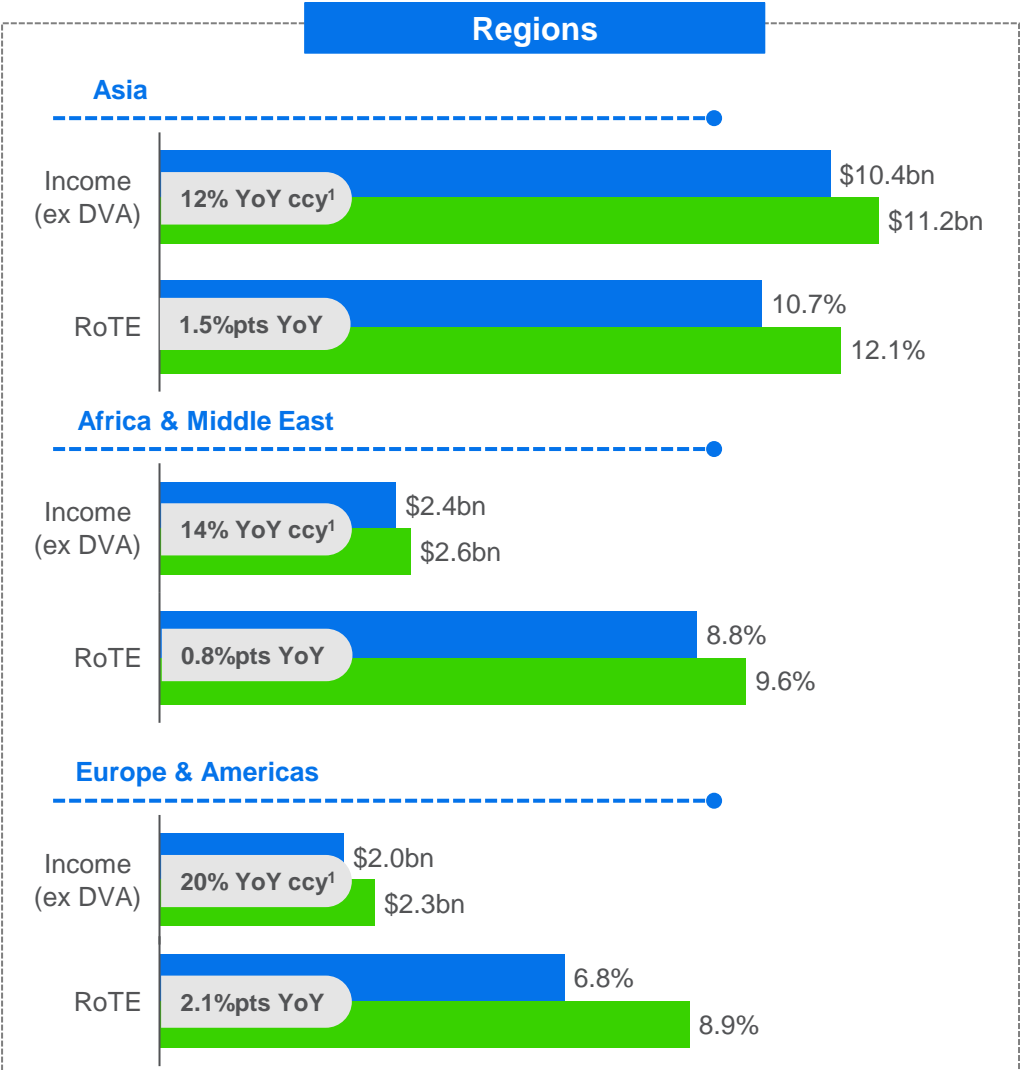
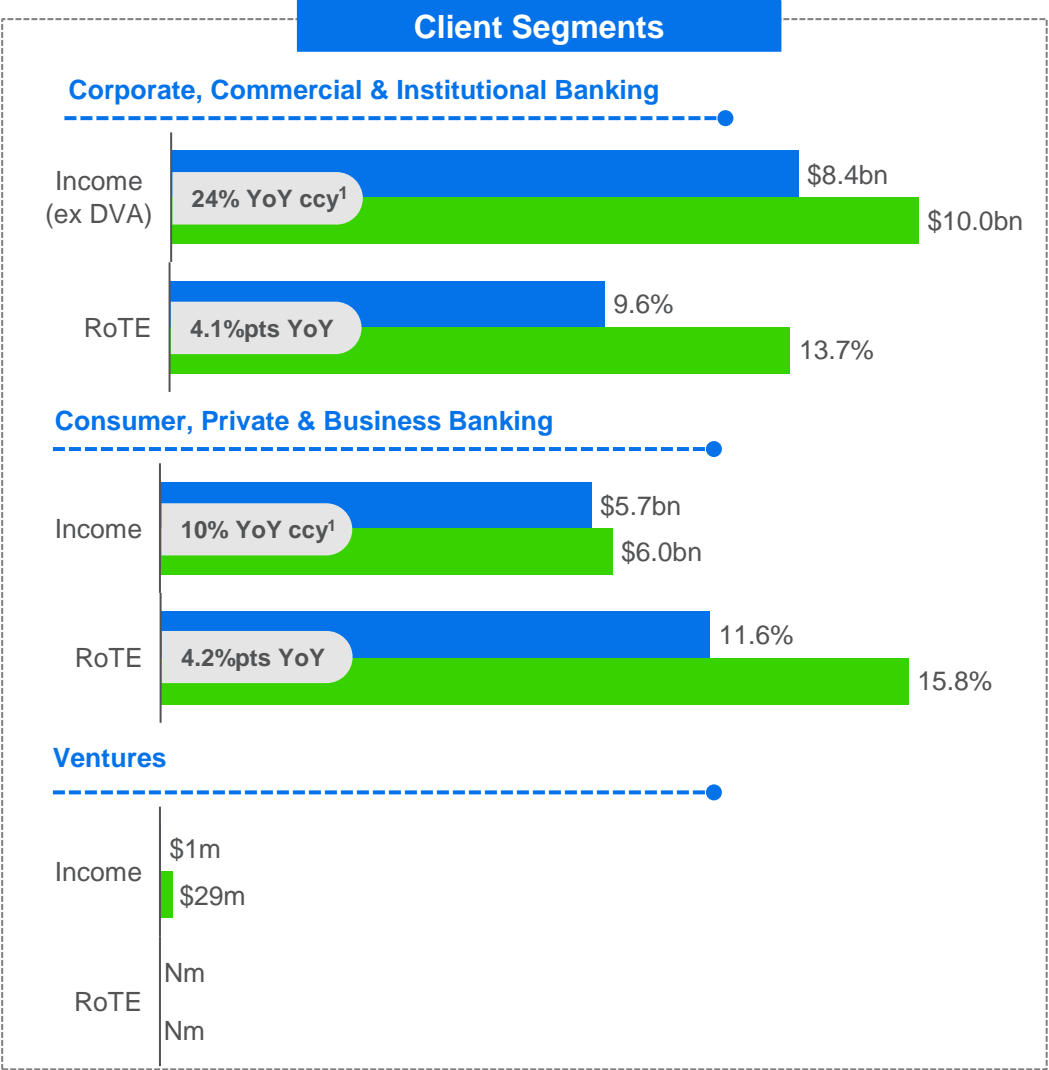
## Key highlights

- FY'22 cross-border income of \$5.7bn, up 24% YoY
- Income RoRWA 240bps higher than overall CCIB
- AME continues to be the fastest growing network region up 50% YoY
- Good growth in China cross-border income despite COVID related headwinds, up 25% YoY to \$1bn, particularly in corridors
  - China to ASEAN +61% YoY
  - China to Middle East +56% YoY
- The Korea to ASEAN corridor continues to grow strongly, up 38%
- Cross-border income from the network and into Africa is now >\$0.5bn, up 20% YoY
- Hong Kong continues to be the largest offshore hub, with cross-border income into Hong Kong of \$1.4bn, up 17% YoY
- Singapore continues to grow strongly as an offshore hub, with cross-border income into Singapore up 44% in 2022 to ~\$0.6bn

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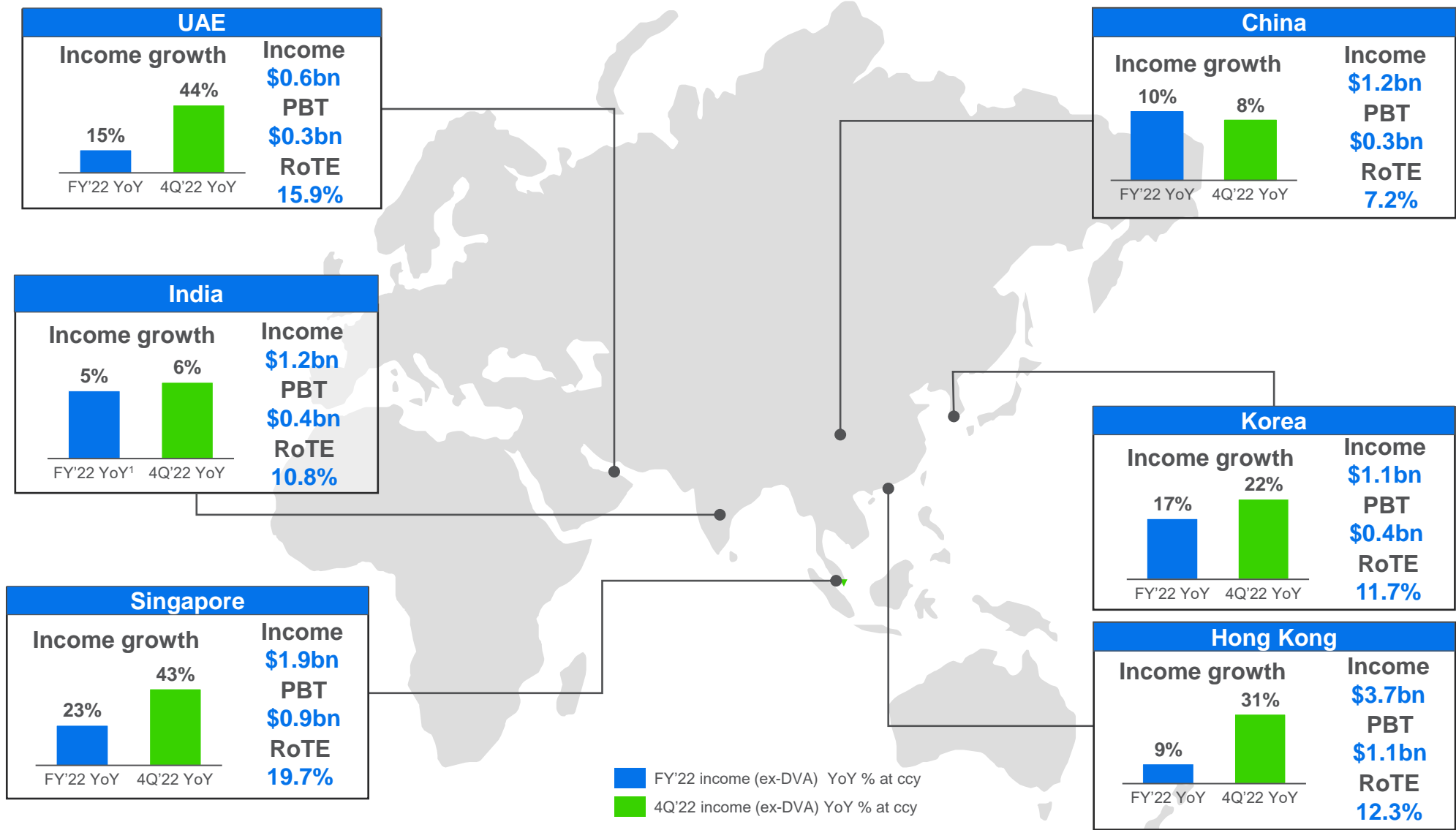
# Our good performance is broad based across Segments and Regions



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# Our larger markets have generally done well

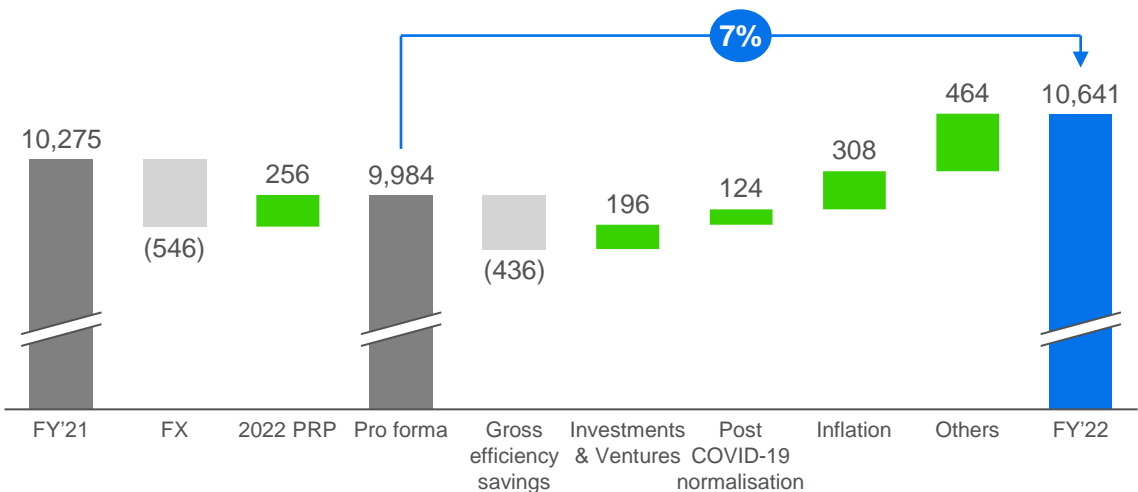


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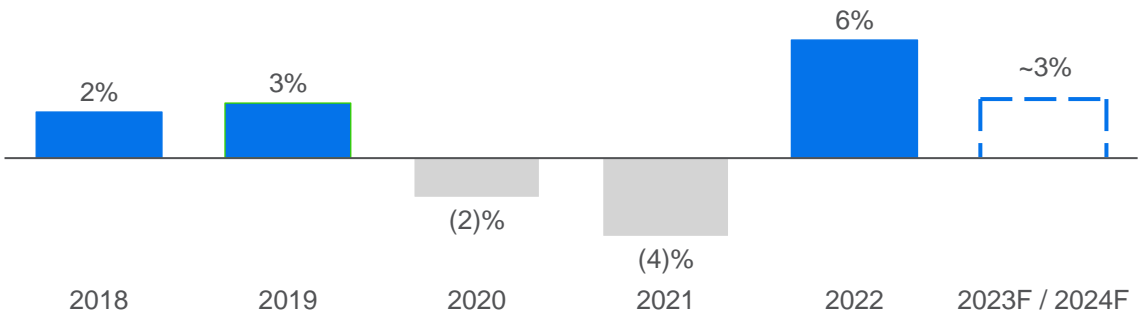


# FY'22 expenses in-line with guidance and returning to positive jaws

Total operating expenses<sup>1</sup> FY'22 vs FY'21 (\$m)



Income-to-cost jaws<sup>2</sup> trend 2018 to 2022 and 2023/24 guidance (%)



- Returning to positive jaws in 2022
  - 6% positive jaws<sup>2</sup> for FY'22, 12% in 4Q'22
- FY'22 expenses \$10.6bn up 9% ccy, 7% excluding higher performance-related pay accrual
  - \$0.1bn of non-staff operating expenses increasing post COVID-19, e.g. travel
  - Inflation ~3%
  - Increased investment spend – cash investment spend up 5%
  - Others is mainly spend on strategic business initiatives across CCIB and CPBB
- \$0.4bn of gross productivity saves achieved against 2024 target of \$1.3bn
- Expect ~3% positive income-to-cost jaws in 2023 and in 2024

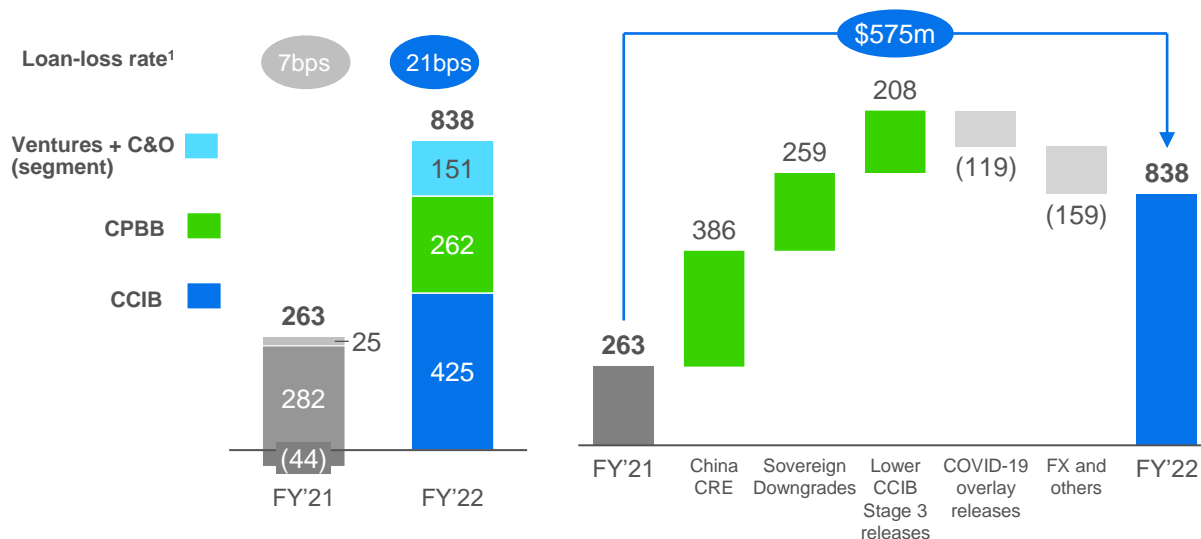
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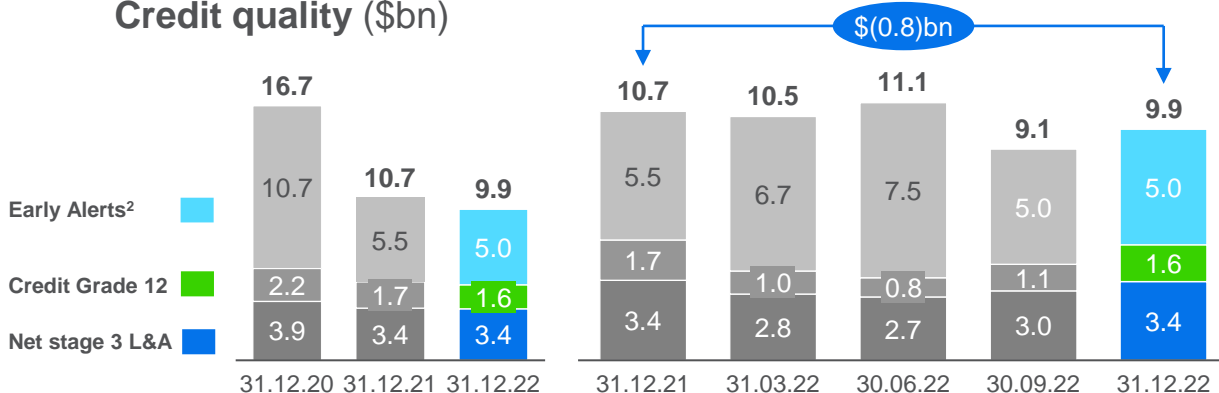


# FY'22 impairment charge almost exclusively China CRE and Sovereigns

## Credit impairment (\$m) / Loan-loss rate (bps)



## Credit quality (\$bn)



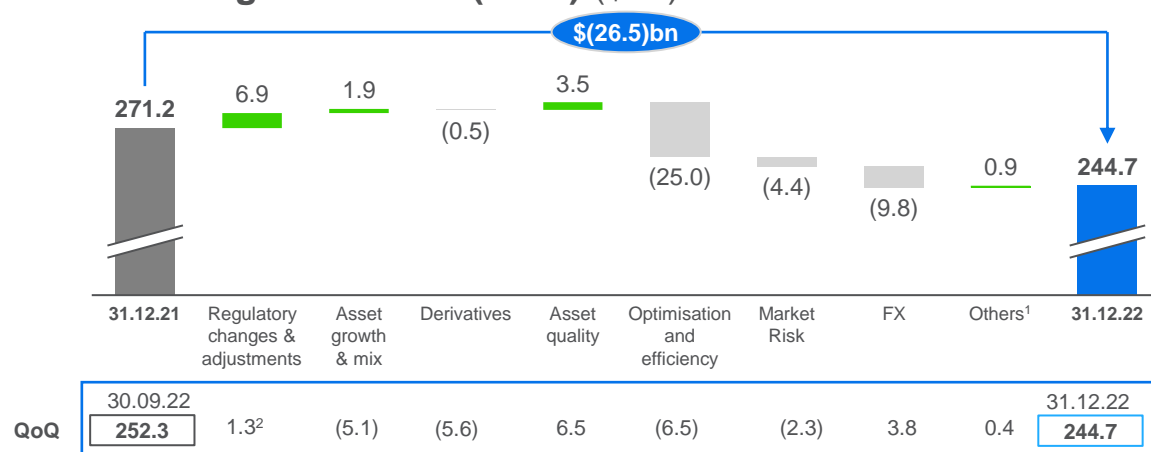
- Credit impairment of \$838m in 2022
  - China CRE \$582m, including \$78m of management overlay (see p33)
  - Sovereign downgrades \$283m: \$160m Ghana, \$83m Pakistan, \$40m Sri Lanka (see p34)
  - COVID-19 overlay releases \$(228)m broadly offsetting FX and others \$201m
- FY'22 loan-loss rate 21bps tracking well below guidance range of 30-35bps
- High risk assets<sup>3</sup> down \$0.8bn in 2022, up \$0.8bn QoQ
  - QoQ: CG12 + Net Stage 3 accounts increased, mainly from sovereign downgrades
- Strong cover ratio<sup>4</sup> of 76% down 1%pt QoQ
- CPBB days-past-due<sup>5</sup>: 30 days up 3bps in 2022, up 3bps QoQ; 90 days flat in 2022, up 2bps QoQ

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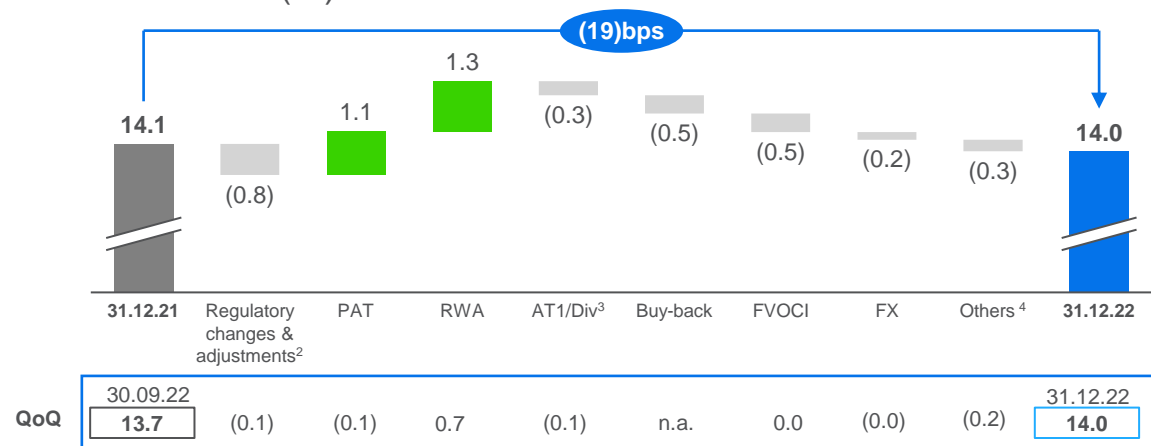


# Robust CET1 ratio delivered through equity generation and RWA management

## Risk-weighted assets (RWA) (\$bn)



## CET1 ratio (%)



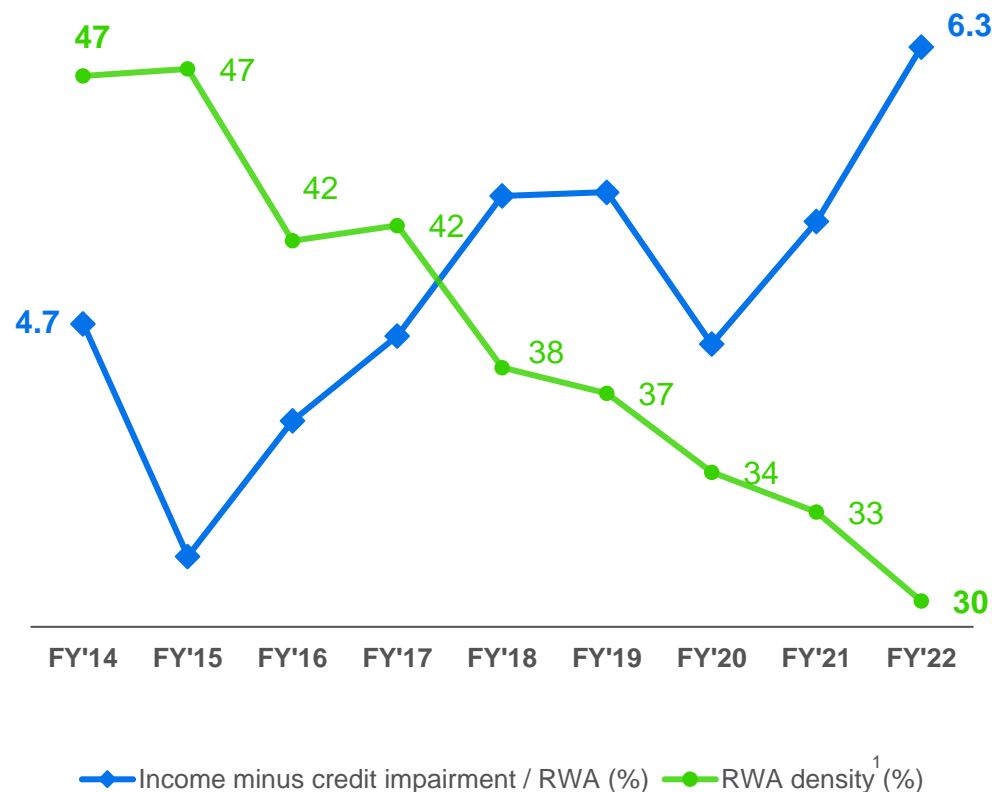
- RWA down \$27bn (10%) in 2022 to \$245bn
  - \$7bn impact of regulatory changes, offset by \$14bn CCIB optimisation initiatives, \$11bn efficiency actions, mainly process improvements and credit protection, and \$10bn FX
- 4Q'22 down \$8bn (3%) QoQ
  - \$5bn reduction in asset growth and mix, \$6bn in derivative counterparty credit risk and \$7bn optimisation/efficiency offset by \$6bn credit migration and \$4bn FX
- CET1 ratio at the top of the 13-14% target range
- Profit generation and RWA management funding ~80bps of shareholder distributions in the year,
  - Including \$523m FY dividend and \$1,250m share buy-backs
- Announcing a \$1bn share buy-back ~40bps impact
- UK Leverage ratio of 4.8%, flat QoQ, well ahead of 3.7% regulatory minimum

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# Driving improved returns and capital efficiency

## Risk-adjusted returns on RWA and RWA density

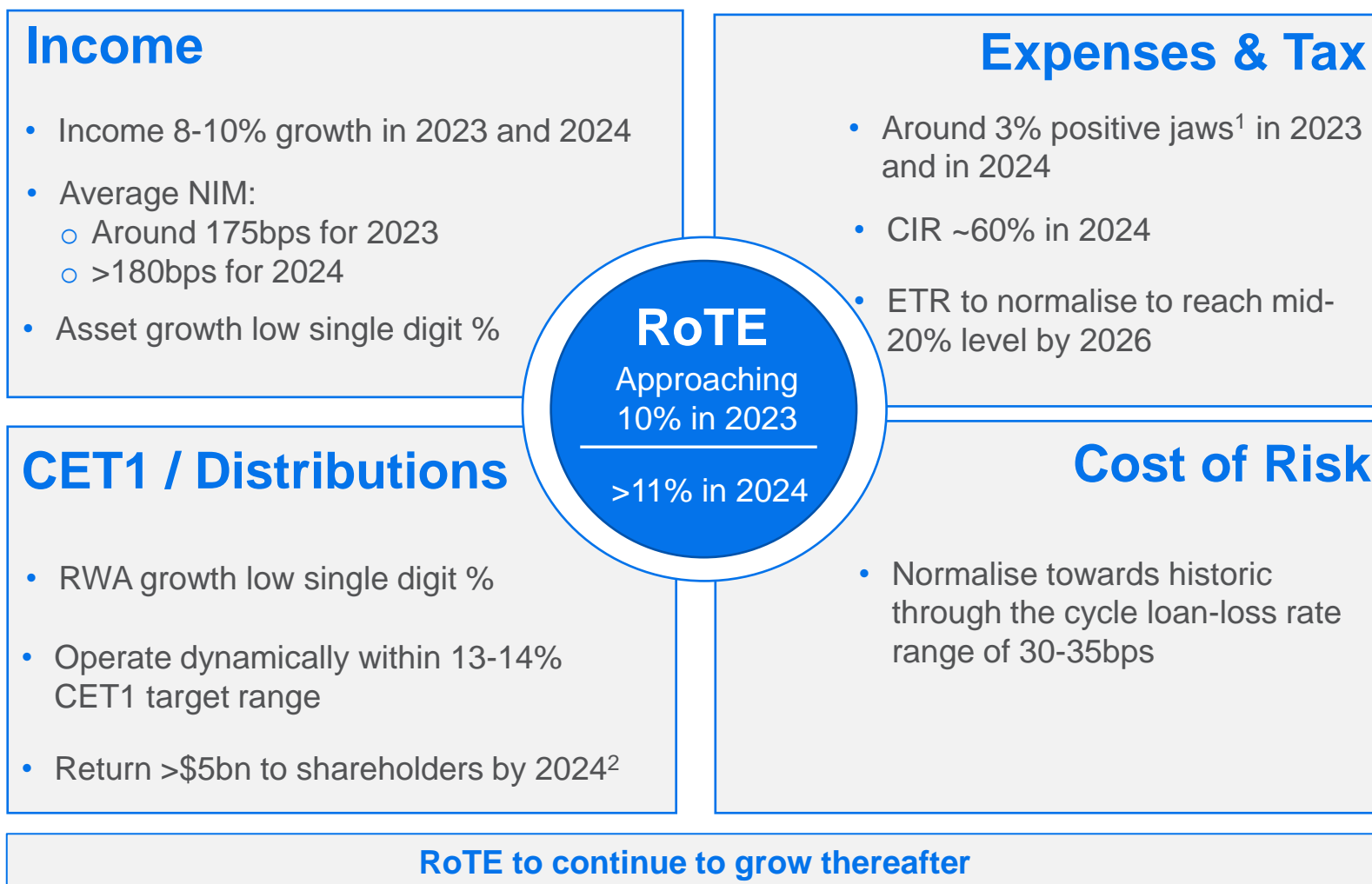


- Strongly improving risk-adjusted return on RWA
- Income now less dependent on balance sheet growth, particularly in CCIB:
  - Diversity of income streams: focus on credit trading, higher returning segments (FI clients) and business (network)
  - Accelerating originate-to-distribute model via combination of Corporate Finance and FM: origination up 9% and distribution up 11% YoY
  - Other income now ~64% of CCIB (vs 61% in 2021, 60% in 2020)
- RWA optimisation activity and success of capital-lite strategy materially reducing RWA intensity

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# Upgraded guidance (at ccy)



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# Bill Winters

## Group Chief Executive



# CCIB: Accelerated delivery of returns and optimisation targets

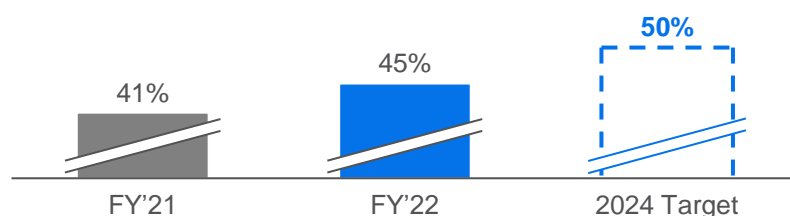
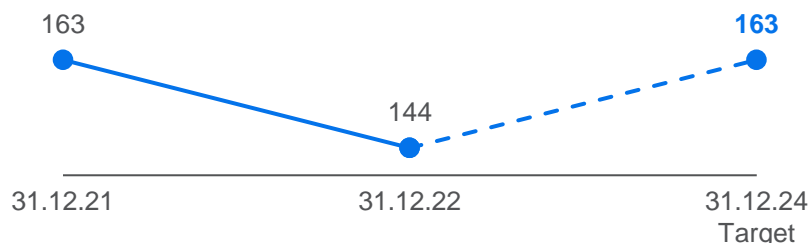
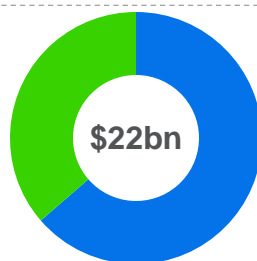
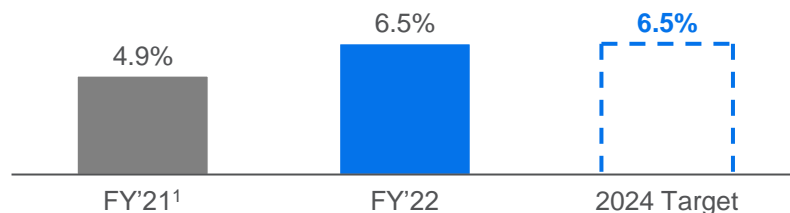
Income RoRWA (%)

Risk-Weighted Asset Optimisation (\$bn)

Risk-Weighted Assets (\$bn)

Financial Institutions Income (% of CCIB)

## Performance vs 2024 Targets



## Key highlights

- Income RoRWA of 6.5% up 160bps in 2022, delivered target two years ahead of schedule
- \$14bn of the \$22bn RWA Optimisation target executed in 2022
- Well on track to meet RWA optimisation 2024 target
- Overall RWA down \$20bn, or down \$15bn excluding FX impact
- Income from FIs increased 25% YoY to \$4.1bn
  - 45% of total CCIB income, up 4%pts on 2021
  - Record 4Q'22, with good exit momentum into 2023

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# CPBB: Ahead of target in delivery of efficiency agenda

Cost-to-income ratio (%)

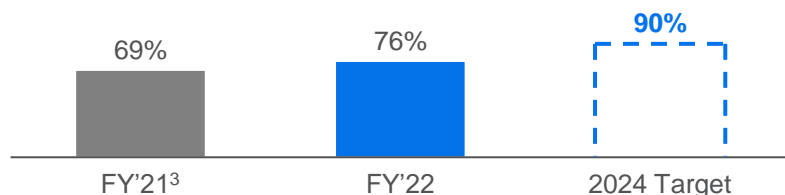
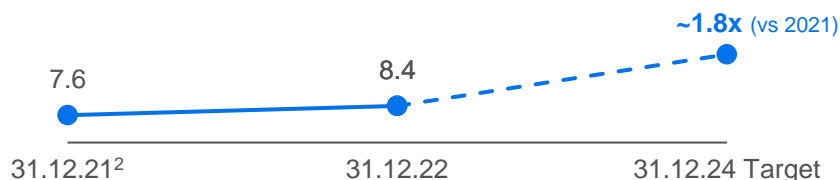
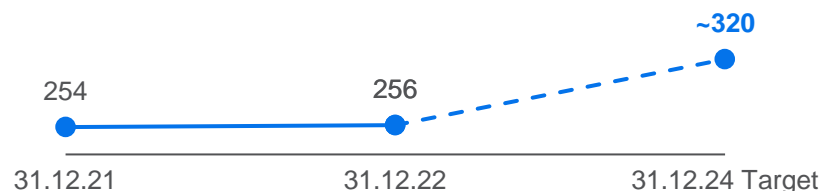
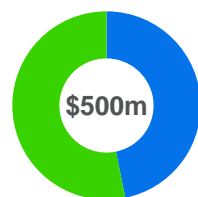
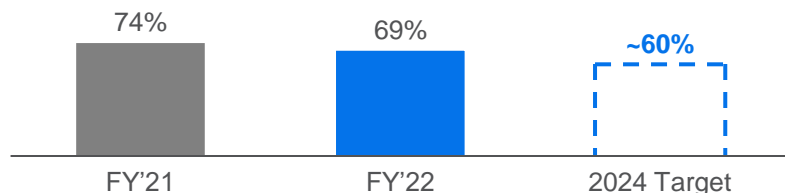
Gross Expense Savings (\$m)

Affluent Assets Under Management<sup>1</sup> (\$bn)

Mass Retail Clients<sup>2</sup> (#m)

Straight Through Processing Rate (%)

## Performance vs 2024 Targets



## Key highlights

- Cost-to-income ratio improved 5%pts to 69%
- Positive 7% Income-to-cost jaws
- Continued cost discipline, with \$233m of gross expense savings in 2022
  - ~45% of 3 year efficiency target achieved in 1 year
- Affluent AUM of \$256bn, up \$8bn YoY ccy
  - Positive Net New Money (NNM) of \$18bn, partially offset by lower asset valuation
  - 4Q NNM of \$10bn was the highest in 2022, and almost double 4Q'21
- Continued growth in Mass Retail clients. Including ~570k new clients onboarded through partnerships in 2022
- STP rates improved by 7%pts to 76%, with an increase in processing volumes for automated processes

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# China opportunity: Expect strong recovery in 2023; focus on execution to deliver 2024 targets

<div>Structural trends of China's opening remain true</div> <ul style="list-style-type: none"> <li>Global asset reallocation to China</li> <li>Chinese wealth diversification</li> <li>Renminbi internationalisation</li> <li>Supply chain shift and outbound corridor network flows</li> </ul> <div>There are many reasons to be optimistic...</div> <ul style="list-style-type: none"> <li>China border reopening</li> <li>Policy support to property sector and economic recovery</li> <li>Offshore interest rate tailwinds</li> <li>Positive economic outlook (expecting 5.8% growth in 2023 and 5.4% in 2024)</li> </ul> <div>... while areas of vulnerability remain</div> <ul style="list-style-type: none"> <li>Overhanging commercial real estate uncertainties</li> <li>Geo-political tensions</li> </ul>	<div>We are making good progress on our strategic priorities</div> <div> <div>China-related business income (\$bn)</div> <div> <div> <div>Offshore<sup>1</sup></div> <div>Onshore</div> </div> <div> <div> <div>2.4</div> <div>1.3</div> <div>1.1</div> </div> <div> <div>2.7</div> <div>1.5</div> <div>1.1</div> </div> </div> <div> <div>FY'21</div> <div>FY'22</div> </div> <div> <div>FY22 YoY</div> <div> <div>+14%</div> <div>+21%</div> <div>+10%<sup>2</sup></div> </div> </div> </div> <ul style="list-style-type: none"> <li>FY'22 PBT<sup>3</sup> \$0.5bn, down 35% <ul style="list-style-type: none"> <li>Over \$1bn PBT ex-CRE, up 12%</li> </ul> </li> <li>New economy client income up 35%</li> <li>Digital partnership income grew 54%</li> <li>Greater Bay Area income now &gt;\$0.5bn, up 14% YoY (ccy) despite border closure</li> <li>Best RMB Bank in 21 markets</li> <li>Double digit affluent client growth in CPBB</li> <li>First foreign bank Bond Future license</li> <li>Approval for securities company set up</li> </ul> <div> <div>2024 Target</div> <div>Double China onshore and offshore profit before tax</div> <div>Investing \$300m in growth opportunities and strategic priorities</div> </div> </div>
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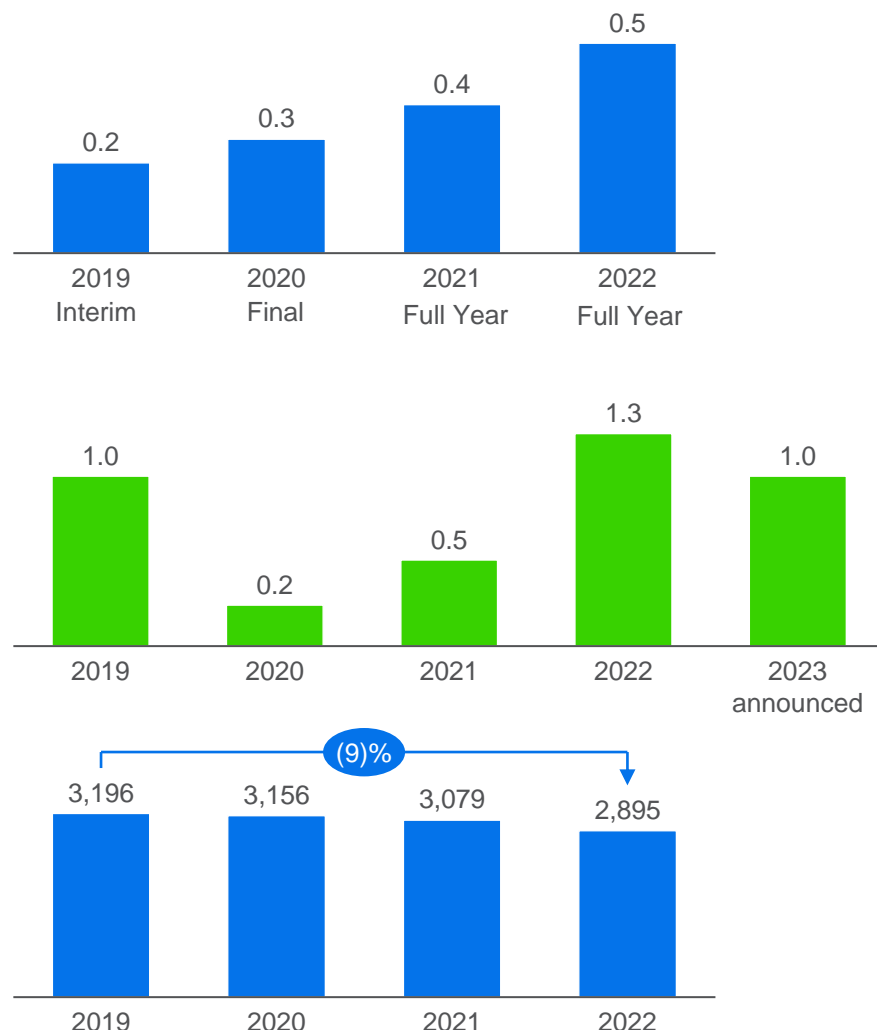
# \$2.8bn of capital returns announced since the start of 2022

**Ordinary Dividend**  
(paid / declared \$bn)

**Share Buy-back**  
(paid \$bn)

**Number of ordinary shares**  
(#m)

## 2019 to 2023



## Key highlights

- Well on-track to deliver in excess of \$5bn in shareholder distributions from 2022 to 2024 - \$2.8bn announced so far
  - 2022 Full year dividend \$523m or 18c per share, up 6c or 50% on FY'21
  - 2022 Share buy-backs \$1,250m
  - Announced new \$1bn share buy-back to start imminently
- Dividend pay-out ratio (post AT1) increased from 14% in 2021 to 17% in 2022
- Total pay-out ratio (post AT1) increased from 33% in 2021 to 59% in 2022
- Continue to operate dynamically within the 13-14% CET1 target range
- Targeting to increase the full-year dividend per share over-time

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# Sustainability and Sustainable Finance are central to our growth ambitions

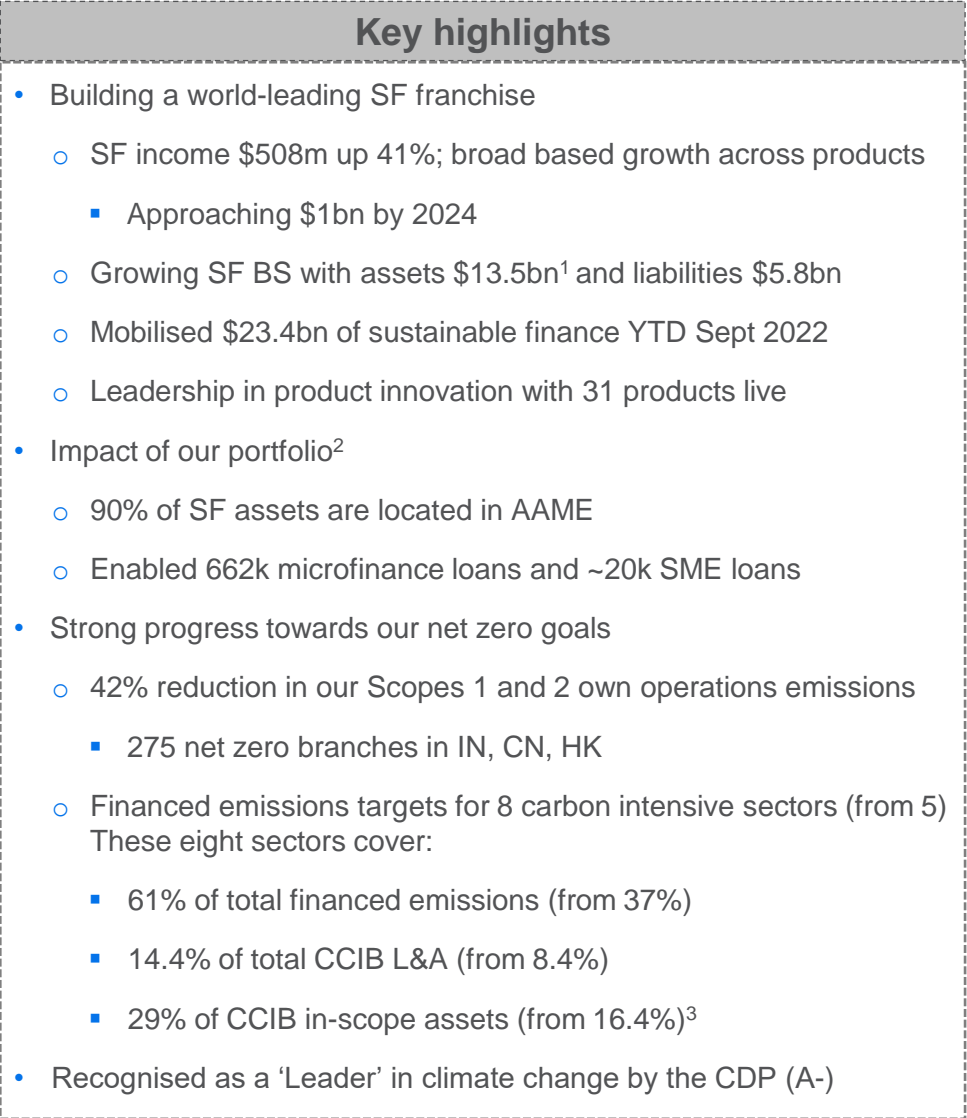
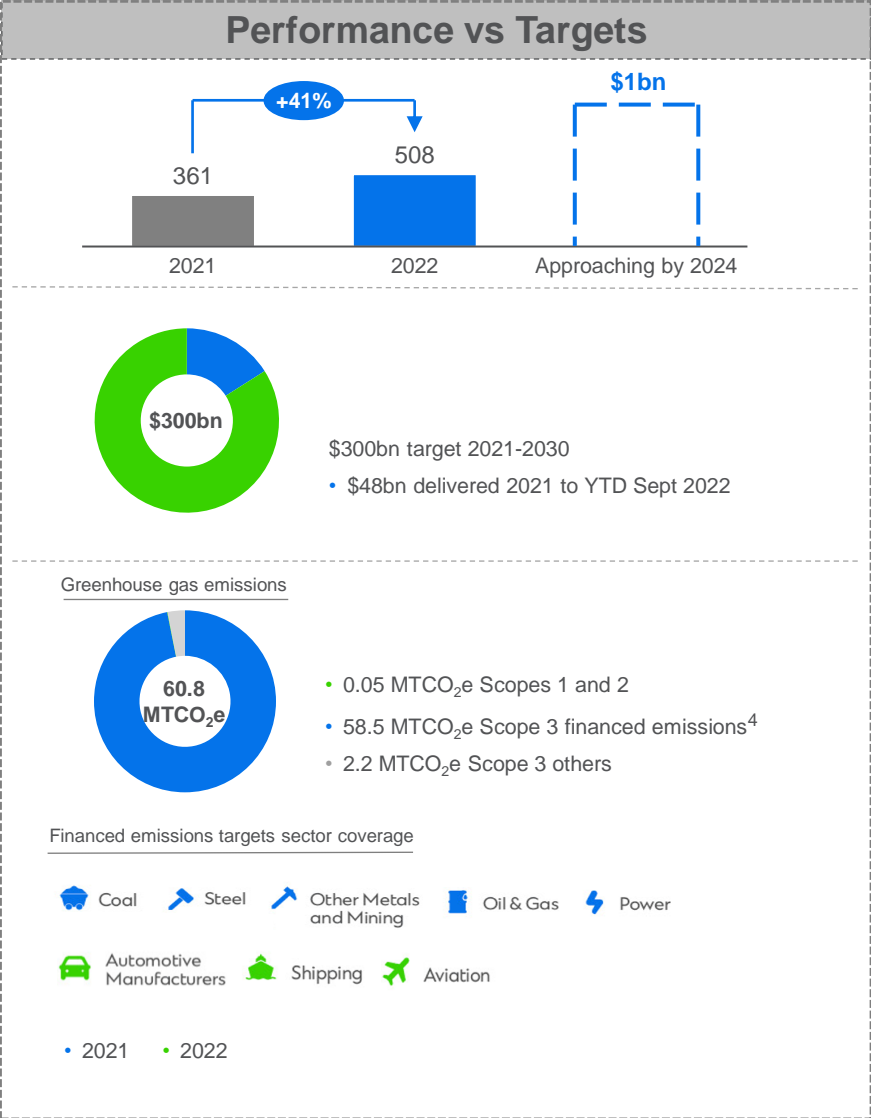
## Key aspirations

Sustainable Finance income approaching \$1bn by 2024

Mobilise \$300bn in sustainable finance between 2021 and 2030

Net zero by 2025 for our operations

Net zero financed emissions by 2050, with 2030 interim targets for carbon-intensive sectors



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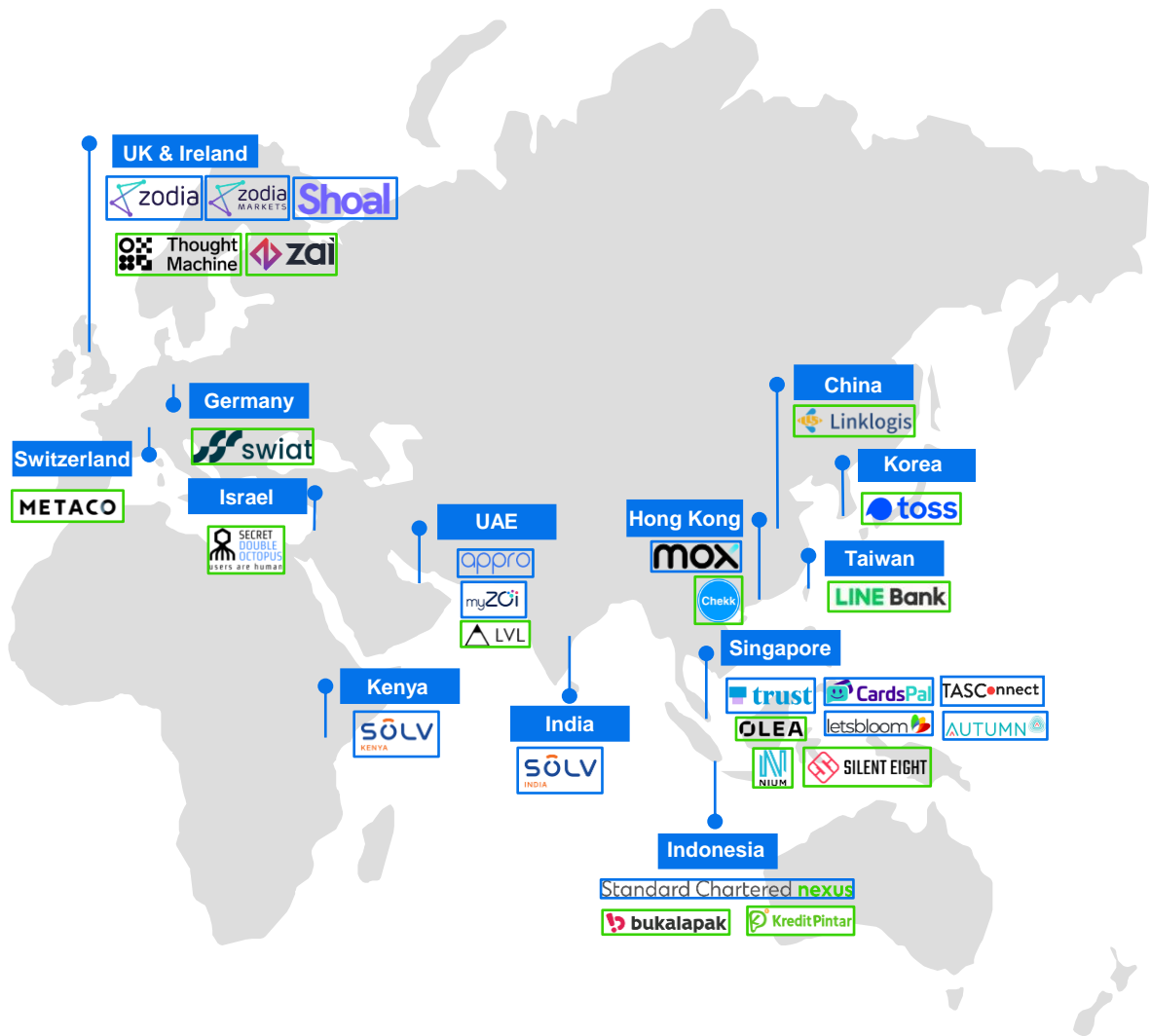
2022 Guidance

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# Ventures: Leveraging our unique footprint and connecting ecosystems



Minority Investments<sup>3</sup>, Associates and JV Subsidiary

## Key Highlights

### SC Ventures Update

- Crosses 5th year anniversary in 2023
- Built a diverse portfolio of >30 ventures and >20 investments
- Soft launch of Nexus, the Banking-as-a-service offering with partner Bukalapak
  - ~250k app downloads and ~70k customers since launch
- Solv, the B2B e-commerce platform raised \$40m in Series-A funding in June 2022
  - Launched in Kenya in October 2022
  - Now a network of ~300k micro, small and medium businesses
  - Cumulative flow of >\$400m
- The FCA authorised, institutional grade crypto businesses, Zodia Custody and Zodia Markets, commenced onboarding clients during the year. Established an asset custodian JV with SBI Holdings<sup>1</sup> in Japan.

### Mox Update



- Expanded card and digital lending services in 2023
- >400k customers; 2x growth in 2022
- Average of 3.1 products per client
- Named most recommended virtual bank in Hong Kong
- Rated #1 virtual bank app in Hong Kong on Apple App Store
- Expect to be profitable in 2024

### Trust Bank update



- >450k customers since launch in September 2022
- ~9% addressable market share<sup>2</sup>
- >7m transactions

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# Conclusion





# In conclusion

## Summary

- A strong financial performance in 2022, and 2023 has started well
- Capital remains strong with CET1 ratio at the top of the target range at 14.0%
- Very encouraging progress on our five strategic actions outlined in February 2022
- Positive outlook for the markets in our footprint, despite sovereign risk uncertainties
- Continued improvement in RoTE, approaching 10% in 2023...
- ... and upgrading expectations for 2024 to >11% RoTE and to continue to grow thereafter

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# Appendix

- **Various**
- Sustainability
- Information for fixed income investors
- Ventures
- Notes, abbreviated terms and important notice

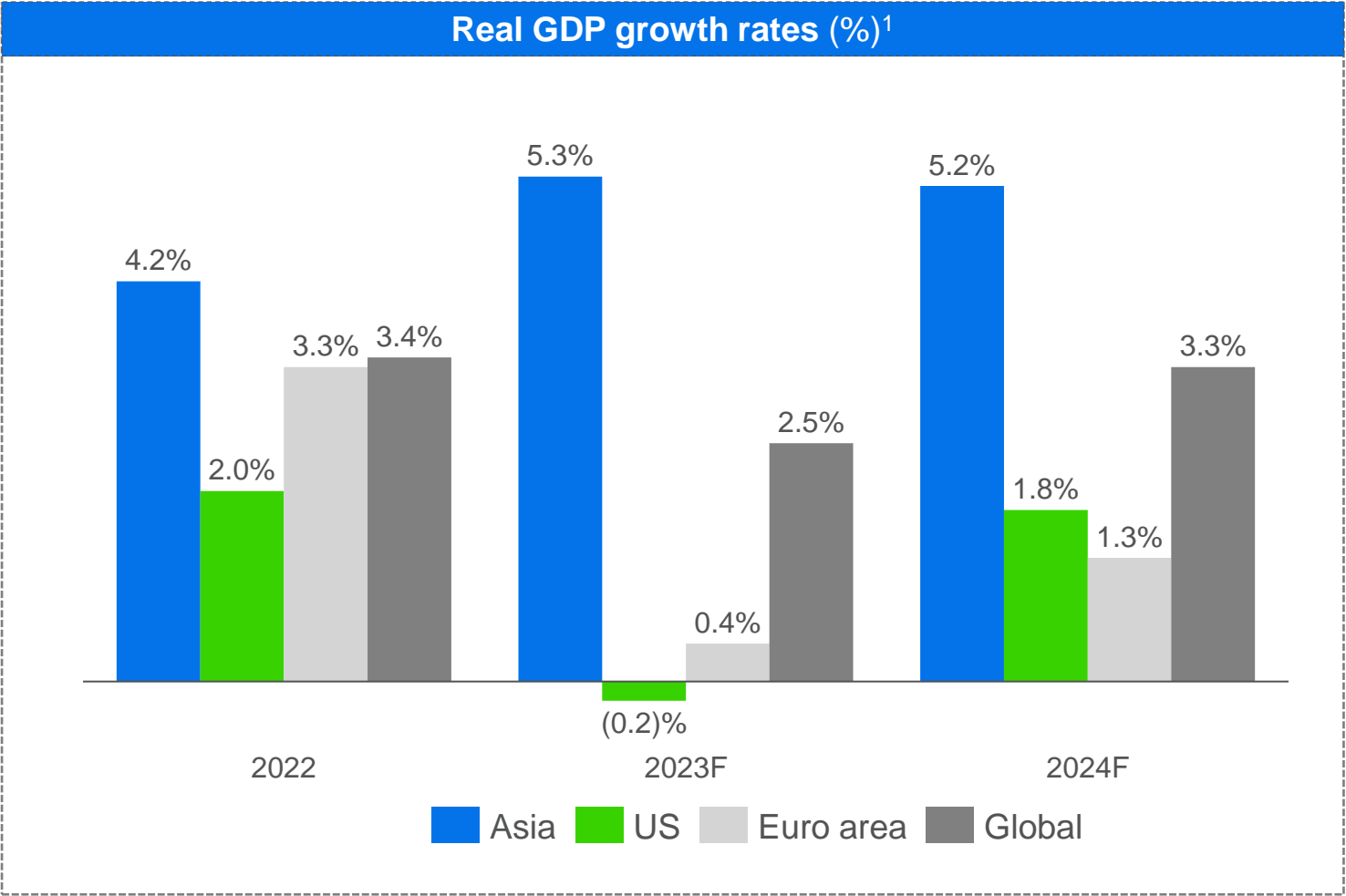


# FY'22 good progress towards 2024 targets

	Description	2024 targets	FY'22 result	Status
<b>CCIB</b> Drive improved returns	<ul style="list-style-type: none"> <li>CCIB Income RoRWA: 160bps improvement from 4.9% in 2021 to 6.5%</li> <li>RWA reduction of \$22bn by 2024</li> <li>Hold RWA flat to \$163bn</li> <li>Financial Institution clients % of CCIB income: from 41% in 2021 to 50%</li> </ul>	6.5% \$22bn (2022 to 2024) \$163bn 50%	6.5% \$14bn \$144bn 45%	   
<b>CPBB</b> Transform profitability	<ul style="list-style-type: none"> <li>Improve cost-to-income ratio<sup>1</sup> from 74% in 2021 to ~60%</li> <li>\$500m of cumulative gross business savings 2022-2024</li> <li>Increase straight through processing rate from 69% in 2021 to 90%</li> <li>Grow Affluent AUM from \$254bn<sup>2</sup> in 2021 to ~\$320bn</li> <li>Grow Mass Retail clients by 1.8x</li> </ul>	~60% \$500m (2022 to 2024) 90% \$320bn 1.8x growth	69% (down 5%pts) \$233m 76% \$256bn Up ~0.8m clients	    
Seize China opportunity	<ul style="list-style-type: none"> <li>Double China onshore and offshore profit before tax</li> <li>Invest \$300m in growth opportunities and strategic priorities</li> </ul>	Double PBT \$300m (2022 to 2024)	\$0.5bn, (35)% YoY \$28m <sup>3</sup>	 
Create operational leverage	<ul style="list-style-type: none"> <li>Improve cost-to-income ratio<sup>1</sup> from 70% in 2021 to ~60%</li> <li>Gross expense reduction of \$1.3bn</li> <li>Restructuring charges of \$0.5bn</li> </ul>	~60% \$1.3bn (2022 to 2024) \$0.5bn (2022 to 2024)	66% (down 4%pts) \$0.4bn \$0.2bn	  
Deliver substantial shareholder returns	<ul style="list-style-type: none"> <li>Shareholder returns in excess of \$5bn from 2022-2024</li> </ul>	>\$5bn (2022 to 2024)	\$2.8bn <sup>4</sup> shareholder distributions announced since 01.01.2022	



# Asia likely to be the fastest growing region and will continue to drive global growth



# Macro Economic Forecasts<sup>1</sup> in key footprint markets for ECL calculation

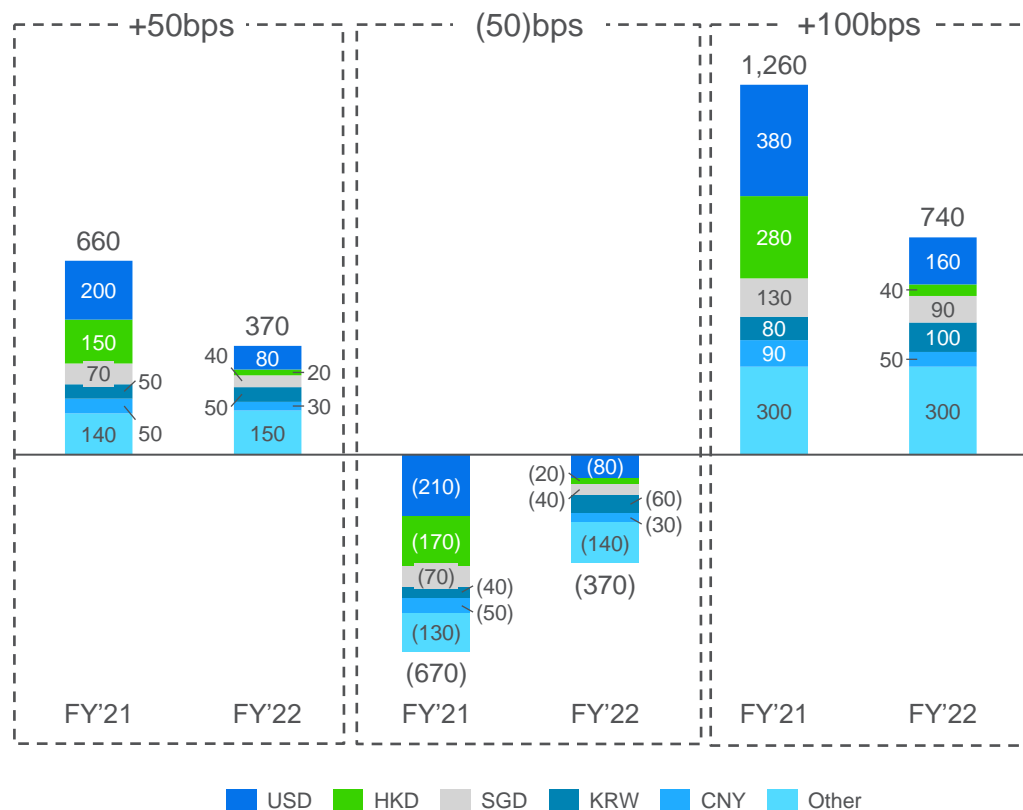
	3Q'22 ⇒ 4Q'22 <sup>1</sup>					Crude price Brent, bbl
	China	Hong Kong	Korea	Singapore	India	
GDP (YoY): 2022 Forecast	3.3% ⇒ 3.3%	0.2% ⇒ -3.0%	2.7% ⇒ 2.7%	3.4% ⇒ 3.4%	7.0% ⇒ 7.0%	\$105.5 ⇒ \$99.9
GDP (YoY): 2023 Forecast	5.8% ⇒ 5.8%	4.5% ⇒ 2.4%	2.1% ⇒ 2.1%	2.8% ⇒ 2.8%	5.5% ⇒ 5.5%	\$91.0 ⇒ \$91.0
GDP (YoY): 5 year average base forecast	5.2% ⇒ 5.1%	2.8% ⇒ 2.3%	2.2% ⇒ 2.2%	2.6% ⇒ 2.7%	6.2% ⇒ 6.4%	\$95.2 ⇒ \$106.6
Unemployment: 5 year average base forecast	4.0% ⇒ 3.9%	3.7% ⇒ 3.0%	3.2% ⇒ 3.1%	3.0% ⇒ 3.0%	N/A ⇒ N/A	
3 month interest rate: 5 year average base forecast	2.3% ⇒ 2.3%	2.6% ⇒ 2.8%	2.9% ⇒ 3.1%	2.3% ⇒ 3.1%	6.5% ⇒ 5.6%	
House prices (YoY): 5 year average base forecast	3.7% ⇒ 3.6%	4.1% ⇒ 1.7%	2.1% ⇒ 2.1%	3.3% ⇒ 2.8%	5.6% ⇒ 5.7%	



# Interest Rate Risk in the Banking Book

## NII Sensitivity is reducing as the hiking cycle evolves

Annualised benefit to banking book NII from instantaneous parallel shifts in interest rates across all currencies (\$m)<sup>1, 2</sup>



- FY22 NII sensitivity is applied to a baseline of ~4.5% for USD
  - Sensitivity not comparable to FY'21 which reflected rates rising from near zero levels
  - Benefit of actual rate rises since FY'21 is realised in FY22 income
- Reported NII sensitivity has reduced relative to FY'21 due to:
  - In HKD, migration of mortgages from HIBOR to Prime Rate
  - In USD, the dampening effect of USD hedging strategies to provide short-term income certainty and smooth longer term NII volatility
  - Higher deposit betas given later stage of hiking cycle
- CASA deposit betas have increased YoY, reflecting the expected pricing behaviour under the modelled shocks in the current rate environment:
  - CCIB Transaction Banking: 60-80%
  - CPBB: 30-45%

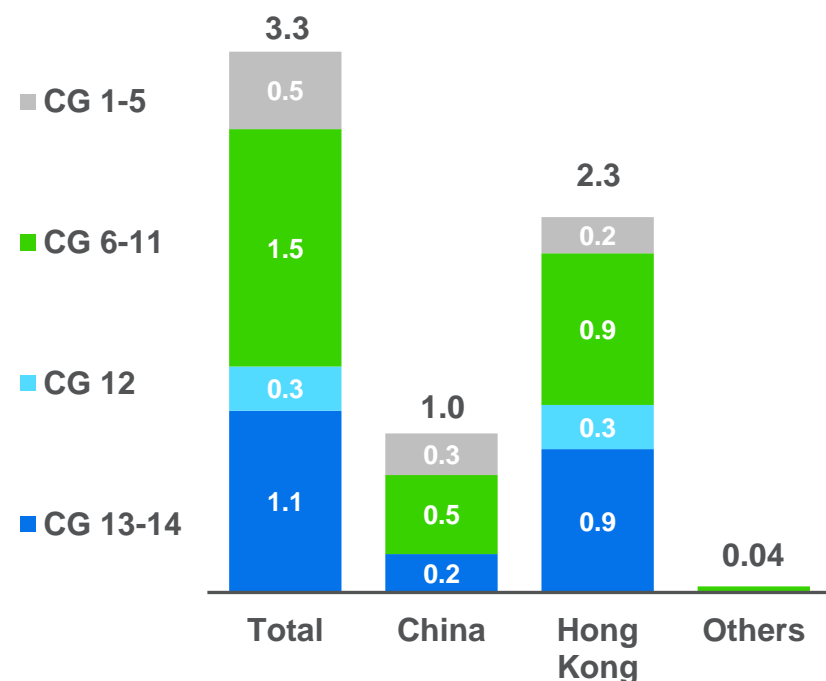




# China Commercial Real Estate

## Exposure by booking location

as at 31.12.22 (\$bn)<sup>1,2</sup>



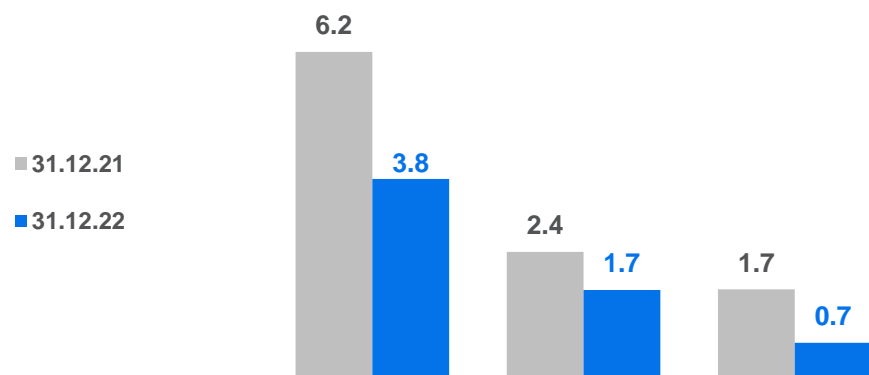
<b>ECL (\$m)<sup>8</sup>:</b>	<b>822</b>	<b>47</b>	<b>774</b>	<b>-</b>
- Stage 1&2	226	10	216	-
- Stage 3	596	37	559	-
<b>Secured %</b>	<b>52</b>	<b>97</b>	<b>32</b>	<b>100</b>
<b>High-risk assets<sup>3</sup> %</b>	<b>52</b>	<b>69</b>	<b>44</b>	<b>100</b>

- \$3.3bn exposure down \$0.2bn QoQ / \$0.7bn YoY mainly in sub-IG<sup>4</sup> clients
  - portfolio 52% secured<sup>5</sup>, secured assets average LTV<sup>5</sup> <45%,
  - >60% secured assets income producing, balance development assets
- Diversified exposure to long established client relationships
  - 45% residential, 38% industrial/commercial, 17%<sup>6</sup> mixed use
- Credit impairment provisions of \$822m<sup>7,8</sup> - Stage 1&2 includes \$173m net overlay
- \$1.1bn of loans in CG13-14 with 81% cover ratio including collateral
- \$1.0bn of unsecured exposure net of Stage 3 provisions
  - 23%<sup>9</sup> rated IG or BB+, 17% covered by management overlay
- Authorities continue to introduce measures to support the sector
  - Increased liquidity support from Q4 22: recovery in equity and bond pricing
  - Expect modest sales recovery through 2023, especially in 2H
  - Downside risks remain until buyer confidence and sales return
  - Portfolio continues to be actively managed
- Minimal CPBB exposure to “Building under Construction” mortgages



# Sovereign exposures

## Net nominal<sup>1,2</sup> (\$bn)



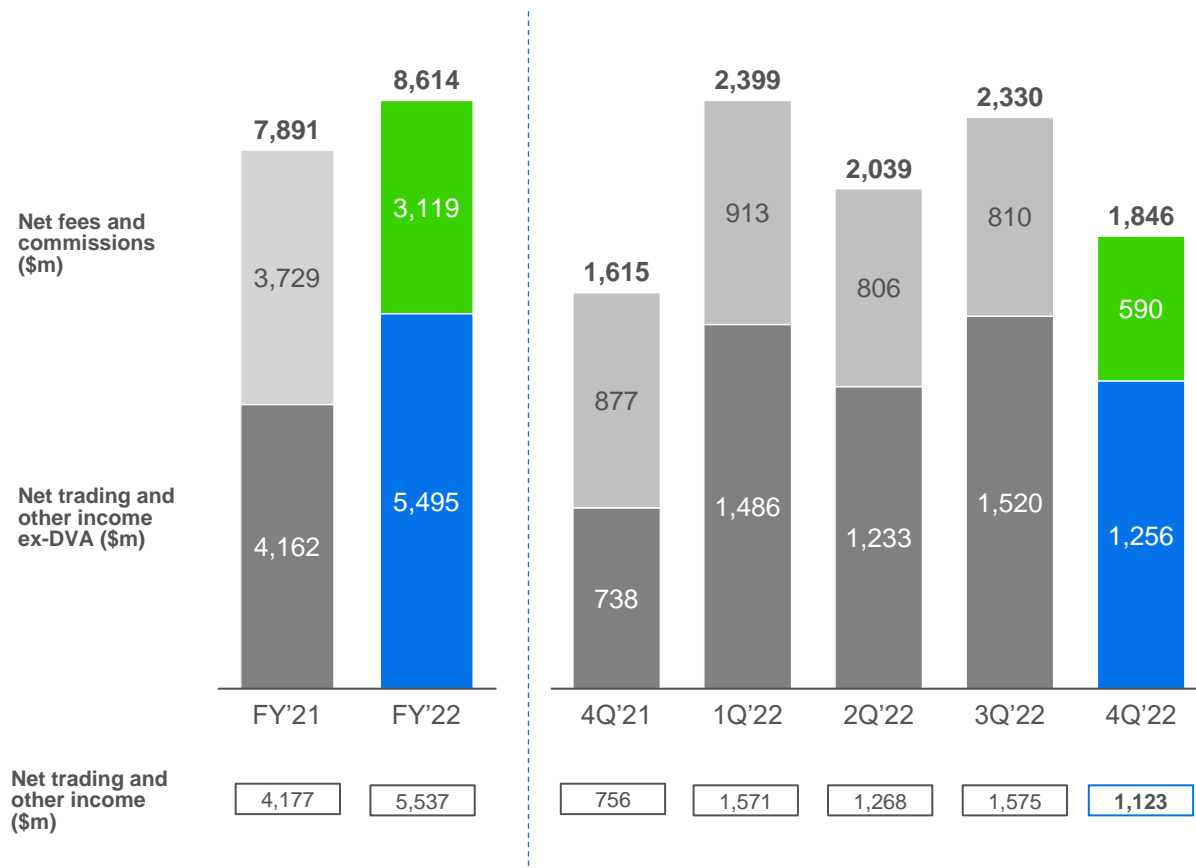
As at 31.12.22	Pakistan	Ghana	Sri Lanka
LCY/FCY <sup>3</sup> Ratings (S&P)	CCC+	Default	LCY: CCC- (neg) FCY: Default
LCY/FCY <sup>3</sup> Internal ratings	CG12	CG13	CG13
Corp. / Sovereign / Retail %	25 / 69 / 6	36 / 61 / 4	57 / 35 / 8
Local Currency %	80	35	53
% of Corporate & Institutional exposures			
High-risk assets <sup>4</sup> %	99	100	100
Tenor < 1 year %	85	83	80
% of Retail exposures			
30/90 days-past-due %	3.9 / 2.0	6.4 / 3.5	3.5 / 1.3

- Stagflation, tighter liquidity and USD strength are challenging for some EM sovereigns
- Three markets with total net nominal of \$6.2bn, <1% of total CCIB and CPBB net nominal
- Total impairment to date of \$307m, \$283m in 2022
  - Ghana \$160m, Pakistan \$83m, Sri Lanka \$40m
- Watching Pakistan closely given local challenges
  - Reduced net nominal exposure ~40% in 2022
  - Stage 1 & 2 charge on CG downgrades
  - Pakistan default manageable
- Our portfolios are well-positioned and actively managed
  - Focused on sovereigns, largest banks and corporates
  - Additional credit protection, reducing country limits and FCY exposures
  - Short-dated exposures with credit risk insurance, Export Credit Agency structures or guarantees
  - Retail focus on Affluent Clients and payroll relationships



# FY'22 Other income ex-DVA up 14% ccy

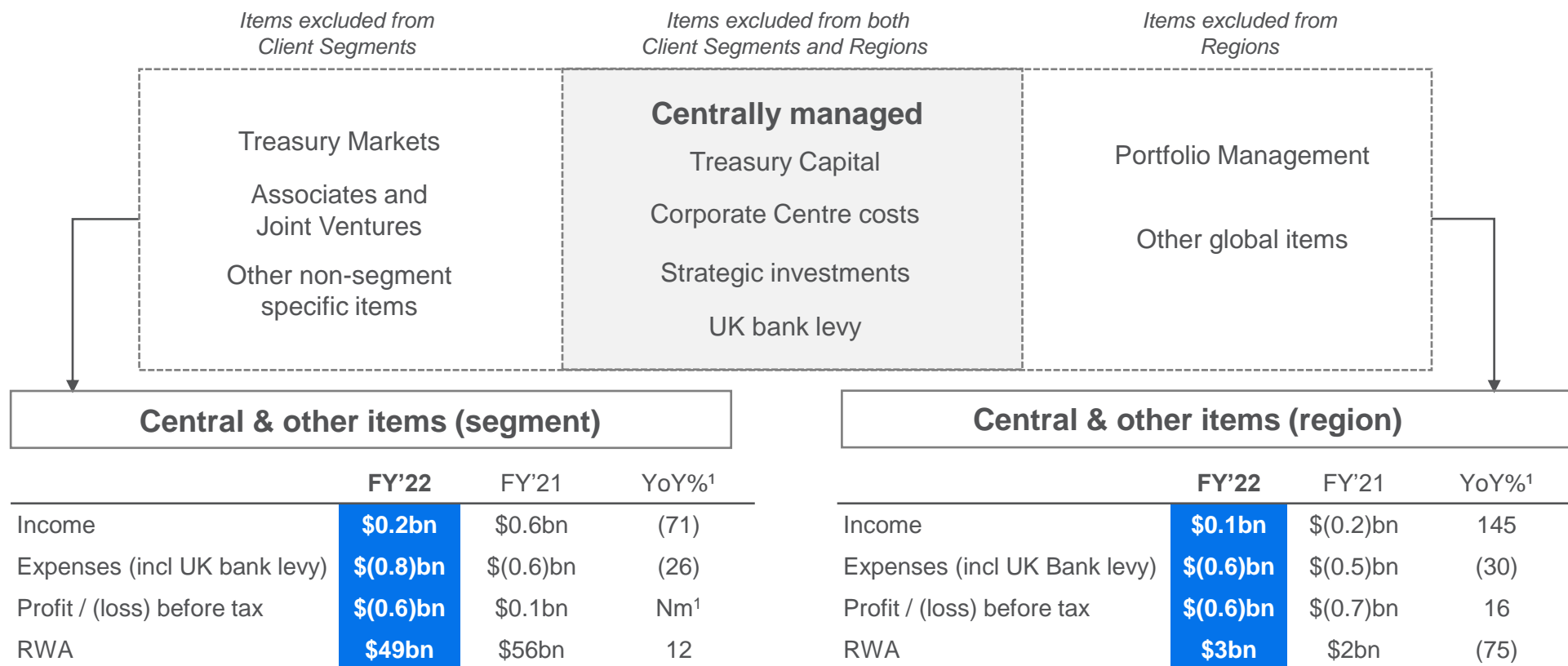
## Other income (\$m)



- FY'22 net fees and commissions down 13% YoY at ccy
  - Wealth Management income 23% lower YoY at ccy
  - Retail Product income 12% lower YoY at ccy, in CCPL and Mortgages and Auto
- FY'22 Net trading and other income up 38% at ccy, ex-DVA
  - FM income up 42% (ex-DVA): Credit Trading up ~150% and Macros Trading up >30%



# Central & other items, supportive interest rate environment



- Underlying loss before tax of \$571m
  - Income lower due to higher interest costs and lower Treasury realisation gains and hedge losses
  - Increased credit impairment driven by sovereign downgrades

- Income is higher due to better Treasury Capital performance driven by higher returns paid to Treasury on the equity provided to the regions in a rising interest rate environment



# 2022 Proforma underlying financial performance excluding business disposals and DVA reclassification

(\$bn)	FY'22	Proforma Adjustments	DVA Reclassification	FY'22 Proforma
<b>Operating income</b>	<b>16.26</b>	<b>(0.47)</b>	<b>(0.04)</b>	<b>15.74</b>
Operating expenses	(10.64)	0.34		(10.30)
UK bank levy	(0.10)	Na		(0.10)
<b>Pre-provision operating profit</b>	<b>5.51</b>	<b>(0.13)</b>	<b>(0.04)</b>	<b>5.34</b>
Credit impairment	(0.84)	0.04		(0.80)
Other impairment	(0.08)	n.a.		(0.08)
Profit from associates	0.17	n.a.		0.17
<b>Underlying profit before tax</b>	<b>4.76</b>	<b>(0.09)</b>	<b>(0.04)</b>	<b>4.63</b>

## Key highlights

- The Group has announced that it is exploring strategic alternatives for its Aviation Finance business
- The Group is progressing the exit of seven markets in the AME region and will focus solely on the CCIB segment in two more markets
- It is expected that the results from these markets and businesses being exited will be reported in restructuring from 01.01.23
- The Group is also intending to report the Debit Valuation Adjustment (DVA) currently in underlying operating income in Restructuring and Other items from 01.01.23
- The FY'22 Proforma financials reflect the impact to the Group's FY'22 underlying financial performance post these changes



# Summary of guidance

<b>Income</b>	<ul style="list-style-type: none"> <li>Income to grow in the 8-10% range at ccy in 2023 and 2024</li> <li>Full year average NIM of ~175bps for 2023 and &gt;180bps for 2024</li> <li>FY'23 Trading Book funding cost likely to be ~\$1bn</li> </ul>
<b>Expenses</b>	<ul style="list-style-type: none"> <li>Around 3% positive income-to-cost jaws in 2023 and in 2024</li> <li>FY'24 cost-to-income ratio of ~60%</li> <li>\$1.3bn cumulative (2022 to 2024) gross structural expense reduction to create investment capacity</li> <li>Restructuring charges of ~\$0.5bn cumulative (2022 to 2024)</li> </ul>
<b>Impairment</b>	<ul style="list-style-type: none"> <li>Loan-loss rate to normalise towards the historical through the cycle 30-35bps range</li> </ul>
<b>Effective Tax Rate</b>	<ul style="list-style-type: none"> <li>Effective Tax Rate to normalise to reach mid-20% level by 2026</li> </ul>
<b>Assets</b>	<ul style="list-style-type: none"> <li>Low single digit percentage growth</li> </ul>
<b>RWA</b>	<ul style="list-style-type: none"> <li>Low single digit percentage growth</li> </ul>
<b>Capital</b>	<ul style="list-style-type: none"> <li>Operate dynamically within the full 13-14% CET1 target range</li> <li>Plans to return in excess of \$5bn to shareholders by 2024 cumulative (2022 to 2024)</li> <li>To increase the full-year dividend per share over time</li> </ul>
<b>RoTE</b>	<ul style="list-style-type: none"> <li>RoTE to be approaching 10% in 2023</li> <li>To achieve &gt;11% RoTE in 2024, and to continue to increase thereafter</li> </ul>



# Appendix

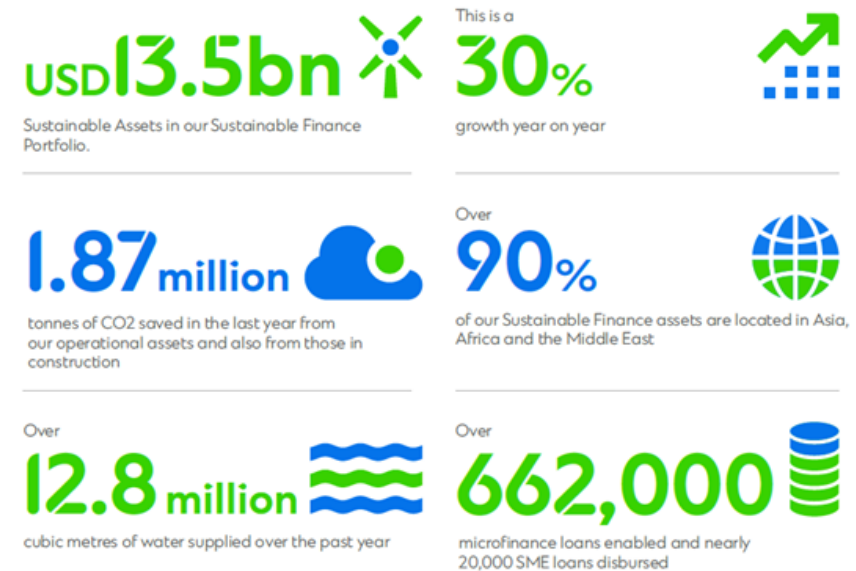
- Various
- **Sustainability**
- Information for fixed income investors
- Ventures
- Notes, abbreviated terms and important notice



# We are making a difference in the world where it matters most

- EMs are most at risk from climate change
    - .... but have the biggest opportunity to move to low carbon
    - achieving a just transition without depriving developing countries of their opportunity to grow and prosper will require care, capital and specialised support
  - There isn't enough financing to meet the UN SDGs
    - Just 60% being met in EMs; as low as 10% in Africa
    - Our Just in Time report<sup>1</sup> emphasised a financing gap of \$94.8tn, a sum higher than annual global GDP, to transition to net zero in time to meet long-term global warming targets
  - We are well placed to help by directing capital to EMs that have the greatest opportunity to adopt low-carbon technology and some of the toughest transition-financing and climate challenges
- While we still have a long way to go, Our Sustainable Finance 2022 Impact report<sup>2</sup> shows our commitment in our footprint across Asia, Africa and the Middle East

## The growing impact of our Sustainable Finance franchise

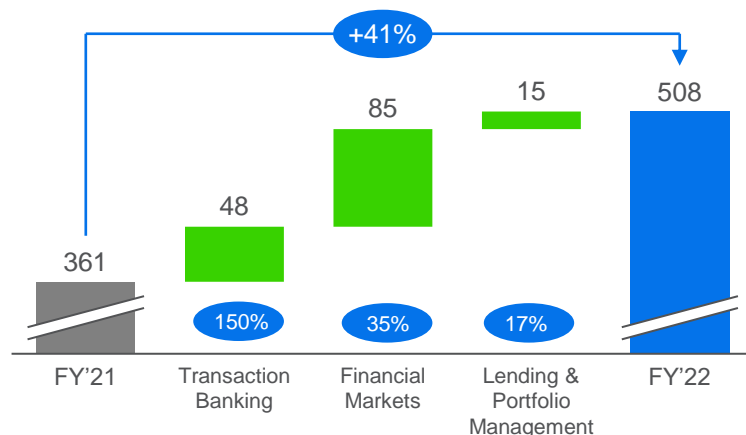




# We are catalysing finance and partnerships for transition

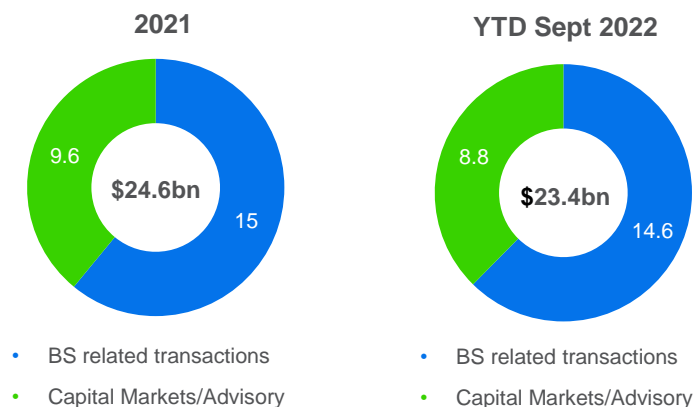
## Sustainable Finance income (\$m)

*SF income approaching \$1bn by 2024*



## Sustainable finance mobilised (\$bn)

*\$300bn in sustainable finance between 2021 and 2030*



- Strong momentum in our SF franchise; broad based growth across products
- Leadership in product innovation: new products included Sustainable Fiduciary Deposits, impact subscription finance and ESG structured products
- Advancing methodology and assessment of client transition plans in high carbon sectors:
  - Guidance to be drawn from Credible Transition Plans by GFANZ, UK Transition Plan Taskforce and our Client-level Climate Risk assessments
  - Aim to provide a view on credibility for our largest exposures by end 2023
- Actively involved in the launch of several ground-breaking initiatives including Indonesia and Vietnam's Just Energy Transition Partnerships
- Chair of the NZBA – the industry-led banking element of GFANZ
- Created an integrated Chief Sustainability Officer organisation



# We offer a world-leading suite of Sustainable Finance solutions to our clients

## Europe and the Americas

2022 key highlights	Market
<b>Supporting the rollout of Electric Vehicles</b> <ul style="list-style-type: none"> <li>Part of a group of banks which created a EUR350mn green trade facility for Polestar, an electric performance car maker</li> </ul>	SE
<b>Launched our first Sustainable Trade Export Letter of Credit programme</b> <ul style="list-style-type: none"> <li>\$500mn programme to cover ADM's shipment of commodities, including soybeans, oilseeds and cotton</li> </ul>	US, UK
<b>Helping finance solar power</b> <ul style="list-style-type: none"> <li>GBP275mn refinancing deal for Vantage RE and Macquarie Asset Management to supply solar power</li> </ul>	UK
<b>Rolling out Sustainable CASA accounts</b>	US, UK (2021)

## Asia

2022 key highlights	Market
<b>Supporting our clients' transition</b> <ul style="list-style-type: none"> <li>Syndicated term loan to part finance conversion of a Floating Production Storage and Offloading (FPSO) unit</li> <li>Invoice financing and import loan for supply of scrap steel for use in client's own steel production</li> </ul>	MY VN
<b>Issued our first ever ESG Structured Note</b>	SG, HK
<b>Launched our first Sustainable Trade Export Letter of Credit programme</b> <ul style="list-style-type: none"> <li>\$500mn programme to cover ADM's shipment of commodities, including soybeans, oilseeds and cotton</li> </ul>	SG
<b>Continuing to grow Sustainable Corporate deposits</b> <ul style="list-style-type: none"> <li>Surpassed \$4bn in Jan'23</li> </ul>	IN, CN, BD
<b>Expanding Sustainable Retail deposit capabilities</b>	SG, ID, TW, KR, CN, MY
<b>Rolling out Sustainable CASA accounts</b>	CN, SG, HK, TW, MY
<b>Growing Green Mortgage proposition</b>	SG, HK, VN, TW, MY, KR
<b>Executed ESG derivative transactions</b>	HK

## Africa and the Middle East

2022 key highlights	Market
<b>Supporting our clients' transition</b> <ul style="list-style-type: none"> <li>Project Finance for construction of two subsea transmission lines to connect offshore production facilities to the onshore power grid, replacing diesel generators</li> <li>Letter of Credit for waste heat recovery unit for replacement of captive coal fired power with waste heat power in a cement plant</li> <li>Letter of Credit confirmation and discounting for supply of gas turbines to a GFPP where the gas being captured is otherwise flared</li> </ul>	UAE UAE NG
<b>Rolling out Sustainable CASA accounts</b>	Dubai, UAE (2021)

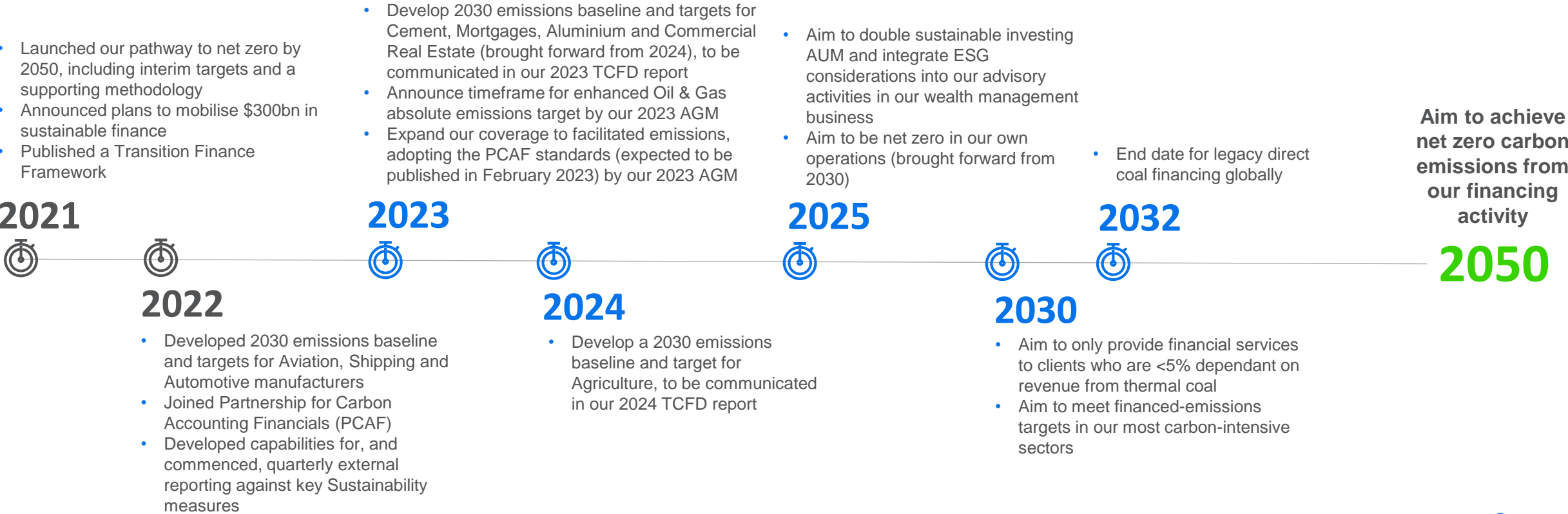
## Other 2022 key highlights

- In 2021 we published our Transition Finance Framework<sup>1</sup>, aligned to the IEA's NZE 2050 scenario. In 2022, we approved the first five Transition Finance transactions that align to this Framework
  - Launched ESG Advisory offerings with ten mandates already signed
- Updated our Green and Sustainable Product Framework<sup>2</sup> and Sustainability Bond Framework<sup>3</sup>, now including a broader range of sustainable activities and aligning with latest market standards



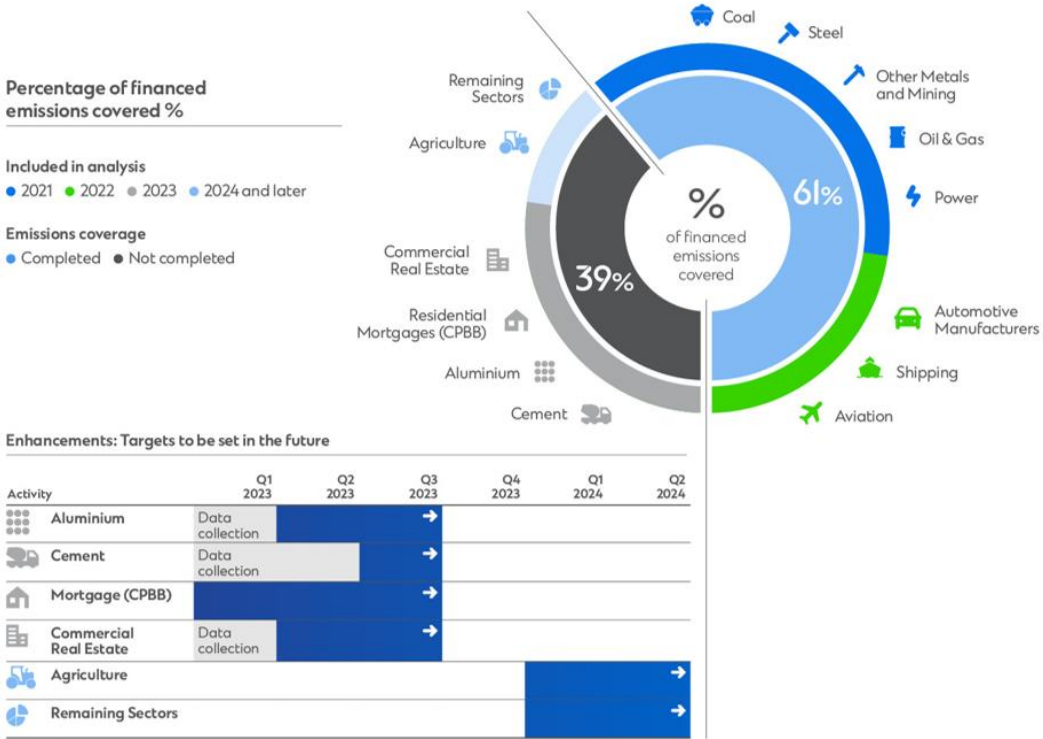
# We are accelerating zero

- We have advanced our net zero roadmap and delivered on our 2022 commitments
- We have accelerated progress in some areas where more market data on emissions have become available
- Details of our targets as well as progress towards these are set out in our Annual Report & Accounts pages 64 to 124



# We are making strong progress towards our net zero goals

- Targets and progress now reported for 8 carbon intensive sectors (from 5)
  - These 8 sectors cover: 61% of total financed emissions (from 37%), 14.4% (from 8.4%) of total CCIB L&A and 29% (from 16.4%) of CCIB in-scope assets
    - We will seek to validate our targets with the Science Based Targets initiative (SBTi) in 2023



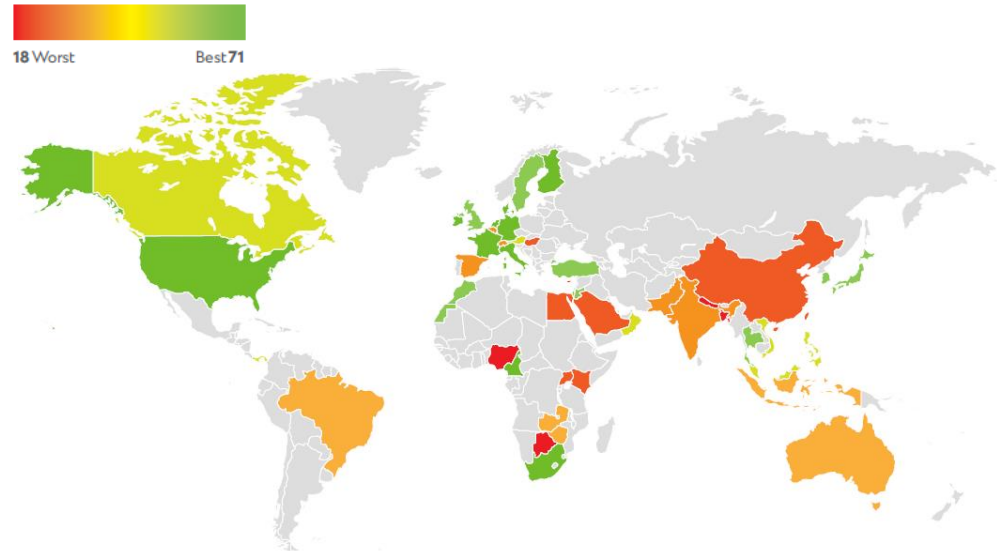
- Emissions trajectory for the 5 carbon intensive sectors where targets were set in 2021
  - Coal → -30% YoY in absolute emissions (-85% target by 2030)
  - Oil & Gas<sup>1</sup> → -8% YoY in revenue intensity emissions (-30% target by 2030)
  - Power<sup>2</sup> → -44% YoY in revenue intensity emissions (-63% target by 2030)
  - Other M&M<sup>3</sup> → -7% YoY revenue intensity emissions (-33% target by 2030)
  - Steel<sup>3</sup> → -12% YoY revenue intensity emissions (-33% target by 2030)
- Oil & Gas portfolio absolute emissions -26% YoY<sup>1</sup>; on track to announce timeline to move to absolute emissions target at 2023 AGM
- Targets for the Power, Mining (excl. Coal) and Steel sectors to move from revenue intensity to production intensity in 2023 to better reflect these sectors emissions profile
- Expanding coverage to include 3 transportation sectors:
  - Aviation → -34% target on production intensity by 2030
  - Shipping → reduce our alignment delta in shipping from +2.6% to 0% by 2030
  - Automotive Manufacturers → -49% target on production intensity by 2030



# We are mitigating climate and sustainability risk

How do different regions fare in their risk and preparedness?

Client-level Climate Risk assessment scores by region



2022 Assessment*	Number of clients	Overall score	Governance & disclosures	Gross Physical Risk	Physical Risk adaptation	Gross Transition Risk	Transition Risk Mitigation
Asia	1,335	41%	40%	66%	27%	42%	36%
Africa & Middle East	386	37%	31%	67%	21%	38%	27%
Europe & Americas	388	57%	63%	81%	47%	46%	58%
Total	2,109	43%	43%	69%	29%	42%	38%

2021 Assessment	Number of clients	Overall score	Governance & disclosures	Gross Physical Risk	Physical Risk adaptation	Gross Transition Risk	Transition Risk Mitigation
Asia	1,238	40%	36%	67%	27%	36%	36%
Africa & Middle East	340	38%	34%	69%	25%	33%	32%
Europe & Americas	360	51%	53%	78%	39%	37%	50%
Total	1,938	42%	39%	70%	29%	35%	38%

\* Data as of Nov 22

- Embedded Client-level Climate Risk assessments to our credit processes
  - Completed for >2,100 clients covering ~65% of total corporate exposures
  - Scores better in developed markets driven by increased climate policy and regulation and lower in EMs
  - Growing client interest to understand their Climate Risk profiles and Transition Risk
- Range of toolkits and methodologies used to measure climate-related Physical and Transition Risk:
  - Key partners include Munich Re, Baringa, S&P Global and Imperial College
  - Began developing internal model capabilities in 2022
- Strengthened our stress testing and scenario analysis capabilities based on three IEA scenarios and three phase 2 scenarios from the NGFS
- Reviewed 1,170 clients and 550 transactions that presented potential specific risks against our Position Statements<sup>1</sup>
  - 14 clients entities exited due to non-compliance with our enhanced Power Generation and Extractive Industries Position Statements
  - Position Statements for all sensitive sectors to be reviewed in 2023
- Conducted a pilot biodiversity risk assessment
- New team set up to conduct enhanced Climate risk due diligence



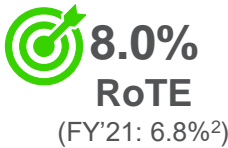
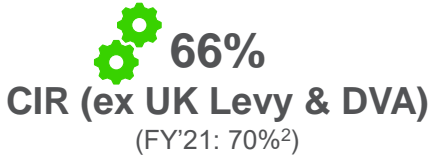
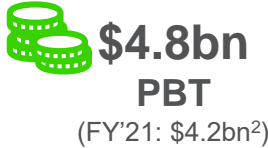
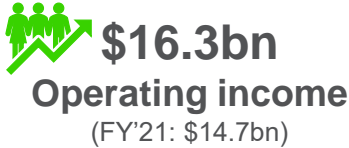
# Appendix

- Various
- Sustainability
- **Information for fixed income investors**
- Ventures
- Notes, abbreviated terms and important notice

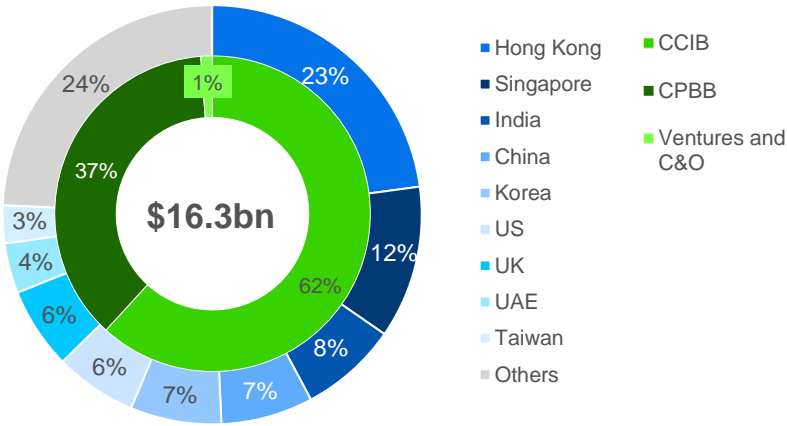


# Strong performance<sup>1</sup> founded on a unique franchise

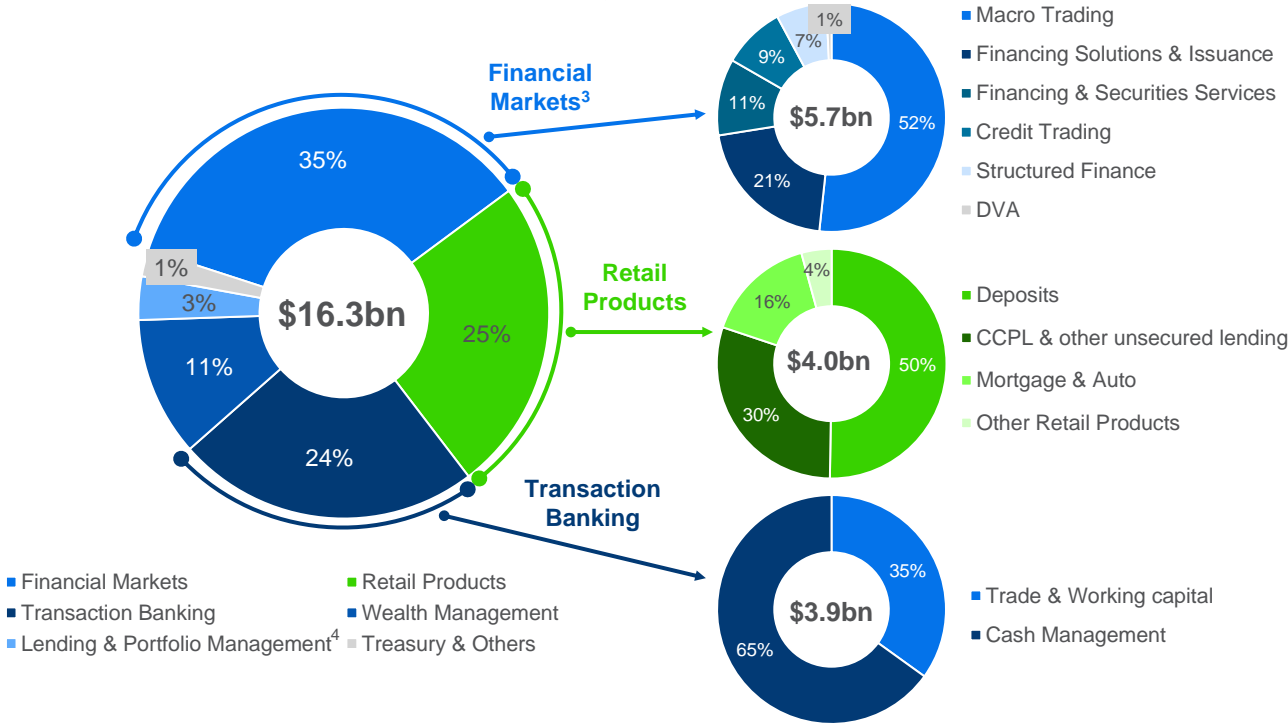
## Over 160 years in some of the world's most dynamic markets



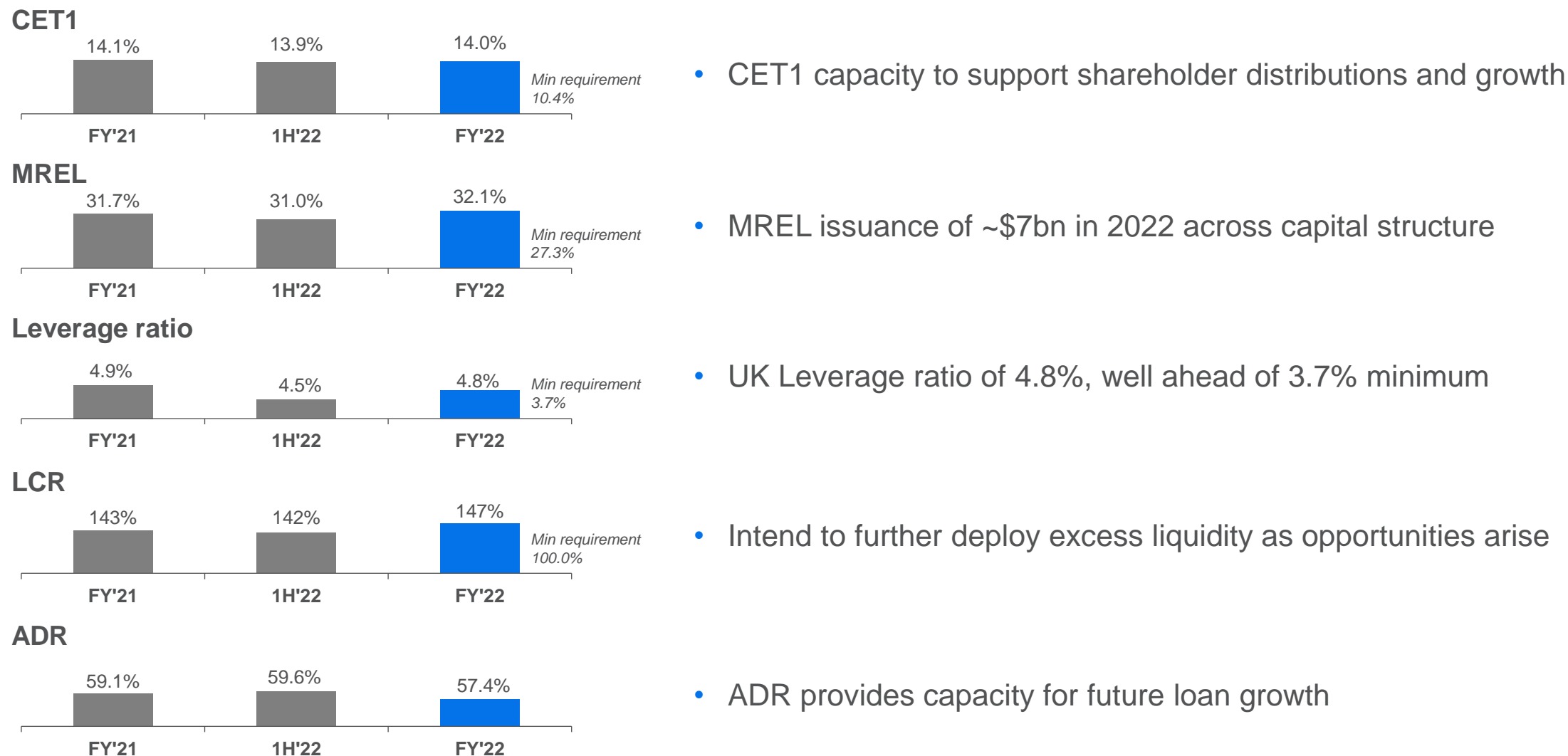
Group income diversified by market and segment<sup>3</sup>



Group income diversified by product<sup>3</sup>



# Balance sheet strength through volatile times

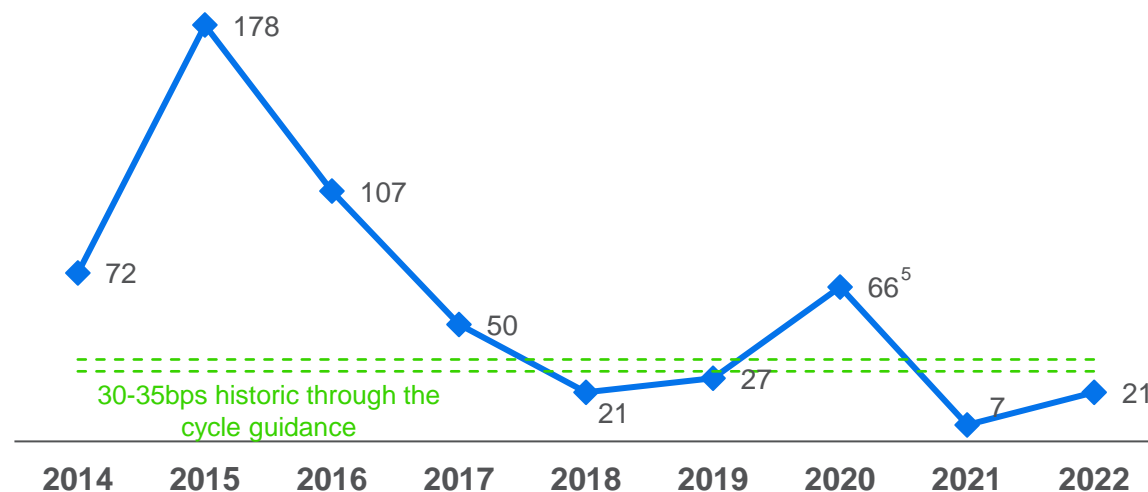




# Stronger risk foundations supporting resilient performance

Key risk indicators	FY'22 (IFRS 9)	FY'14 (IAS 39)	FY'22-FY'14 Movement
Investment grade as a % of corporate exposure	76%	42%	↑
Top 20 corporates as a % of Tier 1 capital	65% <sup>1</sup>	83%	↓
Total cover ratio (excl / incl collateral) <sup>2</sup>	57% / 76%	52% / 62%	↑
Loan-to-value of mortgage portfolio	45%	49%	↓
Affluent income <sup>3</sup> % of CPBB	62%	44%	↑

## Loan loss rates<sup>4</sup> (bps)

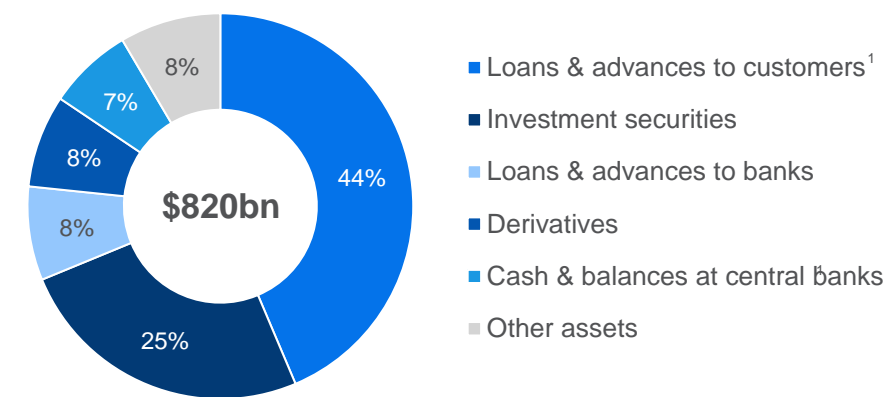


- Key portfolio indicators improved since FY'14 reflecting:
  - Investment grade focus for new origination, reduction in single name concentrations
  - Strengthening the Group's risk culture & tightened risk appetite
  - Highly diverse by industry sector, product and geography
  - Reduction of exposure to more volatile sectors
- Stronger risk foundations result in lower loan loss rates and a lower 30-35 bps cost of risk guidance through the cycle

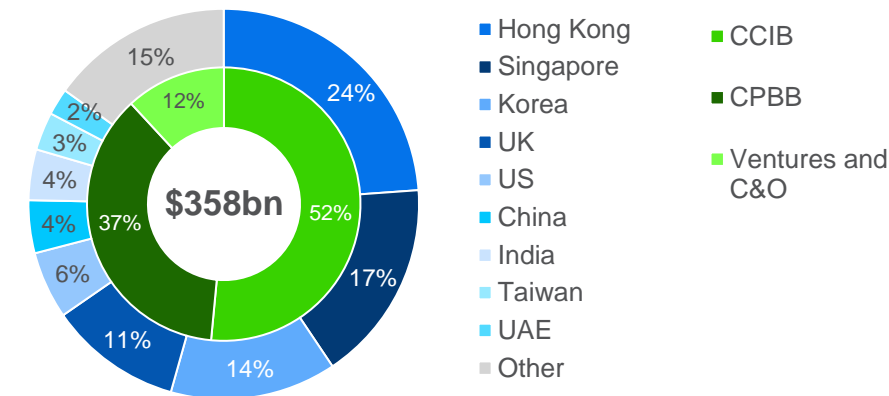


# Balance sheet diversity by geography and business

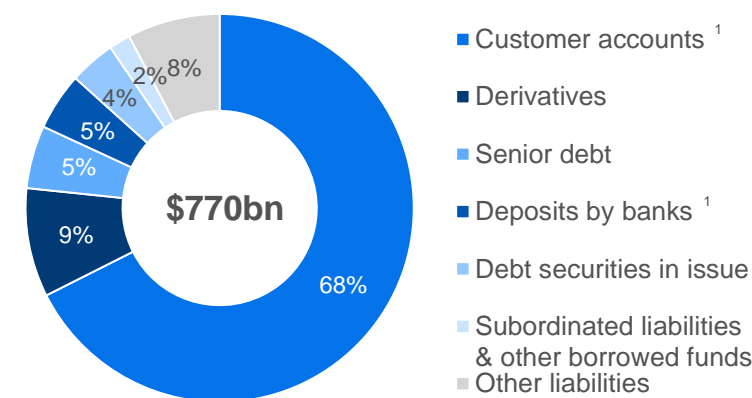
Balance sheet assets<sup>1</sup>



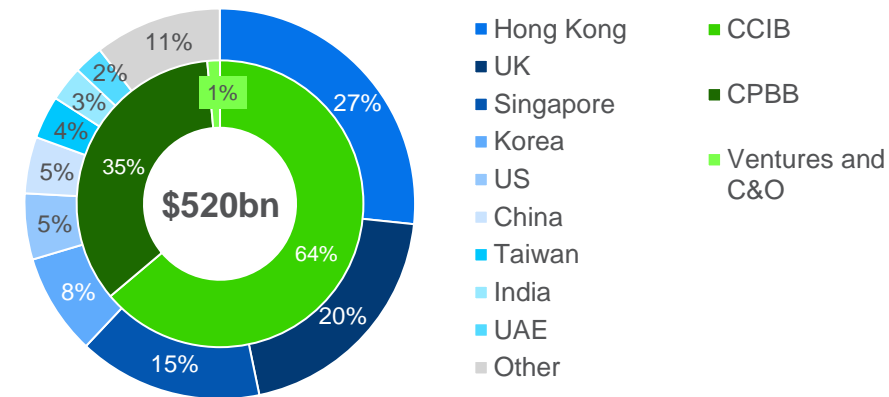
Customer loans & advances<sup>1,2</sup> by market and segment



Balance sheet liabilities<sup>1</sup>

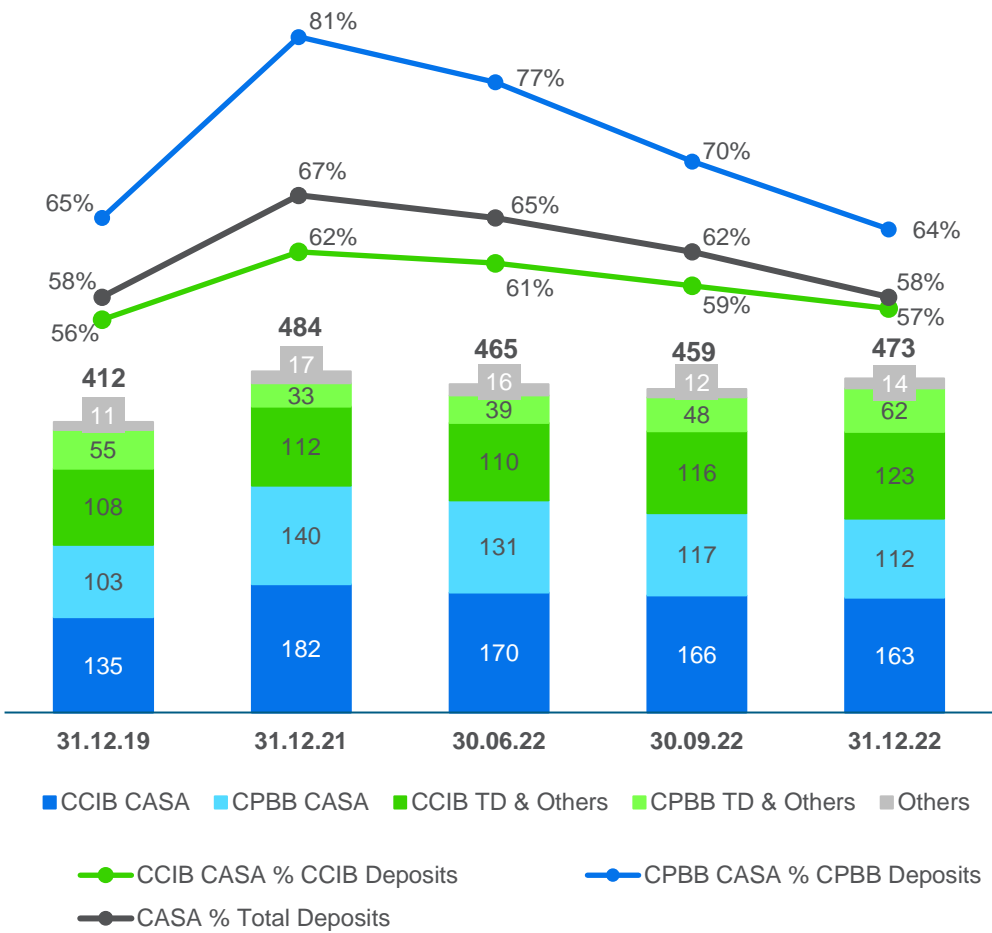


Customer accounts<sup>1,2</sup> by market and segment



# Funding position remains resilient

Total customer deposits<sup>1,2</sup> (\$bn)

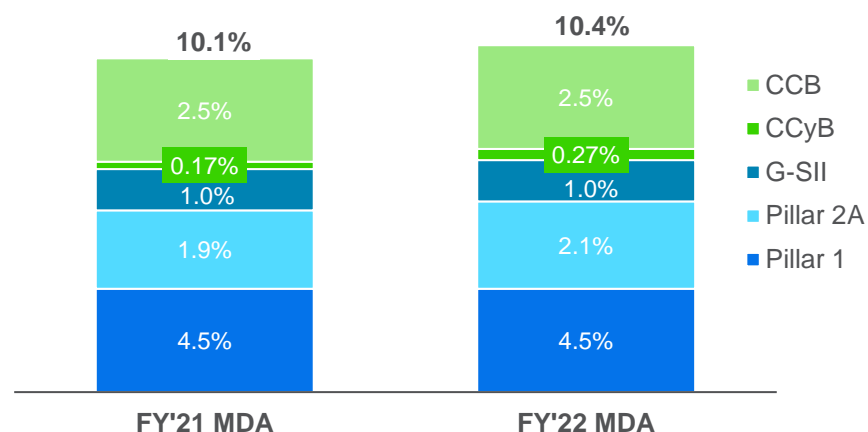


- CASA to TD ratio at FY'19 levels, despite higher rates driving deposit migration
  - Focus on OPAC growth in CCIB supports deposit retention
  - CPBB deposit migration pace in 2022 in line with expectations
- Group's growth aspirations continue to be supported by its strong customer deposit base



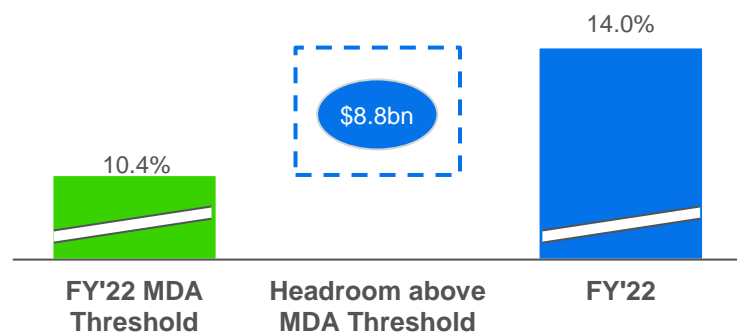
# CET1 strongly positioned relative to requirements<sup>1</sup>

## CET1 minimum requirement increased in the period



- Minimum CET1 requirement increased by c.30bps, largely driven by higher Pillar 2A (P2A)
  - P2A of 3.7% (up ~30bps YoY) of which 2.1% held in CET1
- UK counter cyclical buffer (CCyB) rate increase to 1%, increases the Group's CCyB buffer by ~8bps

## CET1 position materially above revised MDA<sup>2</sup> threshold

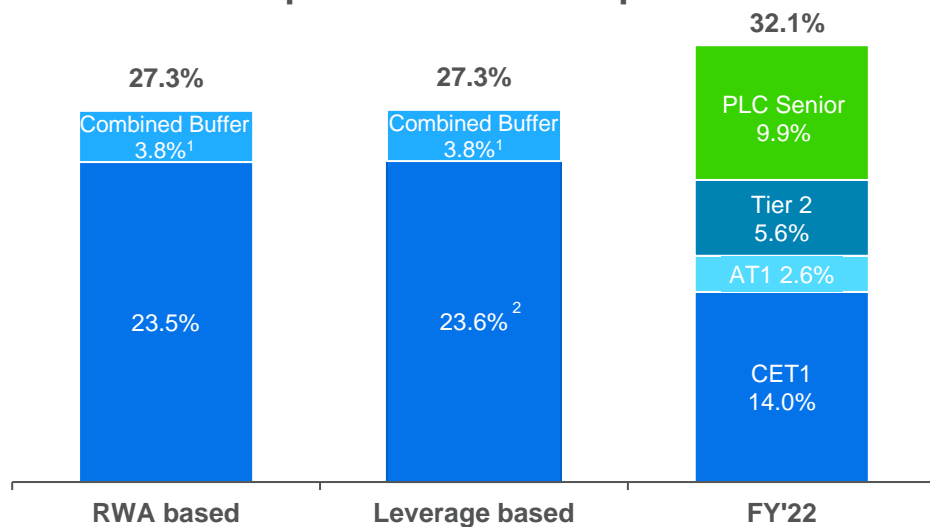


- \$8.8bn / ~360bps buffer to minimum CET1 requirement
- FY'22 Standard Chartered PLC distributable reserves of \$13bn



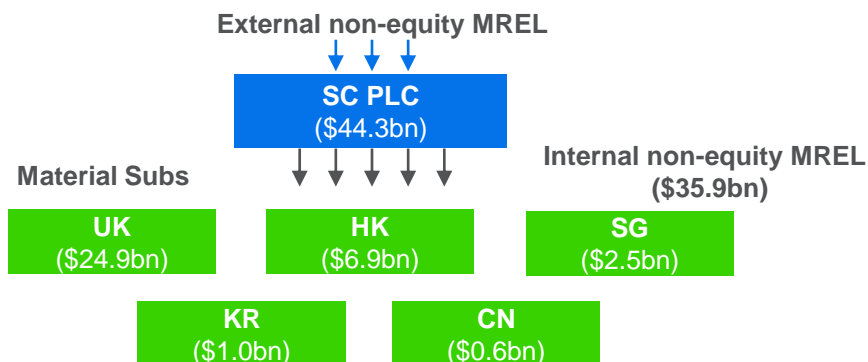
# MREL: well positioned future growth and requirements

## External MREL position versus requirements



- FY'22 MREL position of 32.1% of RWA meets all in MREL requirements with a buffer of ~475bps
- MREL requirement is higher of:
  - 2 x (Pillar 1 + 2A) as a % of RWA; or
  - 6.75% of leverage exposures
- Broadly similar RWA and leverage requirement highlights increased balance sheet efficiency
- Total Group MREL of \$78.5bn

## Internal MREL met via internal issuance

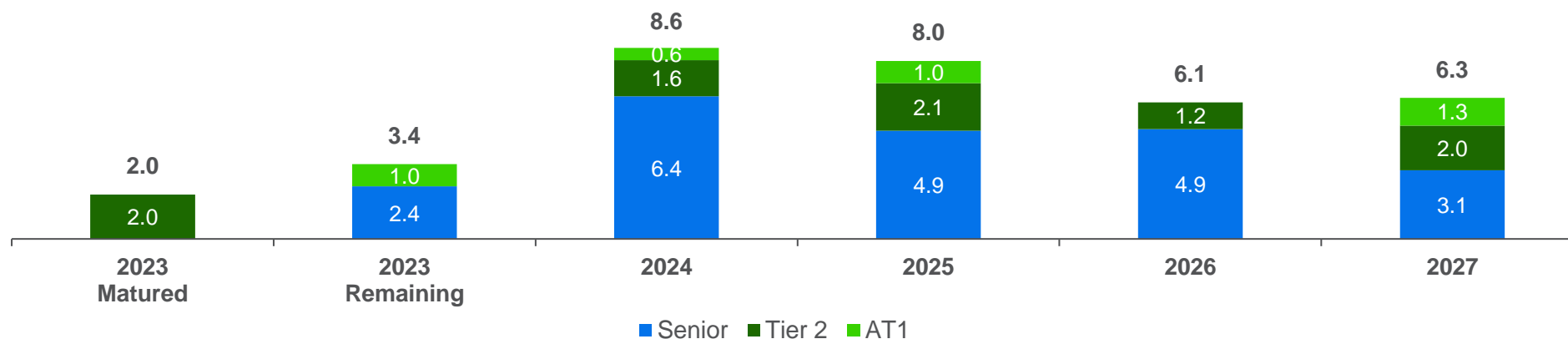


- Internal MREL
  - Required for Group's five material subsidiaries
  - Scaled in 75-90% range: FSB TLAC term sheet<sup>3</sup>
  - Expected sum < the Group's external MREL
- Internal Instruments: AT1, Tier 2 and Senior Non-Preferred






# SC PLC: Current MREL profile

## Maturity and Call schedule of existing stock (\$bn)<sup>1</sup>



## Existing stock - Currency mix (\$bn)<sup>2</sup>

				Other	Total
Senior	23.1	2.6	0.8	2.6	29.0
Tier 2	8.7	2.9	0.9	0.0	12.5
Preference shares	1.5	-	0.3	-	1.8
AT1	6.0	-	-	0.6	6.6
<b>Total</b>	<b>39.3</b>	<b>5.5</b>	<b>2.0</b>	<b>3.1</b>	<b>49.9</b>



# Term Issuance update & expectations

## 2022 and 2023 YTD SC PLC Issuance

### AT1

 \$1.3bn PNC5




### Tier 2

 \$0.8bn 11NC10

### Senior

 \$4.8bn across tenors

 \$2.5bn across tenors (issued in 2023)

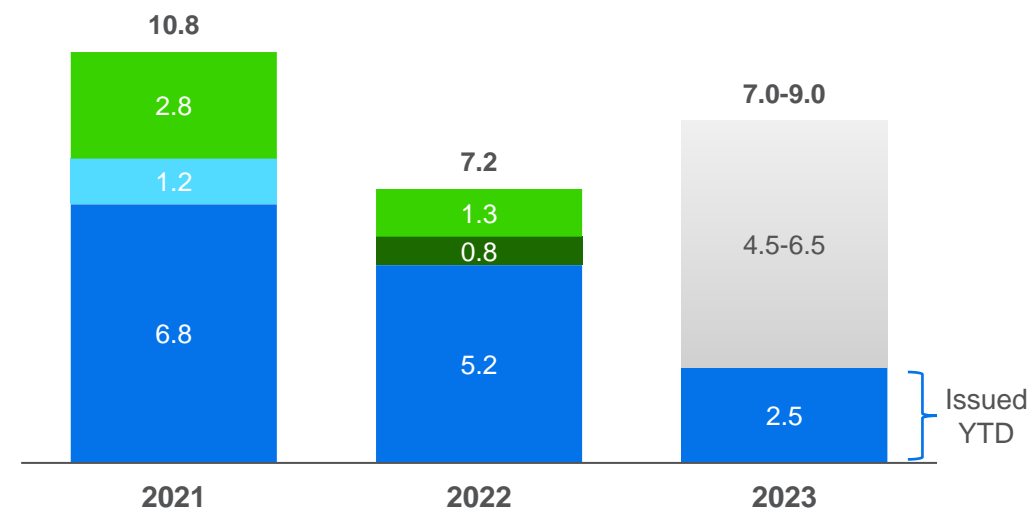
   } \$0.5bn of non-USD issuance

## 2022 and 2023 YTD SCB Issuance

### Senior

\$3.7bn MTN in       



## Recent and indicative MREL Issuance (\$bn)




- 2023 MREL issuance plan of \$7bn to \$9bn with focus on Hold Co Senior
- Forecast issuance volumes are in part dependant on balance sheet developments through the year
- SCB (Op Co) issuance part of a strategy to lengthen contractual tenor of deposit base for prudent liquidity management



# Group strategy to defend and, over time, improve credit ratings

Senior long- and short-term ratings			
	S&P	Moody's	Fitch
Standard Chartered Bank	A+ A-1 Stable	A1 P-1 Stable	A+ F1 Stable 
Standard Chartered PLC	BBB+ A-2 Stable	A3 Not rated Stable	A F1 Stable 
Tier 2	BBB-	Baa2	BBB+
AT1	BB-	Ba1	BBB-
Standard Chartered Bank (Hong Kong)	A+ A-1 Stable	A1 P-1 Stable	Not rated
Standard Chartered Bank (Singapore)	A+ A-1 Stable	A1 P-1 Stable	A+ F1+ Stable

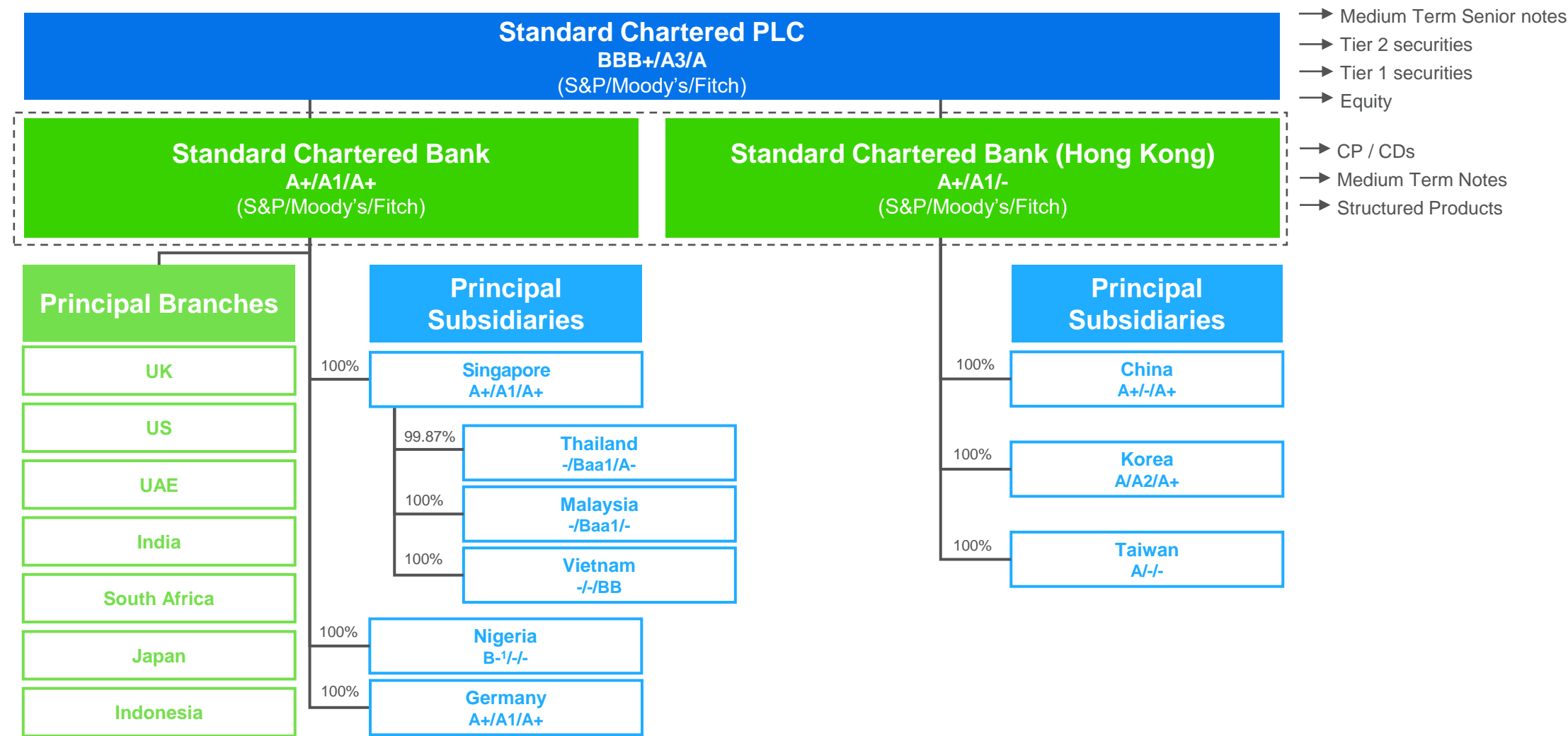
 Outlook revised on 06.07.22

- Well-rated with strong credit fundamentals, absolutely and relative to peers:
  - Stable outlooks at all 3 rating agencies
  - Well-established network is a franchise strength
  - Recognition of strong risk management, controlled risk appetite, reduced loan concentrations and improved exposure quality
  - Resilient pandemic performance with profitability expected to improve
  - Funding and liquidity are key strengths
- Fitch outlook revision to stable reflects their expectations of improved profitability, mitigating pressures from higher operating costs and heightened macroeconomic risks





# Standard Chartered Group: simplified legal structure



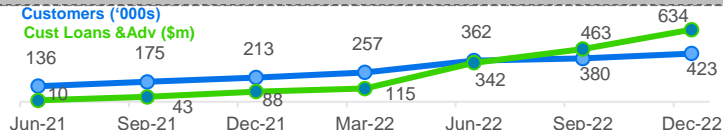



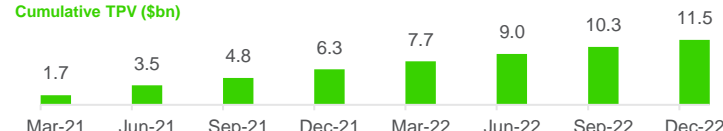




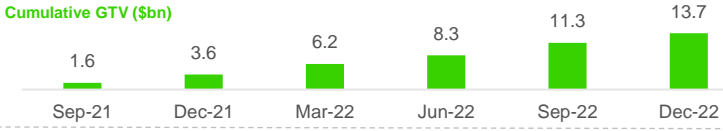





# Appendix

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# Ventures: Progress Update

	Venture	Description	Progress / Update	KPI
 Online economy and lifestyle		Mox, a cloud-native, mobile only digital bank, was launched in Hong Kong as a joint venture with HKT, PCCW and Ctrip in September 2020.	In 2022, Mox had a strong focus on expanding its card and digital lending services and recorded a strong performance and an engaged customer base. Mox has more than 400k customers, up 2 times YoY, and Mox customers had on average 3.1x products.	 <b>450k+ customers; ~7m transactions</b>
		Trust Bank was launched in Singapore in a partnership with FairPrice Group, the nation's leading grocery retailer, in September 2022.	Within five months of launch, Trust Bank scaled rapidly to over 450k customers, equating to around 9% of the addressable market <sup>1</sup> in Singapore. Customer engagement was strong, with ~7 million transactions made and more than 400k digital coupons redeemed through the app during this period.	
		Nexus is a plug-and-play Banking as a service (Baas) solution, enabling banking and financial services at scale for any e-commerce platform's customers.	Gone live in September 2022 - Launch of BukaTabungan, a digital banking service that leverages the reach of Bukalapak's e-commerce platform, powered SCB's white-label plug and play Banking-as-a-Service solution. Other partnerships to launch in 2023.	<b>&gt;250k downloads – 70k accounts</b>
		Next generation payment platform for e-commerce players through omni-channel payments solutions. Zai formed after the combination of Currency Fair and Assembly Payments in September 2021.	YTD 2022 Transaction Processing Volume (TPV) \$5.3bn (vs. FY 2021 TPV \$6.3bn) 182k total accounts to date Current business remains stable, and the pipeline for the B2B business in Australia has grown significantly	
 SMEs and world trade		B2B digital commerce platform addressing the growth challenges of Micro, small and medium businesses by connecting buyers and sellers and providing access to financing and business services.	3x YoY growth in Gross Transaction Value (GTV) – cumulative GTV of \$422m; ARR of \$8.6m at the end 2022 vs \$1.8m at the end 2021 Launched Solv in Kenya offering supply chain financing to Micro, small and medium businesses expansion into new markets in Vietnam, Ghana & Malaysia. Completed external fundraise with SBI Holdings <sup>2</sup> .	
		A bank agnostic supply chain finance platform co-created with Lenovo that unlocks significant value for organisations, by providing end to end automation, visibility and control of their trade and supply chain ecosystems.	\$13.7bn+ of Gross Transaction Value (GTV) to date. >250k invoices processed to date. Significant interest has been generated amongst large clients to explore the possibility of using this capability for their own supply chain program.	 <b>Zodia Custody - Live</b> <b>Zodia Markets – Live</b>
 Digital assets	 	Zodia Custody is an end-to-end institutional-grade custodian for digital assets / crypto-currency. Zodia Markets is a digital asset brokerage / exchange platform for institutional and corporate clients.	Zodia Custody – FY 2022 Assets Under Custody (AUC) at ~\$330m. First dedicated crypto asset custodian to be registered to provide commercial services to clients in Ireland. Established an asset custodian JV with SBI in Japan.  Zodia Markets - digital asset exchange and brokerage platform for institutional clients, has received crypto asset registration from the UK Financial Conduct Authority.	



# Ventures: Portfolio expansion

	Venture	Description	Progress / Update	Status
 SMEs and world trade	<b>OLEA</b>	JV Partnership with Linklogis. Trade asset distribution and securitization platform focusing on tapping the alternative funding sources from institutional investors	Signed agreement with Silverbirch Finance to deliver cross-border working capital solutions to the European-Asian corridor; In India, Olea and Vayana furthered their partnership by launching a receivables financing program and executed the first landmark export financing transaction under this program.	Live
	letsbloom 	Letsbloom is a platform-as-a-service (PaaS) that enables organisations to deploy, manage and run their applications in all major cloud platforms globally while ensuring compliance with regional regulatory and security frameworks.	Letsbloom is live on AWS, Azure and GCP (December 2022) where clients can bring their own cloud account (enhanced product capability).	Live
 Online economy and lifestyle		Open digital platform empowering clients across their retirement journeys, key features include financial aggregation, wealth advisory, health-tech & other adjacent needs.	Obtained Financial Adviser's license and Franklin Templeton co-investment completed. AIG general insurance partnership now live. Integration with Saxo & Quantifeed is completed.	Live
		Credit card deals Marketplace that connects users, merchants and banks, creating hyper-personalised experiences and curated offerings	530k downloads as at FY 2022 and ~500 merchants onboarded to date Awarded "Outstanding Transformation in Digital CX during Covid-19" award by The Digital Banker and nominated for the UX Design Award 23' Spring by the International Design Center Berlin (IDZ).	Live
		Aggregator 2.0 marketplace and 'qualified' lead-gen platform initially for unsecured lending products (credit cards, personal loans) - providing client banks pre-qualified leads on one hand, and soft approvals to customers (applicants).	Only Fintech in UAE with full integration with Credit Bureau & Ministry of Interior and with a direct license with AECB – credit bureau. Selected for DIFC Fintech HIVE and ADGM Finance week.	Beta Testing
 Sustainability and inclusion		A UK based marketplace for sustainable financial and consumer products.	Digital platform currently conducting beta testing Contributing to the Bank's sustainability agenda by empowering UK savers to channel their savings directly to important causes.	Beta Testing
		UAE based myZoi provides a safe, efficient, regulated avenue for migrant works to enable cross-border funds transfer.	Obtained regulatory In principal approval; Commenced Beta Testing Discussions with partners in Bangladesh, Pakistan and Philippines underway	Beta Testing
 Digital assets		A blockchain platform that enables real time settlement and trading of traditional and digital data, assets and transactions	Recently announced joint venture will combine the strengths of the three founding banks, DekaBank, SC Ventures and LBBW with Comyno's technology expertise. Platform is open to partners to be built as a market consortium, and eventually will be expanded into an international network	Beta Testing



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# Notes

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Page	Explanatory note or definition
5	<ol style="list-style-type: none"> <li>1. YoY = year-on-year variance is better/(worse) other than for RWA, CET1 ratio and LCR, which is increase/(decrease) / Ccy = constant currency / Nm = Not meaningful; change rates for NIM, CET1 ratio, LCR and RoTE are basis points change year-on-year</li> <li>2. RoTE numbers at the Group level include FVOCI adjustment for Ventures, prior periods have also restated; RoTE for 4Q'21 has been retrospectively adjusted for the reclassification of \$300m relating to China Bohai Bank from "Other Impairment" to "Other items"</li> <li>3. Cost-to-income ratio: Income excluding debit valuation adjustment / operating expenses ex-UK bank levy at constant currency</li> <li>4. Income-to-cost jaws: Income excluding debit valuation adjustment / operating expenses ex-UK bank levy at constant currency</li> <li>5. Other Impairment for 4Q'21 of \$300m relating to China Bohai Bank has been retrospectively reclassified to "Other items", and is excluded from underlying operating profit and RoTE</li> <li>6. Record 4Q'22 Financial Markets income 2017- 2022</li> </ol>
6	<ol style="list-style-type: none"> <li>1. YoY = year-on-year variance is better/(worse) other than for RWA, CET1 ratio and LCR, which is increase/(decrease) / Ccy = constant currency / Nm = Not meaningful; change rates for NIM, CET1 ratio, LCR and RoTE are basis points change year-on-year</li> <li>2. RoTE numbers at the Group level include FVOCI adjustment for Ventures, prior periods have also restated; RoTE for 2021 has been retrospectively adjusted for the reclassification of \$300m relating to China Bohai Bank from "Other Impairment" to "Other items"</li> <li>3. Cost-to-income ratio: Income excluding debit valuation adjustment / operating expenses ex-UK bank levy at constant currency</li> <li>4. Income-to-cost jaws: Income excluding debit valuation adjustment / operating expenses ex-UK bank levy at constant currency</li> <li>5. Other Impairment for 4Q'21 of \$300m relating to China Bohai Bank has been retrospectively reclassified to "Other items", and is excluded from underlying operating profit and RoTE</li> <li>6. Record FY'22 Financial Markets income 2017- 2022</li> </ol>
7	<ol style="list-style-type: none"> <li>1. Income growth on a constant currency basis and excluding debit valuation adjustment (DVA)</li> <li>2. FY'22 on a constant currency basis: constant currency is calculated using year-to-date average rates across all currencies, therefore impacting both current quarter and prior quarters, resulting in a constant currency view for the current quarter that differs to the reported view</li> <li>3. Income growth on a constant currency basis and excluding debit valuation adjustment (DVA)</li> <li>4. Normalised basis which excludes debit valuation adjustment (DVA) and non-repeat of the 2021 IFRS9 interest income catch-up adjustment in relation to interest earned on impaired assets as required by IFRS9 Financial Instruments: Recognition and Measurement</li> </ol>



# Notes

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Page	Explanatory note or definition
8	<ol style="list-style-type: none"> <li>1. Income Statutory basis; the Group in 2019 changed its accounting policy for net interest income and basis of preparation of its net interest margin to better reflect the underlying performance of its banking book. See notes to the financial statements in the 2019 Annual Report for further details</li> <li>2. An adjustment is made to the NIM to exclude the interest expense related to funding of the FM trading book (Trading Book Funding Cost adjustment). This adjustment is made to align interest income and expense more accurately. The adjustment does not affect statutory or underlying net interest income (NII), or FM total operating income performance.</li> <li>3. The Trading Book Funding Cost adjustment calculation has been refined, and has increased by \$98m in 4Q'22, as a result the 4Q'22 NIM has increased by 7bps</li> </ol>
9	<ol style="list-style-type: none"> <li>1. Forward rates sourced from market data as at 19th July 2022 using period average rates</li> <li>2. NIM outcomes inherently sensitive to changes in rates, betas, migration and volumes</li> </ol>
11	<ol style="list-style-type: none"> <li>1. Cross-border (Network) income: Income generated outside of a client's headquarter country (excluding risk management, trading and ship leasing)</li> </ol>
12	<ol style="list-style-type: none"> <li>1. FY'22 year-on-year variances are increase/(decrease) on a constant currency basis; change rate for RoTE is %pts change year-on-year</li> </ol>
13	<ol style="list-style-type: none"> <li>1. India Income YoY variance excluding impact of the IFRS9 interest income catch-up adjustment in 2021, in relation to interest earned on impaired assets as required by IFRS9 Financial Instruments: Recognition and Measurement; Reported income year-on-year variances for FY'22: 1.5% at ccy</li> </ol>
14	<ol style="list-style-type: none"> <li>1. Excludes UK bank levy</li> <li>2. Income-to-cost jaws, excluding the UK bank levy and DVA, and on a constant currency basis</li> </ol>
15	<ol style="list-style-type: none"> <li>1. Loan-loss rate is on a year-to-date annualised basis</li> <li>2. Early Alerts (Non-Purely Precautionary) (EA(NPP)) are on a net nominal basis</li> <li>3. High-risk assets in this context means exposures classified in EA(NPP), CG12 and Net Stage 3</li> <li>4. Cover ratio for 31.12.22 after collateral</li> <li>5. Consumer, Private &amp; Business Banking client accounts that are 30 or 90 Days Past Due</li> </ol>
16	<ol style="list-style-type: none"> <li>1. RWA 'Others' includes open ended guarantees and increase in IMA Capital Multiplier</li> <li>2. 4Q'22 'Regulatory changes &amp; adjustments' reflects PMA adjustments +\$1.2bn and IFRS9 Phasing +\$0.05bn</li> <li>3. AT1/Dividend includes a foreseeable dividend accrual in respect of the final 2022 ordinary share dividend in the fourth quarter</li> <li>4. CET1 'Others' include intangibles (15)bps, PVA (7)bps and EL (4)bps</li> </ol>
63 17	<ol style="list-style-type: none"> <li>1. RWA density is calculated using Total RWA divided by Total Assets</li> </ol>



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Page	Explanatory note or definition
18	<ol style="list-style-type: none"> <li>1. Income-to-cost jaws: Income excluding debit valuation adjustment / operating expenses ex-UK bank levy at constant currency</li> <li>2. Plans to return in excess of \$5bn to shareholders by 2024 cumulative (2022 to 2024)</li> </ol>
21	<ol style="list-style-type: none"> <li>1. FY'21 AUM adjusted to include Mortgage One account balances of \$4bn</li> <li>2. Mass Retail client numbers include Partnership clients; Number of Mass retail client as at FY'21 has been updated from the previously reported 7.8m to adjust for inactive client accounts</li> <li>3. STP: Updated from previously reported 68% (at FY'21 Results) to reflect full 12 month average data set</li> </ol>
22	<ol style="list-style-type: none"> <li>1. China offshore income includes CCIB offshore and CPBB offshore income</li> <li>2. China onshore income up 10% on constant currency basis and 6% on reported currency basis</li> <li>3. PBT – Underlying Profit Before Tax</li> </ol>
24	<ol style="list-style-type: none"> <li>1. Assets includes Green and Social assets as at 30.09.22 aligned to the <a href="#">Standard-Chartered-Bank-Green-and-Sustainable-Product-Framework-2022.pdf (sc.com)</a></li> <li>2. <a href="#">Sustainable-finance-impact-report-2022.pdf (sc.com)</a></li> <li>3. As per our latest rebaselining exercise for 2022, our total in-scope assets using the 2021-year-end was \$94.7bn and we have a financed emission baseline against 87% (up from 77%) of in-scope assets, which is \$82.8bn. For the remaining 13% of in-scope assets, there was insufficient client financial data available. The \$94.7bn is calculated in relation to CCIB corporate clients only and excludes lending to financial institutions, in line with NZBA guidance. Also, in line with PCAF principles we include financial products that are on the balance sheet at the fiscal year-end.</li> <li>4. Our financed emissions in 2022 are 58.5 MTCO<sub>2</sub>e, up from 45.2 MTCO<sub>2</sub>e in 2021. This represents an increase of 29% made up of: <ul style="list-style-type: none"> <li>• Transport sectors being measured on an asset basis instead of a counterparty basis This has resulted in an increase of transportation from 2.7 MTCO<sub>2</sub>e to 13.9 MTCO<sub>2</sub>e</li> <li>• Offsetting these additions there have been general increases in client Economic Value Including Cash (EVIC's), whilst client coverage of financial (EVIC) information has increased from 77% to 87%</li> </ul> </li> </ol>
25	<ol style="list-style-type: none"> <li>1. SBI Holdings, Japan <a href="https://www.sbigroup.co.jp/english/">https://www.sbigroup.co.jp/english/</a></li> <li>2. Addressable market is customers who are eligible to open a bank account in Singapore (16 years or older)</li> <li>3. US minority interests includes Ripple, Symphony, OpenFin, Smarsh, 24X, Callsign, Instabase, Varmour, DataRobot</li> </ol>





# Notes

These notes refer to the metrics and defined terms on the preceding pages

Page	Explanatory note or definition
29	<ol style="list-style-type: none"> <li>1. Cost-to-income ratio: Income excluding debit valuation adjustment / operating expenses ex-UK bank levy at constant currency</li> <li>2. FY'21 AUM adjusted to include Mortgage One account balances of \$4bn</li> <li>3. Pace of investment spend negatively impacted by COVID-19 restrictions in China and Hong Kong in 2022</li> <li>4. \$2.8bn Shareholder distributions includes: (1) \$1,250m share buy-backs completed (2) Full year dividend of \$523m and (3) New \$1,000m share buy-back</li> </ol>
30	<ol style="list-style-type: none"> <li>1. GDP forecasts based upon SCB research publication "Economics Weekly – 27 Jan – Looking for pause signals"</li> </ol>
31	<ol style="list-style-type: none"> <li>1. Forecasts based on SCB Research as at 31 December 2022</li> </ol>
32	<ol style="list-style-type: none"> <li>1. NII sensitivity estimate based on instantaneous parallel shift (increase or decrease) across all currencies. Estimate subject to significant modelling assumptions and subject to change</li> <li>2. Refer to page 293 of the Annual Report 2022. IRRBB assumptions include 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. From FY'21, the reported sensitivity includes income earned by the Banking Book on funding the Trading Book which was previously excluded from the reporting scope</li> </ol>
33	<ol style="list-style-type: none"> <li>1. Net Nominal basis (see selected technical and abbreviated terms page 70-71): based on where the ultimate parent entities and credit responsibility is</li> <li>2. Booking location includes exposures where the ultimate parent entities and credit responsibility is in China and to entities outside of China but with substantial cashflow generated from China</li> <li>3. High-risk assets in this context means exposures classified in EA(NPP), CG12-14 net of Stage 3 provisions. High-risk assets % is on a net nominal basis</li> <li>4. Investment Grade</li> <li>5. Includes offshore components of onshore/offshore linked facilities where intercreditor agreements allow offshore lenders to benefit from residual value of onshore collateral, which are appropriately reflected in the Loan to Values (LTVs)</li> <li>6. Reduced from 30.09.22 mostly due to reclassification of a project to Commercial from Mixed</li> <li>7. Includes legacy provisions not related to current market condition amounting to \$20m</li> <li>8. Includes \$5m management overlay related to off-balance sheet commitments</li> <li>9. Q3'22 (~70%) and Q4'22 basis of preparation considers the higher of the external or internal ratings that are investment grade or BB+</li> </ol>



# Notes

These notes refer to the metrics and defined terms on the preceding pages

Page	Explanatory note or definition
34	<ol style="list-style-type: none"> <li>1. Net Nominal basis (see selected technical and abbreviated terms page 70-71): based on where the ultimate parent entities and credit responsibility is</li> <li>2. Booking location includes exposures where the ultimate parent entities and credit responsibility is in the specified country and to entities outside of the country but with substantial cashflow generated from the country</li> <li>3. Local currency / Foreign currency</li> <li>4. High-risk assets in this context means exposures classified in EA(NPP), CG12-14 net of Stage 3 provisions. High-risk assets % is on a net nominal basis</li> </ol>
36	<ol style="list-style-type: none"> <li>1. YoY = year-on-year variance is better/(worse) other than for RWA, CET1 ratio and LCR, which is increase/(decrease)</li> </ol>
40	<ol style="list-style-type: none"> <li>1. <a href="#">Just in time   Standard Chartered (sc.com)</a></li> <li>2. <a href="#">Sustainable-finance-impact-report-2022.pdf (sc.com)</a></li> </ol>
42	<ol style="list-style-type: none"> <li>1. <a href="#">Standard-Chartered-Bank-Transition-Finance-Framework.pdf (sc.com)</a></li> <li>2. <a href="#">Standard-Chartered-Bank-Green-and-Sustainable-Product-Framework-2022.pdf (sc.com)</a></li> <li>3. <a href="#">Sustainability-bond-framework.pdf (sc.com)</a></li> </ol>
44	<ol style="list-style-type: none"> <li>1. There was a decrease in both revenue intensity emissions and in absolute emissions, due to increasing client Economic Value Including Cash (EVIC's) and a portion of the 2021 population (Gas-related ships) moving to the Shipping transport sector</li> <li>2. The decrease in revenue intensity emissions was primarily driven by increases in commodity prices resulting in an increase in client Economic Value Including Cash (EVIC's). The Power portfolio does however have approximately 25% of its exposure to renewable energy counterparties, which is also bringing this intensity metric down</li> <li>3. This decrease in revenue intensity emissions was primarily due to increases in commodity prices resulting in an increase in an increase in client Economic Value Including Cash (EVIC's)</li> </ol>
45	<ol style="list-style-type: none"> <li>1. <a href="#">Our position statements   Standard Chartered (sc.com)</a></li> </ol>



# Notes

These notes refer to the metrics and defined terms on the preceding pages

Page	Explanatory note or definition
47	<ol style="list-style-type: none"> <li>Figures are presented on an underlying basis</li> <li>Goodwill and other impairment include \$308 million impairment charge relating to the Group's investment in its associate China Bohai Bank. The 2021 comparative has been restated for consistency to reclassify the \$300 million impairment from Other impairment within Underlying profit to Goodwill and Other impairment</li> <li>Ex-DVA; Breakdown of pie charts might not add to 100% due to rounding</li> <li>The Group has integrated the majority of its Corporate Finance business within Financial Markets. The remaining elements of the Group's Corporate Finance business – primarily M&amp;A advisory – have been transferred into Lending and Portfolio Management.</li> </ol>
49	<ol style="list-style-type: none"> <li>Excludes reverse repurchase agreements</li> <li>FY'14 includes both individual and portfolio impairment provisions. FY'22 includes Stage 3 provisions. Following adoption of IFRS9, the definition of nonperforming loans and Stage 3 loans has been aligned</li> <li>Affluent income is that generated from Private Banking, Priority and Premium clients in CPBB. FY'14 affluent segment contribution to Retail Banking income is based on client income</li> <li>Total credit impairment including restructuring portfolio for loans and advances to customers over average loans and advances to customers. Credit impairment under IFRS 9, effective from 1 January 2018, covers a broader asset base than loan impairment under IAS 39. Loan loss rates between 2014 and 2017 were prepared on an IAS 39 basis</li> <li>Includes management overlay, mostly arising from COVID-19, contributing 11bps in FY'20</li> </ol>
50	<ol style="list-style-type: none"> <li>Breakdown of pie charts might not add to 100% due to rounding</li> <li>Loans &amp; advances to customers and Customer accounts includes reverse repurchase agreements and repurchase agreements respectively and financial instruments held at fair value through profit or loss</li> </ol>
51	<ol style="list-style-type: none"> <li>Excludes repurchase agreements and other similar secured borrowing. Customer deposits include \$11,706m of customer accounts held at FVTPL.</li> <li>CASA includes Retail CASA and Transaction Banking non-bank CASA</li> </ol>
52	<ol style="list-style-type: none"> <li>Absolute buffers are as at 31.12.22. The MDA thresholds assume that the maximum 2.1% of the Pillar 1 and Pillar 2A requirement has been met with AT1</li> <li>As the PRA's capital buffers rules set out, firms that do not meet their combined buffer shall face restrictions on their distributions, and be subject to a MDA</li> </ol>
53	<ol style="list-style-type: none"> <li>Combined Buffer comprises the Capital Conservation Buffer, G-SII Buffer and any Countercyclical Buffer. The buffer is calculated in accordance with the PRA Supervisory statement 16/16 updated in December 2020</li> <li>The 6.75% of leverage exposure is \$57.7bn MREL, which is equivalent to 23.6% of RWAs.</li> <li>Financial Stability Board's (FSB) "Principles on Loss-absorbing and Recapitalisation Capacity of G-SIBs in Resolution" Total Loss-absorbing Capacity (TLAC) Term Sheet: <a href="https://www.fsb.org/wp-content/uploads/TLAC-Principles-and-Term-Sheet-for-publication-final.pdf">https://www.fsb.org/wp-content/uploads/TLAC-Principles-and-Term-Sheet-for-publication-final.pdf</a></li> </ol>



# Notes

These notes refer to the metrics and defined terms on the preceding pages

Page	Explanatory note or definition
54	1. Standard Chartered PLC as at 31.01.23. Modelled on earlier of call date or maturity date for illustrative purposes only 2. Standard Chartered PLC only as at 31.01.23.
57	1. Outlook revised to negative on 08.02.23
59	1. Addressable market is customers who are eligible to open a bank account in Singapore (16 years or older) 2. SBI Holdings, Japan <a href="https://www.sbigroup.co.jp/english/">https://www.sbigroup.co.jp/english/</a>



# Selected technical and abbreviated terms

Term	Definition
<b>ADR</b>	Advances-to-Deposits ratio
<b>AIBL</b>	Average interest-bearing liabilities
<b>AIEA</b>	Average interest-earning assets
<b>AUI</b>	Assets Under Influence
<b>AUM</b>	Assets Under Management
<b>bps</b>	Basis points
<b>CASA</b>	Client current accounts and savings accounts
<b>ccy</b>	A performance measure on a constant currency basis is presented such that comparative periods are adjusted for the current year's functional currency rate
<b>CCIB</b>	The Group's Corporate, Commercial & Institutional Banking client segment
<b>CDP</b>	Carbon Disclosure Project
<b>CET1</b>	Common Equity Tier 1 capital, a measure of CET1 capital as a percentage of RWA
<b>CG12</b>	Credit Grade 12 accounts. Credit grades are indicators of likelihood of default. Credit grades 1 to 12 are assigned to performing customers, while credit grades 13 and 14 are assigned to non-performing or defaulted customers
<b>CIR</b>	Cost-to-Income ratio
<b>C&amp;O</b>	Central & Others segments
<b>CPBB</b>	The Group's Consumer, Private & Business Banking client segment
<b>CRE</b>	Commercial Real Estate
<b>DPD</b>	Days-Past-Due: one or more days that interest and/or principal payments are overdue based on the contractual terms
<b>DVA</b>	Debit Valuation Adjustment: the Group calculates DVA on its derivative liabilities to reflect changes in its own credit standing
<b>EA (NPP) / Early Alerts</b>	Early Alerts: a non-purely precautionary early alert account is one which exhibits risk or potential weaknesses of a material nature requiring closer monitoring or attention by management
<b>EM</b>	Emerging Markets
<b>E&amp;S</b>	Environmental and Social
<b>FI</b>	Financial Institutions, e.g. banks, insurance companies, funds, brokers
<b>FM</b>	The Group's Financial Markets business
<b>FVOCI</b>	Fair value through Other Comprehensive Income

Term	Definition
<b>GDP</b>	Gross Domestic Product
<b>GFA NZ</b>	Glasgow Financial Alliance for Net Zero
<b>IEA</b>	International Energy Agency
<b>IRoRWA</b>	Annualised income return on risk weighted assets
<b>L&amp;A</b>	Loans & Advances to customers
<b>LCR</b>	Liquidity Coverage Ratio
<b>Loan-loss rate (LLR)</b>	Total credit impairment for loans and advances to customers over average loans and advances to customers
<b>M&amp;M</b>	Metals and Mining
<b>MREL</b>	Minimum requirement for own funds and eligible liabilities
<b>MTCO2e</b>	Metric tons of carbon dioxide equivalent
<b>n.a.</b>	Not applicable
<b>Network activities</b>	Corporate and institutional banking services offered to clients utilising the Group's unique network in 59 markets
<b>Net nominal</b>	Net Nominal is the aggregate of loans and advances to customers/loans and advances to banks, restricted balances with central banks, derivatives (net of master netting agreements), investment debt and equity securities, and letters of credit and guarantees
<b>NFI</b>	Non-Funded Income
<b>NGFS</b>	Network of Central Banks and Supervisors for Greening the Financial System
<b>NII</b>	Net Interest Income
<b>NIM</b>	Net Interest Margin: net interest income adjusted for interest expense incurred on amortised cost liabilities used to fund the Financial Markets business, divided by average interest-earning assets excluding financial assets measured at fair value through profit or loss
<b>Nm</b>	Not meaningful
<b>NTB</b>	New to bank clients
<b>NZBA</b>	Net-Zero Banking Alliance
<b>PBT</b>	Underlying profit before tax
<b>PCAF</b>	Partnership for Carbon Accounting Financials
<b>PPOP</b>	Pre-Provision Operating Profit: income net of expenses but before impairments
<b>PRP</b>	Performance related pay



# Selected technical and abbreviated terms

Term	Definition
<b>P&amp;L</b>	Profit and Loss
<b>SDG</b>	Sustainable Development Goals
<b>SF</b>	Sustainable Finance
<b>SME</b>	Small and Medium Enterprises
<b>QoQ</b>	Quarter-on-Quarter change
<b>RoTE</b>	Return on Tangible Equity: The ratio of the current year's profit available for distribution to ordinary shareholders to the weighted average tangible equity, being ordinary shareholders' equity less the average goodwill and intangible assets for the reporting period. Where a target RoTE is stated, this is based on profit and equity expectations for future periods
<b>RWA</b>	Risk-Weighted Assets are a measure of the Group's assets adjusted for their associated risks
<b>TCFD</b>	Task Force on Climate-Related Financial Disclosures
<b>TD</b>	Time deposits
<b>tn</b>	Trillion
<b>Underlying RoTE</b>	The ratio of the current year's profit available for distribution to ordinary shareholders plus fair value movements through other comprehensive income relating to the Ventures segment to the weighted average ordinary shareholders' equity for the reporting period.
<b>WM</b>	The Group's Wealth Management business
<b>Ventures</b>	SC Ventures + Mox + Trust
<b>YoY</b>	Year-on-Year change
<b>YTD</b>	Year-to-date
<b>%pt</b>	Percentage point



## Important Notice

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 limitations, 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. 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 can be affected by other factors that could cause actual results, the Group’s plan 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 actual results to differ materially from those expressed or implied in forward-looking statements. The factors that could cause actual results to differ materially from those described in the forward-looking statements include (but are not limited to): changes in global, political, economic, business, competitive and market forces or conditions, 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 Environmental, Social and Governance 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, future business combinations or dispositions; and other factors specific to the Group, including those identified in this Annual Report and financial statements of the Group. Any forward-looking statements contained in this document are based on past or current trends and/or activities of the Group and should not be taken as a representation that such trends or activities will continue in the future.

No statement in this document is intended to be, 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. 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 the Annual Report and 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 its plans and objectives, to differ materially from those expressed or implied in any forward-looking statements.

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