



Pillar 3 Disclosures Report 2025

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Standard Chartered Bank is headquartered in London where it is authorised by the UK's Prudential Regulation Authority (PRA), and Standard Chartered PLC Group and Standard Chartered Bank are regulated by the Financial Conduct Authority (FCA) and the PRA. Within this document 'the Group' refers to Standard Chartered PLC together with its subsidiary undertakings. Unless the 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. Greater China & North Asia (GCNA) includes China, Hong Kong, Japan, Korea, Macau and Taiwan; ASEAN & South Asia (ASA) includes Australia, Bangladesh, Brunei, Cambodia, India, Indonesia, Laos, Malaysia, Myanmar, Nepal, Philippines, Singapore, Sri Lanka, Thailand and Vietnam; and Africa & Middle East (AME) includes Bahrain, Egypt, Iraq, Jordan, Lebanon, Oman, Pakistan, Qatar, Saudi Arabia and the United Arab Emirates (UAE). Throughout this document unless specified the disclosures are at Group level. Throughout this document, unless another currency is specified, the word 'dollar' or symbol \$ means United States dollar. Throughout this document IRB refers to internal ratings based models. The Group does not use the Foundation IRB approach.

1. Introduction

1.1 Purpose and basis of preparation

The Pillar 3 disclosures comprise information on the underlying drivers of risk-weighted assets (RWA), capital, leverage and liquidity ratios as at 31 December 2025 in accordance with the United Kingdom's (UK) onshored Capital Requirements Regulation (CRR) and the Prudential Regulation Authority's (PRA) Rulebook.

The disclosures have been prepared in line with the disclosure templates introduced by the PRA Policy Statement PS22/21 'Implementation of Basel standards: Final rules published in October 2021.

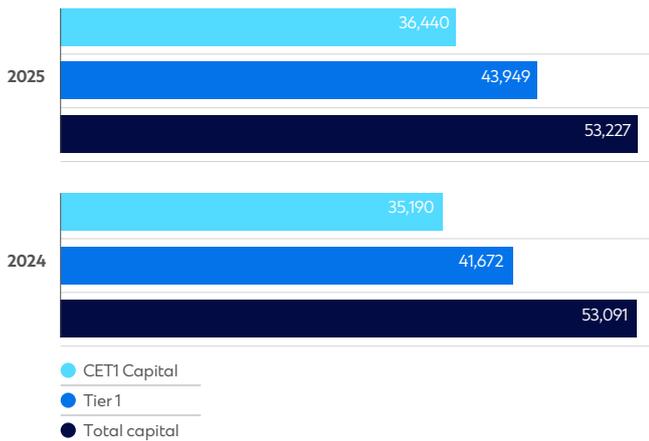
This report presents the annual Pillar 3 disclosures of Standard Chartered PLC ('the Group') as at 31 December 2025 and should be read in conjunction with the Group's Annual Report and Accounts.

The information presented in this Pillar 3 report is not required to be, and has not been, subjected to external audit.

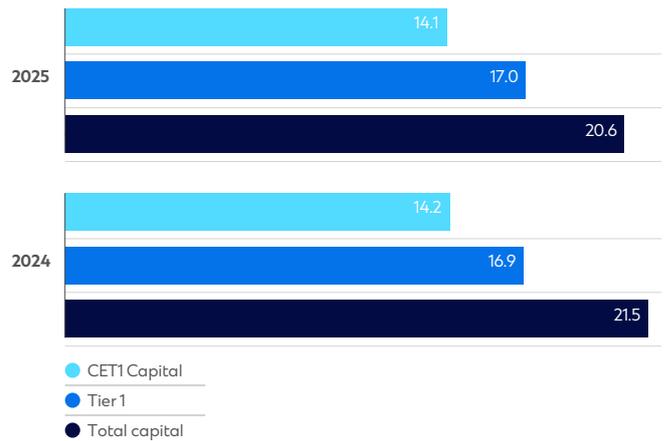
1.2 Highlights

- The Group's capital and leverage position is managed within the Board-approved risk appetite. The Group is well capitalised with low leverage and high levels of loss-absorbing capacity
- The Group is well capitalised with a Common Equity Tier 1 (CET1) ratio of 14.1 per cent, well ahead of the current requirement of 10.3 per cent
- The Group is not highly leveraged and its leverage ratio of 4.7 per cent is well ahead of the current leverage requirement of 3.7 per cent
- The Group continues to manage its balance sheet proactively, with a particular focus on the efficient management of RWA

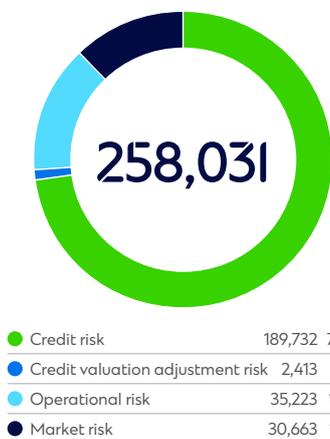
Capital base \$million



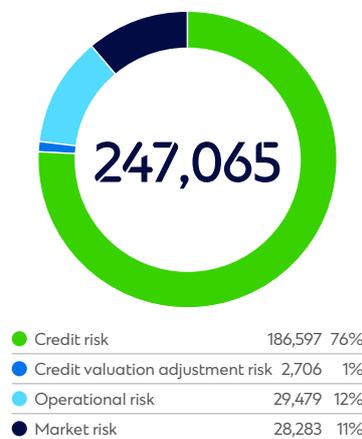
Capital ratios %



RWA by risk type 2025 \$million



RWA by risk type 2024 \$million



Introduction

1.3 Key prudential metrics

Table 1: Key metrics template (UK KM1)

	31.12.25 \$million	30.09.25 \$million	30.06.25 \$million	31.03.25 \$million	31.12.24 \$million	
Available own funds						
1	Common Equity Tier 1 (CET1) capital	36,440	36,594	37,260	35,122	35,190
2	Tier 1 capital	43,949	43,109	43,777	42,629	41,672
3	Total capital	53,227	52,531	53,281	53,111	53,091
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	258,031	258,378	259,684	253,596	247,065
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio	14.1%	14.2%	14.3%	13.8%	14.2%
6	Tier 1 ratio	17.0%	16.7%	16.9%	16.8%	16.9%
7	Total capital ratio	20.6%	20.3%	20.5%	20.9%	21.5%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer	2.50%	2.50%	2.50%	2.50%	2.50%
9	Institution specific countercyclical capital buffer	0.38%	0.37%	0.38%	0.37%	0.37%
10	Global Systemically Important Institution buffer	1.00%	1.00%	1.00%	1.00%	1.00%
11	Combined buffer requirement	3.88%	3.87%	3.88%	3.87%	3.87%
UK 11a	Overall capital requirements	10.26%	10.25%	10.48%	10.48%	10.48%
12	CET1 available after meeting the total SREP own funds requirements	7.74%	7.78%	7.75%	7.25%	7.64%
UK leverage ratio						
13	Leverage ratio total exposure measure	938,190	936,824	933,234	909,072	868,344
14	Leverage ratio	4.7%	4.6%	4.7%	4.7%	4.8%
Additional leverage ratio disclosure requirements						
14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	4.7%	4.6%	4.7%	4.7%	4.8%
14b	Leverage ratio including claims on central banks (%)	4.3%	4.2%	4.2%	4.3%	4.4%
14c	Average leverage ratio excluding claims on central banks (%)	4.6%	4.6%	4.6%	4.6%	4.7%
14d	Average leverage ratio including claims on central banks (%)	4.2%	4.1%	4.2%	4.2%	4.2%
14e	Countercyclical leverage ratio buffer (%)	0.1%	0.1%	0.1%	0.1%	0.1%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value – average)	185,262	182,646	180,147	177,586	178,676
UK 16a	Cash outflows – Total weighted value	193,861	191,877	190,919	187,301	185,890
UK 16b	Cash inflows – Total weighted value	74,049	71,495	69,800	68,352	66,896
16	Total net cash outflows (adjusted value)	119,812	120,381	121,119	118,948	118,995
17	Liquidity coverage ratio	154.8%	151.9%	148.8%	149.4%	150.3%
Net Stable Funding Ratio						
18	Total available stable funding	464,406	450,956	439,809	426,699	417,658
19	Total required stable funding	335,158	324,273	319,956	314,036	308,948
20	NSFR ratio (%)	138.6%	139.0%	137.5%	135.9%	135.2%

Introduction

1.3 Key prudential metrics continued

Table 2 shows information about the Group's total loss-absorbing capacity (TLAC) available, and TLAC requirements, applied at the resolution group level under a Single Point of Entry resolution strategy.

Table 2: Key metrics – TLAC requirements (KM2)

	31.12.25 \$million	30.09.25 \$million	30.06.25 \$million	31.03.25 \$million	31.12.24 \$million
Resolution group					
Total loss-absorbing capacity (TLAC) available	86,461	88,130	86,574	85,180	84,563
Total RWA at the level of the resolution group	258,031	258,378	259,684	253,596	247,065
TLAC as a percentage of RWA	33.5%	34.1%	33.3%	33.6%	34.2%
UK Leverage ratio exposure measure at the level of the resolution group	938,190	936,824	933,234	909,072	868,344
TLAC as a percentage of UK Leverage exposure measure	9.2%	9.4%	9.3%	9.4%	9.7%
Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	Yes	Yes	Yes	Yes	Yes
Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No	No	No	No	No
If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with Excluded Liabilities and that is recognised as external TLAC, divided by funding issued that ranks pari passu with Excluded Liabilities and that would be recognised as external TLAC if no cap was applied (%)	N/A	N/A	N/A	N/A	N/A

1.4 Regulatory disclosure framework

The Group complies with the Basel III framework as implemented in the United Kingdom. The Basel III framework is built on the three pillars of the Basel II framework.

Pillar 1: Sets the minimum capital requirements for credit risk, market risk and operational risk

Pillar 2: Considers through the Supervisory Review and Evaluation Process whether further capital is required in addition to Pillar 1 calculations

Pillar 3: Aims to provide a consistent and comprehensive disclosure framework that enhances comparability between banks and further promotes improvements in risk management. Pillar 3 requires all material risks to be disclosed, enabling a comprehensive view of the bank's risk profile

The Pillar 3 Disclosures 2025 comprise all information required to be included in the UK and are prepared at the Group consolidated level. Where disclosure has been withheld as proprietary or non-material, as permitted by the rules, appropriate comment has been included. It is the Group's intention that the Pillar 3 Disclosures be viewed as an integral, albeit separately reported, element of the Annual Report and Accounts. The Group considers a number of factors in determining where disclosure is made between the Annual Report and Accounts and Pillar 3, including International Financial Reporting Standards (IFRS), regulatory requirements and industry best practice. Pages 176 to 177 of this document provide a summary of differences and cross references between the Annual Report and Accounts and the Pillar 3 Disclosures.

Remuneration

The qualitative Pillar 3 remuneration disclosures for the 2025 performance year are set out on pages 182 to 208 of the Directors' remuneration report in the 2025 Annual Report and Accounts. Information is provided on the key components of our remuneration approach and how we develop our approach. The disclosures follow the requirements set out in Part 8 of the CRR and the Basel Committee on Banking Supervision (BCBS) standards issued in March 2017.

G-SIB

The Group has been identified as a Global Systemically Important Bank (G-SIB) by the Financial Stability Board (FSB) since November 2012. The Group's score from the BCBS's methodology for assessing and identifying G-SIBs has resulted in an additional loss-absorbency requirement of 1 per cent of CET1. The EU's Capital Requirements Directive (CRD) mandates the Group to publicly disclose the value of its Global Systemically Important Institution (G-SII) indicators on an annual basis. The terms 'G-SIB' and 'G-SII' are interchangeable – 'G-SIB' is used by the FSB and Basel Committee, whereas CRD refers to 'G-SII'. The Standard Chartered PLC 2025 G-SII disclosure is published on: <https://www.sc.com/en/investors/financial-results/>.

Introduction

1.4 Regulatory disclosure framework continued

Frequency

In accordance with Group policy the Pillar 3 Disclosures are made quarterly as at 31 March, 30 June, 30 September and 31 December in line with Article 432 of the CRR. Disclosures are published on the Standard Chartered PLC website aligning with the publication date of the Group's Interim, Half Year and Annual Report and Accounts.

Verification

Whilst the Pillar 3 Disclosures 2025 are not required to be externally audited, the document has been verified internally in accordance with the Group's policies on disclosure and its financial reporting and governance processes. Controls comparable to those for the 2025 Annual Report and Accounts have been applied to confirm compliance with PRA regulations.

- Items excluded on the grounds of materiality:
 - Quantitative disclosures of non-deducted participations in insurance undertakings and Collateral obtained by taking possession and execution processes
 - Qualitative and quantitative disclosures on exposures to equities not included in the trading book

1.5 Risk management

Effective risk management is essential in delivering consistent and sustainable performance for all our stakeholders and is a central part of the financial and operational management of the Group. The Group adds value to clients and the communities in which they operate by balancing risk and reward to generate returns for shareholders.

The Enterprise Risk Management Framework (ERMF) enables the Group to manage enterprise-wide risks, with the objective of maximising risk-adjusted returns while remaining within our Risk Appetite (RA). RA is defined by the Group and approved by the Board. It is the boundary for the risk that the Group is willing to undertake to achieve its strategic objectives and corporate plan. We set RA to enable us to grow sustainably while managing our risks, giving confidence to our stakeholders. The Group RA is supplemented by risk control tools such as granular level limits, policies, and standards to maintain the Group's risk profile within approved RA.

The ERMF is complemented by frameworks, policies and standards which are mainly aligned to the Principal Risk Types (PRTs), and is embedded across the Group, including its branches and subsidiaries. PRTs are those risks that are inherent in our strategy and business model and have been formally defined in the Group's ERMF.

In the Risk Management Approach section of the 2025 Annual Report and Accounts, we outline our approach and strategy for managing risks. We discuss our risk management practices, monitoring and mitigation, and governance in relation to our main activities and significant risks.

The Group defines nine PRTs in its ERMF:

- Credit Risk (refer to section Credit Risk in pages 226 to 226 of the 2025 Annual Report and Accounts)
- Traded Risk (refer to section Traded Risk on pages 227 to 229 of the 2025 Annual Report and Accounts)
- Treasury Risk (refer to section Treasury Risk on pages 228 to 229 of the 2025 Annual Report and Accounts)
- Operational and Technology Risk (refer to section Operational and Technology Risk on page 286 of the 2025 Annual Report and Accounts)
- Information and Cyber Security Risk (refer to section Information and Cyber Security Risk on page 230 of the 2025 Annual Report and Accounts)
- Financial Crime Risk (refer to section Financial Crime Risk on page 230 of the 2025 Annual Report and Accounts)
- Compliance Risk (refer to section Compliance Risk on page 231 of the 2025 Annual Report and Accounts)
- Environmental, Social and Governance and Reputational (ESGR) Risk (refer to section ESGR Risk on page 231 of the 2025 Annual Report and Accounts)
- Model Risk (refer to section Model Risk on page 232 of the 2025 Annual Report and Accounts)

Credit Risk

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.

Credit risk is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk. The Credit Risk Function, as a second line control function, performs independent challenge, monitoring and oversight of the credit risk management practices of the Business and Functions engaged in or supporting revenue generating activities which constitute the First Line of defence. Credit exposure limits are approved within a defined credit approval authority framework.

The Group manages its credit exposures following the principle of diversification across products, geographies, client segments and industry sectors.

The Group uses the Advanced Internal Ratings Based (IRB) approach to calculate credit risk capital requirements with the approval of our relevant regulators. This approach builds on the Group's risk management practices and is the result of a continuing investment in data warehouses and risk models.

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1.5 Risk management continued

For portfolios where the Group does not have IRB approval, or where the exposures are permanently exempt from the IRB approach, the Standardised Approach (SA) is used.

Refer to Credit Risk (pages 226 to 227) in the 2025 Annual Report and Accounts where we describe the main components of credit risk management, including our credit risk profile, credit risk measurement and policies set in line with risk appetite. For the scope and main content of reporting to senior management, refer to page 226 in the 2025 Annual Report and Accounts.

Traded Risk

Market Risk is the potential for fair value loss due to adverse moves in financial markets. The Group's exposure to Market Risk arises predominantly from the following sources:

Trading book:

- The Group provides clients 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

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

1.6 Accounting and regulatory consolidation

The Pillar 3 Disclosures are prepared at the Group consolidated level. The accounting policy for financial consolidation is provided in the notes to the financial statements in the 2025 Annual Report and Accounts. All banking subsidiaries are fully consolidated for both regulatory and accounting purposes. For associates and joint ventures, the regulatory treatment may differ from the accounting policy, which applies the equity accounting method.

The regulatory consolidation approaches used by the Group are shown in the following table, which identifies the principal undertakings, including investments, associates and joint ventures, which are all principally engaged in the business of banking and provision of other financial services.

Table 3: Regulatory consolidation

Type	Description	Regulatory consolidation	Principal undertakings within each category
Investment (non significant)	The Group holds no more than 10 per cent of the issued share capital	The Group risk-weights the investment subject to the CRD threshold calculation	-
Associate	The Group holds more than 10 per cent and less than 20 per cent of the issued share capital	The Group risk-weights the investment subject to the CRD threshold calculation	China Bohai Bank
Joint Venture	The Group enters into a contractual arrangement to exercise joint control over an undertaking	Where the Group's liability to the joint venture is greater than the capital held, full consolidation is undertaken. Otherwise joint ventures are proportionately consolidated	Olea Global Pte. Ltd CurrencyFair Limited Exchange Ireland
Subsidiary	The Group holds more than 50 per cent of the issued share capital of a financial entity	The Group fully consolidates the undertaking	Standard Chartered Bank Standard Chartered Bank Korea Limited Standard Chartered Bank Malaysia Berhad Standard Chartered Bank (Pakistan) Limited Standard Chartered Bank (Taiwan) Limited Standard Chartered Bank (Hong Kong) Limited Standard Chartered Bank (China) Limited Standard Chartered Bank (Singapore) Limited Standard Chartered Bank (Thai) Public Company Limited Standard Chartered Bank Nigeria Limited Standard Chartered Bank Kenya Limited Standard Chartered Private Equity Managers (Hong Kong) Limited
Excluded entities	Insurance or corporate entities excluded from the scope of banking prudential consolidation	The Group risk-weights the investment subject to the CRD threshold calculation	Standard Chartered Assurance Ltd Standard Chartered Insurance Ltd

1.6 Accounting and regulatory consolidation continued

Table 4: Outline of the differences in the scopes of consolidation (UK L13)

Name of the entity	Description of the entity	Method of accounting consolidation	2025			
			Method of regulatory consolidation			
			Full consolidation	Proportional consolidation	Neither consolidated nor deducted	Deducted
Standard Chartered Assurance Ltd	Insurance entity	Full consolidation			✓	
Standard Chartered Insurance Ltd	Insurance entity	Full consolidation			✓	

1.7 Significant subsidiaries

Under Part 2, rule 2.3 of the CRR requires the application of disclosure requirements of Large subsidiaries of UK parent institutions, UK parent financial holding companies.

These subsidiaries are Standard Chartered – solo consolidated, a UK regulated banking entity, Standard Chartered Bank (Hong Kong) Limited (regulated by the Hong Kong Monetary Authority), Standard Chartered Bank Korea Limited (regulated by the Financial Supervisory Service (FSS) in Korea), and Standard Chartered Bank (Singapore) Limited (regulated by the Monetary Authority of Singapore).

The capital resources of these subsidiaries are calculated in accordance with the regulatory requirements applicable in the countries in which they are incorporated, and therefore cannot be aggregated, but are presented to align with the Group format.

Annex 1 provides a summary of the disclosure for the significant subsidiaries.

1.8 Comparison of accounting balance sheet and exposure at default

The differences between the financial and prudential consolidated balance sheets arise primarily from differences in the basis of consolidation and the requirement to not consolidate for prudential purposes insurance entities which are subject to full consolidation for financial purposes.

Table 5 splits the regulatory balance sheet measured under IFRS into each regulatory risk category. The regulatory risk category drives the approach applied in the calculation of regulatory exposures and RWA.

1.8 Comparison of accounting balance sheet and exposure at default continued

Table 5: Differences between accounting and regulatory scopes of consolidation and the mapping of financial statement categories with regulatory risk categories (UK LI1)

	2025						
	Carrying values as reported in published financial statements \$million	Carrying values under the scope of regulatory consolidation \$million	Subject to the credit risk framework \$million	Subject to the CCR framework \$million	Subject to the securitisation framework \$million	Subject to the market risk framework \$million	Not subject to own funds requirements or subject to deduction from own funds \$million
Assets							
Cash and balances at central banks	77,746	77,816	77,816	-	-	-	-
Financial assets held at fair value through profit or loss	195,257	195,253	15,339	170,834	1,424	179,918	-
Derivative financial instruments	65,782	65,782	-	65,782	-	65,782	-
Loans and advances to banks	43,901	43,901	43,901	-	-	730	-
Loans and advances to customers	286,788	286,788	258,885	9,548	18,182	9,548	-
Investment securities	166,956	168,743	107,671	47,128	13,944	67,054	-
Other assets	67,931	68,172	40,422	27,750	-	30,766	-
Current tax assets	574	573	573	-	-	-	-
Prepayments and accrued income	3,058	3,064	3,064	-	-	-	-
Interests in associates and joint ventures	1,426	1,486	1,486	-	-	-	-
Goodwill and intangible assets	6,231	6,263	-	-	-	-	6,263
Property, plant and equipment	2,559	2,558	2,558	-	-	-	-
Deferred tax assets	493	493	473	-	-	-	20
Retirement benefit schemes in surplus	154	154	154	-	-	-	-
Asset classified as held for sale	1,099	1,099	1,099	-	-	-	-
Total assets	919,955	922,145	553,441	321,041	33,551	353,797	6,283
Liabilities							
Deposits by banks	30,846	30,846	-	-	-	-	30,846
Customer accounts	530,161	530,161	-	-	-	-	530,161
Repurchase agreements and other similar secured borrowing	7,757	7,757	-	7,757	-	-	-
Financial liabilities held at fair value through profit or loss	89,597	89,597	-	68,965	-	-	20,632
Derivative financial instruments	68,204	68,204	-	68,204	-	68,204	-
Debt securities in issue	72,858	72,858	-	-	-	-	72,858
Other liabilities	46,655	48,911	6,448	15,539	-	15,539	33,372
Current tax liabilities	709	705	-	-	-	-	705
Accruals and deferred income	7,358	7,237	-	-	-	-	7,237
Subordinated liabilities and other borrowed funds	8,834	8,834	-	-	-	-	8,834
Of which: considered as Additional Tier 1 capital	-	-	-	-	-	-	-
Of which: considered as Tier 2 capital	8,834	8,834	-	-	-	-	8,834
Deferred tax liabilities	752	752	-	-	-	-	752
Provisions for liabilities and charges	401	401	-	-	-	-	401
Retirement benefit obligation	323	323	-	-	-	-	-
Liabilities included in disposal groups held for sale	914	914	-	-	-	-	-
Total liabilities	865,369	867,500	6,448	160,465	-	83,743	705,798
Equity							
Share capital and share premium account	6,614	6,614	-	-	-	-	-
Other reserves & retained earnings	39,979	40,034	-	-	-	-	-
Total parent company shareholders' equity	46,593	46,648	-	-	-	-	-
Other equity instruments	7,528	7,529	-	-	-	-	-
Total equity excluding non-controlling interests	54,121	54,177	-	-	-	-	-
Non-controlling interest	465	468	-	-	-	-	-
Total equity	54,586	54,645	-	-	-	-	-
Total equity and liabilities	919,955	922,145	6,448	160,465	-	83,743	705,798

1.8 Comparison of accounting balance sheet and exposure at default continued

Table 5: Differences between accounting and regulatory scopes of consolidation and the mapping of financial statement categories with regulatory risk categories (UK LI1) continued

	2024						
	Carrying values as reported in published financial statements \$million	Carrying values under the scope of regulatory consolidation \$million	Subject to the credit risk framework \$million	Subject to the CCR framework \$million	Subject to the securitisation framework \$million	Subject to the market risk framework \$million	Not subject to own funds requirements or subject to deduction from own funds \$million
Assets							
Cash and balances at central banks	63,447	63,500	63,500	-	-	-	-
Financial assets held at fair value through profit or loss	177,517	177,515	9,297	162,734	824	168,220	-
Derivative financial instruments	81,472	81,472	-	81,472	-	81,472	-
Loans and advances to banks	43,593	43,593	43,593	-	-	4,852	-
Loans and advances to customers	281,032	281,032	255,773	5,247	18,335	5,247	-
Investment securities	144,556	145,568	111,267	20,634	13,668	44,502	-
Other assets	43,468	43,794	34,446	9,348	-	8,479	-
Current tax assets	663	663	663	-	-	-	-
Prepayments and accrued income	3,207	3,209	3,209	-	-	-	-
Interests in associates and joint ventures	1,020	996	996	-	-	-	-
Goodwill and intangible assets	5,791	5,814	-	-	-	-	5,814
Property, plant and equipment	2,425	2,424	2,424	-	-	-	-
Deferred tax assets	414	414	315	-	-	-	99
Retirement benefit schemes in surplus	151	151	151	-	-	-	-
Asset classified as held for sale	932	932	932	-	-	-	-
Total assets	849,688	851,077	526,566	279,434	32,827	312,773	5,913
Liabilities							
Deposits by banks	25,400	25,400	-	-	-	-	25,400
Customer accounts	464,489	464,489	-	-	-	-	464,489
Repurchase agreements and other similar secured borrowing	12,132	12,132	-	12,132	-	-	-
Financial liabilities held at fair value through profit or loss	85,462	85,462	-	66,307	-	-	19,155
Derivative financial instruments	82,064	82,064	-	82,064	-	82,064	-
Debt securities in issue	64,609	64,609	-	-	-	-	64,609
Other liabilities	44,681	46,148	6,550	14,527	-	14,527	31,621
Current tax liabilities	726	727	-	-	-	-	727
Accruals and deferred income	6,896	6,768	-	-	-	-	6,768
Subordinated liabilities and other borrowed funds	10,382	10,382	-	-	-	-	10,382
Of which: considered as Additional Tier 1 capital	-	-	-	-	-	-	-
Of which: considered as Tier 2 capital	10,382	10,382	-	-	-	-	10,382
Deferred tax liabilities	567	567	-	-	-	-	567
Provisions for liabilities and charges	349	349	-	-	-	-	349
Retirement benefit obligation	266	266	-	-	-	-	-
Liabilities included in disposal groups held for sale	381	381	-	-	-	-	-
Total liabilities	798,404	799,744	6,550	175,030	-	96,591	624,067
Equity							
Share capital and share premium account	6,695	6,695	-	-	-	-	-
Other reserves & retained earnings	37,693	37,745	-	-	-	-	-
Total parent company shareholders' equity	44,388	44,440	-	-	-	-	-
Other equity instruments	6,502	6,502	-	-	-	-	-
Total equity excluding non-controlling interests	50,890	50,942	-	-	-	-	-
Non-controlling interest	394	391	-	-	-	-	-
Total equity	51,284	51,333	-	-	-	-	-
Total equity and liabilities	849,688	851,077	6,550	175,030	-	96,591	624,067

1.8 Comparison of accounting balance sheet and exposure at default continued

Table 6 shows the effect of regulatory adjustments required to derive the Group's exposure at default (EAD) for the purposes of calculating its credit risk capital requirements. The differences between the carrying values under regulatory scope of consolidation and amounts considered for regulatory purposes shown in Table 6 are mainly due to derivatives netting benefits, provisions, collateral and off-balance sheet exposures. The standardised credit risk before and after the effect of CRM is presented in Table 68; standardised credit and counterparty credit risk by risk weight is presented in Tables 71 and 88 and IRB credit and counterparty credit risk before and after the effect of Credit Risk Mitigation (CRM) is presented in Table 51. Information on the standardised and IRB counterparty credit risk exposures can be found in section 4.2. Further detail on the EAD under the securitisation framework can be found in Tables 72 and 73.

Table 6: Main sources of differences between regulatory exposure amounts and carrying values in financial statements (UK LI2)

		2025			
		Subject to the credit risk framework \$million	Subject to the CCR framework \$million	Subject to Securitisation framework \$million	Subject to Market risk framework \$million
1	Assets carrying value amount under the scope of regulatory consolidation (as per template LI1)	553,441	321,041	33,551	353,797
2	Liabilities carrying value amount under the regulatory scope of consolidation (as per template LI1)	6,448	160,465	-	83,743
3	Total net amount under the regulatory scope of consolidation	546,993	160,577	33,551	270,054
4	Off-balance-sheet amounts	108,243	-	-	-
5	Differences in valuations	-	81,336	-	-
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-
7	Differences due to consideration of provisions	4,153	-	-	-
8	Differences due to the use of credit risk mitigation techniques (CRMs)	1,012	126,701	1,565	-
9	Differences due to credit conversion factors	-	-	-	-
10	Differences due to Securitisation with risk transfer	-	10,114	-	-
11	Other differences	443	(836)	(1)	-
12	Regulatory exposure at default pre credit risk mitigation	660,844	377,892	35,115	270,054
		2024			
		Subject to the credit risk framework \$million	Subject to the CCR framework \$million	Subject to Securitisation framework \$million	Subject to Market risk framework \$million
1	Assets carrying value amount under the scope of regulatory consolidation (as per template LI1)	526,566	279,434	32,827	312,773
2	Liabilities carrying value amount under the regulatory scope of consolidation (as per template LI1)	6,550	175,030	-	96,591
3	Total net amount under the regulatory scope of consolidation	520,016	104,404	32,827	216,182
4	Off-balance-sheet amounts	101,055	-	-	-
5	Differences in valuations	-	79,094	-	-
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-
7	Differences due to consideration of provisions	4,579	-	-	-
8	Differences due to the use of credit risk mitigation techniques (CRMs)	883	106,339	1,498	-
9	Differences due to credit conversion factors	-	-	-	-
10	Differences due to Securitisation with risk transfer	-	31,479	-	-
11	Other differences	(657)	133	(1)	-
12	Regulatory exposure at default pre credit risk mitigation	625,877	321,449	34,324	216,182

1.8 Comparison of accounting balance sheet and exposure at default continued

The CRR provisions on prudential valuation require banks to quantify several valuation uncertainties pertaining to the valuation of assets and liabilities recorded at fair value for accounting purposes. The amounts by which the resulting Prudent Valuation Adjustments (PVA) exceed any associated Fair Value Adjustments are referred to as the Additional Valuation Adjustments (AVAs) and their aggregate is deducted from CET1 capital. AVAs arise from uncertainties related to market prices, close-out costs, model risk, concentrated positions, future administrative costs, early terminations and operational risks.

Table 7: Prudent valuation adjustments (PVA) (UK PV1)

		2025									
		Risk category					Category level AVA – Valuation uncertainty				
		Equity \$millions	Interest rates \$millions	FX \$millions	Credit \$millions	Commodities \$millions	Unearned credit spreads AVA \$millions	Investment and funding costs AVA \$millions	Total category level \$millions	Of which: Total core approach in the trading book \$millions	Of which: Total core approach in the banking book \$millions
1	Market price uncertainty	35.7	101.8	16.0	47.9	18.2	23.3	0.7	243.6	152.9	90.7
3	Close-out cost	1.5	111.4	7.1	6.6	6.7	1.3	0.7	135.4	102.9	32.5
4	Concentrated positions	111.7	41.9	4.8	60.2	2.7	–	–	221.3	14.0	207.3
5	Early termination	–	–	–	–	–	–	–	–	–	–
6	Model risk	0.0	12.7	0.0	0.6	0.6	0.6	–	14.5	14.5	–
7	Operational risk	3.7	25.3	2.3	5.7	1.9	2.5	0.1	41.6	26.6	15.0
10	Future administrative costs	3.7	3.1	0.7	29.0	0.2	–	–	36.7	32.8	4.0
12	Total Additional Valuation Adjustments (AVAs)								693.2	343.8	349.4

		2024									
		Risk category					Category level AVA – Valuation uncertainty				
		Equity \$millions	Interest rates \$millions	FX \$millions	Credit \$millions	Commodities \$millions	Unearned credit spreads AVA \$millions	Investment and funding costs AVA \$millions	Total category level \$millions	Of which: Total core approach in the trading book \$millions	Of which: Total core approach in the banking book \$millions
1	Market price uncertainty	35.9	115.2	20.1	53.4	11.3	30.3	2.3	268.5	168.3	100.2
3	Close-out cost	2.3	87.4	3.6	4.0	6.0	1.2	0.7	105.3	77.9	27.4
4	Concentrated positions	63.8	74.9	3.8	32.4	2.9	–	–	177.9	58.2	119.7
5	Early termination	–	–	–	–	–	–	–	–	–	–
6	Model risk	0.0	9.4	0.1	0.5	0.1	1.0	–	11.1	11.1	–
7	Operational risk	3.8	20.6	4.0	4.7	1.7	3.1	0.3	38.3	26.2	12.1
10	Future administrative costs	0.8	2.6	0.3	18.7	0.1	–	–	22.4	21.7	0.7
12	Total Additional Valuation Adjustments (AVAs)								623.5	363.4	260.1

2. Capital

2.1 Capital management

The Group's capital, leverage and Minimum Requirements for own funds and Eligible Liabilities (MREL) positions are managed within the Board-approved risk appetite. The Group is well capitalised with low leverage and high levels of loss-absorbing capacity.

The Risk management approach section of the 2025 Annual Report and Accounts sets out our approach to capital management (pages 222 to 234).

2.2 Capital resources

All capital instruments included in the capital base meet the requirements set out in the CRR for their respective tier of capital.

For regulatory purposes, capital is categorised into two tiers, depending on the degree of permanence and loss-absorbency exhibited. These are Tier 1 and Tier 2 capital which are described below.

Tier 1 capital

- Tier 1 capital is going concern capital and is available for use to cover risks and losses whilst enabling the organisation to continue trading
- Tier 1 capital comprises permanent share capital, profit and loss account and other eligible reserves, equity non-controlling interests and Additional Tier 1 instruments, after the deduction of certain regulatory adjustments
- Permanent share capital is an item of capital issued by an organisation to an investor, which is fully paid-up and where the proceeds of issue are immediately and fully available. It can only be redeemed on the winding-up of the organisation. Profit and loss account and other eligible reserves are accumulated resources included in shareholders' funds in an organisation's balance sheet, with certain regulatory adjustments applied
- Equity non-controlling interests represent the equity stakes held by non-controlling shareholders in the Group's undertakings
- Additional Tier 1 securities are deeply subordinated instruments which have loss-absorbing qualities such as discretionary coupons, principal write-down or conversion to equity and can therefore be included as Tier 1 capital

Tier 2 capital

Tier 2 capital is gone concern capital to help ensure senior creditors and depositors can be repaid if the organisation fails. Tier 2 capital consists of capital instruments which are normally of medium to long-term maturity with an original maturity of at least five years. For regulatory purposes, it is a requirement that these instruments be amortised on a straight-line basis in their final five years of maturity.

Details of the Group's capital instruments (both Tier 1 and 2 capital) are set out in the Standard Chartered PLC Main Features of Capital Instruments document available on the Group's website at <https://www.sc.com/en/investors/credit-ratings-fixed-income/#capitalsecurities>.

Table 8 summarises the consolidated capital position of the Group.

Table 8: Reconciliation between financial total equity and regulatory CET1 before regulatory adjustments

	2025 \$million	2024 \$million
Total equity per balance sheet (financial view)	54,586	51,284
Consolidation and regulatory adjustments	56	53
Total equity per balance sheet (regulatory view)	54,642	51,337
Foreseeable dividend	(1,377)	(923)
Other equity instruments (included in AT1)	(9,024)	(7,996)
Non-controlling interests	(202)	(159)
Common Equity Tier 1 capital before regulatory adjustments	44,039	42,259

Capital

2.2 Capital resources continued

Table 9: Composition of regulatory own funds (UK CC1)

	2025 \$million	2024 \$million	
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	5,120	5,201
	Of which: Share premium accounts	3,989	3,989
2	Retained earnings ¹	24,528	24,950
3	Accumulated other comprehensive income (and other reserves)	10,406	8,724
5	Minority interests (amount allowed in consolidated CET1)	262	235
5a	Independently reviewed interim and year-end profits/(loss) ²	5,100	4,072
	Foreseeable dividends ³	(1,377)	(923)
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	44,039	42,259
Common Equity Tier 1 capital: regulatory adjustments			
7	Additional value adjustments	(693)	(624)
8	Intangible assets (net of related tax liability)	(6,145)	(5,696)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met)	(15)	(31)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	(315)	(4)
12	Negative amounts resulting from the calculation of expected loss amounts	(599)	(702)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	412	278
15	Defined-benefit pension fund assets	(149)	(149)
	Fair value gains and losses from own credit risk related to derivative liabilities	(70)	(97)
UK-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	(25)	(44)
UK-20c	Of which: securitisation positions	(11)	(8)
UK-20d	Of which: free deliveries	(14)	(36)
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	-	-
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(7,599)	(7,069)
29	Common Equity Tier 1 (CET1) capital	36,440	35,190
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	7,529	6,502
31	Of which: classified as equity under applicable accounting standards	7,529	6,502
32	Of which: classified as liabilities under applicable accounting standards	-	-
36	Additional Tier 1 (AT1) capital before regulatory adjustments	7,529	6,502
Additional Tier 1 capital: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	(20)	(20)
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	(20)	(20)
44	Additional Tier 1 (AT1) capital	7,509	6,482
45	Tier 1 capital (T1 = CET1 + AT1)	43,949	41,672
Tier 2 (T2) capital: instruments and provisions			
46	Capital instruments and the related share premium accounts	9,041	11,231
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	267	218
51	Tier 2 (T2) capital before regulatory adjustments	9,308	11,449
Tier 2 capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans	(30)	(30)
57	Total regulatory adjustments to Tier 2 (T2) capital	(30)	(30)
58	Tier 2 (T2) capital	9,278	11,419
59	Total capital (TC = T1 + T2)	53,227	53,091

Capital

2.2 Capital resources continued

		2025 \$million	2024 \$million
60	Total Risk exposure amount	258,031	247,065
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	14.1%	14.2%
62	Tier 1 (as a percentage of total risk exposure amount)	17.0%	16.9%
63	Total capital (as a percentage of total risk exposure amount)	20.6%	21.5%
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	10.26%	10.48%
65	Of which: capital conservation buffer requirement	2.50%	2.50%
66	Of which: countercyclical buffer requirement	0.38%	0.37%
67	Of which: systemic risk buffer requirement	-	-
UK-67a	Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	1.0%	1.0%
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	7.74%	7.64%
	Amounts below the thresholds for deduction (before risk weighting)		
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	2,270	2,560
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	1,186	868
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	572	480
	Applicable caps on the inclusion of provisions in Tier 2		
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	575	500
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	-
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	826	845

1 Retained earnings under CRD IV include the effect of regulatory consolidation adjustments.

2 Independently reviewed year-end profits are in accordance with regulatory consolidation rules.

3 Foreseeable dividends as at FY 2025 represent ordinary, preference and AT1 securities dividends.

The main movements in capital in the period were:

- CET1 capital increased by \$1.2 billion as retained profits of \$5.1 billion, movement in other comprehensive income of \$0.5 billion, foreign currency translation impact of \$0.9 billion were partly offset by share buyback of \$2.8 billion, distributions paid and foreseeable of \$1.9 billion, and an increase in regulatory deductions and other movements of \$0.5 billion.
- AT1 capital increased by \$1.0 billion following the issuance of \$1.0 billion of 7.63 per cent securities and \$1.0 billion of 7.00 per cent securities partly offset by the redemption of \$1.0 billion of 6.00 per cent securities.
- Tier 2 capital decreased by \$2.1 billion due to the redemption of \$2.2 billion of Tier 2 during the year partly offset by the reversal of regulatory amortisation and foreign currency translation impact.

The Group's current CET1 requirement is 10.3 per cent, comprising:

- A minimum Pillar 1 CET1 requirement of 4.5 per cent
- A Pillar 2A CET1 requirement of 1.9 per cent being 56 per cent of the total Pillar 2A requirement of 3.3 per cent
- A capital conservation buffer of 2.5 per cent
- A G-SII buffer of 1.0 per cent
- A countercyclical capital buffer of 0.4 per cent

Capital

2.2 Capital resources continued

Table 10: Reconciliation of regulatory own funds to balance sheet in the audited financial statements (UK CC2)

	2025		2024	
	Balance sheet as in published financial statements \$million	Under regulatory scope of consolidation \$million	Balance sheet as in published financial statements \$million	Under regulatory scope of consolidation \$million
Assets				
Cash and balances at central banks	77,746	77,816	63,447	63,500
Financial assets held at fair value through profit or loss	195,257	195,253	177,517	177,515
Derivative financial instruments	65,782	65,782	81,472	81,472
Loans and advances to banks	43,901	43,901	43,593	43,593
Loans and advances to customers	286,788	286,788	281,032	281,032
Investment securities	166,956	168,743	144,556	145,568
Other assets	67,931	68,172	43,468	43,794
Current tax assets	574	573	663	663
Prepayments and accrued income	3,058	3,064	3,207	3,209
Interests in associates and joint ventures	1,426	1,486	1,020	996
Goodwill and intangible assets	6,231	6,263	5,791	5,814
Of which: goodwill	6,224	6,258	5,791	5,810
Of which: other intangibles (excluding MSRs)	7	5	-	4
Of which: MSRs	-	-	-	-
Property, plant and equipment	2,559	2,558	2,425	2,424
Deferred tax assets	493	493	414	414
Retirement benefit schemes in surplus	154	154	151	151
Assets classified as held for sale	1,099	1,099	932	932
Total assets	919,955	922,145	849,688	851,077
Liabilities				
Deposits by banks	30,846	30,846	25,400	25,400
Customer accounts	530,161	530,161	464,489	464,489
Repurchase agreements and other similar secured borrowing	7,757	7,757	12,132	12,132
Financial liabilities held at fair value through profit or loss	89,597	89,597	85,462	85,462
Derivative financial instruments	68,204	68,204	82,064	82,064
Debt securities in issue	72,858	72,858	64,609	64,609
Other liabilities	46,655	48,911	44,681	46,148
Current tax liabilities	709	705	726	727
Accruals and deferred income	7,358	7,237	6,896	6,768
Subordinated liabilities and other borrowed funds	8,834	8,834	10,382	10,382
Of which: considered as Additional Tier 1 capital	-	-	-	-
Of which: considered as Tier 2 capital	8,834	8,834	10,382	10,382
Deferred tax liabilities	752	752	567	567
Provisions for liabilities and charges	401	401	349	349
Retirement benefit obligations	323	323	266	266
Liabilities included in disposal groups held for sale	914	914	381	381
Total liabilities	865,369	867,500	798,404	799,744
Shareholders' Equity				
Share capital and share premium account	6,614	6,614	6,695	6,695
Other reserves & retained earnings	39,979	40,034	37,693	37,745
Total parent company shareholders' equity	46,593	46,648	44,388	44,440
Other equity instruments	7,528	7,529	6,502	6,502
Total equity excluding non-controlling interests	54,121	54,177	50,890	50,942
Non-controlling interest	465	468	394	391
Total equity	54,586	54,645	51,284	51,333
Total equity and liabilities	919,955	922,145	849,688	851,077

2.3 Minimum requirement for own funds and eligible liabilities

From 1 January 2019, a requirement for total loss-absorbing capacity (TLAC) was introduced, as defined in the final standards adopted by the Financial Stability Board (FSB). In the EU, TLAC requirements were implemented by the Capital Requirements Regulation II (CRR II) which was published in the Official Journal of the European Union on the 7 June 2019 and came into effect on 27 June 2019 and included a new framework on MREL.

MREL is intended to ensure that there is sufficient equity and specific types of liabilities to facilitate an orderly resolution that minimises any impact on financial stability and ensures the continuity of critical functions and avoids exposing taxpayers to loss. The new framework is complemented with new disclosure requirements. As the specific EU format for disclosure is yet to be agreed, the disclosures are based on the formats provided in the Basel Committee Standards for Pillar 3 Phase 2 disclosures requirements.

The Group's MREL leverage requirement as at 31 December 2025 was 28.4 per cent of RWA. This is composed of a minimum requirement of 24.5 per cent of RWA and the Group's combined buffer (comprising the capital conservation buffer, the G-SII buffer and the countercyclical buffer). The Group's MREL ratio was 33.5 per cent of RWA and 9.2 per cent of leverage exposure at 31 December 2025.

During 2025, the Group successfully raised \$9.9 billion of MREL eligible securities from its holding company, Standard Chartered PLC. Issuance include \$2.0 billion of Additional Tier 1 and \$7.9 billion of callable senior debt.

The Group raised an additional \$0.6 billion of Additional Tier 1 and \$3.7 billion in senior securities post the balance sheet date, i.e. not included in the FY 2025 MREL position.

Details of the Group's MREL eligible instruments are set out in the Standard Chartered PLC Main Features of Capital Instruments document available on the Group's website at <https://www.sc.com/en/investors/credit-ratings-fixed-income/#capitalsecurities>.

Capital

2.3 Minimum requirement for own funds and eligible liabilities continued

Table 11 shows details of the composition of the Groups MREL.

Table 11: TLAC composition for G-SIBs (TLAC1)

	2025 \$million	2024 \$million
Regulatory capital elements of TLAC and adjustments		
Common Equity Tier 1 capital (CET1)	36,440	35,189
Additional Tier 1 capital (AT1) before TLAC adjustments	7,509	6,482
AT1 ineligible as TLAC as issued out of subsidiaries to third parties	-	-
Other adjustments	-	-
AT1 instruments eligible under the TLAC framework	7,509	6,482
Tier 2 capital (T2) before TLAC adjustments	9,278	11,419
Amortised portion of T2 instruments where remaining maturity > 1 year	941	714
T2 capital ineligible as TLAC as issued out of subsidiaries to third parties	(267)	(218)
Other adjustments	-	-
T2 instruments eligible under the TLAC framework	9,952	11,915
TLAC arising from regulatory capital	53,901	53,587
Non-regulatory capital elements of TLAC		
External TLAC instruments issued directly by the bank and subordinated to excluded liabilities	-	-
External TLAC instruments issued directly by the bank which are not subordinated to excluded liabilities but meet all other TLAC term sheet requirements	32,599	30,987
Of which: amount eligible as TLAC after application of the caps	32,599	30,987
External TLAC instruments issued by funding vehicles prior to 1 January 2022	-	-
Eligible ex ante commitments to recapitalise a G-SIB in resolution	-	-
TLAC arising from non-regulatory capital instruments before adjustments	32,599	30,987
Non-regulatory capital elements of TLAC: adjustments		
TLAC before deductions	86,461	84,573
Deductions of exposures between MPE resolution groups that correspond to items eligible for TLAC (not applicable to SPE G-SIBs)	-	-
Deduction of investments in own other TLAC liabilities	(39)	(11)
Other adjustments to TLAC	-	-
TLAC after deductions	86,561	84,562
Risk-weighted assets and leverage exposure measure for TLAC purposes		
Total risk-weighted assets adjusted as permitted under the TLAC regime	258,031	247,065
UK Leverage exposure measure	938,190	868,344
TLAC ratios and buffers		
TLAC (as a percentage of risk-weighted assets adjusted as permitted under the TLAC regime)	33.5%	34.2%
TLAC (as a percentage of leverage exposure)	9.2%	9.7%
CET1 (as a percentage of risk-weighted assets) available after meeting the resolution group's minimum capital and TLAC requirements	7.7%	7.7%
Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	3.9%	3.9%
Of which: capital conservation buffer requirement	2.5%	2.5%
Of which: bank specific countercyclical buffer requirement	0.4%	0.4%
Of which: higher loss absorbency requirement	1.0%	1.0%

Capital

2.3 Minimum requirement for own funds and eligible liabilities continued

Table 12 shows information regarding the ranking of the Group's liabilities at the resolution group level.

Table 12: Resolution entity – creditor ranking at legal entity level (TLAC3)

Description of creditor ranking	2025			Total \$million
	Creditor ranking			
	1 \$million	2 \$million	3 \$million	
	Tertiary non- preferential debt²	Tertiary non- preferential debt – Tier 2 securities	Ordinary non- preferential debt³	
Total capital and liabilities net of credit risk mitigation ¹	7,580	10,147	36,890	54,617
Of which: are excluded liabilities	-	-	(1,278)	(1,278)
Total capital and liabilities less excluded liabilities	7,580	10,147	35,612	53,339
Of which: are potentially eligible as TLAC	7,580	10,147	35,612	53,339
Of which: with 1 year ≤ residual maturity < 2 years	-	1,250	5,316	6,566
Of which: with 2 years ≤ residual maturity < 5 years	-	-	13,474	13,474
Of which: with 5 years ≤ residual maturity < 10 years	-	3,134	12,721	15,855
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	-	4,000	4,101	8,101
Of which: perpetual securities	7,580	1,763	-	9,343

Description of creditor ranking	2024			Total \$million
	Creditor ranking			
	1 \$million	2 \$million	3 \$million	
	Tertiary non- preferential debt ²	Tertiary non- preferential debt – Tier 2 securities	Ordinary non- preferential debt ³	
Total capital and liabilities net of credit risk mitigation ¹	6,580	11,975	32,646	51,202
Of which: are excluded liabilities	-	-	(650)	(650)
Total capital and liabilities less excluded liabilities	6,580	11,975	31,996	50,552
Of which: are potentially eligible as TLAC	6,580	11,975	31,996	50,552
Of which: with 1 year ≤ residual maturity < 2 years	-	-	5,032	5,032
Of which: with 2 years ≤ residual maturity < 5 years	-	1,250	12,934	14,184
Of which: with 5 years ≤ residual maturity < 10 years	-	4,980	10,004	14,984
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	-	4,000	4,027	8,027
Of which: perpetual securities	6,580	1,745	-	8,325

1 Excludes CET1 and is based on accounting values.

2 AT1 Preference shares and Contingent Convertible Capital Instruments.

3 Senior bonds, derivative liabilities, tax claims etc.

TLAC 2 is a G-SII disclosure requirement to provide the ranking of the liability structure of all of the Group's material sub-groups in as defined by the FSB TLAC Term Sheet. The group has 5 material sub-groups; Standard Chartered Bank, Standard Chartered Bank (Hong Kong) Limited, Standard Chartered Bank Korea Limited, Standard Chartered Bank (China) Limited, and Standard Chartered Bank (Singapore) Limited for which disclosure would be required.

Capital

2.3 Minimum requirement for own funds and eligible liabilities continued

Table 13: Standard Chartered Bank – creditor ranking (TLAC2)

	2025					Total \$million
	Creditor ranking					
	1 \$million	2 \$million	3 \$million	4 \$million	5 \$million	
Is the resolution entity the creditor/ investor?	No ¹	Yes	No	Yes	Yes	
Description of creditor ranking	Tertiary non- preferential debt – common shares	Tertiary non- preferential debt – AT1 cocos	Tertiary non- preferential debt – Tier 2 securities	Tertiary non- preferential debt – Tier 2 securities	Secondary non- preferential debt	
Total capital and liabilities net of credit risk mitigation ²	20,597	5,722	291	8,888	8,248	43,746
Of which: are excluded liabilities	-	-	-	-	-	-
Total capital and liabilities less excluded liabilities	20,597	5,722	291	8,888	8,248	43,746
Of which: are potentially eligible as TLAC	20,597	5,722	291	8,888	8,248	43,746
Of which: with 1 year ≤ residual maturity < 2 years	-	-	-	-	-	-
Of which: with 2 years ≤ residual maturity < 5 years	-	-	-	-	6,550	6,550
Of which: with 5 years ≤ residual maturity < 10 years	-	-	291	4,000	1,698	5,990
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	4,138	-	4,138
Of which: is perpetual securities	20,597	5,722	-	750	-	27,069

	2024					Total \$million
	Creditor ranking					
	1 \$million	2 \$million	3 \$million	4 \$million	5 \$million	
Is the resolution entity the creditor/ investor?	No ¹	Yes	No	Yes	Yes	
Description of creditor ranking	Tertiary non- preferential debt – common shares	Tertiary non- preferential debt – AT1 cocos	Tertiary non- preferential debt – Tier 2 securities	Tertiary non- preferential debt – Tier 2 securities	Secondary non- preferential debt	
Total capital and liabilities net of credit risk mitigation ²	20,597	5,722	291	10,826	8,165	45,601
Of which: are excluded liabilities	-	-	-	-	-	-
Total capital and liabilities less excluded liabilities	20,597	5,722	291	10,826	8,165	45,601
Of which: are potentially eligible as TLAC	20,597	5,722	291	10,826	8,165	45,601
Of which: with 1 year ≤ residual maturity < 2 years	-	-	-	-	280	280
Of which: with 2 years ≤ residual maturity < 5 years	-	-	-	-	5,544	5,544
Of which: with 5 years ≤ residual maturity < 10 years	-	-	291	4,035	841	5,167
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	6,041	1,500	7,541
Of which: is perpetual securities	20,597	5,722	-	750	-	27,069

1 Held by Standard Chartered Holdings Limited.

2 Excludes CET1 (except common shares) and is based on accounting carrying values.

Capital

2.3 Minimum requirement for own funds and eligible liabilities continued

Table 14: Standard Chartered Bank (Hong Kong) Limited – creditor ranking (TLAC2)

	2025				
	Creditor ranking				Total \$million
	1 \$million	2 \$million	3 \$million	4 \$million	
Is the resolution entity the creditor/investor?	Yes	Yes	Yes	Yes	
Description of creditor ranking	Common Shares	Securities and preference shares qualifying as AT1	Dated subordinated notes qualifying as Tier 2	Loss absorbing non-preferred notes	
Total capital and liabilities net of credit risk mitigation ¹	8,354	4,800	1,873	3,923	18,949
Of which: are excluded liabilities	-	-	-	-	-
Total capital and liabilities less excluded liabilities	8,354	4,800	1,873	3,923	18,949
Of which: are potentially eligible as TLAC	8,354	4,800	1,873	3,923	18,949
Of which: with 1 year ≤ residual maturity < 2 years	-	-	-	1,500	1,500
Of which: with 2 years ≤ residual maturity < 5 years	-	-	-	1,250	1,250
Of which: with 5 years ≤ residual maturity < 10 years	-	-	1,173	1,173	2,345
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	-	-	700	-	700
Of which: is perpetual securities	8,354	4,800	-	-	13,154

	2024				
	Creditor ranking				Total \$million
	1 \$million	2 \$million	3 \$million	4 \$million	
Is the resolution entity the creditor/investor?	Yes	Yes	Yes	Yes	
Description of creditor ranking	Common Shares	Securities and preference shares qualifying as AT1	Dated subordinated notes qualifying as Tier 2	Loss absorbing non-preferred notes	
Total capital and liabilities net of credit risk mitigation ¹	8,374	3,000	1,290	3,790	16,454
Of which: are excluded liabilities	-	-	-	-	-
Total capital and liabilities less excluded liabilities	8,374	3,000	1,290	3,790	16,454
Of which: are potentially eligible as TLAC	8,374	3,000	1,290	3,790	16,454
Of which: with 1 year ≤ residual maturity < 2 years	-	-	-	-	-
Of which: with 2 years ≤ residual maturity < 5 years	-	-	-	2,750	2,750
Of which: with 5 years ≤ residual maturity < 10 years	-	-	1,290	1,040	2,330
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	-	-
Of which: is perpetual securities	8,374	3,000	-	-	11,374

¹ Excludes CET1 (except common shares) and is based on accounting carrying values.

Capital

2.3 Minimum requirement for own funds and eligible liabilities continued

Table 15: Standard Chartered Bank Korea Limited – creditor ranking (TLAC2)

	2025			
	Creditor ranking			Total \$million
	1 \$million	2 \$million	3 \$million	
Is the resolution entity the creditor/investor?	No ¹	No ²	No ³	
Description of creditor ranking	Common Shares	Additional Tier 1 securities	Tier 2 securities	
Total capital and liabilities net of credit risk mitigation ⁴	1,302	266	695	2,263
Of which: are excluded liabilities	-	-	-	-
Total capital and liabilities less excluded liabilities	1,302	266	695	2,263
Of which: are potentially eligible as TLAC	1,302	266	695	2,263
Of which: with 1 year ≤ residual maturity < 2 years	-	-	-	-
Of which: with 2 years ≤ residual maturity < 5 years	-	-	695	695
Of which: with 5 years ≤ residual maturity < 10 years	-	-	-	-
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	-
Of which: is perpetual securities	1,302	266	-	1,568
	2024			
	Creditor ranking			Total \$million
	1 \$million	2 \$million	3 \$million	
Is the resolution entity the creditor/investor?	No ¹	No ²	No ³	
Description of creditor ranking	Common Shares	Additional Tier 1 securities	Tier 2 securities	
Total capital and liabilities net of credit risk mitigation ⁴	1,302	266	679	2,247
Of which: are excluded liabilities	-	-	-	-
Total capital and liabilities less excluded liabilities	1,302	266	679	2,247
Of which: are potentially eligible as TLAC	1,302	266	679	2,247
Of which: with 1 year ≤ residual maturity < 2 years	-	-	-	-
Of which: with 2 years ≤ residual maturity < 5 years	-	-	679	679
Of which: with 5 years ≤ residual maturity < 10 years	-	-	-	-
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-	-
Of which: is perpetual securities	1,302	266	-	1,568

1 Held by Standard Chartered NEA Limited.

2 Held by Standard Chartered Bank (Hong Kong) Limited.

3 Held by Standard Chartered Bank.

4 Excludes CET1 (except common shares) and is based on accounting carrying values.

Capital

2.3 Minimum requirement for own funds and eligible liabilities continued

Table 16: Standard Chartered Bank (Singapore) Limited – creditor ranking (TLAC2)

	2025						Total \$million
	Creditor ranking						
	1 \$million	1 \$million	2 \$million	2 \$million	3 \$million	3 \$million	
Is the resolution entity the creditor/investor?	No ¹	Yes	No ²	No ²	Yes	No ²	
Description of creditor ranking	Common Shares	AT1 Non-cumulative Preference Shares	AT1 Non-cumulative Preference Shares	AT1 Non-cumulative Capital Securities	Tier 2 Subordinated Notes	Tier 2 Subordinated Notes	
Total capital and liabilities net of credit risk mitigation ³	5,770	500	298	580	–	2,650	9,799
Of which: are excluded liabilities	–	–	–	–	–	–	–
Total capital and liabilities less excluded liabilities	5,770	500	298	580	–	2,650	9,799
Of which: are potentially eligible as TLAC	5,770	500	298	580	–	2,650	9,799
Of which: with 1 year ≤ residual maturity < 2 years	–	–	–	–	–	–	–
Of which: with 2 years ≤ residual maturity < 5 years	–	–	–	–	–	–	–
Of which: with 5 years ≤ residual maturity < 10 years	–	–	–	–	–	2,650	2,650
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	–	–	–	–	–	–	–
Of which: is perpetual securities	5,770	500	298	580	–	–	7,149

	2024						Total \$million
	Creditor ranking						
	1 \$million	1 \$million	2 \$million	3 \$million	3 \$million	3 \$million	
Is the resolution entity the creditor/investor?	No ¹	Yes	No ²	No ²	Yes	No ²	
Description of creditor ranking	Common Shares	AT1 Non-cumulative Preference Shares	AT1 Non-cumulative Preference Shares	AT1 Non-cumulative Capital Securities	Tier 2 Subordinated Notes	Tier 2 Subordinated Notes	
Total capital and liabilities net of credit risk mitigation ²	5,770	500	298	580	540	2,096	9,785
Of which: are excluded liabilities	–	–	–	–	–	–	–
Total capital and liabilities less excluded liabilities	5,770	500	298	580	540	2,096	9,785
Of which: are potentially eligible as TLAC	5,770	500	298	580	540	2,096	9,785
Of which: with 1 year ≤ residual maturity < 2 years	–	–	–	–	–	–	–
Of which: with 2 years ≤ residual maturity < 5 years	–	–	–	–	–	–	–
Of which: with 5 years ≤ residual maturity < 10 years	–	–	–	–	540	2,096	2,636
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	–	–	–	–	–	–	–
Of which: is perpetual securities	5,770	500	298	580	–	–	7,149

1 Held by Standard Chartered Holdings (Singapore) Private Limited (\$3,963 million), Standard Chartered Bank Malaysia Berhad (\$1,273 million), Standard Chartered Bank Vietnam Limited (\$333 million), and Standard Chartered Bank (Thai) PCL (\$203 million).

2 Held by Standard Chartered Bank.

3 Excludes CET1 (except common shares) and is based on accounting carrying values.

Capital

2.3 Minimum requirement for own funds and eligible liabilities continued

Table 17: Standard Chartered Bank (China) Limited – creditor ranking (TLAC2)

	2025		
	Creditor ranking		Total \$million
	1 \$million	2 \$million	
Is the resolution entity the creditor/investor?	No ¹	Yes	
Description of creditor ranking	Common Shares	Tier-2 capital	
Total capital and liabilities net of credit risk mitigation ²	1,446	858	2,304
Of which: are excluded liabilities	-	-	-
Total capital and liabilities less excluded liabilities	1,446	858	2,304
Of which: are potentially eligible as TLAC	1,446	858	2,304
Of which: with 1 year ≤ residual maturity < 2 years	-	-	-
Of which: with 2 years ≤ residual maturity < 5 years	-	-	-
Of which: with 5 years ≤ residual maturity < 10 years	-	-	-
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	-	858	858
Of which: is perpetual securities	1,446	-	1,446

	2024		
	Creditor ranking		Total \$million
	1 \$million	2 \$million	
Is the resolution entity the creditor/investor?	No ¹	Yes	
Description of creditor ranking	Common Shares	Tier-2 capital	
Total capital and liabilities net of credit risk mitigation ²	1,446	557	2,003
Of which: are excluded liabilities	-	-	-
Total capital and liabilities less excluded liabilities	1,446	557	2,003
Of which: are potentially eligible as TLAC	1,446	557	2,003
Of which: with 1 year ≤ residual maturity < 2 years	-	-	-
Of which: with 2 years ≤ residual maturity < 5 years	-	-	-
Of which: with 5 years ≤ residual maturity < 10 years	-	557	557
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	-	-	-
Of which: is perpetual securities	1,446	-	1,446

1 Held by Standard Chartered Bank (Hong Kong) Limited.

2 Excludes CET1 (except common shares) and is based on accounting carrying values.

2.4 Countercyclical capital buffer

The Group's countercyclical capital buffer (CCyB) is determined by applying various country-specific CCyB rates to the Group's qualifying credit exposures in the relevant country (based on the jurisdiction of the obligor) on a weighted average basis.

The Group's CCyB requirement is 38 basis points, representing an increase of 1 basis point compared to 31 December 2024.

Countries are included in the table if the relevant own funds requirements of that country are greater than 1 per cent of the Group's total relevant own funds requirements for CCyB calculation.

2.4 Countercyclical capital buffer continued

Table 18: Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (UK CCyB1)

Breakdown by country	2025													
	General credit exposures		Relevant credit exposures – Market risk			Own funds requirements								
	Exposure value under the standardised approach \$million	Exposure value under the IRB approach \$million	Sum of long and short positions of trading book exposures for SA \$million	Value of trading book exposures for internal models \$million	Securitized exposures Exposure value for non-trading book \$million	Total exposure value \$million	Relevant credit risk exposures – Credit risk \$million	Relevant credit exposures – Market risk \$million	Relevant credit exposures – Securitisation positions in the non-trading book \$million	Total \$million	Risk-weighted exposure amounts \$million	Own fund requirements weights %	Countercyclical buffer rate %	
Armenia	-	-	-	-	-	-	-	-	-	-	-	0.0%	1.5%	
Australia	251	3,212	468	-	289	4,220	96	36	4	136	1,701	1.1%	1.0%	
Belgium	-	564	2	-	20	586	8	-	-	9	114	0.1%	1.0%	
Bulgaria	-	-	-	-	-	-	-	-	-	-	-	0.0%	2.0%	
Chile	-	206	106	-	7	319	6	4	-	10	120	0.1%	0.5%	
Croatia	-	5	-	-	-	5	-	-	-	-	3	0.0%	1.5%	
Cyprus	2	157	-	-	-	159	9	-	-	9	109	0.1%	1.0%	
Czech Republic	-	-	6	-	-	6	-	1	-	1	18	0.0%	1.3%	
Denmark	12	771	3	-	177	963	12	-	3	14	179	0.1%	2.5%	
Estonia	-	-	4	-	-	4	-	-	-	-	-	0.0%	1.5%	
France	51	3,302	378	-	1,035	4,766	75	21	16	112	1,403	0.9%	1.0%	
Germany	69	5,549	390	-	1,475	7,483	102	26	22	150	1,871	1.2%	0.8%	
Greece	1	471	7	-	-	479	6	1	-	6	80	0.0%	0.3%	
Hong Kong	6,272	71,804	468	-	230	78,774	1,698	16	3	1,718	21,472	13.3%	0.5%	
Hungary	-	238	201	-	-	439	12	1	-	12	153	0.1%	1.0%	
Iceland	-	-	-	-	-	-	-	-	-	-	-	0.0%	2.5%	
Ireland	30	3,628	1,023	-	176	4,857	54	82	3	139	1,739	1.1%	1.5%	
Korea	868	34,843	1,302	-	178	37,191	736	11	3	749	9,367	5.8%	1.0%	
Latvia	-	-	-	-	-	-	-	-	-	-	-	0.0%	1.0%	
Lithuania	-	-	-	-	-	-	-	-	-	-	-	0.0%	1.0%	
Luxembourg	267	7,241	101	-	379	7,988	144	7	6	157	1,959	1.2%	0.5%	
Netherlands	2	2,039	66	-	769	2,876	109	4	12	125	1,560	1.0%	2.0%	
Norway	-	386	7	-	305	698	13	-	5	18	227	0.1%	2.5%	
Poland	30	173	10	-	-	213	9	-	-	9	110	0.1%	1.0%	
Romania	1	-	-	-	-	1	-	-	-	-	-	0.0%	1.0%	
Slovakia	1	5	-	-	-	6	-	-	-	-	2	0.0%	1.5%	
Slovenia	-	-	7	-	-	7	-	1	-	1	10	0.0%	1.0%	
Spain	9	251	59	-	60	379	12	4	1	17	217	0.1%	0.5%	
Sweden	-	975	52	-	245	1,272	26	5	4	35	437	0.3%	2.0%	
United Kingdom	4,366	46,594	1,444	-	16,522	68,926	820	42	240	1,102	13,773	8.5%	2.0%	
Other countries	39,271	235,970	24,528	-	10,039	309,808	7,619	615	147	8,384	104,785	73.7%	0.0%	

Capital

2.4 Countercyclical capital buffer continued

Table 18: Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (UK CCyB1) continued

Breakdown by country	2024														
	General credit exposures		Relevant credit exposures – Market risk				Own funds requirements						Risk-weighted exposure amounts \$million	Own fund requirements weights %	Countercyclical buffer rate %
	Exposure value under the standardised approach \$million	Exposure value under the IRB approach \$million	Sum of long and short positions of trading book exposures for SA \$million	Value of trading book exposures for internal models \$million	Securitisation exposures Exposure value for non-trading book \$million	Total exposure value \$million	Relevant credit risk exposures – Credit risk \$million	Relevant credit exposures – Market risk \$million	Relevant credit exposures – Securitisation positions in the non-trading book \$million	Total \$million					
Armenia	–	–	–	–	–	–	–	–	–	–	–	–	0.0%	1.5%	
Australia	156	2,333	144	–	34	2,667	82	11	–	94	1,170	0.7%	1.0%		
Belgium	–	757	4	–	–	761	4	–	–	5	59	0.0%	1.0%		
Bulgaria	–	–	–	–	–	–	–	–	–	–	–	0.0%	2.0%		
Chile	–	129	25	–	–	154	3	3	–	6	78	0.0%	0.5%		
Croatia	–	7	–	–	–	7	–	–	–	–	4	0.0%	1.5%		
Cyprus	2	134	–	–	–	136	4	–	–	4	55	0.0%	1.0%		
Czech Republic	–	–	3	–	–	3	–	–	–	–	4	0.0%	1.3%		
Denmark	6	665	1	–	–	672	20	–	–	20	248	0.2%	2.5%		
Estonia	–	–	–	–	–	–	–	–	–	–	–	0.0%	1.5%		
France	14	4,117	221	–	–	4,352	66	10	–	76	946	0.6%	1.0%		
Germany	31	6,709	329	–	3,152	10,220	85	8	47	140	1,747	1.1%	0.8%		
Hong Kong	5,692	72,370	620	–	3,902	82,583	1,776	8	60	1,844	23,048	14.6%	0.5%		
Hungary	–	553	196	–	–	749	15	–	–	15	190	0.1%	0.5%		
Ireland	–	–	–	–	–	–	–	–	–	–	–	0.0%	2.5%		
Ireland	53	2,113	33	–	78	2,278	32	50	1	83	1,041	0.7%	1.5%		
Korea	910	34,811	292	–	–	36,014	789	3	–	792	9,895	6.3%	1.0%		
Lithuania	–	–	–	–	–	–	–	–	–	–	–	0.0%	1.0%		
Luxembourg	134	6,519	12	–	332	6,997	110	2	4	116	1,450	0.9%	0.5%		
Netherlands	20	2,261	31	–	–	2,312	86	2	–	88	1,099	0.7%	2.0%		
Norway	1	239	4	–	–	244	10	–	–	11	131	0.1%	2.5%		
Romania	1	–	–	–	–	1	–	–	–	–	–	0.0%	1.0%		
Slovakia	–	–	–	–	–	–	–	–	–	–	–	0.0%	1.5%		
Slovenia	–	–	–	–	–	–	–	–	–	–	–	0.0%	0.5%		
Sweden	–	1,229	8	–	–	1,238	28	1	–	30	374	0.2%	2.0%		
United Kingdom	3,780	41,306	1,054	–	18,348	64,487	822	27	265	1,114	13,926	8.8%	2.0%		
Other Countries	36,254	229,587	16,766	–	5,482	288,090	7,533	572	79	8,184	102,302	64.8%	0.0%		

Table 19: Amount of institution-specific countercyclical capital buffer (UK CCyB2)

		2025 \$million	2024 \$million
1	Total risk exposure amount (see Table 20: Overview of RWA (OVI))	258,031	247,065
2	Institution specific countercyclical capital buffer rate	0.38%	0.37%
3	Institution specific countercyclical capital buffer requirement	982	926

2.5 Capital Requirements

The Group's Pillar 1 and Pillar 2A requirements, together with the Combined Buffer, define the threshold at which Maximum Distributable Amount (MDA) restrictions take effect. If the Group's capital falls below this level, restrictions on discretionary distributions would apply. The Group expects to continue to maintain a prudent management buffer above this threshold.

The PRA may also set an additional buffer of CET1 capital, known as the PRA buffer. The purpose of the PRA buffer is to cover losses that may arise in a period of stress, with its calibration informed by supervisory assessments and stress testing outcomes. The PRA buffer is not disclosed.

The Group's Pillar 1 capital requirements, together with the corresponding RWAs, are set out in the table below. Additional detail on credit RWAs is provided in Table 51 for IRB credit risk (including counterparty credit risk); Table 22 for the IRB RWA flow statements (excluding securitisation balances below); Table 68 for exposures under the Standardised Approach (including amounts below the threshold for deduction); and section 4.2 for exposures subject to counterparty credit risk.

2.5 Capital Requirements continued

Table 20: Overview of risk weighted exposure amounts (UK OV1)

		31.12.25		30.09.25		31.12.24	
		Risk-weighted assets \$million	Regulatory capital requirement ¹ \$million	Risk-weighted assets \$million	Regulatory capital requirement ¹ \$million	Risk-weighted assets \$million	Regulatory capital requirement ¹ \$million
1	Credit risk (excluding CCR)²	159,477	12,758	160,229	12,818	158,107	12,649
2	Of which the standardised approach (Table 68)	37,456	2,996	38,201	3,056	34,063	2,725
4	Of which slotting approach	5,857	469	5,812	465	5,868	469
5	Of which the advanced IRB (AIRB) approach (Table 53)	116,164	9,293	116,216	9,297	118,175	9,454
6	Counterparty credit risk – CCR³	22,406	1,792	20,941	1,675	22,128	1,770
7	Of which the standardised approach	4,197	336	4,165	333	3,583	287
8	Of which internal model method (IMM)	10,667	853	9,786	783	11,322	906
UK 8a	Of which exposures to a CCP	1,322	106	1,221	98	1,051	84
UK 8b	Of which credit valuation adjustment – CVA (Table 91)	2,413	193	2,095	168	2,706	216
9	Of which other CCR	3,806	304	3,675	294	3,467	277
15	Settlement risk	-	-	-	-	-	-
16	Securitisation exposures in the non-trading book	5,867	469	5,667	453	5,697	456
17	Of which SEC-IRBA approach	2,779	222	2,937	235	2,843	227
18	Of which SEC-ERBA (including IAA)	2,059	165	2,018	161	2,188	175
19	Of which SEC-SA approach	1,029	82	711	57	666	53
UK 19a	Of which 1250%/deduction	-	-	-	-	-	-
20	Position, foreign exchange and commodities risks (Market risk) (Table 81)	30,663	2,453	34,726	2,778	28,283	2,263
21	Of which the standardised approach	17,156	1,372	18,588	1,487	13,810	1,105
22	Of which IMA	13,507	1,081	16,138	1,291	14,474	1,158
UK 22a	Large exposures	-	-	-	-	-	-
23	Operational risk⁴	35,223	2,818	32,578	2,606	29,479	2,358
25	Of which standardised approach	35,223	2,818	32,578	2,606	29,479	2,358
27	Amounts below the thresholds for deduction (subject to 250% risk weight) (Table 68)	4,395	352	4,237	339	3,371	270
28	Floor Adjustment	-	-	-	-	-	-
29	Total	258,031	20,642	258,378	20,670	247,065	19,765

1 The regulatory capital requirement is calculated as 8 per cent of the RWA, and represents the minimum total capital ratio in accordance with CRR Article 92 (1).

2 Credit risk (excluding counterparty credit risk) includes non-credit obligation assets.

3 Counterparty credit risk includes assets which are assessed under IRB and SA.

4 To calculate operational risk standardised risk-weighted assets, a regulatory defined beta co-efficient is applied to average gross income for the previous three years, across each of the eight business lines prescribed in the CRR.

RWA increased by \$11.0 billion, or 4 per cent from 31 December 2024 to \$258.0 billion.

- Credit risk RWA increased by \$2.8 billion to \$192.1 billion. This was driven by an increase of \$6.4 billion in asset growth, quality and mix, a \$1.0 billion increase in derivatives and a \$3.9 billion increases from foreign currency translation. The increase was partly offset by a decrease of \$7.4 billion from optimisation actions and \$1.1 billion reduction from model changes.
- Total Market Risk RWA increased by \$2.4 billion, or 8.4 per cent from 31 December 2024 to \$30.7 billion, mainly due to \$2.1 billion increase in Standardised Approach (SA) Specific Interest Rate Risk RWA mainly due to increases in the Credit Trading portfolio.
- Operational risk RWA increased by \$5.7 billion, or 19.5 per cent, from 31 December 2024 to \$35.2 billion primarily driven by an increase in average income measured over a rolling three-year time horizon. The Group has brought forward the annual refresh of Operational Risk RWA with RWA increase recognised in Q4'25 rather than Q1'26, as earlier guided, resulting in two operational risk RWA increases in 2025.

Capital

2.5 Capital Requirements continued

Table 21 shows the significant drivers of credit risk, market risk and operational risk RWA movements from 31 December 2024.

Table 21: Movement analysis for RWA

	Credit risk IRB \$million	Credit risk SA \$million	Credit risk Total \$million	Counterparty Credit risk \$million	Total Credit & Counterparty Credit risk \$million	Operational risk \$million	Market risk \$million	Total \$million
As at 31 December 2024	129,074	38,101	167,175	22,128	189,303	29,479	28,283	247,065
Asset size	(7,193)	4,293	(2,899)	(432)	(3,332)	-	-	(3,332)
Asset quality	2,248	1	2,249	75	2,324	-	-	2,324
Model updates	419	-	419	(1,300)	(881)	-	51	(830)
Methodology and policy	-	-	-	-	-	-	-	-
Acquisitions and disposals	(114)	(3)	(117)	-	(117)	-	-	(117)
Foreign exchange movements	2,550	756	3,306	468	3,774	-	-	3,774
Other, including non-credit risk movements ¹	-	-	-	-	-	3,099	6,392	9,491
As at 30 September 2025	126,984	43,149	170,133	20,941	191,074	32,578	34,726	258,378
Asset size	849	(194)	655	1,629	2,284	-	-	2,284
Asset quality	(735)	(1)	(736)	(161)	(897)	-	-	(897)
Model updates	(186)	-	(186)	-	(186)	-	12	(174)
Methodology and policy	-	-	-	-	-	-	-	-
Acquisitions and disposals	(287)	(1)	(288)	1	(287)	-	-	(287)
Foreign exchange movements	234	(73)	161	(4)	157	-	-	157
Other, including non-credit risk movements ¹	-	-	-	-	-	2,645	(4,075)	(1,430)
As at 31 December 2025	126,859	42,880	169,739	22,406	192,145	35,223	30,663	258,031

¹ RWA efficiencies are disclosed against 'Other, including non-credit risk movements'.

² See Table 20: Overview of risk weighted exposure amounts (UK OV1). To note that 'Securitisation exposures in the non-trading book', 'Settlement risk' and 'Amounts below the threshold for deduction (subject to 250% risk-weight)' are included in credit risk.

Table 22 shows the significant drivers of credit risk, IRB RWA movements (excluding counterparty credit risk and standardised credit risk) from 31 December 2024.

Table 22: RWEA flow statements of credit risk exposures under the IRB approach (UK CR8)

	Risk-weighted assets ¹ \$million	Regulatory capital requirement ¹ \$million
As at 31 December 2024	124,043	9,923
Asset size	(6,940)	(555)
Asset quality	2,248	180
Model updates	419	34
Methodology and policy	-	-
Acquisitions and disposals	(114)	(9)
Foreign exchange movements	2,372	190
Other	-	-
1 As at 30 September 2025	122,028	9,762
2 Asset size	972	78
3 Asset quality	(735)	(59)
4 Model updates	(186)	(15)
5 Methodology and policy	-	-
6 Acquisitions and disposals	(287)	(23)
7 Foreign exchange movements	228	18
8 Other	-	-
9 As at 31 December 2025	122,021	9,762

¹ The total in this table has been represented to show credit risk under the AIRB approach excluding securitisation and non-credit obligation assets and hence will not directly reconcile to the credit risk AIRB RWAs in table 21.

IRB credit RWA decreased by \$2.0 billion from 31 December 2024 driven by:

- \$6.0 billion net decrease in asset size.
- \$2.6 billion increase from foreign currency translation.
- \$1.5 billion increase due to a deterioration in asset quality.

Capital

2.5 Capital Requirements continued

Table 23 shows the significant drivers of credit counterparty risk under IMM RWA movements from 31 December 2024.

Table 23: RWEA flow statements of CCR exposures under the IMM (UK CCR7)

	Risk-weighted assets ¹ \$million	Regulatory capital requirement ¹ \$million
As at 31 December 2024	11,322	906
Asset size	51	4
Credit quality of counterparties	17	1
Model updates (IMM only)	(1,300)	(104)
Methodology and policy (IMM only)	-	-
Acquisitions and disposals	-	-
Foreign exchange movements	(304)	(24)
Other ¹	-	-
1 As at 30 September 2025	9,786	783
2 Asset size	997	80
3 Credit quality of counterparties	(111)	(9)
4 Model updates (IMM only)	-	-
5 Methodology and policy (IMM only)	-	-
6 Acquisitions and disposals	-	-
7 Foreign exchange movements	(5)	-
8 Other ¹	-	-
9 As at 31 December 2025	10,667	854

¹ RWA efficiencies are disclosed against 'Other'.

Table 24 shows the RWA flow statements of market risk RWA exposures under the Internal Model Approach (IMA) from 31 December 2024.

Table 24: RWA flow statements of market risk exposures under the IMA (UK MR2-B)

	VaR \$million	SVaR \$million	IRC \$million	Comprehensive risk measure \$million	Other ¹ \$million	Total RWAs \$million	Total own funds requirements \$million
At 31 December 2024	3,984	5,529	-	-	4,960	14,474	1,158
Regulatory adjustment	-	-	-	-	-	-	-
RWAs post adjustment at 31 December 2024	3,984	5,529	-	-	4,960	14,474	1,158
Movement in risk levels	(770)	2,355	-	-	29	1,614	129
Model updates/changes	-	-	-	-	51	51	4
Methodology and policy	-	-	-	-	-	-	-
Acquisitions and disposals	-	-	-	-	-	-	-
Foreign exchange movements	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
1 At 30 September 2025	3,214	7,884	-	-	5,040	16,139	1,291
1a Regulatory adjustment	-	-	-	-	-	-	-
1b RWAs post adjustment at 30 September 2025	3,214	7,884	-	-	5,040	16,138	1,291
2 Movement in risk levels	(642)	(1,485)	-	-	(517)	(2,644)	(212)
3 Model updates/changes	-	-	-	-	12	12	1
4 Methodology and policy	-	-	-	-	-	-	-
5 Acquisitions and disposals	-	-	-	-	-	-	-
6 Foreign exchange movements	-	-	-	-	-	-	-
7 Other	-	-	-	-	-	-	-
8a At 31 December 2025	2,572	6,399	-	-	4,536	13,507	1,081
8b Regulatory adjustment	-	-	-	-	-	-	-
8 RWAs post adjustment at 31 December 2025	2,572	6,399	-	-	4,536	13,507	1,081

¹ Other IMA capital add-ons for market risks not fully captured in either VaR or SVaR. More details on Risks not in VaR can be found in the Group's Year End Report 2025 on page 278.

Market risk RWA under an IMA approach decreased by \$1.0 billion from 31 December 2024 driven by a \$1.4 billion decrease in VaR from positions in the Rates business.

Capital

2.6 Leverage ratio

UK banks are currently subject to a minimum leverage ratio of 3.25 per cent. In addition, a supplementary leverage ratio buffer is applicable, set at 35 per cent of the corresponding G-SII capital buffer and the countercyclical capital buffer. Following the FPC's recommendation to the PRA to exclude qualifying claims on central bank exposures from the leverage exposure measure in the UK leverage ratio framework, and the corresponding waiver granted by the PRA, the Group has been reporting the leverage ratio on a UK basis (excluding qualifying claims on central banks exposures) from March 2017.

In October 2021, the PRA published a policy statement outlining changes to the leverage ratio framework. The UK's minimum leverage ratio requirement is maintained at 3.25 per cent and must be met by at least 75 per cent of CET1. Additional buffers based on the countercyclical and global systemically important bank (G'SIB) buffers are set at 35 per cent of their risk-weighted equivalent and must be met with 100 per cent of CET1. Firms who breach their leverage ratio buffers will not face any capital distribution restrictions. The exposure value of derivative contracts will be based on the standardised approach to counterparty credit risk, whilst central bank reserves continue to be excluded from the leverage ratio exposure measure. The rules came into force on 1 January 2022.

At 31 December 2025, the Group's current minimum requirement inclusive of leverage buffers was 3.7 per cent:

- i The minimum 3.25 per cent
- ii A 0.35 per cent G-SII leverage ratio buffer and
- iii A 0.1 per cent countercyclical capital leverage ratio buffer, based on FY 2025 countercyclical capital buffer rates

The Group's leverage ratio, which excludes qualifying claims on central banks, was 4.7 per cent at FY 2025, which was above the current minimum requirement of 3.7 per cent. The leverage ratio was 11 basis points lower than FY 2024. Leverage exposure increased by \$69.8 billion from increase in Loans and advances and other assets of \$85.2 billion, an increase in Derivatives of \$3.7 billion partly offset by decrease in claims on central banks of \$16.9 billion, decrease in Off-balance sheet items of \$1.3 billion, and decrease in asset amounts deducted in determining Tier 1 capital (Leverage) of \$0.8 billion. Tier 1 capital increased by \$2.3 billion as CET1 capital increased by \$1.2 billion and AT1 capital increased by \$1.0 billion following the issuance of \$2.0 billion partly offset by the redemption of \$1.0 billion AT1 securities.

Table 25: Leverage ratio

	31.12.25 \$million	30.09.25 \$million	31.12.24 \$million
Tier 1 capital (end point)	43,949	43,109	41,672
Leverage exposure	938,190	936,824	868,344
Leverage ratio	4.7%	4.6%	4.8%
Leverage exposure quarterly average	949,214	933,449	894,296
Leverage ratio quarterly average	4.6%	4.6%	4.7%
Countercyclical leverage ratio buffer	0.1%	0.1%	0.1%
G-SII additional leverage ratio buffer	0.4%	0.4%	0.4%

2.6 Leverage ratio continued

CRR leverage ratio

Table 26, 27 and 28 present the leverage ratio based on CRR basis requirements.

Table 26: LRSum: Summary reconciliation of accounting assets and leverage ratio exposures (UK LR1)

		2025 \$million	2024 \$million
1	Total assets as per published financial statements	919,955	849,688
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	2,192	1,390
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-	-
4	(Adjustment for exemption of exposures to central banks)	(94,673)	(77,730)
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) of the CRR)	-	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	(4,254)	(84)
7	Adjustment for eligible cash pooling transactions	-	-
8	Adjustment for derivative financial instruments	8,839	(10,536)
9	Adjustment for securities financing transactions (SFTs)	6,715	4,198
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	117,341	118,607
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (leverage))	(1,291)	(1,326)
UK-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	-	-
UK-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) of the CRR)	-	-
12	Other adjustments ¹	(16,634)	(15,863)
13	Total exposure measure	938,190	868,344

¹ Other Adjustments include Cash Collateral posted \$(10,011) million, Tier-1 Capital deduction other than disclosed in above row 11 \$(6,793) million, DTL \$170 million.

Capital

2.6 Leverage ratio continued

Table 27: LRCom: Leverage ratio common disclosure (UK LR2)

		2025 \$million	2024 \$million
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	756,185	670,948
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(10,011)	(10,169)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining tier 1 capital (leverage))	(8,084)	(7,247)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	738,090	653,532
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	17,685	22,550
UK-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	59,656	52,346
UK-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach	-	-
UK-9b	Exposure determined under the original exposure method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	(5,324)	(6,035)
UK-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
UK-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	-	-
11	Adjusted effective notional amount of written credit derivatives	24,572	97,504
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(21,968)	(95,429)
13	Total derivatives exposures	74,621	70,936
Securities financing transaction exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	160,963	137,115
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(64,868)	(38,314)
16	Counterparty credit risk exposure for SFT assets	6,715	4,198
UK-16a	Derogation for SFTs: counterparty credit risk exposure in accordance with Articles 429e(5) and 222 of the CRR	-	-
17	Agent transaction exposures	-	-
UK-17a	(Exempted CCP leg of client-cleared SFT exposures)	-	-
18	Total securities financing transaction exposures	102,811	102,999
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	447,113	468,134
20	(Adjustments for conversion to credit equivalent amounts)	(329,772)	(349,527)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures)	-	-
22	Off-balance sheet exposures	117,341	118,607
Excluded exposures			
UK-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	-	-
UK-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) of the CRR (on- and off-balance sheet))	-	-
UK-22g	(Excluded excess collateral deposited at triparty agents)	-	-
UK-22k	(Total exempted exposures)	-	-
Capital and total exposures			
23	Tier 1 capital (leverage)	43,949	41,672
24	Total exposure measure including claims on central banks	1,032,863	946,074
UK-24a	(-) Claims on central banks excluded	(94,673)	(77,730)

Capital

2.6 Leverage ratio continued

		2025 \$million	2024 \$million
UK-24b	Total exposure measure excluding claims on central banks	938,190	868,344
	Leverage ratio		
25	Leverage ratio excluding claims on central banks (%)	4.7%	4.8%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	4.7%	4.8%
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)	4.7%	4.8%
UK-25c	Leverage ratio including claims on central banks (%)	4.3%	4.4%
26	Regulatory minimum leverage ratio requirement (%)	3.3%	3.3%
	Additional leverage ratio disclosure requirements – leverage ratio buffers		
27	Leverage ratio buffer (%)	0.5%	0.5%
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	0.4%	0.4%
UK-27b	Of which: countercyclical leverage ratio buffer (%)	0.1%	0.1%
	Additional leverage ratio disclosure requirements – disclosure of mean values		
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	100,155	101,902
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	96,096	98,801
UK-31	Average total exposure measure including claims on central banks	1,042,790	982,761
UK-32	Average total exposure measure excluding claims on central banks	949,214	894,296
UK-33	Average leverage ratio including claims on central banks	4.2%	4.2%
UK-34	Average leverage ratio excluding claims on central banks	4.6%	4.7%

Table 28: LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) (UK LR3)

		2025 \$million	2024 \$million
UK-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	746,174	660,779
UK-2	Trading book exposures	125,923	88,194
UK-3	Banking book exposures, of which:	620,251	572,585
UK-4	Covered bonds	3,056	3,901
UK-5	Exposures treated as sovereigns	228,715	204,143
UK-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	17,098	15,595
UK-7	Institutions	48,577	49,414
UK-8	Secured by mortgages of immovable properties	88,624	83,859
UK-9	Retail exposures	28,307	28,845
UK-10	Corporates	146,503	129,903
UK-11	Exposures in default	6,658	5,761
UK-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	52,713	51,164

3. Credit risk

Our approach to credit risk can be found in the Risk management approach section in the 2025 Annual Report and Accounts on page 233 to 234.

3.1. Internal Ratings Based Approach (IRB) to credit risk

The Group uses the Advanced IRB approach to measure credit risk for the majority of its portfolios. This allows the Group to use its own internal estimates of Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) to determine an asset risk-weighting. The IRB models cover 82 per cent of the Group's credit RWA (2024: 78 per cent).

PD is the likelihood that an obligor will default on an obligation within the next 12 months. Banks utilising the IRB approach must assign an internal PD to all borrowers. EAD is the expected amount of exposure to a particular facility at the point of default; it is modelled based on historical experience to determine the amount that is expected to be further drawn down from the undrawn portion of a facility. LGD is the percentage of EAD that a lender expects to lose in the event of obligor default. EAD and LGD are measured based on historical experience in economic downturn periods, if these were more conservative than the long-run average, else the long-run average is used.

All assets under the Advanced IRB approach have internal PD, LGD and EAD models developed to support the credit decision making process as well as RWA and capital estimate. RWA under the Advanced IRB approach is determined by regulatory specified formulae dependent on the Group's estimates of PD, LGD, EAD, and residual maturity. The development, use and governance of Corporate and Investment Banking (CIB) and Wealth and Retail Banking (WRB) models under the Advanced IRB approach are covered in more detail in Section 3.3 Internal Ratings Based models.

3.2. Standardised Approach to credit risk

The Standardised Approach is applied to portfolios that are classified as permanently exempted from the IRB approach, and those portfolios for which an IRB approach has yet to be developed, for instance due to insufficient data availability.

CRR Article 150 allows IRB banks to elect to permanently exclude certain exposures from the IRB approach and use the Standardised Approach. These are known as permanent exemptions.

The permanent exemptions apply to:

- Africa – all retail portfolios
- Private Banking
- Private Equity
- Development organisations
- Jordan
- Purchased receivables
- Hedge funds
- Exposures to, or guaranteed by, central governments and central banks of EEA States, provided they are eligible for a zero per cent risk weighting under the Standardised Approach

The Standardised Approach measures credit risk pursuant to fixed risk-weights and is the least sophisticated of the capital requirement calculation methodologies under Basel III. The risk-weight applied under the Standardised Approach is prescribed within the CRR and is based on the asset class to which the exposure is assigned.

3.3 Internal Ratings Based models

Model Governance

All IRB models are developed by independent model analytics teams aligned to the CIB and WRB business functions. Both new models and changes to the existing models, are subject to independent validation by Group Model Validation (GMV), which is part of the Model Risk Management function, a separate department within Group Risk, and are reviewed and approved by the Credit Model Assessment Committee (CMAC) and the Model Risk Committee (MRC) based on materiality. The Model Risk Policy and Governance team (MRPG) was established to provide independent oversight of model risk governance activities including model issue reporting, inventory management and model risk appetite reporting.

The performance of existing IRB models, including metrics on actual against predicted, is monitored regularly by the Model Monitoring teams and reported to CMAC on a quarterly basis. GMV independently reviews model performance monitoring results based on applicable standards. In addition, existing models are subject to annual independent validation by GMV. The Group Model Risk Policy and associated standards set out internal requirements and operating guidelines for model development, validation, and performance monitoring. The Board Risk Committee is updated on the status of IRB (and other) models on a semi-annual basis. Any concerns on IRB model performance or material model issues impacting IRB models are also captured as part of Risk Appetite monitoring, reported to the Board Risk Committee monthly. Rating overrides are tracked, and threshold breaches are escalated to the relevant risk management committees, and model issues are tracked and reported at CMAC. An annual self-assessment on IRB models' regulatory compliance is carried out as part of the Senior Management Function attestation.

The Group has a strong monitoring and governance framework in place to identify and mitigate model performance issues. While most models are conservative and over predict PD, LGD and EAD, in cases where the models under predict, a post model adjustment may be taken to ensure adequate capitalisation, in addition to having a remediation plan in place.

Group Internal Audit is responsible for carrying out independent reviews on the effectiveness of the controls supporting IRB models' development, validation, approval and monitoring.

Probability of Default

PDs are estimated based on one of the three industry standard approaches, namely the good-bad approach where a sufficient number of internal defaults is available, the shadow-bond approach where there are no sufficient internal defaults but there are external ratings for a large number of obligors, or the constrained expert judgement approach where neither internal defaults nor external ratings are available.

In CIB, the largest portfolios are rated based on the shadow bond approach (Sovereigns, Large Corporates) or the good-bad approach (Banks, Mid Corporates). Central governments and central banks are rated using the Sovereign model. Non-bank financial institutions are rated using one of six constrained expert judgement models depending on their line of business, with the largest being Funds, Finance & Leasing, and Broker Dealers. Corporate clients are differentiated by their annual sales turnover and rated using one of the corporate models unless they are commodity buyers and traders (for which a separate model has been developed) or are classified under Specialised Lending or Supply Chain Finance. Excluding the Sovereign model, all other CIB IRB PD models are subject to the 0.03 per cent regulatory PD floor.

Within CIB, each client is assigned a credit grade, regardless of whether the client is under standardised or IRB capital estimate method, and exposures to each client or client group are aggregated consistently with the regulatory Large Exposures requirements.

The CIB PD models are calibrated following a hybrid through-the-cycle rating philosophy based on historical data that includes a full economic cycle.

Estimates of PD are computed as of 1 January 2025 (including additional exposures that are valid January through March) and are compared with default observations through 31 December 2025.

PD models for retail clients under each asset class are developed based on a combination of product and geography following the good-bad approach.

The same PD modelling approach is taken across the four key retail client product types: Residential Mortgages, Credit Cards (Qualifying Revolving Retail), Personal Instalment Loans (Other Retail) and Retail SME (Other Retail). The approach is based on using the country and product specific application scores for new to bank clients and behaviour scores for existing clients. The scorecards are built using demographic information, credit bureau data, and observed client performance data (for behaviour scores). Statistical techniques are used to develop a relationship between this information and the probability of default. The scorecards are used to make credit decisions. All retail client PD models are built and validated using internal default data.

3.3 Internal Ratings Based models continued

Loss Given Default

The CIB LGD model is a component-based model reflecting the Bank's recovery and workout process, which takes into account risk drivers such as portfolio segment, jurisdiction, product, and collateral attached to the exposure. The model is calibrated based on downturn experience if that is more conservative than the long-run experience. Regulatory floors are applied to both unsecured and secured facilities (except for those secured by cash) if the LGD parameters are based on fewer than 20 defaults or by regulatory mandate (Sovereign, Financial Institutions, and Covered Bonds). This is in accordance with the PRA's low-default framework which states that where there are insufficient defaults to estimate a parameter at granular level an LGD floor must be applied.

The calculation of realised versus predicted LGD is affected by the fact that it may take a number of years for the workout process to be completed. As such, an observed recovery value cannot be assigned to the majority of the 2025 defaults, making it meaningless to compare realised versus predicted outcomes in a manner similar to that for PD and EAD.

To address this for corporates and institutions we have adopted an approach based on a four-year rolling period of predicted and realised LGD, which for the current reporting year includes 2022 to 2025 defaults that have completed their workout process as at the end of 2025. This approach compares the four-year rolling predicted LGD, providing the predicted outcome of these resolved defaults one year prior to default, against the realised LGD for the same set of defaults. These two figures are fully comparable, thereby providing a meaningful assessment of the LGD model's performance.

Under this approach, realised LGD values for Corporates are lower than the predicted. This is explained by the regulatory guidance to calibrate LGD models to downturn conditions. There were no defaults that had resolved in the previous four years for Central Governments, Central Banks and Institutions.

LGDs for retail portfolios follow two approaches:

- i LGDs for unsecured products are based on historical loss experience of defaults during a downturn; these are portfolio-specific LGD estimates segmented by default status (including restructuring)
- ii LGDs for secured products are parameter-based estimates mainly driven by how the default is resolved (e.g., cure, sale, charge-off). Key LGD parameters are differentiated by segments such as loan-to-value, property type and default status. These parameters are calibrated based on the portfolio's downturn experience

Retail LGD model monitoring considers defaults from a cohort and the actual recoveries up to the end of the workout window.

Under this approach, realised LGD values for all retail asset classes are lower than predicted, primarily due to the regulatory guidance to calibrate LGD models to downturn conditions. This is most evident in the mortgage portfolios, where predicted LGD values include a significant assumed reduction in property values.

Exposure at Default

EAD takes into consideration the potential drawdown of a commitment as an obligor moves towards default by estimating the Credit Conversion Factor (CCF) of undrawn commitments.

EAD for sovereign, corporate and institutional clients is determined by product but on a global basis, while the commercial and retail EAD is dependent on the combination of country and product.

The sovereign, corporate and institutional EAD model has adopted the momentum approach to estimate the CCF, with the type of facility and the level of utilisation being key drivers of CCF. The model is calibrated based on the Bank's internal downturn experience and CCF is floored at 0 percent.

EAD for retail products differs between revolving products and term products. For revolving products, EAD is computed by estimating the CCF of undrawn commitments, with a floor at 0 percent. For term products, EAD is set at the outstanding balance plus any undrawn portion. All the retail client EAD models are developed and validated using internal default data.

The comparison of realised versus predicted EAD is summarised in the ratio of EAD of assets that defaulted in a particular year to the outstanding amount at the time of default. The ratios for all models are larger than one, indicating that the predicted EAD is higher than the realised outstanding amount at default. This is explained by the regulatory guidance to assign conservatism to the CCF and to calibrate the models to downturn conditions, as well as by the impact of management action leading to a reduction in actual exposure prior to default.

The estimates provided in the table are before the application of any conservative adjustment.

3.3 Internal Ratings Based models continued

Table 29: IRB approach – Back-testing of PD per exposure class for central governments or central banks (fixed PD scale) (UK CR9)

PD Range %	2025					
	Number of obligors at the end of previous year		Observed average default rate %	Exposures weighted average PD %	Average PD %	Average historical annual default rate %
		Of which number of obligors which defaulted in the year				
0.00 to <0.15	84	–	–	0.03	0.05	–
0.00 to <0.10	73	–	–	0.02	0.03	–
0.10 to <0.15	11	–	–	0.13	0.13	–
0.15 to <0.25	6	–	–	0.22	0.22	–
0.25 to <0.50	3	–	–	0.39	0.39	–
0.50 to <0.75	4	–	–	–	0.59	–
0.75 to <2.50	24	1	4.17	1.62	1.24	–
0.75 to <1.75	21	1	4.76	1.00	1.12	–
1.75 to <2.50	3	–	–	2.03	2.03	–
2.50 to <10.00	26	–	–	4.83	4.02	1.38
2.50 to <5.00	24	–	–	3.58	3.76	2.11
5.00 to <10.00	2	–	–	8.01	7.05	–
10.00 to <100.00	12	–	–	10.54	20.70	10.66
10.00 to <20.00	8	–	–	10.54	15.61	5.00
20.00 to <30.00	1	–	–	–	24.55	10.00
30.00 to <100.00	3	–	–	–	33.00	25.00
100.00 (Default)	–	–	–	100.00	100.00	–

PD Range %	2024					
	Number of obligors at the end of previous year		Observed average default rate %	Exposures weighted average PD %	Average PD %	Average historical annual default rate %
		Of which number of obligors which defaulted in the year				
0.00 to <0.15	77	–	–	0.03	0.05	–
0.00 to <0.10	68	–	–	0.02	0.04	–
0.10 to <0.15	9	–	–	0.15	0.13	–
0.15 to <0.25	6	–	–	0.22	0.22	–
0.25 to <0.50	1	–	–	0.39	0.39	–
0.50 to <0.75	9	–	–	–	0.56	–
0.75 to <2.50	21	–	–	1.28	1.22	–
0.75 to <1.75	17	–	–	1.24	1.02	–
1.75 to <2.50	4	–	–	2.03	2.03	–
2.50 to <10.00	25	–	–	3.98	4.25	1.38
2.50 to <5.00	22	–	–	3.98	3.82	2.11
5.00 to <10.00	4	–	–	–	7.04	–
10.00 to <100.00	13	–	–	21.86	22.81	10.66
10.00 to <20.00	6	–	–	17.09	12.32	5.00
20.00 to <30.00	1	–	–	–	24.55	10.00
30.00 to <100.00	6	–	–	33.00	33.00	25.00
100.00 (Default)	–	–	–	100.00	100.00	–

3.3 Internal Ratings Based models continued

Table 30: IRB approach – Back-testing of PD per exposure class for institutions (fixed PD scale) (UK CR9)

PD Range %	2025					
	Number of obligors at the end of previous year		Observed average default rate %	Exposures weighted average PD %	Average PD %	Average historical annual default rate %
		Of which number of obligors which defaulted in the year				
0.00 to <0.15	632	–	–	0.05	0.07	0.03
0.00 to <0.10	524	–	–	0.04	0.05	–
0.10 to <0.15	108	–	–	0.13	0.13	0.22
0.15 to <0.25	115	–	–	0.22	0.22	–
0.25 to <0.50	71	–	–	0.39	0.39	–
0.50 to <0.75	112	–	–	0.52	0.55	–
0.75 to <2.50	196	1	0.51	1.38	1.28	–
0.75 to <1.75	161	1	0.62	1.18	1.12	–
1.75 to <2.50	35	–	–	2.03	2.03	–
2.50 to <10.00	119	–	–	4.06	4.33	3.10
2.50 to <5.00	102	–	–	3.45	3.83	0.61
5.00 to <10.00	17	–	–	7.69	7.50	7.06
10.00 to <100.00	52	2	3.95	13.78	21.88	8.35
10.00 to <20.00	32	–	–	13.76	15.47	9.63
20.00 to <30.00	1	–	–	–	24.55	10.00
30.00 to <100.00	19	2	10.53	33.00	33.00	6.96
100.00 (Default)	–	–	–	100.00	100.00	–

PD Range %	2024					
	Number of obligors at the end of previous year		Observed average default rate %	Exposures weighted average PD %	Average PD %	Average historical annual default rate %
		Of which number of obligors which defaulted in the year				
0.00 to <0.15	618	–	–	0.05	0.06	0.06
0.00 to <0.10	525	–	–	0.04	0.05	0.03
0.10 to <0.15	93	–	–	0.13	0.13	0.22
0.15 to <0.25	114	–	–	0.22	0.22	–
0.25 to <0.50	71	–	–	0.39	0.39	–
0.50 to <0.75	124	–	–	0.52	0.56	–
0.75 to <2.50	160	–	–	1.30	1.32	0.06
0.75 to <1.75	126	–	–	1.19	1.13	0.09
1.75 to <2.50	34	–	–	2.03	2.03	–
2.50 to <10.00	144	–	–	4.66	4.98	3.10
2.50 to <5.00	89	–	–	4.02	3.70	0.61
5.00 to <10.00	55	–	–	6.73	7.06	7.06
10.00 to <100.00	61	8	13.11	19.48	26.96	5.73
10.00 to <20.00	18	–	–	17.88	12.98	9.63
20.00 to <30.00	1	–	–	–	24.55	10.00
30.00 to <100.00	42	8	19.05	33.00	33.00	3.15
100.00 (Default)	–	–	–	100.00	100.00	–

3.3 Internal Ratings Based models continued

Table 31: IRB approach – Back-testing of PD per exposure class for corporates – other (fixed PD scale) (UK CR9)

PD Range %	2025					
	Number of obligors at the end of previous year		Observed average default rate %	Exposures weighted average PD %	Average PD %	Average historical annual default rate %
		Of which number of obligors which defaulted in the year				
0.00 to <0.15	4,096	1	0.02	0.07	0.09	0.04
0.00 to <0.10	2,753	1	0.04	0.05	0.07	0.05
0.10 to <0.15	1,343	–	–	0.13	0.13	0.02
0.15 to <0.25	1,711	1	0.06	0.22	0.22	0.11
0.25 to <0.50	1,208	–	–	0.39	0.39	0.20
0.50 to <0.75	2,121	–	–	0.57	0.57	0.29
0.75 to <2.50	3,142	9	0.29	1.36	1.42	0.65
0.75 to <1.75	2,333	7	0.30	1.15	1.22	0.64
1.75 to <2.50	809	2	0.25	2.03	2.00	0.69
2.50 to <10.00	1,438	13	0.90	4.31	4.30	1.75
2.50 to <5.00	1,062	9	0.85	3.73	3.52	1.59
5.00 to <10.00	376	4	1.06	7.33	6.52	2.38
10.00 to <100.00	1,382	22	1.59	20.19	16.71	4.13
10.00 to <20.00	1,251	11	0.88	13.88	13.89	2.71
20.00 to <30.00	51	1	1.96	24.56	24.45	13.40
30.00 to <100.00	80	10	12.50	33.03	56.29	17.05
100.00 (Default)	–	–	–	100.00	100.00	–

PD Range %	2024					
	Number of obligors at the end of previous year		Observed average default rate %	Exposures weighted average PD %	Average PD %	Average historical annual default rate %
		Of which number of obligors which defaulted in the year				
0.00 to <0.15	3,609	1	0.03	0.07	0.09	0.03
0.00 to <0.10	2,482	–	–	0.06	0.07	0.05
0.10 to <0.15	1,128	1	0.09	0.13	0.13	–
0.15 to <0.25	1,856	2	0.11	0.22	0.22	0.10
0.25 to <0.50	1,303	1	0.08	0.39	0.39	0.20
0.50 to <0.75	2,047	1	0.05	0.56	0.58	0.29
0.75 to <2.50	2,928	9	0.31	1.29	1.40	0.69
0.75 to <1.75	2,207	5	0.23	1.14	1.20	0.69
1.75 to <2.50	723	4	0.55	2.03	2.01	0.68
2.50 to <10.00	1,367	20	1.46	4.29	4.44	1.85
2.50 to <5.00	1,050	13	1.24	3.66	3.60	1.68
5.00 to <10.00	317	7	2.21	6.83	7.21	2.54
10.00 to <100.00	1,656	20	1.21	17.52	17.40	4.92
10.00 to <20.00	1,378	6	0.44	14.98	13.41	2.99
20.00 to <30.00	58	–	–	24.55	24.48	18.49
30.00 to <100.00	222	14	6.31	33.26	40.38	20.67
100.00 (Default)	–	–	–	100.00	100.00	–

3.3 Internal Ratings Based models continued

Table 32: IRB approach – Back-testing of PD per exposure class for corporates – specialised lending (fixed PD scale) (UK CR9)

PD Range %	2025					
	Number of obligors at the end of previous year		Observed average default rate %	Exposures weighted average PD %	Average PD %	Average historical annual default rate %
		Of which number of obligors which defaulted in the year				
0.00 to <0.15	201	–	–	0.09	0.09	0.14
0.00 to <0.10	134	–	–	0.07	0.07	0.11
0.10 to <0.15	67	–	–	0.13	0.13	0.13
0.15 to <0.25	190	–	–	0.22	0.22	0.82
0.25 to <0.50	83	–	–	0.39	0.39	0.69
0.50 to <0.75	129	4	3.10	0.57	0.57	0.86
0.75 to <2.50	120	–	–	1.24	1.28	1.51
0.75 to <1.75	99	–	–	1.13	1.13	2.04
1.75 to <2.50	21	–	–	2.03	2.03	–
2.50 to <10.00	36	1	2.78	4.11	4.59	3.97
2.50 to <5.00	25	–	–	3.62	3.47	3.96
5.00 to <10.00	11	1	9.09	6.19	7.13	5.78
10.00 to <100.00	15	1	6.67	13.45	14.97	16.10
10.00 to <20.00	12	–	–	10.54	11.16	7.24
20.00 to <30.00	1	–	–	24.55	24.55	46.29
30.00 to <100.00	2	1	50.00	–	33.00	30.38
100.00 (Default)	–	–	–	100.00	100.00	–

PD Range %	2024					
	Number of obligors at the end of previous year		Observed average default rate %	Exposures weighted average PD %	Average PD %	Average historical annual default rate %
		Of which number of obligors which defaulted in the year				
0.00 to <0.15	188	1	0.01	0.10	–	–
0.00 to <0.10	110	–	–	0.07	–	–
0.10 to <0.15	78	1	0.01	0.13	–	–
0.15 to <0.25	133	–	–	0.22	–	0.01
0.25 to <0.50	71	–	–	0.39	–	0.01
0.50 to <0.75	118	1	0.01	0.58	0.01	0.01
0.75 to <2.50	115	–	–	1.25	0.01	0.02
0.75 to <1.75	87	–	–	1.12	0.01	0.02
1.75 to <2.50	28	–	–	2.03	0.02	–
2.50 to <10.00	38	–	–	3.77	0.04	0.04
2.50 to <5.00	28	–	–	3.38	0.03	0.04
5.00 to <10.00	10	–	–	6.63	0.07	0.07
10.00 to <100.00	19	2	0.11	25.25	0.15	0.16
10.00 to <20.00	16	–	–	11.35	0.12	0.07
20.00 to <30.00	1	1	1.00	24.55	0.25	0.35
30.00 to <100.00	2	1	0.50	33.00	0.33	0.32
100.00 (Default)	–	–	–	100.00	100.00	–

3.3 Internal Ratings Based models continued

Table 33: IRB approach – Back-testing of PD per exposure class for corporates – SME (fixed PD scale) (UK CR9)

PD Range %	2025					
	Number of obligors at the end of previous year		Observed average default rate %	Exposures weighted average PD %	Average PD %	Average historical annual default rate %
		Of which number of obligors which defaulted in the year				
0.00 to <0.15	14	–	–	0.08	0.09	–
0.00 to <0.10	9	–	–	0.04	0.07	–
0.10 to <0.15	5	–	–	0.13	0.13	–
0.15 to <0.25	188	–	–	0.23	0.23	0.15
0.25 to <0.50	102	–	–	0.40	0.41	0.49
0.50 to <0.75	467	3	0.64	0.64	0.62	0.59
0.75 to <2.50	801	12	1.50	1.47	1.52	1.13
0.75 to <1.75	560	7	1.25	1.29	1.27	0.95
1.75 to <2.50	241	5	2.07	2.08	2.11	1.57
2.50 to <10.00	1,394	38	2.73	4.62	5.10	1.99
2.50 to <5.00	864	18	2.08	3.62	3.81	1.54
5.00 to <10.00	530	20	3.77	6.24	7.20	2.77
10.00 to <100.00	868	89	10.25	15.98	13.69	6.66
10.00 to <20.00	856	88	10.28	14.06	13.41	6.30
20.00 to <30.00	3	–	–	24.48	24.55	9.24
30.00 to <100.00	9	1	11.11	33.00	36.93	23.51
100.00 (Default)	–	–	–	100.00	100.00	–

PD Range %	2024					
	Number of obligors at the end of previous year		Observed average default rate %	Exposures weighted average PD %	Average PD %	Average historical annual default rate %
		Of which number of obligors which defaulted in the year				
0.00 to <0.15	7	–	–	0.07	0.12	–
0.00 to <0.10	2	–	–	0.06	0.09	–
0.10 to <0.15	5	–	–	0.13	0.13	–
0.15 to <0.25	236	–	–	0.23	0.23	0.19
0.25 to <0.50	127	1	0.79	0.41	0.41	0.46
0.50 to <0.75	551	5	0.91	0.62	0.61	0.41
0.75 to <2.50	886	20	2.26	1.35	1.52	0.77
0.75 to <1.75	620	15	2.42	1.17	1.26	0.52
1.75 to <2.50	266	5	1.88	2.09	2.12	1.37
2.50 to <10.00	1,519	45	2.96	4.73	5.07	1.83
2.50 to <5.00	947	19	2.01	3.71	3.79	1.51
5.00 to <10.00	572	26	4.55	6.93	7.19	2.40
10.00 to <100.00	713	55	7.71	14.64	13.79	6.25
10.00 to <20.00	695	52	7.48	13.63	13.42	5.82
20.00 to <30.00	10	2	20.00	24.55	24.35	7.74
30.00 to <100.00	8	1	12.50	36.76	33.00	28.07
100.00 (Default)	–	–	–	100.00	100.00	–

3.3 Internal Ratings Based models continued

Table 34: IRB approach – Back-testing of PD per exposure class for retail other – non SME (fixed PD scale) (UK CR9)

PD Range %	2025					
	Number of obligors at the end of previous year		Observed average default rate %	Exposures weighted average PD %	Average PD %	Average historical annual default rate %
		Of which number of obligors which defaulted in the year				
0.00 to <0.15	50,515	22	0.04	0.07	0.05	0.03
0.00 to <0.10	43,722	18	0.04	0.06	0.04	0.02
0.10 to <0.15	6,793	4	0.06	0.11	0.11	0.06
0.15 to <0.25	24,328	22	0.09	0.20	0.17	0.13
0.25 to <0.50	28,749	71	0.25	0.37	0.33	0.16
0.50 to <0.75	35,245	95	0.27	0.65	0.68	0.27
0.75 to <2.50	139,303	881	0.63	1.45	1.67	0.77
0.75 to <1.75	82,099	519	0.63	1.25	1.32	0.58
1.75 to <2.50	57,204	362	0.63	2.08	2.17	1.11
2.50 to <10.00	207,098	5,174	2.50	4.40	5.11	1.51
2.50 to <5.00	122,978	1,858	1.51	3.31	3.62	1.15
5.00 to <10.00	84,120	3,316	3.94	7.16	7.31	2.49
10.00 to <100.00	77,632	12,037	15.51	24.36	24.45	12.38
10.00 to <20.00	52,499	3,549	6.76	15.65	13.52	5.30
20.00 to <30.00	10,108	1,633	16.16	25.01	24.07	11.92
30.00 to <100.00	15,025	6,855	45.62	59.99	63.13	29.64
100.00 (Default)	-	-	-	100.00	100.00	-

PD Range %	2024					
	Number of obligors at the end of previous year		Observed average default rate %	Exposures weighted average PD %	Average PD %	Average historical annual default rate %
		Of which number of obligors which defaulted in the year				
0.00 to <0.15	61,308	37	0.06	0.06	0.05	0.03
0.00 to <0.10	53,656	30	0.06	0.05	0.04	0.02
0.10 to <0.15	7,652	7	0.09	0.11	0.11	0.05
0.15 to <0.25	39,597	42	0.11	0.18	0.17	0.11
0.25 to <0.50	70,334	115	0.16	0.34	0.34	0.16
0.50 to <0.75	52,520	208	0.40	0.68	0.66	0.25
0.75 to <2.50	227,713	2,806	1.23	1.52	1.61	0.61
0.75 to <1.75	141,654	1,285	0.91	1.31	1.27	0.46
1.75 to <2.50	86,059	1,521	1.77	2.16	2.17	0.89
2.50 to <10.00	276,402	6,072	2.20	4.76	4.59	1.31
2.50 to <5.00	205,317	3,345	1.63	3.45	3.66	1.00
5.00 to <10.00	71,085	2,727	3.84	7.32	7.25	2.15
10.00 to <100.00	73,455	12,799	17.42	26.63	28.87	10.83
10.00 to <20.00	41,501	3,113	7.50	13.46	13.70	4.72
20.00 to <30.00	11,390	1,638	14.38	23.83	24.16	11.07
30.00 to <100.00	20,564	8,048	39.14	61.85	62.09	26.06
100.00 (Default)	-	-	-	100.00	100.00	-

3.3 Internal Ratings Based models continued

Table 35: IRB approach – Back-testing of PD per exposure class for retail other – SME (fixed PD scale) (UK CR9)

PD Range %	2025					
	Number of obligors at the end of previous year		Observed average default rate %	Exposures weighted average PD %	Average PD %	Average historical annual default rate %
		Of which number of obligors which defaulted in the year				
0.00 to <0.15	917	2	0.22	0.10	0.09	0.15
0.00 to <0.10	566	2	0.35	0.07	0.06	0.07
0.10 to <0.15	351	–	–	0.13	0.13	0.28
0.15 to <0.25	938	2	0.21	0.20	0.19	0.40
0.25 to <0.50	1,527	6	0.39	0.38	0.38	0.50
0.50 to <0.75	1,785	19	1.06	0.63	0.62	0.73
0.75 to <2.50	9,210	225	2.44	1.61	1.49	1.32
0.75 to <1.75	6,632	134	2.02	1.35	1.28	1.13
1.75 to <2.50	2,578	91	3.53	2.03	2.04	1.88
2.50 to <10.00	6,879	250	3.63	4.27	4.79	2.54
2.50 to <5.00	4,396	150	3.41	3.47	3.54	2.15
5.00 to <10.00	2,483	100	4.03	6.87	6.99	3.17
10.00 to <100.00	2,253	365	16.20	21.63	23.63	11.26
10.00 to <20.00	1,695	99	5.84	13.15	13.08	4.45
20.00 to <30.00	147	25	17.01	26.17	24.40	17.04
30.00 to <100.00	411	241	58.64	67.53	66.87	41.68
100.00 (Default)	–	–	–	100.00	100.00	–

PD Range %	2024					
	Number of obligors at the end of previous year		Observed average default rate %	Exposures weighted average PD %	Average PD %	Average historical annual default rate %
		Of which number of obligors which defaulted in the year				
0.00 to <0.15	834	1	0.12	0.09	0.08	0.14
0.00 to <0.10	516	–	–	0.07	0.06	0.10
0.10 to <0.15	318	1	0.31	0.12	0.13	0.22
0.15 to <0.25	1,245	8	0.64	0.19	0.19	0.31
0.25 to <0.50	2,007	27	1.35	0.38	0.38	0.25
0.50 to <0.75	2,322	31	1.34	0.62	0.62	0.52
0.75 to <2.50	9,201	238	2.59	1.57	1.45	0.96
0.75 to <1.75	6,872	149	2.17	1.36	1.25	0.82
1.75 to <2.50	2,329	89	3.82	2.00	2.06	1.37
2.50 to <10.00	6,721	269	4.00	4.49	4.97	2.11
2.50 to <5.00	4,069	137	3.37	3.52	3.63	1.80
5.00 to <10.00	2,652	132	4.98	6.83	7.02	2.64
10.00 to <100.00	2,476	352	14.22	25.27	22.73	10.56
10.00 to <20.00	1,914	105	5.49	12.94	13.17	4.31
20.00 to <30.00	148	27	18.24	25.28	24.52	15.54
30.00 to <100.00	414	220	53.14	67.83	66.27	36.42
100.00 (Default)	–	–	–	100.00	100.00	–

3.3 Internal Ratings Based models continued

Table 36: IRB approach – Back-testing of PD per exposure class for retail – secured by real estate property – Non SME (fixed PD scale) (UK CR9)

PD Range %	2025					
	Number of obligors at the end of previous year		Observed average default rate %	Exposures weighted average PD %	Average PD %	Average historical annual default rate %
		Of which number of obligors which defaulted in the year				
0.00 to <0.15	208,995	309	0.15	0.07	0.06	0.06
0.00 to <0.10	188,341	251	0.13	0.06	0.05	0.03
0.10 to <0.15	20,654	58	0.28	0.12	0.12	0.17
0.15 to <0.25	21,163	49	0.23	0.19	0.20	0.30
0.25 to <0.50	15,268	77	0.50	0.37	0.37	0.42
0.50 to <0.75	24,975	106	0.42	0.63	0.60	0.81
0.75 to <2.50	13,874	137	0.99	1.34	1.29	0.68
0.75 to <1.75	10,888	83	0.76	1.11	1.08	0.55
1.75 to <2.50	2,986	54	1.81	2.06	2.06	1.24
2.50 to <10.00	3,771	206	5.46	4.63	5.00	1.84
2.50 to <5.00	2,251	92	4.09	3.44	3.58	1.59
5.00 to <10.00	1,520	114	7.50	6.97	7.10	2.30
10.00 to <100.00	2,344	549	23.42	37.28	32.85	17.36
10.00 to <20.00	1,001	62	6.19	13.46	13.39	3.78
20.00 to <30.00	252	39	15.48	24.23	24.68	16.99
30.00 to <100.00	1,091	448	41.06	52.40	52.50	35.86
100.00 (Default)	-	-	-	100.00	100.00	-

PD Range %	2024					
	Number of obligors at the end of previous year		Observed average default rate %	Exposures weighted average PD %	Average PD %	Average historical annual default rate %
		Of which number of obligors which defaulted in the year				
0.00 to <0.15	245,186	425	0.17	0.07	0.06	0.04
0.00 to <0.10	221,151	310	0.14	0.06	0.05	0.03
0.10 to <0.15	24,035	115	0.48	0.12	0.12	0.07
0.15 to <0.25	22,831	73	0.32	0.19	0.20	0.34
0.25 to <0.50	16,091	262	1.63	0.35	0.36	0.10
0.50 to <0.75	25,991	752	2.89	0.61	0.61	0.24
0.75 to <2.50	14,919	200	1.34	1.34	1.30	0.55
0.75 to <1.75	11,721	146	1.25	1.11	1.09	0.39
1.75 to <2.50	3,198	54	1.69	2.08	2.08	1.27
2.50 to <10.00	4,024	185	4.60	4.75	4.92	1.06
2.50 to <5.00	2,500	97	3.88	3.48	3.59	0.82
5.00 to <10.00	1,524	88	5.77	7.02	7.10	1.76
10.00 to <100.00	2,467	573	23.23	37.32	32.21	15.24
10.00 to <20.00	1,099	100	9.10	13.72	13.41	2.94
20.00 to <30.00	250	44	17.60	24.41	24.79	14.94
30.00 to <100.00	1,118	429	38.37	53.28	52.34	38.96
100.00 (Default)	-	-	-	100.00	100.00	-

3.3 Internal Ratings Based models continued

Table 37: IRB approach – Back-testing of PD per exposure class for retail – secured by real estate property – SME (fixed PD scale) (UK CR9)

PD Range %	2025					
	Number of obligors at the end of previous year		Observed average default rate %	Exposures weighted average PD %	Average PD %	Average historical annual default rate %
		Of which number of obligors which defaulted in the year				
0.00 to <0.15	538	–	–	0.10	0.09	0.04
0.00 to <0.10	308	–	–	0.08	0.07	0.04
0.10 to <0.15	230	–	–	0.13	0.13	0.04
0.15 to <0.25	270	2	0.74	0.18	0.18	0.25
0.25 to <0.50	275	1	0.36	0.39	0.38	0.33
0.50 to <0.75	289	1	0.35	0.62	0.61	0.23
0.75 to <2.50	500	1	0.20	1.49	1.29	0.54
0.75 to <1.75	413	–	–	1.15	1.12	0.43
1.75 to <2.50	87	1	1.15	2.20	2.10	1.02
2.50 to <10.00	166	2	1.20	5.44	4.74	1.92
2.50 to <5.00	75	2	2.67	3.77	3.15	1.38
5.00 to <10.00	91	–	–	6.90	6.06	3.42
10.00 to <100.00	55	8	14.55	16.80	26.10	13.35
10.00 to <20.00	22	–	–	13.95	14.74	2.78
20.00 to <30.00	26	4	15.38	26.50	26.62	14.51
30.00 to <100.00	7	4	57.14	49.48	59.87	30.69
100.00 (Default)	–	–	–	100.00	100.00	–

PD Range %	2024					
	Number of obligors at the end of previous year		Observed average default rate %	Exposures weighted average PD %	Average PD %	Average historical annual default rate %
		Of which number of obligors which defaulted in the year				
0.00 to <0.15	495	–	–	0.10	0.09	0.06
0.00 to <0.10	298	–	–	0.07	0.06	0.06
0.10 to <0.15	197	–	–	0.13	0.13	0.08
0.15 to <0.25	259	2	0.77	0.18	0.18	0.13
0.25 to <0.50	299	2	0.67	0.38	0.38	0.25
0.50 to <0.75	319	–	–	0.60	0.61	0.31
0.75 to <2.50	676	2	0.30	1.39	1.33	0.66
0.75 to <1.75	577	2	0.35	1.17	1.21	0.53
1.75 to <2.50	99	–	–	2.16	2.06	1.25
2.50 to <10.00	211	3	1.42	4.84	4.74	2.30
2.50 to <5.00	160	1	0.63	3.13	3.84	1.84
5.00 to <10.00	51	2	3.92	5.93	7.54	3.44
10.00 to <100.00	71	6	8.45	20.38	25.24	14.64
10.00 to <20.00	33	–	–	15.01	13.12	3.80
20.00 to <30.00	28	2	7.14	26.56	26.50	14.78
30.00 to <100.00	10	4	40.00	64.21	61.67	27.55
100.00 (Default)	–	–	–	100.00	100.00	–

3.3 Internal Ratings Based models continued

Table 38: IRB approach – Back-testing of PD per exposure class for retail – qualifying revolving (fixed PD scale) (UK CR9)

PD Range %	2025					
	Number of obligors at the end of previous year		Observed average default rate %	Exposures weighted average PD %	Average PD %	Average historical annual default rate %
		Of which number of obligors which defaulted in the year				
0.00 to <0.15	912,958	587	0.06	0.08	0.07	0.08
0.00 to <0.10	716,953	403	0.06	0.07	0.06	0.08
0.10 to <0.15	196,005	184	0.09	0.11	0.12	0.11
0.15 to <0.25	163,867	440	0.27	0.18	0.21	0.25
0.25 to <0.50	168,857	787	0.47	0.34	0.33	0.50
0.50 to <0.75	195,245	708	0.36	0.67	0.66	0.36
0.75 to <2.50	579,569	11,467	1.98	1.39	1.53	1.00
0.75 to <1.75	436,486	7,452	1.71	1.29	1.34	0.88
1.75 to <2.50	143,083	4,015	2.81	2.12	2.11	1.35
2.50 to <10.00	540,560	24,884	4.60	4.10	4.77	1.89
2.50 to <5.00	341,873	12,699	3.71	2.98	3.50	1.36
5.00 to <10.00	198,687	12,185	6.13	7.07	6.95	3.17
10.00 to <100.00	134,559	32,726	24.32	22.61	28.04	13.16
10.00 to <20.00	81,278	8,393	10.33	13.93	13.59	5.76
20.00 to <30.00	21,167	4,512	21.32	23.72	23.92	14.92
30.00 to <100.00	32,114	19,821	61.72	56.12	67.31	27.98
100.00 (Default)	-	-	-	100.00	100.00	-

PD Range %	2024					
	Number of obligors at the end of previous year		Observed average default rate %	Exposures weighted average PD %	Average PD %	Average historical annual default rate %
		Of which number of obligors which defaulted in the year				
0.00 to <0.15	933,556	2,242	0.24	0.08	0.07	0.04
0.00 to <0.10	750,239	1,620	0.22	0.06	0.06	0.04
0.10 to <0.15	183,317	622	0.34	0.11	0.12	0.05
0.15 to <0.25	240,896	1,485	0.62	0.21	0.20	0.15
0.25 to <0.50	500,192	2,301	0.46	0.33	0.34	0.44
0.50 to <0.75	326,854	1,562	0.48	0.67	0.65	0.30
0.75 to <2.50	455,644	5,590	1.23	1.42	1.40	0.85
0.75 to <1.75	357,870	3,804	1.06	1.29	1.22	0.76
1.75 to <2.50	97,774	1,786	1.83	2.12	2.09	1.09
2.50 to <10.00	432,512	10,025	2.32	4.12	4.66	1.66
2.50 to <5.00	310,451	5,554	1.79	2.97	3.71	1.17
5.00 to <10.00	122,061	4,471	3.66	7.08	7.07	2.78
10.00 to <100.00	95,723	17,724	18.52	23.08	31.96	10.26
10.00 to <20.00	48,398	3,569	7.37	13.94	13.61	4.67
20.00 to <30.00	15,208	2,052	13.49	23.43	24.02	14.27
30.00 to <100.00	32,117	12,103	37.68	62.07	63.37	23.11
100.00 (Default)	-	-	-	100.00	100.00	-

Credit risk

3.3 Internal Ratings Based models continued

Table 39: IRB – Backtesting of probability of default (PD) for central governments or central banks (UK CR9.1)

PD Range %	2025					
	External Rating equivalent (S&P)	Number of obligors at the end of previous year		Observed average default rate %	Average PD %	Average historical annual default rate %
			Of which number of obligors which defaulted in the year			
0.000 to <0.015	AAA	13	-	-	0.01	-
0.015 to <0.025	AA+	18	-	-	0.02	-
0.025 to <0.035	AA/AA-	4	-	-	0.03	-
0.035 to <0.045	A+	14	-	-	0.04	-
0.045 to <0.060	A	1	-	-	0.05	-
0.060 to <0.083	A-	9	-	-	0.07	-
0.083 to <0.110	BBB+/BBB	5	-	-	0.09	-
0.110 to <0.170	BBB/BBB-	9	-	-	0.13	-
0.170 to <0.300	BBB-	5	-	-	0.22	0.01
0.300 to <0.425	BB+	2	-	-	0.39	0.03
0.425 to <0.585	BB+/BB	1	-	-	0.51	0.02
0.585 to <0.770	BB	1	-	-	0.67	-
0.770 to <1.020	BB/BB-	9	-	-	0.89	0.06
1.020 to <1.350	BB-	6	-	-	1.17	-
1.350 to <1.750	BB-/B+	4	1	25.00	1.54	0.33
1.750 to <2.350	B+	2	-	-	2.03	0.20
2.350 to <3.050	B	4	-	-	2.67	3.75
3.050 to <4.000	B	6	-	-	3.51	6.86
4.000 to <5.300	B/B-	10	-	-	4.62	1.09
5.300 to <7.000	B-	-	-	-	-	2.00
7.000 to <9.200	B-	-	-	-	-	-
9.200 to <12.000	B-	1	-	-	10.54	-
12.000 to <15.750	B-/CCC+	-	-	-	-	0.25
15.750 to <21.000	CCC+	4	-	-	18.00	25.00
21.000 to <28.500	CCC+	-	-	-	-	21.45
28.500 to <99.999	CCC to C	2	-	-	33.00	44.00
100	N/A	-	-	-	-	-
100	N/A	4	-	-	18.00	-
Unrated	N/A	-	-	-	-	-

Credit risk

3.3 Internal Ratings Based models continued

Table 39: IRB – Backtesting of probability of default (PD) for central governments or central banks (UK CR9.1) continued

2024						
PD Range %	External Rating equivalent (S&P)	Number of obligors at the end of previous year		Observed average default rate %	Average PD %	Average historical annual default rate %
			Of which number of obligors which defaulted in the year			
0.000 to <0.015	AAA	10	–	–	0.01	–
0.015 to <0.025	AA+/AA	19	–	–	0.02	–
0.025 to <0.035	AA–	4	–	–	0.03	–
0.035 to <0.045	A+	12	–	–	0.04	–
0.045 to <0.060	A	5	–	–	0.05	–
0.060 to <0.083	A–	10	–	–	0.07	–
0.083 to <0.110	BBB+	4	–	–	0.09	–
0.110 to <0.170	BBB	8	–	–	0.13	–
0.170 to <0.300	BBB–	5	–	–	0.22	0.05
0.300 to <0.425	BB+	–	–	–	–	0.14
0.425 to <0.585	BB+/BB	5	–	–	0.51	0.09
0.585 to <0.770	BB	2	–	–	0.67	–
0.770 to <1.020	BB–	8	–	–	0.89	0.32
1.020 to <1.350	BB–/B+	5	–	–	1.17	–
1.350 to <1.750	B+	–	–	–	–	1.63
1.750 to <2.350	B+/B	2	–	–	2.03	0.98
2.350 to <3.050	B	2	–	–	2.67	4.46
3.050 to <4.000	B/B–	9	–	–	3.51	9.29
4.000 to <5.300	B–	9	–	–	4.62	5.45
5.300 to <7.000	B–	1	–	–	6.08	10.00
7.000 to <15.750	B–/CCC+	1	–	–	8.01	–
15.750 to <99.999	CCC+/C	3	–	–	10.54	–
100	N/A	–	–	–	–	1.25
100	N/A	–	–	–	–	25.00
Unrated	N/A	–	–	–	–	7.27

3.3 Internal Ratings Based models continued

Table 40: IRB – Backtesting of probability of default (PD) for institutions (CR9.1)

PD Range %	2025					
	External Rating equivalent (S&P)	Number of obligors at the end of previous year		Observed average default rate %	Average PD %	Average historical annual default rate %
0.000 to <0.015	AAA/AA+	-	-	-	-	-
0.015 to <0.025	AA/AA-	-	-	-	-	-
0.025 to <0.035	A+	23	-	-	0.03	-
0.035 to <0.045	A	5	-	-	0.04	-
0.045 to <0.060	A-	1	-	-	0.05	-
0.060 to <0.083	BBB+/BBB	1	-	-	0.07	-
0.083 to <0.110	BBB/BBB-	1	-	-	0.09	-
0.110 to <0.170	BBB-	5	-	-	0.13	-
0.170 to <0.300	BB+	2	-	-	0.22	-
0.300 to <0.425	BB+/BB	-	-	-	-	-
0.425 to <0.585	BB	-	-	-	-	-
0.585 to <0.770	BB/BB-	-	-	-	-	-
0.770 to <1.020	BB-	1	-	-	0.89	-
1.020 to <1.350	B+	-	-	-	-	-
1.350 to <1.750	B+/B	-	-	-	-	-
1.750 to <2.350	B	1	-	-	2.03	-
2.350 to <3.050	B	-	-	-	-	-
3.050 to <4.000	B/B-	-	-	-	-	-
4.000 to <5.300	B-	-	-	-	-	-
5.300 to <7.000	B-/CCC+ to C	-	-	-	-	-
7.000 to <9.200	CCC+ to C	1	-	-	8.01	-
9.200 to <12.000	CCC+ to C	-	-	-	-	-
12.000 to <15.750	CCC+ to C	-	-	-	-	-
15.750 to <21.000	CCC+ to C	-	-	-	-	-
21.000 to <28.500	CCC+ to C	-	-	-	-	-
28.500 to <99.999	CCC+ to C	-	-	-	-	-
100	N/A	-	-	-	-	-
100	N/A	-	-	-	-	-
Unrated	N/A	-	-	-	-	-

3.3 Internal Ratings Based models continued

Table 40: IRB – Backtesting of probability of default (PD) for institutions (CR9.1) continued

2024						
PD Range %	External Rating equivalent (S&P)	Number of obligors at the end of previous year		Observed average default rate %	Average PD %	Average historical annual default rate %
			Of which number of obligors which defaulted in the year			
0.000 to <0.015	AAA/AA+	–	–	–	–	–
0.015 to <0.025	AA	–	–	–	–	–
0.025 to <0.035	AA-/A+	17	–	–	0.03	–
0.035 to <0.045	A	6	–	–	0.04	–
0.045 to <0.060	A–	2	–	–	0.05	–
0.060 to <0.083	BBB+	–	–	–	–	–
0.083 to <0.110	BBB	1	–	–	0.09	–
0.110 to <0.170	BBB/BBB–	3	–	–	0.13	–
0.170 to <0.300	BBB–	6	–	–	0.22	–
0.300 to <0.425	BB+	–	–	–	–	–
0.425 to <0.585	BB	–	–	–	–	–
0.585 to <0.770	BB/BB–	1	–	–	0.67	–
0.770 to <1.020	BB–	–	–	–	–	–
1.020 to <1.350	BB–/B+	1	–	–	1.17	–
1.350 to <1.750	B+	–	–	–	–	–
1.750 to <2.350	B+/B	–	–	–	–	–
2.350 to <3.050	B	–	–	–	–	–
3.050 to <4.000	B/B–	–	–	–	–	–
4.000 to <5.300	B–	–	–	–	–	–
5.300 to <7.000	B–/CCC	–	–	–	–	–
7.000 to <15.750	CCC/C	–	–	–	–	–
15.750 to <99.999	CCC/C	–	–	–	–	–
100	N/A	–	–	–	–	–
100	N/A	–	–	–	–	–
Unrated	N/A	–	–	–	–	–

3.3 Internal Ratings Based models continued

Table 41: IRB – Backtesting of probability of default (PD) for corporates (CR9.1)

PD Range %	2025					
	External Rating equivalent (S&P)	Number of obligors at the end of previous year		Observed average default rate %	Average PD %	Average historical annual default rate %
0.000 to <0.015	AAA/AA+	-	-	-	-	-
0.015 to <0.025	AA	-	-	-	-	-
0.025 to <0.035	AA-	57	-	-	0.03	-
0.035 to <0.045	A+	51	-	-	0.04	-
0.045 to <0.060	A/A-	108	-	-	0.05	-
0.060 to <0.083	BBB+	210	-	-	0.07	0.13
0.083 to <0.110	BBB+/BBB	235	-	-	0.09	-
0.110 to <0.170	BBB	368	-	-	0.13	-
0.170 to <0.300	BBB-	432	-	-	0.22	1.43
0.300 to <0.425	BBB-/BB+	282	-	-	0.39	0.32
0.425 to <0.585	BB	281	-	-	0.51	0.32
0.585 to <0.770	BB/BB-	217	-	-	0.67	0.36
0.770 to <1.020	BB-	144	-	-	0.89	0.99
1.020 to <1.350	BB-/B+	101	1	0.99	1.17	0.75
1.350 to <1.750	B+	64	-	-	1.54	1.63
1.750 to <2.350	B+	42	1	2.38	2.03	1.52
2.350 to <3.050	B	25	-	-	2.67	5.75
3.050 to <4.000	B/B-	24	-	-	3.51	8.79
4.000 to <5.300	B-	41	-	-	4.62	5.82
5.300 to <7.000	B-	2	-	-	6.08	10.67
7.000 to <9.200	B-	3	1	33.33	8.01	-
9.200 to <12.000	B-/CCC+	1	-	-	10.54	-
12.000 to <15.750	CCC+	14	-	-	13.77	2.96
15.750 to <21.000	CCC+	17	1	5.88	18.00	10.53
21.000 to <28.500	CCC+/CCC to C	3	-	-	24.55	21.85
28.500 to <99.999	CCC to C	2	1	50.00	33.00	35.33
100	N/A	-	-	-	-	-
100	N/A	-	1	5.88	-	-
Unrated	N/A	-	-	-	-	-

3.3 Internal Ratings Based models continued

Table 41: IRB – Backtesting of probability of default (PD) for corporates (CR9.1) continued

2024						
PD Range %	External Rating equivalent (S&P)	Number of obligors at the end of previous year		Observed average default rate %	Average PD %	Average historical annual default rate %
			Of which number of obligors which defaulted in the year			
0.000 to <0.015	AAA/AA+	–	–	–	–	–
0.015 to <0.025	AA	–	–	–	–	–
0.025 to <0.035	AA–	57	–	–	0.03	–
0.035 to <0.045	A+	51	–	–	0.04	–
0.045 to <0.060	A/A–	99	–	–	0.05	–
0.060 to <0.083	BBB+	208	–	–	0.07	0.11
0.083 to <0.110	BBB+/BBB	261	–	–	0.09	–
0.110 to <0.170	BBB	299	1	0.33	0.13	–
0.170 to <0.300	BBB–	494	–	–	0.22	6.71
0.300 to <0.425	BBB–/BB+	261	–	–	0.39	0.23
0.425 to <0.585	BB+/BB	277	–	–	0.51	0.27
0.585 to <0.770	BB	188	1	0.53	0.67	0.30
0.770 to <1.020	BB–	122	–	–	0.89	0.71
1.020 to <1.350	BB–	86	–	–	1.17	0.95
1.350 to <1.750	BB–/B+	50	–	–	1.54	–
1.750 to <2.350	B+	40	1	2.50	2.03	0.85
2.350 to <3.050	B	26	–	–	2.67	5.73
3.050 to <4.000	B	23	–	–	3.51	3.76
4.000 to <5.300	B/B–	22	–	–	4.62	1.82
5.300 to <7.000	B–	5	–	–	6.08	3.33
7.000 to <15.750	B–/CCC+	13	–	–	8.01	–
15.750 to <99.999	CCC+/C	2	–	–	10.54	–
100	N/A	10	–	–	13.77	1.43
100	N/A	2	–	–	18.00	5.72
Unrated	N/A	6	–	–	24.55	21.80

3.3 Internal Ratings Based models continued

Table 42: IRB – Backtesting of probability of default (PD) for corporates – specialised lending (CR9.1)

PD Range %	2025					
	External Rating equivalent (S&P)	Number of obligors at the end of previous year		Observed average default rate %	Average PD %	Average historical annual default rate %
0.000 to <0.015	AAA/AA+	-	-	-	-	-
0.015 to <0.025	AA	-	-	-	-	-
0.025 to <0.035	AA-	-	-	-	-	-
0.035 to <0.045	A+	-	-	-	-	-
0.045 to <0.060	A/A-	1	-	-	0.05	-
0.060 to <0.083	BBB+	-	-	-	-	-
0.083 to <0.110	BBB+/BBB	-	-	-	-	-
0.110 to <0.170	BBB	-	-	-	-	-
0.170 to <0.300	BBB-	10	-	-	0.22	6.67
0.300 to <0.425	BBB-/BB+	3	-	-	0.39	-
0.425 to <0.585	BB	1	-	-	0.51	-
0.585 to <0.770	BB/BB-	-	-	-	-	-
0.770 to <1.020	BB-	-	-	-	-	-
1.020 to <1.350	BB-/B+	1	-	-	1.17	-
1.350 to <1.750	B+	-	-	-	-	-
1.750 to <2.350	B+	-	-	-	-	-
2.350 to <3.050	B	-	-	-	-	-
3.050 to <4.000	B/B-	-	-	-	-	-
4.000 to <5.300	B-	-	-	-	-	-
5.300 to <7.000	B-	-	-	-	-	-
7.000 to <9.200	B-	-	-	-	-	4.00
9.200 to <12.000	B-/CCC+	-	-	-	-	-
12.000 to <15.750	CCC+	-	-	-	-	4.00
15.750 to <21.000	CCC+	-	-	-	-	-
21.000 to <28.500	CCC+/CCC to C	-	-	-	-	-
28.500 to <99.999	CCC to C	-	-	-	-	-
100	N/A	-	-	-	-	-
100	N/A	-	-	-	-	-
Unrated	N/A	-	-	-	-	-

3.3 Internal Ratings Based models continued

Table 42: IRB – Backtesting of probability of default (PD) for corporates – specialised lending (CR9.1) continued

2024						
PD Range %	External Rating equivalent (S&P)	Number of obligors at the end of previous year		Observed average default rate %	Average PD %	Average historical annual default rate %
			Of which number of obligors which defaulted in the year			
0.000 to <0.015	AAA/AA+	–	–	–	–	–
0.015 to <0.025	AA	–	–	–	–	–
0.025 to <0.035	AA–	–	–	–	–	–
0.035 to <0.045	A+	–	–	–	–	–
0.045 to <0.060	A/A–	1	–	–	0.05	–
0.060 to <0.083	BBB+	–	–	–	–	–
0.083 to <0.110	BBB+/BBB	–	–	–	–	–
0.110 to <0.170	BBB	1	–	–	0.13	–
0.170 to <0.300	BBB–	5	–	–	0.22	–
0.300 to <0.425	BBB–/BB+	4	–	–	0.39	–
0.425 to <0.585	BB+/BB	–	–	–	–	–
0.585 to <0.770	BB	–	–	–	–	–
0.770 to <1.020	BB–	–	–	–	–	–
1.020 to <1.350	BB–	1	–	–	1.17	–
1.350 to <1.750	BB–/B+	–	–	–	–	–
1.750 to <2.350	B+	–	–	–	–	–
2.350 to <3.050	B	–	–	–	–	–
3.050 to <4.000	B	–	–	–	–	–
4.000 to <5.300	B/B–	–	–	–	–	–
5.300 to <7.000	B–	–	–	–	–	–
7.000 to <15.750	B–/CCC+	–	–	–	–	20.00
15.750 to <99.999	CCC+/C	–	–	–	–	–
100	N/A	–	–	–	–	20.00
100	N/A	–	–	–	–	–
Unrated	N/A	–	–	–	–	–

3.3 Internal Ratings Based models continued

Table 43: IRB – Backtesting of probability of default (PD) for corporates – SME (CR9.1)

PD Range %	2025					
	External Rating equivalent (S&P)	Number of obligors at the end of previous year		Observed average default rate %	Average PD %	Average historical annual default rate %
0.000 to <0.015	AAA/AA+	-	-	-	-	-
0.015 to <0.025	AA	-	-	-	-	-
0.025 to <0.035	AA-	-	-	-	-	-
0.035 to <0.045	A+	-	-	-	-	-
0.045 to <0.060	A/A-	1	-	-	0.05	-
0.060 to <0.083	BBB+	-	-	-	-	-
0.083 to <0.110	BBB+/BBB	1	-	-	0.09	-
0.110 to <0.170	BBB	2	-	-	0.13	-
0.170 to <0.300	BBB-	6	-	-	0.22	-
0.300 to <0.425	BBB-/BB+	1	-	-	0.39	-
0.425 to <0.585	BB	3	-	-	0.51	-
0.585 to <0.770	BB/BB-	1	-	-	0.67	-
0.770 to <1.020	BB-	2	-	-	0.89	-
1.020 to <1.350	BB-/B+	1	-	-	1.17	-
1.350 to <1.750	B+	1	-	-	1.54	-
1.750 to <2.350	B+	-	-	-	-	-
2.350 to <3.050	B	2	-	-	2.67	-
3.050 to <4.000	B/B-	-	-	-	-	-
4.000 to <5.300	B-	-	-	-	-	-
5.300 to <7.000	B-	-	-	-	-	-
7.000 to <9.200	B-	-	-	-	-	20.00
9.200 to <12.000	B-/CCC+	-	-	-	-	-
12.000 to <15.750	CCC+	-	-	-	-	20.00
15.750 to <21.000	CCC+	-	-	-	-	-
21.000 to <28.500	CCC+/CCC to C	-	-	-	-	-
28.500 to <99.999	CCC to C	-	-	-	-	-
100	N/A	-	-	-	-	-
100	N/A	-	-	-	-	-
Unrated	N/A	-	-	-	-	-

Credit risk

3.3 Internal Ratings Based models continued

Table 43: IRB – Backtesting of probability of default (PD) for corporates – SME (CR9.1) continued

2024						
PD Range %	External Rating equivalent (S&P)	Number of obligors at the end of previous year		Observed average default rate %	Average PD %	Average historical annual default rate %
			Of which number of obligors which defaulted in the year			
0.000 to <0.015	AAA/AA+	–	–	–	–	–
0.016 to <0.025	AA	–	–	–	–	–
0.026 to <0.035	AA–	–	–	–	–	–
0.036 to <0.045	A+	–	–	–	–	–
0.046 to <0.060	A/A–	–	–	–	–	–
0.061 to <0.083	BBB+	–	–	–	–	–
0.084 to <0.110	BBB+/BBB	1	–	–	0.09	–
0.111 to <0.170	BBB	2	–	–	0.13	–
0.171 to <0.300	BBB–	1	–	–	0.22	–
0.301 to <0.425	BBB–/BB+	1	–	–	0.39	–
0.426 to <0.585	BB+/BB	5	–	–	0.51	–
0.586 to <0.770	BB	–	–	–	–	–
0.771 to <1.020	BB–	2	–	–	0.89	–
1.021 to <1.350	BB–	2	–	–	1.17	–
1.351 to <1.750	BB–/B+	4	–	–	1.54	–
1.751 to <2.350	B+	–	–	–	–	–
2.351 to <3.050	B	1	–	–	2.67	–
3.051 to <4.000	B	–	–	–	–	–
4.001 to <5.300	B/B–	1	–	–	4.62	–
5.301 to <7.000	B–	–	–	–	–	–
7.001 to <15.750	B–/CCC+	–	–	–	–	–
15.751 to <99.999	CCC+/C	–	–	–	–	–
100	N/A	–	–	–	–	–
100	N/A	–	–	–	–	–
Unrated	N/A	–	–	–	–	–

3.4 Credit risk quality

The following tables detail the Group's Credit quality of exposures. The amounts shown are based on IFRS accounting values according to the regulatory scope of consolidation.

Table 44 shows the credit quality of on and off-balance sheet non-performing exposures and related impairments, provisions and valuation adjustments by portfolio and exposure class.

Table 45 shows the on and off-balance sheet net credit risk exposures by residual contractual maturity, split by either loans and advances or debt securities.

Table 46 shows information on changes in the institutions stock of on balance sheet non-performing loans and advances.

Table 47 shows the quality of on and off-balance sheet forbore exposures.

Table 48 shows the credit quality of performing and non-performing exposures by past due days.

Table 49 shows the credit quality of on balance sheet and off-balance sheet exposure for loans and advances, debt securities derivatives and equity instruments by geography.

Table 50 shows the credit quality of loans and advances on balance sheet exposure to non-financial corporation by industry types.

The scope and definitions of 'past-due' and 'impaired' exposures used for accounting purposes, the extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this, and methods used for determining general and specific credit risk adjustments are shown in the 2025 Annual Report and Accounts on page 343 to 345.

3.4 Credit risk quality continued

Table 44: Performing and non-performing exposures and related provisions (UK CR1)

		2025											Collateral and financial guarantees received			
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions								
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off \$million	On performing exposures \$million	On non-performing exposures \$million
		\$million	Of which stage 1 \$million	Of which stage 2 \$million	\$million	Of which stage 2 \$million	Of which stage 3 \$million	\$million	Of which stage 1 \$million	Of which stage 2 \$million	\$million	Of which stage 2 \$million	Of which stage 3 \$million			
005	Cash balances at central banks and other demand deposits	79,728	79,256	472	773	-	773	(1)	-	(1)	(9)	-	(9)	-	-	-
010	Loans and advances	410,810	400,732	10,078	6,053	-	6,053	(981)	(534)	(447)	(3,094)	-	(3,094)	(4,883)	138,866	995
020	Central banks	14,895	14,895	-	-	-	-	-	-	-	-	-	-	-	535	-
030	General governments	5,555	5,435	120	855	-	855	(3)	(3)	-	(37)	-	(37)	(6)	1,505	-
040	Credit institutions	82,376	82,190	186	76	-	76	(3)	(3)	-	(10)	-	(10)	(27)	4,313	-
050	Other financial corporations	80,141	79,208	933	204	-	204	(26)	(10)	(16)	(68)	-	(68)	(328)	10,912	-
060	Non-financial corporations	106,236	99,084	7,152	3,673	-	3,673	(511)	(193)	(318)	(2,622)	-	(2,622)	(4,520)	23,524	340
070	Of which SMEs	9,548	9,170	378	660	-	660	(93)	(84)	(9)	(414)	-	(414)	-	2,230	6
080	Households	121,608	119,920	1,688	1,245	-	1,245	(438)	(325)	(113)	(357)	-	(356)	(3)	98,078	655
090	Debt securities	168,552	167,350	1,202	301	-	301	(60)	(55)	(5)	(5)	-	(5)	-	730	-
100	Central banks	23,762	23,760	2	283	-	283	(15)	(15)	-	(5)	-	(5)	-	5	-
110	General governments	92,761	91,919	842	-	-	-	(23)	(22)	(1)	-	-	-	-	423	-
120	Credit institutions	30,782	30,678	104	-	-	0	(8)	(7)	(1)	-	-	-	-	220	-
130	Other financial corporations	20,010	19,815	195	-	-	-	(12)	(10)	(2)	-	-	-	-	5	-
140	Non-financial corporations	1,237	1,178	59	18	-	18	(1)	(1)	-	-	-	-	-	77	-
150	Off-balance-sheet exposures	312,840	307,121	5,719	596	-	596	(124)	(75)	(49)	(100)	-	(100)		6,672	56
160	Central banks	580	580	-	-	-	-	-	-	-	-	-	-		-	-
170	General governments	5,197	5,165	32	-	-	-	(4)	(2)	(2)	-	-	-		568	-
180	Credit institutions	14,774	14,548	226	9	-	9	(2)	(2)	-	-	-	-		185	-
190	Other financial corporations	82,367	81,250	1,117	1	-	1	(7)	(5)	(1)	-	-	-		437	-
200	Non-financial corporations	139,345	135,121	4,224	582	-	582	(98)	(56)	(43)	(100)	-	(100)		5,350	57
210	Households	70,577	70,457	120	4	-	4	(13)	(9)	(3)	-	-	-		132	-
220	Total	971,930	954,458	17,472	7,723	-	7,723	(1,166)	(664)	(502)	(3,208)	-	(3,208)	(4,883)	146,267	1,052

Credit risk

3.4 Credit risk quality continued

Table 44: Performing and non-performing exposures and related provisions (UK CR1)

		2024										Collateral and financial guarantees received				
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions								
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off \$million	On performing exposures \$million	On non-performing exposures \$million
		\$million	Of which stage 1 \$million	Of which stage 2 \$million	\$million	Of which stage 2 \$million	Of which stage 3 \$million	\$million	Of which stage 1 \$million	Of which stage 2 \$million	\$million	Of which stage 2 \$million	Of which stage 3 \$million			
005	Cash balances at central banks and other demand deposits	65,592	65,160	432	427	–	427	(4)	–	(4)	(4)	–	(4)	–	–	–
010	Loans and advances	407,490	396,481	11,009	6,286	–	6,286	(967)	(493)	(474)	(3,953)	–	(3,953)	(4,818)	122,859	881
020	Central banks	24,738	24,729	9	–	–	–	(1)	(1)	–	–	–	–	–	177	–
030	General governments	13,952	13,549	403	107	–	107	(4)	(3)	(1)	(42)	–	(42)	(6)	1,123	5
040	Credit institutions	74,043	73,898	145	54	–	54	(4)	(4)	–	(12)	–	(12)	(27)	3,441	–
050	Other financial corporations	81,571	80,342	1,229	101	–	101	(154)	(12)	(142)	(55)	–	(55)	(328)	11,855	–
060	Non-financial corporations	100,301	92,574	7,727	5,063	–	5,063	(353)	(143)	(210)	(3,561)	–	(3,561)	(4,454)	22,961	321
070	Of which SMEs	10,534	9,967	567	669	–	669	(112)	(91)	(21)	(389)	–	(389)	–	1,343	11
080	Households	112,885	111,389	1,496	961	–	961	(451)	(330)	(121)	(283)	–	(283)	(3)	83,302	555
090	Debt securities	145,725	144,108	1,617	105	–	105	(27)	(23)	(4)	(2)	–	(2)	–	201	–
100	Central banks	19,675	19,563	112	86	–	86	(4)	(2)	(2)	(2)	–	(2)	–	9	–
110	General governments	68,968	67,608	1,360	–	–	–	(8)	(6)	(2)	–	–	–	–	105	–
120	Credit institutions	28,838	28,783	55	–	–	–	(9)	(9)	–	–	–	–	–	15	–
130	Other financial corporations	26,257	26,167	90	–	–	–	(5)	(5)	–	–	–	–	–	24	–
140	Non-financial corporations	1,987	1,987	–	19	–	19	(1)	(1)	–	–	–	–	–	48	–
150	Off-balance-sheet exposures	272,674	266,630	6,044	609	–	609	(125)	(66)	(59)	(130)	–	(130)		4,251	46
160	Central banks	386	386	–	–	–	–	–	–	–	–	–	–		–	–
170	General governments	5,061	5,042	19	–	–	–	–	–	–	–	–	–		297	–
180	Credit institutions	14,445	14,013	432	23	–	23	(4)	(3)	(1)	(6)	–	(6)		104	–
190	Other financial corporations	62,826	62,001	825	1	–	1	(19)	(6)	(13)	–	–	–		875	–
200	Non-financial corporations	118,977	114,332	4,645	578	–	578	(83)	(39)	(44)	(124)	–	(124)		2,642	46
210	Households	70,979	70,856	123	7	–	7	(19)	(18)	(1)	–	–	–		333	–
220	Total	891,481	872,379	19,102	7,427	–	7,427	(1,123)	(582)	(541)	(4,089)	–	(4,089)	(4,818)	127,311	927

Table 45: Maturity of exposures (UK CR1-A)

		2025						Total \$million
		Net exposure value						
		On demand \$million	<= 1 year \$million	> 1 year <= 5 years \$million	> 5 years \$million	No stated maturity \$million		
1	Loans and advances	13,653	224,952	86,751	104,802	–	430,158	
2	Debt securities	111	108,429	83,109	60,808	–	252,457	
3	Total	13,764	333,381	169,860	165,610	–	682,615	

		2024						Total \$million
		Net exposure value						
		On demand \$million	<= 1 year \$million	> 1 year <= 5 years \$million	> 5 years \$million	No stated maturity \$million		
1	Loans and advances	12,269	236,043	75,128	96,677	–	420,117	
2	Debt securities	159	89,766	74,237	55,939	–	220,101	
3	Total	12,428	325,809	149,365	152,616	–	640,218	

3.4 Credit risk quality continued

Table 46: Changes in the stock of non-performing loans and advances (UK CR2)

		2025	2024
		Gross carrying amount \$million	Gross carrying amount \$million
010	Initial stock of non-performing loans and advances	6,286	7,304
020	Inflows to non-performing portfolios	3,509	2,440
030	Outflows from non-performing portfolios	(3,742)	(3,458)
040	Outflows due to write-offs	(1,718)	(1,464)
050	Outflow due to other situations	(2,023)	(1,994)
060	Final stock of non-performing loans and advances	6,053	6,286

Table 47: Credit quality of forbore exposures (UK CQ1)

		2025						Collateral received and financial guarantees received on forbore exposures	
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			
		Non-performing forbore						Of which collateral and financial guarantees received on non-performing exposures with forbearance measures	
		Performing forbore \$million	\$million	Of which defaulted \$million	Of which impaired \$million	On performing forbore exposures \$million	On non-performing forbore exposures \$million	\$million	
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	356	1,606	1,606	1,606	(68)	(873)	244	203
020	Central banks	-	-	-	-	-	-	-	-
030	General governments	-	27	27	27	-	(1)	-	-
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	48	35	35	35	-	(30)	-	-
060	Non-financial corporations	264	1,284	1,284	1,284	(67)	(744)	194	182
070	Households	44	259	259	259	-	(98)	49	21
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	-	-	-	-	-	-	-	-
100	Total	356	1,606	1,606	1,606	(68)	(873)	244	203

		2024						Collateral received and financial guarantees received on forbore exposures	
		Gross carrying amount/nominal amount of exposures with forbearance measures				LRCom: Leverage ratio common disclosure			
		Non-performing forbore						Of which collateral and financial guarantees received on non-performing exposures with forbearance measures	
		Performing forbore \$million	\$million	Of which defaulted \$million	Of which impaired \$million	On performing forbore exposures \$million	On non-performing forbore exposures \$million	\$million	
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	53	2,323	2,323	2,320	(1)	(1,591)	274	247
020	Central banks	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	16	43	43	43	-	(28)	-	-
060	Non-financial corporations	20	2,069	2,069	2,066	-	(1,475)	227	210
070	Households	17	211	211	211	(1)	(88)	47	37
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	-	-	-	-	-	-	-	-
100	Total	53	2,323	2,323	2,320	(1)	(1,591)	274	247

Credit risk

3.4 Credit risk quality continued

Table 48: Credit quality of performing and non-performing exposures by past due days (UK CQ3)

		2025											
		Gross carrying amount/nominal amount											
		Performing exposures					Non-performing exposures						
		Not past due or past due ≤ 30 days \$million	Past due > 30 days ≤ 90 days \$million	Past due > 90 days ≤ 180 days \$million	Unlikely to pay that are not past due or are past due ≤ 90 days \$million	Past due > 90 days ≤ 180 days \$million	Past due > 180 days ≤ 1 year \$million	Past due > 1 year ≤ 2 years \$million	Past due > 2 years ≤ 5 years \$million	Past due > 5 years ≤ 7 years \$million	Past due > 7 years \$million	Of which defaulted \$million	
005	Cash balances at central banks and other demand deposits	79,728	79,728	-	773	773	-	-	-	-	-	-	773
010	Loans and advances	410,810	410,168	641	6,053	3,017	689	132	470	520	488	738	6,053
020	Central banks	14,895	14,895	-	-	-	-	-	-	-	-	-	-
030	General governments	5,555	5,555	-	855	794	-	-	1	23	37	-	855
040	Credit institutions	82,376	82,372	4	76	34	42	-	-	-	-	-	76
050	Other financial corporations	80,141	80,042	99	204	139	-	-	-	50	-	15	204
060	Non-financial corporations	106,236	105,992	244	3,673	1,623	-	83	402	400	446	719	3,673
070	Of which SMEs	9,548	9,511	37	660	227	-	83	80	75	35	161	660
080	Households	121,608	121,314	294	1,245	427	647	49	66	46	6	4	1,245
090	Debt securities	168,552	168,552	-	301	301	-	-	-	-	-	-	18
100	Central banks	23,762	23,762	-	283	283	-	-	-	-	-	-	-
110	General governments	92,761	92,761	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	30,783	30,783	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	20,010	20,010	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	1,237	1,237	-	18	18	-	-	-	-	-	-	18
150	Off-balance-sheet exposures	312,840			596								596
160	Central banks	580			-								-
170	General governments	5,197			-								-
180	Credit institutions	14,774			9								9
190	Other financial corporations	82,367			1								1
200	Non-financial corporations	139,345			582								582
210	Households	70,577			4								4
220	Total	971,930	658,448	641	7,723	4,090	689	132	470	520	488	738	7,440

		2024											
		Gross carrying amount/nominal amount											
		Performing exposures					Non-performing exposures						
		Not past due or past due ≤ 30 days \$million	Past due > 30 days ≤ 90 days \$million	Past due > 90 days ≤ 180 days \$million	Unlikely to pay that are not past due or are past due ≤ 90 days \$million	Past due > 90 days ≤ 180 days \$million	Past due > 180 days ≤ 1 year \$million	Past due > 1 year ≤ 2 years \$million	Past due > 2 years ≤ 5 years \$million	Past due > 5 years ≤ 7 years \$million	Past due > 7 years \$million	Of which defaulted \$million	
005	Cash balances at central banks and other demand deposits	65,592	65,592	-	427	427	-	-	-	-	-	-	427
010	Loans and advances	407,490	407,133	357	6,286	2,143	780	409	657	1,420	230	647	6,286
020	Central banks	24,738	24,738	-	-	-	-	-	-	-	-	-	-
030	General governments	13,952	13,952	-	107	51	1	-	-	55	-	-	107
040	Credit institutions	74,043	74,041	2	54	-	51	-	-	3	-	-	54
050	Other financial corporations	81,571	81,571	-	101	-	16	-	28	42	-	15	101
060	Non-financial corporations	100,301	100,224	77	5,063	1,908	95	358	567	1,281	225	629	5,063
070	Of which SMEs	10,534	10,487	47	669	252	47	49	39	72	94	116	669
080	Households	112,885	112,607	278	961	184	617	51	62	39	5	3	961
090	Debt securities	145,725	145,725	-	105	105	-	-	-	-	-	-	105
100	Central banks	19,675	19,675	-	86	86	-	-	-	-	-	-	86
110	General governments	68,968	68,968	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	28,838	28,838	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	26,257	26,257	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	1,987	1,987	-	19	19	-	-	-	-	-	-	19
150	Off-balance-sheet exposures	272,674			609								609
160	Central banks	386			-								-
170	General governments	5,061			-								-
180	Credit institutions	14,445			23								23
190	Other financial corporations	62,826			1								1
200	Non-financial corporations	118,977			578								578
210	Households	70,979			7								7
220	Total	891,481	618,450	357	7,427	2,675	780	409	657	1,420	230	647	7,427

Credit risk

3.4 Credit risk quality continued

Tables 49 and 50 break down defaulted and non-defaulted exposures by exposure class, as defined in the CRR, and by geography and industry.

Table 49: Quality of non-performing exposures by geography (UK CQ4)

		2025						
		Gross carrying amount			Of which loans and advances subject to impairment \$million	Accumulated impairment \$million	Provisions on off-balance-sheet commitments and financial guarantees given \$million	Accumulated negative changes in fair value due to credit risk on non-performing exposures \$million
		Of which non-performing						
		\$million	\$million	Of which defaulted \$million				
010	On-balance-sheet exposures	666,218		6,844		(4,151)		–
020	Hong Kong	79,750		418		(573)		–
030	Korea	47,152		314		(248)		–
040	Singapore	77,747		492		(545)		–
050	United States	99,654		107		(71)		–
060	Other countries	361,915		5,512		(2,715)		–
070	Off-balance-sheet exposures	313,436		596			(224)	
080	United Kingdom	33,056		2			(9)	
090	Hong Kong	44,243		–			(25)	
100	Singapore	45,310		2			(8)	
110	United States	72,037		11			(18)	
120	Other countries	118,790		581			(164)	
130	Total	979,654		7,440		(4,151)	(224)	–

		2024						
		Gross carrying amount			Of which loans and advances subject to impairment \$million	Accumulated impairment \$million	Provisions on off-balance-sheet commitments and financial guarantees given \$million	Accumulated negative changes in fair value due to credit risk on non-performing exposures \$million
		Of which non-performing						
		\$million	\$million	Of which defaulted \$million				
010	On-balance-sheet exposures	625,625		6,818		(4,957)		–
020	Hong Kong	71,357		383		(580)		–
030	Korea	42,772		213		(197)		–
040	Singapore	73,968		473		(612)		–
050	United States	91,052		2		(9)		–
060	Other countries	346,476		5,747		(3,559)		–
070	Off-balance-sheet exposures	273,283		609			(254)	
080	United Kingdom	22,065		5			(9)	
090	Hong Kong	49,161		–			(37)	
100	Singapore	44,146		31			(9)	
110	United States	50,659		–			(11)	
120	Other countries	107,252		573			(188)	
130	Total	898,908		7,427		(4,957)	(254)	–

Credit risk

3.4 Credit risk quality continued

Table 50: Credit quality of loans and advances to non-financial corporations by industry (UK CQ5)

		2025					Accumulated negative changes in fair value due to credit risk on non-performing exposures \$million
		Gross carrying amount			Of which loans and advances subject to impairment \$million	Accumulated impairment \$million	
		Of which non-performing		Of which defaulted \$million			
		\$million	\$million	\$million	\$million	\$million	\$million
005	Cash balances at central banks and other demand deposits	80,501		773		(10)	-
010	Agriculture, forestry and fishing	804		28		(29)	-
020	Mining and quarrying	4,175		32		(25)	-
030	Manufacturing	32,175		1,149		(1,188)	-
040	Electricity, gas, steam and air conditioning supply	9,714		269		(87)	-
050	Water supply	296		-		(2)	-
060	Construction	1,550		66		(76)	-
070	Wholesale and retail trade	22,754		786		(602)	-
080	Transport and storage	7,000		107		(46)	-
090	Accommodation and food service activities	1,882		111		(67)	-
100	Information and communication	4,374		53		(90)	-
110	Financial and insurance activities	284		36		(1)	-
120	Real estate activities	15,540		691		(636)	-
130	Professional, scientific and technical activities	697		7		(8)	-
140	Administrative and support service activities	778		5		(7)	-
150	Public administration and defence, compulsory social security	-		-		-	-
160	Education	151		11		-	-
170	Human health services and social work activities	508		-		-	-
180	Arts, entertainment and recreation	241		1		-	-
190	Other services	6,986		319		(271)	-
200	Total	109,909		3,673		(3,133)	-
210	Households	122,853		1,245		(795)	-
220	Total	313,263		5,691		(3,938)	-

3.4 Credit risk quality continued

		2024					
		Gross carrying amount		Of which non-performing		Accumulated impairment \$million	Accumulated negative changes in fair value due to credit risk on non-performing exposures \$million
	\$million	\$million	Of which defaulted \$million	Of which loans and advances subject to impairment \$million			
005	Cash balances at central banks and other demand deposits	66,019		427		(8)	–
010	Agriculture, forestry and fishing	1,240		39		(36)	–
020	Mining and quarrying	4,740		236		(214)	–
030	Manufacturing	36,216		1,821		(1,192)	–
040	Electricity, gas, steam and air conditioning supply	8,497		217		(74)	–
050	Water supply	285		–		(5)	–
060	Construction	1,685		105		(114)	–
070	Wholesale and retail trade	22,836		828		(531)	–
080	Transport and storage	6,933		97		(43)	–
090	Accommodation and food service activities	1,456		113		(29)	–
100	Information and communication	3,234		57		(110)	–
110	Financial and insurance activities	23		–		–	–
120	Real estate activities	15,719		1,503		(1,305)	–
130	Professional, scientific and technical activities	969		10		(8)	–
140	Administrative and support service activities	688		24		(18)	–
150	Public administration and defence, compulsory social security	–		–		–	–
160	Education	148		11		–	–
170	Human health services and social work activities	268		–		–	–
180	Arts, entertainment and recreation	186		1		–	–
190	Other services	241		–		(234)	–
200	Total	105,364		5,063		(3,914)	–
210	Households	113,846		961		(734)	–
220	Total	285,229		6,451		(4,656)	–

3.5 Risk grade profile

Exposures by internal credit grading

For CIB IRB portfolios, an alphanumeric credit risk-grading system is used. The grading is based on the Group's internal estimate of probability of default over a one-year horizon, with customers or portfolios assessed against a range of quantitative and qualitative factors from credit risk models. The numeric grades run from 1 to 14 and some of the grades are further sub-classified. Numerically lower credit grades are indicative of a lower likelihood of default. Credit grades 1 to 12 are assigned to performing customers and credit grades 13 and 14 are assigned to non-performing or defaulted customers. The Group's credit grades in CIB and CB are not intended to replicate external credit grades, and ratings assigned by external credit assessment institutions (ECAI) are not used in determining internal credit grades. Nonetheless, as the assessment factors used to grade a borrower may be similar, a borrower rated poorly by an ECAI is typically expected to be assigned a weak internal credit grade.

For Retail exposures, application and behaviour credit scores are calibrated to generate a PD used for RWA and capital estimate purposes for IRB portfolios.

IRB models cover a substantial majority of the Group's exposures and are used extensively in assessing risks at customer and portfolio level, setting strategy and optimising the Group's risk-return decisions. The Group makes use of internal risk estimates of PD, LGD and EAD in the areas of:

- Credit Approval and Decision – In CIB, the level of authority required for the sanctioning of credit requests and the decision made is based on a combination of PD, LGD and EAD of the obligor with reference to the nominal exposure. In Retail, credit scores are relied upon as one of the primary drivers for credit decisioning.
- Pricing – In CIB, a pre-deal pricing calculator, which takes into consideration PD, LGD and EAD in the calculation of expected loss and risk-weighted assets, is used for the proposed transactions to ensure appropriate returns. In Retail unsecured lending, a risk-return approach based on PD estimates is used as guidance for pricing strategy.
- Limit Setting – In CIB, single name concentration limits are determined by PD, LGD and EAD. The limits operate on a sliding scale to ensure that the Group does not have an excessive concentration of low credit quality assets. In Retail unsecured lending, limit assignment / loan amounts are risk-based and segregated by credit score bands.

3.5 Risk grade profile continued

Table 51 sets out credit and counterparty risk EAD within the IRB portfolios by regulatory exposure classes. EAD has been calculated after taking into account the impact of credit risk mitigation. Where an exposure is guaranteed or covered by credit derivatives, it is shown against the exposure class of the guarantor or derivative issuer. A further split of the major exposure classes by credit grade can be seen in Tables 53 to 64.

IRB credit risk excluding counterparty credit risk EAD increased by \$27.4 billion and RWA decreased by \$2 billion (Tables 53 to 64):

- Central governments and central banks EAD increased \$8.2 billion and RWA decreased \$0.6 billion
- Institutions EAD increased \$1.6 billion and RWA decreased by \$0.8 billion
- Corporates EAD increased \$15.0 billion and RWA by \$1.0 billion
- Retail EAD increased \$2.7 billion and RWA decreased by \$1.6 billion

Table 51: IRB – Credit risk exposure by exposure class

IRB Exposure Class	2025												
	Original on-balance sheet gross exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF \$million	EAD post CRM and post CCF \$million	Average PD ¹ \$million	Number of obligors ² \$million	Average LGD ¹ \$million	Average maturity ¹ \$million	RWA \$million	RWA density ¹ \$million	Expected loss \$million	Value adjustments and provisions \$million	
Central governments or central banks	179,125	5,238	22	174,443	0.43	0.2	45	1.21	21,328	12	144	(96)	
Institutions	57,686	21,704	65	69,637	0.34	1.2	32	0.91	12,143	17	47	(9)	
Corporates	109,300	289,087	25	203,590	2.05	19.9	39	1.45	64,608	32	2,721	(2,783)	
Other	89,096	270,291	25	183,197	1.64	15.7	40	1.36	58,559	32	1,754	(1,850)	
Of which Specialised lending	17,767	16,624	29	17,576	4.46	0.8	24	2.51	4,811	27	508	(540)	
Of which SME	2,437	2,172	22	2,817	13.83	3.4	29	1.28	1,238	44	259	(246)	
Retail	87,983	32,274	47	102,148	1.47	3,027.6	31		18,080	18	745	(401)	
Of which secured by real estate	74,370	2,299	99	76,647	0.66	295.3	15		5,800	8	103	(46)	
- SME	341	49	51	366	4.39	2.0	6		17	5	2	(2)	
- Non SME	74,029	2,250	100	76,281	0.64	293.3	15		5,783	8	101	(44)	
Of which qualifying revolving retail	4,494	23,446	45	15,023	2.35	2,320.5	84		4,691	31	242	(129)	
Of which other retail	9,119	6,529	34	10,478	6.47	411.8	69		7,589	72	400	(226)	
- SME	2,178	1,991	5	2,119	10.48	22.2	47		1,197	56	120	(68)	
- Non SME	6,941	4,538	47	8,359	5.01	389.6	77		6,392	76	280	(158)	
Non-credit obligation assets	43	-	-	43	-	-	-		43	100	-	-	
Total IRB⁴	434,137	348,303	38	549,861	2.06	3,048.9	46	1.46	116,202	21	3,657	(3,289)	

IRB Exposure Class	2024												
	Original on-balance sheet gross exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF \$million	EAD post CRM and post CCF \$million	Average PD ¹ \$million	Number of obligors ² \$million	Average LGD ¹ \$million	Average maturity ¹ \$million	RWA \$million	RWA density ¹ \$million	Expected loss \$million	Value adjustments and provisions \$million	
Central governments or central banks	163,054	6,639	9	166,287	0.43	0.2	44	1.47	21,960	13	159	(46)	
Institutions	59,165	27,260	47	68,036	0.55	1.3	32	0.95	12,903	19	62	(15)	
Corporates	113,853	307,312	39	188,625	2.46	20.6	39	1.37	63,622	34	3,305	(3,186)	
Other	96,642	283,883	22	171,223	2.11	15.8	41	1.29	58,270	34	2,759	(2,583)	
Of which Specialised lending	14,617	21,273	20	14,354	4.69	0.7	23	2.37	3,997	28	340	(414)	
Of which SME	2,594	2,156	26	3,048	11.72	4.1	30	1.29	1,355	44	206	(189)	
Retail	83,616	35,697	45	99,468	1.52	3,626.0	34		19,690	20	756	(405)	
Of which secured by real estate	69,046	1,682	99	70,707	0.66	295.3	16		4,968	7	67	(42)	
- SME	314	53	53	343	3.15	2.2	7		18	5	1	(2)	
- Non SME	68,732	1,629	100	70,364	0.65	293.1	16		4,950	7	66	(40)	
Of which qualifying revolving retail	4,413	26,398	44	16,010	2.07	2,723.6	85		4,908	31	243	(127)	
Of which other retail	10,157	7,617	36	12,751	6.06	607.1	68		9,814	77	446	(236)	
- SME	2,080	2,134	4	1,988	10.33	25.1	50		1,181	59	109	(61)	
- Non SME	8,077	5,483	49	10,763	4.73	582.0	74		8,633	80	337	(175)	
Non-credit obligation assets	43	-	-	43	-	-	-		43	100	-	-	
Total IRB⁴	419,731	376,908	43	522,459	2.59	3,648.1	49	1.44	118,218	23	4,282	(3,652)	

1 Weighted averages are based on EAD.

2 Number of obligors is based on number of counterparties for central governments or central banks, institutions and corporates and on individual pools of clients for retail.

3 Corporates of which specialised lending includes exposures for specialised lending subject to supervisory slotting criteria.

4 Refer to Table 20 (OV1) for RWA.

3.5 Risk grade profile continued

The table below demonstrates Standard Chartered's internal ratings and its approximate relation to external credit ratings.

Tables 53 to 64 and tables 90 to 94 provide further detail on the exposure classes subject to credit and counterparty credit risk, in particular for central governments or central banks, institutions, corporates and retail. These have been split by internal credit grade which relate to the PD ranges presented. These exposure classes represent 82 per cent (2024: 85 per cent) of the Group's total credit risk exposure before collateral.

Table 52: Internal default grade probabilities and mapping to external ratings

SCB internal ratings	PD range (%)	Standard & Poor's external rating equivalent for corporates	Standard & Poor's external rating equivalent for banks	Standard & Poor's external rating equivalent for sovereigns
1A	0.000 - 0.015	AAA/AA+	AAA/AA+	AAA
1B	0.016 - 0.025	AA	AA/AA-	AA+
2A	0.026 - 0.035	AA-	A+	AA/AA-
2B	0.036 - 0.045	A+	A	A+
3A	0.046 - 0.060	A/A-	A-	A
3B	0.061 - 0.083	BBB+	BBB+/BBB	A-
4A	0.084 - 0.110	BBB+/BBB	BBB/BBB-	BBB+/BBB
4B	0.111 - 0.170	BBB	BBB-	BBB/BBB-
5A	0.171 - 0.300	BBB-	BB+	BBB-
5B	0.301 - 0.425	BBB-/BB+	BB+/BB	BB+
6A	0.426 - 0.585	BB	BB	BB+/BB
6B	0.586 - 0.770	BB/BB-	BB/BB-	BB
7A	0.771 - 1.020	BB-	BB-	BB/BB-
7B	1.021 - 1.350	BB-/B+	B+	BB-
8A	1.351 - 1.750	B+	B+/B	BB-/B+
8B	1.751 - 2.350	B+	B	B+
9A	2.351 - 3.050	B	B	B
9B	3.051 - 4.000	B/B-	B/B-	B
10A	4.001 - 5.300	B-	B-	B/B-
10B	5.301 - 7.000	B-	B-/CCC+ to C	B-
11A/B/C	7.001 - 15.750	B-/CCC+	CCC/C	B-/CCC+
12A/B/C	15.751 - 99.999	CCC+/C	CCC+/C	CCC+/C
13	100	N/A	N/A	N/A
14	100	N/A	N/A	N/A
Unrated		N/A	N/A	N/A

3.5 Risk grade profile continued

Table 53: IRB approach – Credit risk exposures by exposure class and PD range for central governments or central banks (UK CR6)

PD range %	2025											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	166,224	2,582	13	169,733	0.03	0.1	45	1.22	14,696	9	22	(16)
0.00 to <0.10	156,781	1,980	8	160,482	0.02	0.1	45	1.17	11,522	7	16	(12)
0.10 to <0.15	9,442	602	28	9,251	0.13	0.0	43	2.01	3,174	34	5	(4)
0.15 to <0.25	612	4	100	282	0.22	0.0	45	1.02	95	34	-	-
0.25 to <0.50	215	54	17.00	124	0.39	0.0	44	1.00	62	50	-	-
0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-
0.75 to <2.50	5,494	333	21	2,434	1.62	0.0	44	0.88	2,130	88	17	(8)
0.75 to <1.75	2,598	318	21	980	1.00	0.0	43	1.31	734	75	4	(2)
1.75 to <2.5	2,897	15	32	1,453	2.03	0.0	45	0.59	1,395	96	13	(6)
2.50 to <10.00	4,463	2,190	33	1,143	4.83	0.0	43	1.10	1,515	133	23	(9)
2.5 to <5	3,187	1,535	43	821	3.58	0.0	45	1.31	1,050	128	13	(7)
5 to <10	1,276	655	9.00	322	8.01	0.0	36.09	0.56	465	144	10	(2)
10.00 to <100.00	414	-	-	161	10.54	0.0	45	0.11	289	180	8	(1)
10 to <20	414	-	-	161	10.54	0.0	45	0.11	289	180	8	(1)
20 to <30	-	-	-	-	-	-	-	-	-	-	-	-
30.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-	-
100.00 (Default)	1,703	75	-	566	100.00	0.1	43	1.00	2,541	449	74	(62)
Total	179,125	5,238	21.5	174,443	0.42	0.2	45	1.21	21,328	12	144	(96)

PD range %	2024											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	150,625	3,032	6	160,490	0.03	0.1	44	1.49	13,592	8	20	(7)
0.00 to <0.10	139,054	2,618	6	149,316	0.02	0.1	44	1.47	9,954	7	13	(4)
0.10 to <0.15	11,571	414	-	11,173	0.15	-	43	1.70	3,638	33	8	(3)
0.15 to <0.25	497	79	31	220	0.22	-	45	0.42	62	28	-	-
0.25 to <0.50	25	-	-	24	0.39	-	30	1.66	8	33	-	-
0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-	-
0.75 to <2.50	5,940	818	21	2,762	1.28	-	45	0.87	2,307	84	16	(6)
0.75 to <1.75	5,647	805	22	2,622	1.24	-	45	0.87	2,166	83	15	(6)
1.75 to <2.5	293	13	3	138	2.03	-	46	0.84	141	102	1	-
2.50 to <10.00	3,739	2,302	23	1,662	3.98	-	45	1.04	2,144	129	30	(8)
2.5 to <5	3,739	2,302	23	1,662	3.98	-	45	1.04	2,144	129	30	(8)
5 to <10	-	-	-	-	-	-	-	-	-	-	-	-
10.00 to <100.00	1,593	300	-	723	21.86	-	44	0.44	1,685	233	72	(9)
10 to <20	1,215	300	-	506	17.09	-	43	0.58	1,141	225	39	(4)
20 to <30	-	-	-	-	-	-	-	-	-	-	-	-
30.00 to <100.00	378	-	-	217	33.00	-	47	0.11	544	251	33	(5)
100.00 (Default)	635	108	-	406	100.00	0.1	44	1.49	2,162	533	21	(16)
Total	163,054	6,639	9	166,287	0.42	0.2	44	1.47	21,960	13	159	(46)

1 Weighted averages are based on EAD.

2 Number of obligors is based on the number of counterparties within each PD grade.

Credit risk

3.5 Risk grade profile continued

Table 54: IRB approach – Credit risk exposures by exposure class and PD range for institutions (UK CR6)

PD range %	2025											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	41,309	15,881	60	55,724	0.05	0.6	35	0.97	5,879	11	9	(6)
0.00 to <0.10	37,176	14,712	60	50,743	0.04	0.5	35	1.01	4,904	10	7	(5)
0.10 to <0.15	4,132	1,170	67	4,981	0.13	0.1	32	0.64	975	20	2	–
0.15 to <0.25	988	910	66	1,483	0.22	0.1	26	0.49	350	24	1	–
0.25 to <0.50	374	379	66	523	0.39	0.1	25	0.38	187	36	1	–
0.50 to <0.75	7,089	1,344	81	5,803	0.52	0.1	13	0.81	1,200	21	4	(1)
0.75 to <2.50	5,772	1,643	81	4,111	1.38	0.2	31	0.75	3,173	77	17	(1)
0.75 to <1.75	4,699	1,247	76	3,135	1.18	0.1	34	0.82	2,279	73	13	–
1.75 to <2.5	1,073	396	97	976	2.03	–	23	0.53	894	92	5	(1)
2.50 to <10.00	1,794	1,058	100	1,772	4.06	0.1	13	0.25	959	54	8	–
2.5 to <5	1,650	763	99	1,519	3.45	0.1	14	0.27	771	51	8	–
5 to <10	144	295	100	254	7.69	–	4	0.16	187	74	1	–
10.00 to <100.00	299	484	27	204	13.78	–	21	0.28	332	163	6	–
10 to <20	299	484	27	204	13.76	–	21	0.28	331	162	6	–
20 to <30	–	–	–	–	–	–	–	–	–	–	–	–
30.00 to <100.00	–	–	–	–	33.00	–	45	1.00	1	–	–	–
100.00 (Default)	61	5	53	17	100.00	–	35	1.44	63	371	1	(1)
Total	57,686	21,704	65	69,637	0.34	1.2	32	0.91	12,143	17	47	(9)

PD range %	2024											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	42,348	21,469	42	53,997	0.05	0.6	35	1.03	5,805	11	9	(4)
0.00 to <0.10	38,091	19,546	43	49,340	0.04	0.5	35	1.07	4,915	10	7	(3)
0.10 to <0.15	4,257	1,924	36	4,658	0.13	0.1	31	0.54	890	19	2	(1)
0.15 to <0.25	1,649	1,319	56	2,048	0.22	0.1	27	0.55	533	26	1	–
0.25 to <0.50	491	554	74	893	0.39	0.1	29	0.91	414	46	1	–
0.50 to <0.75	5,894	965	50	4,596	0.52	0.1	19	0.83	1,456	32	5	(1)
0.75 to <2.50	6,047	1,581	72	4,109	1.30	0.2	28	0.59	2,674	65	14	(1)
0.75 to <1.75	5,431	1,270	71	3,541	1.19	0.2	29	0.62	2,343	66	12	(1)
1.75 to <2.5	616	312	80	568	2.03	–	20	0.43	332	58	2	–
2.50 to <10.00	2,500	716	100	2,033	4.66	0.1	23	0.50	1,704	84	21	–
2.5 to <5	2,188	547	99	1,558	4.02	0.1	20	0.37	1,134	73	12	–
5 to <10	312	168	100	474	6.73	–	30	0.95	569	120	9	–
10.00 to <100.00	169	580	39	240	19.48	0.1	4	0.10	74	31	2	–
10 to <20	121	553	37	214	17.88	–	4	0.10	62	29	1	–
20 to <30	–	–	–	–	–	–	–	–	–	–	–	–
30.00 to <100.00	48	27	80	25	33.00	–	7	0.16	12	48	1	–
100.00 (Default)	67	76	95	120	100.00	–	25	0.36	243	203	9	(9)
Total	59,165	27,260	47	68,036	0.55	1.3	32	0.95	12,903	19	62	(15)

1 Weighted averages are based on EAD.

2 Number of obligors is based on the number of counterparties within each PD grade.

Credit risk

3.5 Risk grade profile continued

Table 55: IRB approach – Credit risk exposures by exposure class and PD range for Corporates (UK CR6)

PD range %	2025											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	46,628	139,433	26	117,942	0.07	4.4	41	1.50	18,906	16	33	(26)
0.00 to <0.10	34,146	98,877	26	94,290	0.05	2.8	42	1.50	13,640	14	22	(20)
0.10 to <0.15	12,482	40,555	27	23,652	0.13	1.5	37	1.47	5,267	22	12	(6)
0.15 to <0.25	15,128	40,226	23	22,716	0.22	2.1	38	1.39	7,162	32	19	(6)
0.25 to <0.50	9,635	32,445	28	17,747	0.39	1.7	33	1.32	6,660	38	22	(7)
0.50 to <0.75	14,088	36,919	22	19,757	0.57	2.5	36	1.33	10,118	51	41	(13)
0.75 to <2.50	10,407	26,347	23	13,986	1.35	3.9	34	1.54	10,866	78	73	(25)
0.75 to <1.75	7,659	21,361	23	10,821	1.15	2.8	32	1.52	6,737	62	44	(14)
1.75 to <2.5	2,748	4,986	20	3,164	2.03	1.1	39	1.72	4,130	131	29	(10)
2.50 to <10.00	7,032	9,847	24	6,797	4.31	2.5	33	1.28	7,291	107	97	(40)
2.5 to <5	5,674	7,920	25	5,516	3.72	1.8	33	1.30	5,547	101	68	(29)
5 to <10	1,357	1,928	19	1,282	7.11	0.8	33	1.20	1,743	136	28	(10)
10.00 to <100.00	3,261	1,966	27	1,556	18.85	2.1	32	1.93	2,650	170	92	(96)
10 to <20	2,190	1,707	25	943	13.74	2.0	33	1.24	1,447	153	41	(35)
20 to <30	861	142	40	445	24.55	-	25	3.64	987	222	38	(51)
30.00 to <100.00	210	117	28	168	33.03	0.1	24	1.04	215	128	13	(9)
100.00 (Default)	3,121	1,904	33	3,089	100	0.7	56	1.23	955	31	2,344	(2,570)
Total	109,300	289,087	25	203,590	2.05	19.9	39	1.45	64,608	32	2,721	(2,783)

PD range %	2024											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	51,328	148,578	22	103,107	0.07	4.3	41	1.41	16,866	16	29	(10)
0.00 to <0.10	41,576	114,418	22	86,025	0.06	2.9	42	1.37	12,221	14	19	(7)
0.10 to <0.15	9,752	34,160	21	17,084	0.13	1.4	41	1.63	4,645	27	9	(4)
0.15 to <0.25	15,327	42,674	22	22,590	0.22	2.1	35	1.43	7,017	31	17	(10)
0.25 to <0.50	7,733	29,042	27	14,463	0.39	1.4	37	1.27	6,442	45	20	(9)
0.50 to <0.75	14,573	42,143	23	22,552	0.56	2.7	37	1.31	12,000	53	48	(33)
0.75 to <2.50	11,815	26,309	23	14,327	1.29	4.0	34	1.39	9,973	70	62	(33)
0.75 to <1.75	9,101	21,832	24	11,914	1.14	3.0	34	1.37	7,908	66	44	(21)
1.75 to <2.5	2,713	4,476	22	2,413	2.03	1.0	33	1.47	2,066	86	16	(12)
2.50 to <10.00	7,170	9,330	22	6,480	4.26	2.8	34	1.25	6,492	100	92	(41)
2.5 to <5	5,913	7,641	22	5,155	3.63	2.0	35	1.26	5,123	99	65	(28)
5 to <10	1,257	1,689	20	1,325	6.82	0.9	30	1.22	1,370	103	27	(13)
10.00 to <100.00	2,153	7,571	7	1,493	17.90	2.3	37	1.04	2,634	176	96	(39)
10 to <20	1,814	7,273	7	1,208	14.71	2.2	36	1.14	2,002	166	63	(21)
20 to <30	85	191	18	119	24.55	0.1	45	0.71	295	248	13	(12)
30.00 to <100.00	255	106	40	165	33.40	0.1	35	1.45	338	205	19	(7)
100.00 (Default)	3,754	1,665	30	3,613	100.00	1.0	55	1.16	2,198	61	2,941	(3,011)
Total	113,853	307,312	39	188,625	2.46	20.6	39	1.37	63,622	34	3,305	(3,186)

1 Weighted averages are based on EAD.

2 Number of obligors is based on the number of counterparties within each PD grade.

3.5 Risk grade profile continued

Table 56: IRB approach – Credit risk exposures by exposure class and PD range for Corporates – Other (UK CR6)

PD range %	2025											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	41,741	133,829	26	112,194	0.07	4.1	42	1.42	18,104	16	32	(25)
0.00 to <0.10	31,165	95,184	26	90,383	0.05	2.6	43	1.43	13,133	15	21	(20)
0.10 to <0.15	10,576	38,644	27	21,811	0.13	1.4	38	1.35	4,971	23	11	(5)
0.15 to <0.25	11,648	37,502	22	19,135	0.22	1.8	39	1.17	6,225	33	17	(5)
0.25 to <0.50	6,391	29,597	28	14,323	0.39	1.5	34	1.31	5,725	40	19	(6)
0.50 to <0.75	11,967	33,089	22	17,301	0.57	2.0	38	1.24	9,326	54	38	(12)
0.75 to <2.50	7,748	23,591	23	11,602	1.36	3.1	36	1.39	9,770	84	66	(17)
0.75 to <1.75	5,486	19,464	23	8,817	1.15	2.2	34	1.39	5,862	66	39	(11)
1.75 to <2.5	2,262	4,127	21	2,785	2.03	0.9	43	1.41	3,908	140	27	(6)
2.50 to <10.00	5,378	9,148	23	5,404	4.31	1.4	34	1.15	6,387	118	82	(22)
2.5 to <5	4,476	7,426	24	4,534	3.73	1.1	34	1.19	4,938	109	59	(18)
5 to <10	901	1,721	18	870	7.33	0.4	34	0.96	1,449	167	22	(4)
10.00 to <100.00	2,272	1,737	28	1,124	20.19	1.3	34	1.59	2,217	197	77	(72)
10 to <20	1,735	1,575	26	588	13.88	1.2	34	1.04	1,082	184	29	(17)
20 to <30	332	56	75	374	24.56	-	40	2.74	931	249	36	(46)
30.00 to <100.00	206	106	28	161	33.03	0.1	23	0.94	204	127	12	(9)
100.00 (Default)	1,951	1,798	34	2,114	100	0.5	60	1.30	805	38	1,623	(1,838)
Total	89,096	270,291	25	183,197	1.64	15.7	40	1.36	58,559	32	1,954	(1,997)

PD range %	2024											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	47,218	140,433	22	98,631	0.07	4.1	43	1.33	16,357	17	28	(9)
0.00 to <0.10	38,752	108,508	23	83,328	0.06	2.8	43	1.30	11,969	14	19	(6)
0.10 to <0.15	8,466	31,925	20	15,303	0.13	1.3	43	1.54	4,388	29	9	(3)
0.15 to <0.25	11,452	37,445	22	18,450	0.22	1.7	37	1.21	6,001	33	15	(6)
0.25 to <0.50	6,694	26,592	26	12,807	0.39	1.2	38	1.23	6,015	47	19	(8)
0.50 to <0.75	12,136	38,615	23	20,160	0.56	2.1	39	1.20	11,123	55	44	(27)
0.75 to <2.50	9,396	23,730	23	12,124	1.29	3.1	35	1.33	9,041	75	55	(22)
0.75 to <1.75	7,075	19,823	24	10,061	1.14	2.3	35	1.29	7,162	71	40	(15)
1.75 to <2.5	2,320	3,907	20	2,063	2.03	0.8	35	1.51	1,879	91	14	(7)
2.50 to <10.00	5,273	8,625	21	5,150	4.29	1.4	36	1.05	5,673	110	78	(24)
2.5 to <5	4,346	7,123	21	4,125	3.66	1.1	37	1.07	4,505	109	56	(15)
5 to <10	927	1,502	22	1,025	6.83	0.4	31	0.98	1,168	114	22	(9)
10.00 to <100.00	1,744	7,018	7	1,138	17.52	1.4	37	0.96	2,202	193	76	(33)
10 to <20	1,469	6,738	7	924	14.98	1.3	37	0.93	1,692	183	51	(16)
20 to <30	82	188	18	116	24.55	0.1	46	0.70	294	253	13	(12)
30.00 to <100.00	193	92	40	98	33.26	0.1	34	1.57	217	221	11	(6)
100.00 (Default)	2,729	1,425	32	2,763	100.00	0.8	59	1.28	1,858	67	2,444	(2,454)
Total	96,642	283,883	22	171,223	2.11	15.8	41	1.29	58,270	34	2,759	(2,583)

1 Weighted averages are based on EAD.

2 Number of obligors is based on the number of counterparties within each PD grade.

3.5 Risk grade profile continued

Table 57: IRB approach – Credit risk exposures by exposure class and PD range for corporates – specialised lending (UK CR6)

PD range %	2025											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	4,831	5,225	30	5,582	0.09	0.3	23	2.91	780	14	1	(1)
0.00 to <0.10	2,980	3,449	33	3,808	0.07	0.2	23	2.84	503	13	1	–
0.10 to <0.15	1,851	1,776	23	1,774	0.13	0.1	22	3.06	277	16	1	(1)
0.15 to <0.25	3,350	2,512	36	3,397	0.22	0.2	25	3.20	912	27	2	(1)
0.25 to <0.50	3,137	2,675	33	3,279	0.39	0.1	25	1.42	913	28	3	(1)
0.50 to <0.75	1,969	3,510	25	2,197	0.57	0.1	25	2.14	738	34	3	(1)
0.75 to <2.50	2,058	2,161	19	1,647	1.24	0.1	21	2.78	746	45	4	(7)
0.75 to <1.75	1,724	1,407	23	1,442	1.13	0.1	21	2.65	645	45	3	(3)
1.75 to <2.5	334	754	11	204	2.03	–	16	3.74	101	50	1	(4)
2.50 to <10.00	878	402	45	634	4.11	–	25	2.90	520	82	7	(13)
2.5 to <5	725	282	44	514	3.62	–	21	2.71	330	64	4	(7)
5 to <10	153	121	46	121	6.19	–	40	3.71	190	157	3	(6)
10.00 to <100.00	666	81	17	163	13.45	–	21	3.92	180	110	4	(22)
10 to <20	172	14	5	130	10.54	–	23	3.77	144	111	3	(17)
20 to <30	494	67	20	34	24.55	–	17	4.50	35	103	1	(5)
30.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	–
100.00 (Default)	878	58	32	677	100	–	38	0.93	22	3	484	(494)
Total	17,767	16,624	29	17,576	4.46	0.8	24	2.51	4,811	27	508	(540)

PD range %	2024											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	4,086	7,879	18	4,331	0.10	0.2	19	2.62	490	11	1	(1)
0.00 to <0.10	2,821	5,680	11	2,583	0.07	0.1	18	2.57	244	9	–	(1)
0.10 to <0.15	1,265	2,199	36	1,749	0.13	0.1	20	2.69	246	14	–	(1)
0.15 to <0.25	3,610	4,713	22	3,781	0.22	0.2	24	2.68	913	24	2	(4)
0.25 to <0.50	989	2,388	36	1,603	0.39	0.1	23	1.69	421	26	1	(1)
0.50 to <0.75	2,124	3,240	22	1,996	0.58	0.1	24	2.33	738	37	3	(6)
0.75 to <2.50	1,717	1,956	26	1,351	1.25	0.1	26	2.01	685	51	4	(11)
0.75 to <1.75	1,480	1,464	22	1,168	1.12	0.1	27	2.12	588	50	3	(6)
1.75 to <2.5	237	491	38	183	2.03	–	22	1.30	97	53	1	(5)
2.50 to <10.00	1,169	477	35	623	3.77	–	21	3.02	422	68	5	(15)
2.5 to <5	1,075	347	47	548	3.38	–	20	2.93	350	64	4	(12)
5 to <10	94	130	1	75	6.63	–	24	3.68	72	96	1	(3)
10.00 to <100.00	135	472	1	89	25.25	–	33	2.14	159	179	7	(3)
10 to <20	78	471	1	32	11.35	–	36	4.19	59	184	1	(3)
20 to <30	–	–	100	–	24.55	–	15	3.12	–	–	–	–
30.00 to <100.00	57	–	–	57	33.00	–	31	1.00	100	175	6	–
100.00 (Default)	787	148	6	580	100.00	–	37	0.74	169	29	317	(373)
Total	14,617	21,273	20	14,354	4.69	0.7	23	2.37	3,997	28	340	(414)

1 Weighted averages are based on EAD.

2 Number of obligors is based on the number of counterparties within each PD grade.

3.5 Risk grade profile continued

Table 58: IRB approach – Credit risk exposures by exposure class and PD range for corporates – SME (UK CR6)

PD range %	2025											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	56	379	5	166	0.08	–	33	2.17	22	13	–	–
0.00 to <0.10	1	244	4	99	0.04	–	16	2.32	4	4	–	–
0.10 to <0.15	55	135	8	67	0.13	–	58	1.93	19	28	–	–
0.15 to <0.25	130	212	26	184	0.23	0.1	19	1.55	25	14	–	–
0.25 to <0.50	107	173	23	145	0.40	0.1	18	1.20	22	15	–	–
0.50 to <0.75	152	320	37	259	0.64	0.4	20	0.97	54	21	–	–
0.75 to <2.50	601	595	27	737	1.47	0.7	31	1.10	350	47	3	(1)
0.75 to <1.75	449	490	27	562	1.29	0.5	29	1.15	230	41	2	–
1.75 to <2.5	152	105	28	175	2.08	0.2	37	0.95	121	69	1	–
2.50 to <10.00	776	297	15	759	4.62	1.1	25	1.15	384	51	8	(5)
2.5 to <5	473	212	17	468	3.62	0.7	31	1.22	279	60	5	(4)
5 to <10	303	86	10	291	6.24	0.4	15	1.04	104	36	3	–
10.00 to <100.00	323	148	18	269	15.98	0.8	27	1.65	253	94	11	(2)
10 to <20	283	118	19	225	14.06	0.8	30	1.69	221	98	9	(1)
20 to <30	35	19	9	37	24.48	–	12	1.16	21	57	1	–
30.00 to <100.00	4	11	25	7	33.00	–	38	3.07	11	157	1	–
100.00 (Default)	292	48	15	298	100	0.2	58	1.34	128	43	237	(238)
Total	2,437	2,172	22	2,817	13.83	3.4	29	1.28	1,238	44	259	(246)

PD range %	2024											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	24	266	52	145	0.07	–	33	1.06	19	13	–	–
0.00 to <0.10	3	230	56	114	0.06	–	27	0.54	8	7	–	–
0.10 to <0.15	21	36	25	32	0.13	–	53	2.90	11	34	–	–
0.15 to <0.25	265	516	18	359	0.23	0.2	35	2.20	103	29	–	–
0.25 to <0.50	50	62	8	53	0.41	0.1	14	1.28	6	11	–	–
0.50 to <0.75	313	288	32	396	0.62	0.5	32	1.50	139	35	1	–
0.75 to <2.50	702	623	27	852	1.35	0.8	21	1.17	247	29	3	–
0.75 to <1.75	546	545	28	685	1.17	0.6	18	1.20	158	23	1	–
1.75 to <2.5	156	78	23	167	2.09	0.2	34	1.04	90	54	1	–
2.50 to <10.00	728	228	16	707	4.73	1.4	28	1.11	397	56	9	(2)
2.5 to <5	492	171	17	482	3.71	0.9	30	1.03	268	56	5	(1)
5 to <10	236	57	13	225	6.93	0.5	24	1.29	130	58	4	(1)
10.00 to <100.00	274	81	19	266	14.64	0.9	34	1.19	273	103	13	(3)
10 to <20	267	64	16	252	13.63	0.9	33	1.20	251	100	11	(2)
20 to <30	3	3	2	3	24.55	–	4	1.00	1	33	–	–
30.00 to <100.00	5	14	38	10	36.76	–	56	1.00	21	210	2	(1)
100.00 (Default)	238	92	37	270	100.00	0.2	48	0.86	171	63	180	(184)
Total	2,594	2,156	26	3,048	11.72	4.1	30	1.29	1,355	44	206	(189)

1 Weighted averages are based on EAD.

2 Number of obligors is based on the number of counterparties within each PD grade.

3.5 Risk grade profile continued

Table 59: IRB approach – Credit risk exposures by exposure class and PD range for retail (UK CR6)

PD range %	2025											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	61,964	15,878	51	69,401	0.07	1,097.0	29		3,097	4	27	(10)
0.00 to <0.10	53,479	10,602	52	58,240	0.06	815.3	27		2,430	4	21	(7)
0.10 to <0.15	8,484	5,275	51	11,162	0.12	281.7	41		669	6	5	(3)
0.15 to <0.25	6,054	2,203	49	7,122	0.19	125.8	28		640	9	6	(2)
0.25 to <0.50	5,240	3,671	48	6,976	0.36	271.1	54		1,470	21	13	(6)
0.50 to <0.75	3,965	3,759	46	5,695	0.65	247.9	62		1,986	35	26	(10)
0.75 to <2.50	4,967	4,066	33	6,228	1.39	628.0	58		3,164	51	54	(32)
0.75 to <1.75	3,683	3,327	35	4,800	1.24	501.1	61		2,296	48	37	(24)
1.75 to <2.5	1,284	739	22	1,426	2.10	126.8	51		870	61	17	(7)
2.50 to <10.00	3,798	2,194	40	4,631	4.24	485.5	70		4,406	95	143	(63)
2.5 to <5	2,642	1,740	41	3,333	3.11	305.1	72		2,915	87	79	(31)
5 to <10	1,156	456	36	1,299	7.09	180.6	67		1,490	115	64	(30)
10.00 to <100.00	1,256	350	30	1,350	25.25	130.1	63		2,086	155	209	(75)
10 to <20	821	279	29	893	14.59	84.0	66		1,394	156	93	(34)
20 to <30	120	35	36	132	24.37	18.5	65		247	187	21	(8)
30.00 to <100.00	313	38	31	324	55.87	27.5	50		444	137	95	(31)
100.00 (Default)	739	153	4	745	100.00	42.2	50		1,231	165	267	(203)
Total	87,983	32,274	47	102,148	1.47	3,028	31		18,080	18	745	(401)

PD range %	2024											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	57,468	17,084	49	65,921	0.07	1,173.9	31		2,582	4	12	(9)
0.00 to <0.10	50,792	13,261	49	57,210	0.06	949.9	30		2,056	4	8	(7)
0.10 to <0.15	6,675	3,823	53	8,710	0.12	224.1	41		526	6	3	(2)
0.15 to <0.25	5,192	3,169	43	6,560	0.19	210.6	36		655	10	3	(3)
0.25 to <0.50	3,915	2,818	51	5,326	0.34	214.7	55		1,084	20	9	(6)
0.50 to <0.75	4,165	4,246	49	6,214	0.65	257.5	62		2,107	34	21	(9)
0.75 to <2.50	5,866	4,815	29	7,224	1.44	742.5	62		4,256	59	61	(39)
0.75 to <1.75	4,402	3,791	32	5,556	1.26	536.5	63		3,027	54	42	(26)
1.75 to <2.5	1,463	1,024	21	1,670	2.13	206.0	60		1,230	74	21	(12)
2.50 to <10.00	5,124	2,932	38	6,218	4.42	758.6	70		5,860	94	186	(84)
2.5 to <5	3,358	2,262	41	4,248	3.18	471.7	72		3,783	89	96	(43)
5 to <10	1,766	671	33	1,970	7.17	286.9	64		2,078	105	89	(40)
10.00 to <100.00	1,248	444	28	1,360	26.21	216.9	65		2,064	152	223	(84)
10 to <20	758	348	29	851	13.76	136.5	69		1,324	156	83	(32)
20 to <30	132	36	35	143	23.80	31.7	66		263	184	22	(10)
30.00 to <100.00	357	61	21	367	59.45	48.6	54		476	130	119	(43)
100.00 (Default)	638	189	4	645	100.00	51.3	52		1,082	168	241	(171)
Total	83,616	35,697	45	99,468	1.52	3,626.0	34		19,690	20	756	(405)

1 Weighted averages are based on EAD.

2 Number of obligors is based on the number of counterparties within each PD grade.

Credit risk

3.5 Risk grade profile continued

Table 60: IRB approach – Credit risk exposures by exposure class and PD range for retail – secured by real estate property – SME (UK CR6)

PD range %	2025											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	63	–	100	63	0.10	0.5	15		2	3	–	–
0.00 to <0.10	35	–	100	35	0.08	0.3	15		1	3	–	–
0.10 to <0.15	27	–	–	27	0.13	0.2	15		1	4	–	–
0.15 to <0.25	40	11	61	47	0.18	0.2	12		2	4	–	–
0.25 to <0.50	21	–	87	21	0.39	0.2	5		1	5	–	–
0.50 to <0.75	27	2	49	28	0.62	0.3	3		1	4	–	–
0.75 to <2.50	117	23	36	125	1.49	0.6	2		3	2	–	(1)
0.75 to <1.75	77	21	32	84	1.15	0.5	2		2	2	–	(1)
1.75 to <2.5	40	2	82	41	2.20	0.1	3		2	5	–	–
2.50 to <10.00	44	9	64	49	5.44	0.1	5		4	8	–	–
2.5 to <5	20	6	50	23	3.77	0.1	7		2	9	–	–
5 to <10	24	3	96	26	6.90	–	3		1	4	–	–
10.00 to <100.00	23	3	75	26	16.80	0.1	4		2	8	–	–
10 to <20	19	3	76	21	13.95	–	2		1	5	–	–
20 to <30	3	–	100	3	26.50	–	14		1	33	–	–
30.00 to <100.00	1	–	25	1	49.48	–	10		–	–	–	–
100.00 (Default)	6	1	100	7	100.00	–	5		2	29	2	(1)
Total	341	49	51	366	4.39	2.0	6		17	5	2	(2)

PD range %	2024											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	74	1	92	75	0.10	0.5	14		3	4	–	–
0.00 to <0.10	38	1	88	39	0.07	0.3	15		1	3	–	–
0.10 to <0.15	36	–	–	36	0.13	0.2	14		2	6	–	–
0.15 to <0.25	49	12	58	56	0.18	0.3	11		2	4	–	–
0.25 to <0.50	29	1	63	30	0.38	0.3	3		1	3	–	–
0.50 to <0.75	30	5	58	33	0.60	0.3	2		1	3	–	–
0.75 to <2.50	70	21	51	81	1.39	0.5	2		2	2	–	–
0.75 to <1.75	56	15	47	63	1.17	0.4	2		1	2	–	–
1.75 to <2.5	14	6	61	18	2.16	0.1	3		1	6	–	–
2.50 to <10.00	46	11	42	51	4.84	0.2	7		5	10	–	–
2.5 to <5	17	4	76	20	3.13	0.1	5		2	10	–	–
5 to <10	29	8	26	31	5.93	0.1	7		4	13	–	–
10.00 to <100.00	12	2	72	13	20.38	0.1	5		2	15	–	–
10 to <20	8	2	72	9	15.01	–	2		–	–	–	–
20 to <30	3	–	100	3	26.56	–	13		1	33	–	–
30.00 to <100.00	1	–	100	1	64.21	–	10		–	–	–	–
100.00 (Default)	4	–	76	4	100.00	–	5		2	50	1	(2)
Total	314	53	53	343	3.15	2.2	7		18	5	1	(2)

1 Weighted averages are based on EAD.

2 Number of obligors is based on the number of counterparties within each PD grade.

3.5 Risk grade profile continued

Table 61: IRB approach – Credit risk exposures by exposure class and PD range for retail – secured by real estate property Non SME (UK CR6)

PD range %	2025											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	59,661	1,448	100	61,109	0.07	207.4	15		2,547	4	21	(1)
0.00 to <0.10	51,728	848	100	52,577	0.06	185.4	14		2,073	4	18	(1)
0.10 to <0.15	7,933	600	100	8,533	0.12	22.0	16		474	6	3	–
0.15 to <0.25	5,726	515	100	6,242	0.19	23.1	15		519	8	4	–
0.25 to <0.50	3,461	132	100	3,594	0.37	20.6	17		492	14	4	–
0.50 to <0.75	2,388	70	100	2,458	0.63	19.8	21		669	27	8	(1)
0.75 to <2.50	1,883	78	100	1,961	1.34	13.7	16		639	33	10	(1)
0.75 to <1.75	1,459	35	100	1,493	1.11	10.8	16		429	29	6	(1)
1.75 to <2.5	424	43	100	467	2.06	2.8	16		211	45	4	–
2.50 to <10.00	407	5	100	412	4.63	3.7	16		289	70	6	(1)
2.5 to <5	268	5	100	273	3.44	2.3	16		176	64	3	–
5 to <10	139	1	100	139	6.97	1.5	15		112	81	2	–
10.00 to <100.00	224	2	100	226	37.28	2.4	15		223	99	15	(4)
10 to <20	71	1	100	72	13.46	0.9	16		76	106	2	(1)
20 to <30	22	–	100	22	24.23	0.3	15		26	118	1	–
30.00 to <100.00	131	1	100	132	52.40	1.2	15		121	92	12	(2)
100.00 (Default)	279	–	100	279	100.00	2.6	22		405	145	33	(36)
Total	74,029	2,250	100	76,281	0.64	293.3	15		5,783	8	101	(44)

PD range %	2024											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	56,138	978	100	57,117	0.07	209.0	15		2,060	4	6	(1)
0.00 to <0.10	49,955	614	100	50,570	0.06	188.3	16		1,715	3	5	(1)
0.10 to <0.15	6,182	364	100	6,547	0.12	20.7	15		345	5	1	–
0.15 to <0.25	4,744	352	100	5,096	0.19	21.2	14		404	8	1	–
0.25 to <0.50	2,531	110	100	2,642	0.35	15.3	18		379	14	2	–
0.50 to <0.75	2,672	99	100	2,771	0.61	25.0	20		683	25	3	–
0.75 to <2.50	1,808	84	100	1,892	1.34	13.9	16		606	32	4	–
0.75 to <1.75	1,408	37	100	1,445	1.11	10.9	16		413	29	3	–
1.75 to <2.5	400	47	100	447	2.08	3.0	17		194	43	2	–
2.50 to <10.00	368	4	100	372	4.75	3.8	15		238	64	3	–
2.5 to <5	236	3	100	239	3.48	2.3	16		141	59	1	–
5 to <10	133	1	100	133	7.02	1.5	14		97	73	1	–
10.00 to <100.00	210	2	100	213	37.32	2.3	16		213	100	12	(4)
10 to <20	69	1	100	71	13.72	1.0	18		80	113	2	(1)
20 to <30	20	–	100	21	24.41	0.3	19		28	133	1	–
30.00 to <100.00	120	1	100	121	53.28	1.1	14		106	88	9	(3)
100.00 (Default)	261	–	100	261	100.00	2.6	24		367	141	35	(35)
Total	68,732	1,629	100	70,364	0.65	293.1	16		4,950	7	66	(40)

1 Weighted averages are based on EAD.

2 Number of obligors is based on the number of counterparties within each PD grade.

3.5 Risk grade profile continued

Table 62: IRB approach – Credit risk exposures by exposure class and PD range for retail – qualifying revolving (UK CR6)

PD range %	2025											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	961	12,291	45	6,532	0.08	828.1	86		300	5	5	(7)
0.00 to <0.10	500	8,125	46	4,199	0.07	573.2	87		164	4	2	(4)
0.10 to <0.15	461	4,165	45	2,334	0.11	254.9	84		136	6	2	(3)
0.15 to <0.25	93	1,196	37	534	0.18	95.8	71		40	7	1	(1)
0.25 to <0.50	562	2,812	45	1,822	0.34	198.1	82		258	14	5	(4)
0.50 to <0.75	477	3,047	47	1,910	0.67	185.4	87		493	26	11	(6)
0.75 to <2.50	720	2,699	39	1,778	1.39	549.4	82		758	43	21	(18)
0.75 to <1.75	597	2,354	41	1,559	1.29	447.2	83		641	41	17	(14)
1.75 to <2.5	123	345	28	218	2.12	102.2	74		117	54	4	(3)
2.50 to <10.00	1,224	1,287	53	1,913	4.10	363.2	84		1,758	92	67	(33)
2.5 to <5	835	1,056	53	1,391	2.98	235.4	85		1,063	76	36	(17)
5 to <10	389	231	58	522	7.07	127.8	83		696	133	31	(16)
10.00 to <100.00	322	114	68	399	22.61	77.3	81		808	203	73	(24)
10 to <20	223	78	76	282	13.93	47.9	82		554	196	33	(11)
20 to <30	35	20	50	45	23.72	11.3	77		104	231	8	(3)
30.00 to <100.00	63	17	51	72	56.12	18.1	78		150	208	32	(10)
100.00 (Default)	135	-	-	135	100.00	23.2	60		276	204	59	(36)
Total	4,494	23,446	45	15,023	2.35	2,320.5	84		4,691	31	242	(129)

PD range %	2024											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	962	13,893	45	7,271	0.08	913.0	86		312	4	5	(7)
0.00 to <0.10	583	10,859	45	5,435	0.06	717.0	85		199	4	3	(5)
0.10 to <0.15	379	3,034	48	1,835	0.11	196.0	87		113	6	2	(2)
0.15 to <0.25	119	1,930	34	776	0.21	163.9	72		65	8	1	(2)
0.25 to <0.50	485	2,132	48	1,510	0.33	168.9	85		214	14	4	(4)
0.50 to <0.75	447	3,384	48	2,078	0.67	195.2	88		546	26	12	(6)
0.75 to <2.50	674	3,045	34	1,722	1.42	579.6	82		743	43	20	(18)
0.75 to <1.75	544	2,503	37	1,465	1.29	436.5	83		604	41	16	(13)
1.75 to <2.5	130	542	23	257	2.12	143.1	76		139	54	4	(4)
2.50 to <10.00	1,318	1,851	45	2,159	4.12	540.6	85		2,011	93	75	(38)
2.5 to <5	891	1,454	46	1,555	2.97	341.9	85		1,190	77	39	(20)
5 to <10	426	397	45	604	7.08	198.7	84		821	136	36	(18)
10.00 to <100.00	307	162	53	393	23.08	134.6	84		804	205	75	(25)
10 to <20	219	114	59	287	13.94	81.3	85		581	202	34	(12)
20 to <30	30	24	40	39	23.43	21.2	81		95	244	7	(3)
30.00 to <100.00	58	25	36	67	62.07	32.1	81		128	191	34	(10)
100.00 (Default)	101	1	-	101	100.00	27.8	67		213	211	51	(27)
Total	4,413	26,398	44	16,010	2.07	2,723.6	85		4,908	31	243	(127)

1 Weighted averages are based on EAD.

2 Number of obligors is based on the number of counterparties within each PD grade.

Credit risk

3.5 Risk grade profile continued

Table 63: IRB approach – Credit risk exposures by exposure class and PD range for retail – SME (UK CR6)

PD range %	2025											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	23	18	1	20	0.10	0.7	61		2	10	–	–
0.00 to <0.10	10	7	2	9	0.07	0.4	60		1	11	–	–
0.10 to <0.15	13	11	–	11	0.13	0.3	61		2	18	–	–
0.15 to <0.25	71	156	6	77	0.20	0.7	43		10	13	–	–
0.25 to <0.50	65	84	20	72	0.38	0.9	36		12	17	–	–
0.50 to <0.75	112	99	3	99	0.63	1.4	45		29	29	–	–
0.75 to <2.50	988	745	3	930	1.61	8.5	45		407	44	7	(2)
0.75 to <1.75	614	467	3	571	1.35	5.8	44		230	40	3	(1)
1.75 to <2.5	374	278	2	359	2.03	2.8	47		177	49	3	(1)
2.50 to <10.00	643	559	8	644	4.27	6.6	48		359	56	13	(2)
2.5 to <5	482	394	9	492	3.47	4.5	48		268	54	8	(1)
5 to <10	161	165	5	153	6.87	2.2	48		91	59	5	–
10.00 to <100.00	129	178	5	126	21.63	1.9	47		91	72	13	(2)
10 to <20	103	160	6	103	13.15	1.5	46		72	70	6	(1)
20 to <30	5	7	–	4	26.17	0.1	64		5	125	1	–
30.00 to <100.00	20	12	–	19	67.53	0.3	48		14	74	6	–
100.00 (Default)	147	152	3	151	100.00	1.5	64		287	190	87	(62)
Total	2,178	1,991	5	2,119	10.48	22.2	47		1,197	56	120	(68)

PD range %	2024											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	28	15	2	24	0.09	0.9	63		3	13	–	–
0.00 to <0.10	15	8	3	14	0.07	0.6	63		1	7	–	–
0.10 to <0.15	13	7	2	10	0.12	0.4	63		2	20	–	–
0.15 to <0.25	75	149	7	81	0.19	0.9	46		12	15	–	–
0.25 to <0.50	74	68	3	55	0.38	1.5	46		13	24	–	–
0.50 to <0.75	106	98	9	92	0.62	1.8	50		30	33	–	–
0.75 to <2.50	909	874	2	857	1.57	9.2	48		396	46	6	(3)
0.75 to <1.75	622	582	2	582	1.36	6.6	48		255	44	4	(2)
1.75 to <2.5	286	292	2	276	2.00	2.6	49		141	51	3	(1)
2.50 to <10.00	629	533	5	615	4.49	6.9	50		362	59	14	(2)
2.5 to <5	442	359	5	436	3.52	4.4	50		250	57	8	(1)
5 to <10	187	174	5	179	6.83	2.5	51		112	63	6	–
10.00 to <100.00	136	209	6	135	25.27	2.3	51		105	78	17	(2)
10 to <20	98	182	7	102	12.94	1.7	52		78	76	7	(1)
20 to <30	6	4	–	4	25.28	0.1	65		5	125	1	–
30.00 to <100.00	32	23	–	29	67.83	0.4	47		21	72	9	(2)
100.00 (Default)	123	188	4	129	100.00	1.6	63		260	202	72	(54)
Total	2,080	2,134	4	1,988	10.33	25.1	50		1,181	59	109	(61)

1 Weighted averages are based on EAD.

2 Number of obligors is based on the number of counterparties within each PD grade.

3.5 Risk grade profile continued

Table 64: IRB approach – Credit risk exposures by exposure class and PD range for retail – Non SME (UK CR6)

PD range %	2025											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	1,256	2,121	54	1,677	0.07	60.3	75		246	15	1	(2)
0.00 to <0.10	1,206	1,622	57	1,420	0.06	56.0	75		191	13	1	(2)
0.10 to <0.15	50	499	41	257	0.11	4.3	76		56	22	–	–
0.15 to <0.25	124	325	30	222	0.20	6.0	73		69	31	1	(1)
0.25 to <0.50	1,131	643	52	1,467	0.37	51.3	77		707	48	4	(2)
0.50 to <0.75	961	541	44	1,200	0.65	41.0	75		794	66	7	(3)
0.75 to <2.50	1,259	521	34	1,434	1.45	55.8	78		1,357	95	16	(10)
0.75 to <1.75	936	450	35	1,093	1.25	36.8	78		994	91	11	(7)
1.75 to <2.5	323	71	25	341	2.08	18.9	77		363	106	6	(3)
2.50 to <10.00	1,480	334	40	1,613	4.40	111.9	81		1,996	124	57	(27)
2.5 to <5	1,037	279	42	1,154	3.31	62.8	82		1,406	122	32	(13)
5 to <10	443	56	29	459	7.16	49.1	78		590	129	26	(14)
10.00 to <100.00	558	53	28	573	24.36	48.4	78		962	168	108	(45)
10 to <20	405	37	27	415	15.65	33.7	79		691	167	52	(21)
20 to <30	55	8	33	58	25.01	6.8	75		111	191	11	(5)
30.00 to <100.00	98	8	26	100	59.99	7.9	75		159	159	45	(19)
100.00 (Default)	172	–	86	173	100.00	14.9	62		261	151	86	(68)
Total	6,941	4,538	47	8,359	5.01	389.6	77		6,392	76	280	(158)

PD range %	2024											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ² thousands	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	266	2,197	53	1,434	0.06	50.5	76		204	14	1	(1)
0.00 to <0.10	201	1,779	53	1,152	0.05	43.7	76		140	12	–	(1)
0.10 to <0.15	65	418	52	282	0.11	6.8	79		64	23	–	–
0.15 to <0.25	205	726	48	551	0.18	24.3	78		172	31	1	(1)
0.25 to <0.50	796	507	58	1,089	0.34	28.7	73		477	44	3	(2)
0.50 to <0.75	910	660	50	1,240	0.68	35.2	76		847	68	6	(3)
0.75 to <2.50	2,405	791	34	2,672	1.52	139.3	75		2,509	94	31	(18)
0.75 to <1.75	1,772	654	35	2,001	1.31	82.1	74		1,754	88	19	(11)
1.75 to <2.5	633	137	28	672	2.16	57.2	81		755	112	12	(7)
2.50 to <10.00	2,763	533	48	3,021	4.76	207.1	69		3,244	107	94	(44)
2.5 to <5	1,772	442	51	1,998	3.45	123.0	73		2,200	110	48	(22)
5 to <10	991	91	35	1,023	7.32	84.1	62		1,044	102	46	(22)
10.00 to <100.00	583	69	34	606	26.63	77.6	75		940	155	119	(53)
10 to <20	364	49	36	382	13.46	52.5	77		585	153	40	(18)
20 to <30	73	8	37	76	23.83	10.1	70		134	176	13	(7)
30.00 to <100.00	146	12	23	149	61.85	15.0	73		221	148	67	(28)
100.00 (Default)	149	–	93	150	100.00	19.3	67		240	160	82	(53)
Total	8,077	5,483	49	10,763	4.73	582.0	74		8,633	80	337	(175)

1 Weighted averages are based on EAD.

2 Number of obligors is based on the number of counterparties within each PD grade.

3.5 Risk grade profile continued

Table 65 sets out the allocation of exposures subject to the Standardised Approach laid down in Chapter 2 of Title II of Part Three and IRB Approach laid down in Chapter 3 of Title II of Part Three to the exposure classes as defined under the IRB Approach. This template excludes counterparty credit risk (CCR) exposures (Chapter 6 of Title II of Part Three CRR), and securitisation exposures.

Table 65: Scope of the use of IRB and SA approaches (UK CR6-A)

		2025				
		Exposure value as defined in Article 166 CRR for exposures subject to IRB approach \$million	Total exposure value for exposures subject to the Standardised approach and to the IRB approach \$million	Percentage of total exposure value subject to the permanent partial use of the SA %	Percentage of total exposure value subject to IRB Approach %	Percentage of total exposure value subject to a roll-out plan %
1	Central governments or central banks	180,278	231,658	21.61	77.82	-
1.1	Of which Regional governments or local authorities		-	-	-	-
1.2	Of which Public sector entities		92	-	78.12	-
2	Institutions	71,707	82,827	2.82	86.57	-
3	Corporates	191,701	249,323	11.65	76.89	2.08
3.1	Of which Corporates – Specialised lending, excluding slotting approach		22,910	0.40	98.71	-
3.2	Of which Corporates – Specialised lending under slotting approach		9,717	-	100.00	-
3.3	Of which Corporates – SMEs		25,037	74.60	11.62	13.40
4	Retail	103,031	124,276	6.52	82.91	8.39
4.1	Of which Retail – Secured by real estate SMEs		626	1.12	58.44	-
4.2	Of which Retail – Secured by real estate non-SMEs		80,934	0.15	94.25	3.97
4.3	Of which Retail – Qualifying revolving		15,482	-	97.04	-
4.4	Of which Retail – Other SMEs		5,712	0.66	40.03	34.28
4.5	Of which Retail – Other non-SMEs		21,523	36.89	42.17	24.42
5	Equity	-	1,244	-	-	-
6	Other non-credit obligation assets	-	-	-	-	-
17	Total	546,718	689,329	12.99	79.31	2.26

		2024				
		Exposure value as defined in Article 166 CRR for exposures subject to IRB approach \$million	Total exposure value for exposures subject to the Standardised approach and to the IRB approach \$million	Percentage of total exposure value subject to the permanent partial use of the SA %	Percentage of total exposure value subject to IRB Approach %	Percentage of total exposure value subject to a roll-out plan %
1	Central governments or central banks	163,957	206,035	19.92	79.58	-
1.1	Of which Regional governments or local authorities		-	-	-	-
1.2	Of which Public sector entities		391	-	-	-
2	Institutions	72,044	81,573	2.73	88.32	-
3	Corporates	191,202	225,678	10.20	84.72	2.19
3.1	Of which Corporates – Specialised lending, excluding slotting approach		19,341	0.14	99.86	-
3.2	Of which Corporates – Specialised lending under slotting approach		8,363	-	100.00	-
3.3	Of which Corporates – SMEs	3,181	19,862	72.01	16.02	15.76
4	Retail	99,646	120,678	5.24	82.57	9.01
4.1	Of which Retail – Secured by real estate SMEs		1,175	1.30	29.17	-
4.2	Of which Retail – Secured by real estate non-SMEs		74,813	0.18	94.05	3.94
4.3	Of which Retail – Qualifying revolving		16,374	-	97.78	-
4.4	Of which Retail – Other SMEs		6,400	0.45	33.85	54.08
4.5	Of which Retail – Other non-SMEs		21,916	28.05	49.11	20.36
5	Equity	-	1,577	-	-	-
6	Other non-credit obligation assets	-	-	-	-	-
17	Total	526,849	635,542	11.43	82.90	2.49

1 Comparatives for UK CR6-A have been restated to reflect the exposure class of standardised exposures which would change when under the IRB approach.

3.5 Risk grade profile continued

Table 66 sets out the slotting approach that is applied to financing of individual projects where the repayment is highly dependent on the performance of the underlying pool or collateral, known as specialised lending. It uses a standard set of rules for the calculation of RWAs, based upon an assessment of factors such as the financial strength of the counterparty. The requirements for the application of the Slotting approach are detailed in CRR article 153.

Table 66: Specialised lending and equity exposures under the simple risk weighted approach (UK CR10.2)

		2025					
		Income-producing real estate and high volatility commercial real estate (Slotting approach)					
	Remaining maturity	On-balance sheet exposure \$million	Off-balance sheet exposure \$million	Risk weight %	Exposure value \$million	Risk weighted exposure amount \$million	Expected loss amount \$million
Category 1	Less than 2.5 years	4,619	823	50	4,869	3,047	13
	Equal to or more than 2.5 years	904	1,007	70	1,248	849	5
Category 2	Less than 2.5 years	991	323	70	1,001	832	14
	Equal to or more than 2.5 years	187	527	90	410	367	3
Category 3	Less than 2.5 years	479	38	115	499	553	14
	Equal to or more than 2.5 years	53	-	115	53	61	1
Category 4	Less than 2.5 years	13	-	250	13	28	1
	Equal to or more than 2.5 years	-	107	250	57	142	5
Category 5	Less than 2.5 years	443	16	-	448	-	224
	Equal to or more than 2.5 years	37	-	-	37	-	19
Total	Less than 2.5 years	6,544	1,201		6,829	4,459	266
	Equal to or more than 2.5 years	1,181	1,642		1,806	1,419	33

		2024					
		Income-producing real estate and high volatility commercial real estate (Slotting approach)					
	Remaining maturity	On-balance sheet exposure \$million	Off-balance sheet exposure \$million	Risk weight %	Exposure value \$million	Risk weighted exposure amount \$million	Expected loss amount \$million
Category 1	Less than 2.5 years	3,667	714	50	3,795	2,371	-
	Equal to or more than 2.5 years	1,304	1,092	70	1,607	1,102	6
Category 2	Less than 2.5 years	988	302	70	1,042	1,114	4
	Equal to or more than 2.5 years	258	423	90	297	257	2
Category 3	Less than 2.5 years	568	8	115	569	830	16
	Equal to or more than 2.5 years	1	1	115	1	1	-
Category 4	Less than 2.5 years	89	-	250	89	208	7
	Equal to or more than 2.5 years	-	-	250	-	1	-
Category 5	Less than 2.5 years	257	5	-	257	-	128
	Equal to or more than 2.5 years	-	-	-	-	-	-
Total	Less than 2.5 years	5,569	1,029		5,752	4,523	155
	Equal to or more than 2.5 years	1,563	1,516		1,904	1,360	9

3.6 Credit risk mitigation

Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, netting agreements, credit insurance, credit derivatives and guarantees. For example, eligible financial collateral taken under eligible master netting agreements supported by a legal opinion may be netted against exposures. 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 credit risk of the guarantor. The presence of credit risk mitigation is not a substitute for the ability to pay, which is the primary consideration for any credit decision, but may influence credit limit sizing. Where appropriate, credit derivatives are used to reduce credit risks in the portfolio. Due to their potential impact on income volatility, such derivatives are used in a controlled manner with reference to their expected volatility. Collateral is held to mitigate credit risk exposures and risk mitigation policies determine the eligibility of collateral types. Potential concentration risk from the use of financial collaterals, guarantee and credit insurance is monitored through periodic risk reporting. The Group uses credit limits to record guarantees taken against each guarantor where a capital benefit is taken.

Our approach to credit risk mitigation can be found in the Risk management approach section of the 2025 Annual Report and Accounts on pages 226 to 227.

The table below shows the unfunded credit protection held by the Group, consisting of credit derivatives and guarantees, and funded credit protection, including financial collateral. Exposure class has been defined based on the guarantor of the exposure.

Table 67: CRM techniques overview: Disclosure of the use of credit risk mitigation techniques (UK CR3)

		2025				
		Exposures unsecured \$million	Exposures secured \$million	Of which secured by collateral \$million	Of which secured by financial guarantees \$million	Of which secured by credit derivatives \$million
1	Total loans	353,419	139,861	130,853	9,007	320
2	Total debt securities	168,058	730	90	639	
3	Total exposures	521,477	140,591	130,943	9,647	320
4	Of which non-performing exposures	3,024	995	988	7	3
5	Of which defaulted	3,024	995			
		2024				
		Exposures unsecured \$million	Exposures secured \$million	Of which secured by collateral \$million	Of which secured by financial guarantees \$million	Of which secured by credit derivatives \$million
1	Total loans	351,126	123,741	115,423	8,318	–
2	Total debt securities	145,600	201	105	96	
3	Total exposures	496,726	123,942	115,528	8,414	–
4	Of which non-performing exposures	1,977	881	860	21	–
5	Of which defaulted	1,977	881			

Credit risk

3.6 Credit risk mitigation continued

Table 68 presents the EAD before and after the effect of CRM, including credit substitution and financial collateral, with a further split into on-balance sheet and off-balance sheet exposures. Off-balance sheet exposures are presented before and after the application of standardised CCFs.

Table 68: Standardised approach – Credit risk exposure and CRM effects (UK CR4)

Standardised Exposure Class		2025					
		Exposures before CCF and CRM ¹		Exposures post CCF and CRM		RWA and RWA density	
		On-balance sheet \$million	Off-balance sheet \$million	On-balance sheet \$million	Off-balance sheet \$million	RWA \$million	RWA density %
1	Central governments or central banks	26,274	272	27,356	754	1,777	6
2	Multilateral development banks	27,145	741	30,296	398	859	3
6	Institutions	15	356	7	–	4	57
7	Corporates	37,816	59,648	11,425	1,472	11,098	86
8	Retail	15,275	18,246	12,911	229	7,968	61
9	Secured on real estate property	8,633	270	8,538	128	3,967	46
10	Exposures in default	183	36	179	13	192	100
11	Items belonging to regulatory high risk categories	2,085	313	1,838	43	2,821	150
15	Equity	1,186	–	1,186	–	2,965	250
16	Other items ²	17,874	332	20,115	301	10,199	50
17	Total Standardised³	136,486	80,214	113,851	3,338	41,850	36

Standardised Exposure Class		2024					
		Exposures before CCF and CRM ¹		Exposures post CCF and CRM		RWA and RWA density	
		On-balance sheet \$million	Off-balance sheet \$million	On-balance sheet \$million	Off-balance sheet \$million	RWA \$million	RWA density %
1	Central governments or central banks	23,177	437	24,344	1,118	1,384	5
2	Multilateral development banks	20,430	1,075	23,462	157	1,058	4
6	Institutions	45	331	34	–	17	50
7	Corporates	18,691	35,946	11,513	1,063	9,451	75
8	Retail	14,777	20,994	10,641	254	7,825	72
9	Secured on real estate property	8,506	366	8,406	178	4,130	48
10	Exposures in default	198	51	195	28	223	100
11	Items belonging to regulatory high risk categories	1,254	566	1,203	64	1,901	150
15	Equity	868	–	868	–	2,169	250
16	Other items ²	17,374	354	11,954	349	9,275	75
17	Total Standardised³	105,320	60,120	92,620	3,211	37,433	39

1 EAD before the effect of collateral and substitution.

2 Other items include public sector entities.

3 Refer to table 20 (OV1): Standardised approach \$37,456 million and amount below threshold for deduction \$4,395 million RWA.

Credit risk

3.6 Credit risk mitigation continued

Table 69: IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques (UK CR7)

		2025		2024	
		Pre-credit derivatives risk weighted exposure amount \$million	Actual risk weighted exposure amount \$million	Pre-credit derivatives risk weighted exposure amount \$million	Actual risk weighted exposure amount \$million
6	Central governments and central banks	21,328	21,328	21,958	21,958
7	Institutions	12,143	12,143	12,902	12,902
8	Corporates	70,467	70,467	69,490	69,490
8.1	Of Corporates – which SMEs	1,238	1,238	1,355	1,355
8.1	Of which Corporates – Specialised lending	10,669	10,669	9,865	9,865
9	Retail	18,083	18,083	19,692	19,692
9.1	Of which Retail – SMEs – Secured by immovable property collateral	18	18	18	18
9.2	Of which Retail – non-SMEs – Secured by immovable property collateral	5,783	5,783	4,952	4,952
9.3	Of which Retail – Qualifying revolving	4,692	4,692	4,908	4,908
9.4	Of which Retail – SMEs – Other	1,198	1,198	1,181	1,181
9.5	Of which Retail – Non-SMEs – Other	6,392	6,392	8,634	8,634
10	Total	122,021	122,021	124,043	124,043

Table 70: IRB approach – Disclosure of the extent of the use of CRM techniques (UK CR7-A)

IRB Exposure Class	2025												Credit risk Mitigation methods in the calculation of RWEAs		
	Total exposures \$million	Credit risk Mitigation techniques										Unfunded credit Protection (UFCP)		RWEA without substitution effects (reduction effects only) \$million	RWEA with substitution effects (both reduction and substitution effects) \$million
		Funded credit Protection (FCP)					Part of exposures covered by instruments held by a third party %					Part of exposures covered by Guarantees %	Part of exposures covered by Credit Derivatives %		
		Part of exposures covered by Financial Collaterals %	Part of exposures covered by Other eligible collaterals %	Part of exposures covered by Immovable property Collaterals %	Part of exposures covered by Receivables %	Part of exposures covered by Other physical collateral %	Part of exposures covered by Other funded credit protection %	Part of exposures covered by Cash on deposit %	Part of exposures covered by Life insurance policies %						
1	Central governments and central banks	180,287	-	-	-	-	-	-	-	-	-	5.3	-	21,825	21,328
2	Institutions	71,707	4.1	1.9	-	-	1.9	1.7	-	-	-	10.5	-	11,848	12,143
3	Corporates	191,728	1.8	7.8	2.9	-	4.8	1.0	-	-	-	10.6	-	67,651	70,467
3.1	Of which Corporates – SMEs	2,909	3.5	40.4	39.8	-	0.5	-	-	-	-	6.2	-	1,258	1,238
3.2	Of which Corporates – Specialised lending	32,332	0.5	15.9	0.3	0.1	15.4	1.1	-	-	-	19.0	-	11,541	10,669
3.3	Of which Corporates – Other	156,486	2.1	5.6	2.8	-	2.7	1.0	-	-	-	8.9	-	54,852	58,560
4	Retail	103,031	0.1	72.2	72.2	-	-	-	-	-	-	0.9	-	18,219	18,083
4.1	Of which Retail – Immovable property SMEs	366	-	90.6	90.6	-	-	-	-	-	-	-	-	18	18
4.2	Of which Retail – Immovable property non-SMEs	76,280	-	97.1	97.1	-	-	-	-	-	-	-	-	5,783	5,783
4.3	Of which Retail – Qualifying revolving	15,023	-	-	-	-	-	-	-	-	-	-	-	4,692	4,692
4.4	Of which Retail – Other SMEs	2,286	1.3	0.1	-	-	0.1	-	-	-	-	7.3	-	1,213	1,198
4.5	Of which Retail – Other non-SMEs	9,076	0.3	-	-	-	-	-	-	-	-	7.9	-	6,514	6,392
5	Total	546,753	1.2	16.6	14.6	-	1.9	0.6	-	-	-	7.0	-	119,543	122,021

3.6 Credit risk mitigation continued

Table 70: IRB approach – Disclosure of the extent of the use of CRM techniques (UK CR7-A) continued

		2024											Credit risk Mitigation methods in the calculation of RWEAs		
		Credit risk Mitigation techniques													
Total exposures ¹	Funded credit Protection (FCP)	Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)		RWEA without substitution effects (both reduction and substitution effects)	RWEA with substitution effects (both reduction and substitution effects)	
		Part of exposures covered by Financial Collaterals	Part of exposures covered by Other eligible collaterals	Part of exposures covered by Immovable property Collaterals	Part of exposures covered by Receivables	Part of exposures covered by Other physical collateral	Part of exposures covered by Other funded credit protection	Part of exposures covered by Cash on deposit	Part of exposures covered by Life insurance policies	Part of exposures covered by instruments held by a third party	Part of exposures covered by Guarantees	Part of exposures covered by Credit Derivatives			RWEA (reduction effects only)
	\$million	%	%	%	%	%	%	%	%	%	%	%	%	\$million	\$million
IRB Exposure Class															
1	Central governments and central banks	163,957	-	-	-	-	-	-	-	-	-	4.9	-	21,236	21,958
2	Institutions	72,044	2.8	1.4	-	-	1.3	2.2	-	-	-	10.3	-	13,089	12,903
3	Corporates	191,202	1.9	8.3	3.3	-	4.9	0.9	-	-	-	17.6	-	68,865	69,490
3.1	Of which Corporates – SMEs	3,181	4.2	39.9	39.3	-	0.5	-	-	-	-	4.5	-	1,365	1,355
3.2	Of which Corporates – Specialised lending	27,676	0.7	16.1	0.4	0.2	15.5	1.6	-	-	-	20.6	-	10,730	9,865
3.3	Of which Corporates – Other	160,344	2.0	6.3	3.1	-	3.1	0.8	-	-	-	17.4	-	56,770	58,270
4	Retail	99,646	-	67.3	67.3	-	-	-	-	-	-	0.2	-	19,709	19,693
4.1	Of which Retail – Immovable property SMEs	343	-	89.5	89.5	-	-	-	-	-	-	-	-	18	18
4.2	Of which Retail – Immovable property non-SMEs	70,364	-	94.9	94.9	-	-	-	-	-	-	-	-	4,952	4,952
4.3	Of which Retail – Qualifying revolving	16,010	-	-	-	-	-	-	-	-	-	-	-	4,908	4,908
4.4	Of which Retail – Other SMEs	2,166	1.0	-	-	-	-	-	-	-	-	8.2	-	1,198	1,181
4.5	Of which Retail – Other non-SMEs	10,764	-	-	-	-	-	-	-	-	-	-	-	8,634	8,634
5	Total	526,849	1.1	15.9	13.9	-	1.9	0.6	-	-	-	9.4	-	122,898	124,044

1 2024 has been represented to show exposures on an obligor basis and for UFCP to include all exposures covered by UFCP and not just where the impact is taken through LGD.

3.7 Standardised risk weight profile

External ratings, where available, are used to assign risk weights for standardised approach (SA) exposures. These external ratings must come from EU approved rating agencies, known as External Credit Assessment Institutions (ECAI); which currently include Moody’s, Standard & Poor’s and Fitch. The Group uses the ECAI ratings from these agencies in its day-to-day business, which are tracked and kept updated. Assessments provided by approved ECAI are mapped to credit quality steps as prescribed by the CRR.

The following tables set out EAD and EAD after CRM associated with each risk weight as prescribed in Part Three, Title II, Chapter 2 of the CRR, including credit and counterparty credit risk regulatory risk weights based on the exposure classes applied to unrated exposures.

Standardised EAD post CRM and post CCF increased by \$21.4 billion driven by:

- Central governments or central banks increased by \$2.6 billion
- Public sector entities increased by \$8.4 billion
- Multilateral development banks increased by \$7.1 billion
- Retail increased by \$2.2 billion

3.7 Standardised risk weight profile continued

Table 71: Standardised approach (UK CR5)

		2025													
		Risk Weight											Deducted	Total	Of which unrat
Standardised Exposure Class		0%	2%	4%	20%	35%	50%	75%	100%	150%	250%	Others	Deducted	Total	Of which unrat
1	Central governments or central banks	27,191	-	-	-	-	-	-	347	-	572	-	-	28,110	-
3	Public sector entities	-	-	-	8,795	-	-	-	-	-	-	-	-	8,795	-
4	Multilateral development banks	28,944	-	-	390	-	1,158	-	202	-	-	-	-	30,694	-
6	Institutions	-	-	-	-	-	7	-	-	-	-	-	-	7	-
7	Corporates	-	-	-	1,580	-	196	-	11,120	-	-	-	-	12,896	11,083
8	Retail	-	-	-	2,891	-	-	10,248	-	-	-	-	-	13,139	10,525
9	Secured on real estate property	-	-	-	-	7,045	-	-	1,621	-	-	-	-	8,666	8,666
10	Exposures in default	-	-	-	-	-	-	-	192	-	-	-	-	192	192
11	Items belonging to regulatory high risk categories	-	-	-	-	-	-	-	-	1,881	-	-	-	1,881	1,189
15	Equity	-	-	-	-	-	-	-	-	-	1,186	-	-	1,186	1,186
16	Other items ¹	3,208	-	-	3	-	-	-	8,354	-	-	58	-	11,623	3,064
17	Total Standardised	59,343	-	-	13,659	7,045	1,361	10,248	21,836	1,881	1,758	58	-	117,189	35,905

		2024													
		Risk Weight											Deducted	Total	Of which unrat
Standardised Exposure Class		0%	2%	4%	20%	35%	50%	75%	100%	150%	250%	Others	Deducted	Total	Of which unrat
1	Central governments or central banks	24,755	-	-	18	-	126	-	17	66	481	-	-	25,463	-
3	Public sector entities	-	-	-	393	-	-	-	-	-	-	-	-	393	-
4	Multilateral development banks	21,374	-	-	556	-	1,482	-	206	-	-	-	-	23,618	-
6	Institutions	-	-	-	-	-	34	-	-	-	-	-	-	34	-
7	Corporates	-	-	-	3,237	-	272	-	9,066	-	-	-	-	12,575	9,471
8	Retail	-	-	-	-	-	-	10,895	-	-	-	-	-	10,895	10,895
9	Secured on real estate property	-	-	-	-	6,601	-	-	1,983	-	-	-	-	8,584	8,584
10	Exposures in default	-	-	-	-	-	-	-	223	-	-	-	-	223	223
11	Items belonging to regulatory high risk categories	-	-	-	-	-	-	-	-	1,267	-	-	-	1,267	909
15	Equity	-	-	-	-	-	-	-	-	-	868	-	-	868	868
16	Other items ¹	2,663	-	-	68	-	3	-	8,898	-	-	277	-	11,909	3,194
17	Total Standardised	48,792	-	-	4,272	6,601	1,917	10,895	20,393	1,333	1,349	277	-	95,829	34,144

1 Other items include cash, fixed assets, prepayments and accrued income.

3.8 Securitisation

Securitisation is defined by the CRR as a transaction or scheme where the credit risk of an exposure or pool of exposures is tranching and where the payments arising from the transaction or scheme are dependent upon the performance of the underlying exposure(s) and where the subordination of tranches determine the distribution of losses during the ongoing life of the transaction or the scheme.

Securitisation can be categorised as either:

- **Traditional securitisation:** A securitisation involving the economic transfer of the exposures being securitised via the transfer of ownership of securitised exposures from the originator institution to a securitisation special purpose entity (SSPE), where the securitised assets are beyond the reach of the originator and its creditors. The purchase of the assets by the SSPE are usually funded via the issuance of securities where the payments obligations does not belong to the originator institution.
- **Synthetic transaction:** A securitisation where the originator retains the ownership of the underlying exposure(s) and transfer the associated credit risk of the securitised exposures to third party through the use of credit derivatives or guarantees.

The Group has undertaken securitisation of its own originated assets to diversify sources of funding and capital management and may play one or more of the following roles in a securitisation transaction:

Originator – The Group securitised assets (Corporate loans, revolving credit facilities and trade finance facilities) originated in its normal course of business for capital and risk management and diversification of its sources of funding. The Group may be exposed to credit and market risk on the underlying assets, particularly if the structure of the transaction does not transfer these risks to third parties.

Investor – To generate financial returns, the group may purchase securitised issued by third-party SSPE or purchased securities from SSPE which it originates for market making purpose.

Arranger – The Group may act as arranger for securitisation transactions it originates or by its customers, usually financial institution or large corporates.

Underwriter – The Group may underwrite the securities issued by a SSPE originated by the Group or for its customers.

Credit Event Monitor Agent – Monitor the credit quality of the underlying securitised assets on behalf of the SSPE or investors

Account Bank – The Group may hold the bank account of a SSPE originated by the Group on its own books

Program Manager – Report on the performance of the securitised assets of the SSPE to investors

Servicer – Manage and service the asset pool of the securitisation transactions

The Group has \$32.6 billion (2024: \$32.2 billion) of EAD classified as securitisation positions, as shown in Table 72 on page 86. These transactions meet the criteria to qualify as securitisation positions under the PRA's securitisation framework and the particulars of these transactions are discussed below.

Asset Backed Securities

The carrying value of asset backed securities (ABS) of \$15.4 billion (2024: \$16.2 billion), held either as investments or arranged for clients, represents 2 per cent of the Group's total assets (2024: 2 per cent). This portfolio only constitutes third party securitisations and does not include self-securitisation (retained positions).

The portfolio primarily comprises of two main strategies, firstly, a mix of client-based and market making trades booked in Markets, and portfolios of liquid ABS investments for the Treasury Markets (TM) book.

The credit quality of the ABS portfolio remains strong, with over 94.3 per cent of the overall portfolio rated Investment Grade, and 97.5 per cent of the overall portfolio is rated as AAA. The portfolio is diversified across asset classes and geographies. Residential mortgage-backed securities (RMBS) make up 17.5 per cent of the overall portfolio and have a weighted averaged credit rating of AAA.

Other ABS include Auto ABS, comprising 5.8 per cent of the overall portfolio, CLOs (58.6 per cent) The balance of Other ABS mainly includes securities backed by Credit Cards, consumer loans, diversified payment rights, and receivables ABS.

The notional and carrying values of the ABS purchased or retained by the Group are shown in the table below analysed by underlying asset type. ABS are accounted for as financial assets. For further details regarding recognition and impairment, refer to the note 33 to the financial statements of the 2025 Annual Report and Accounts, page 416. The ABS portfolio is assessed frequently for objective evidence of impairment.

Valuation of retained interest is initially and subsequently determined using market price quotations where available or internal pricing models that utilise variables such as yield curves, prepayment speeds, default rates, loss severity, interest rate volatilities and spreads. The assumptions used for valuation are based on observable transactions in similar securities and are verified by external pricing sources, where available.

3.8 Securitisation continued

The ABS portfolio is closely managed by a centralised dedicated team. The team has developed a detailed analysis and reporting framework of the underlying portfolio to allow senior management to make an informed holding decision with regards to specific assets, asset classes or parts of an asset class. These ABS portfolio reports are closely monitored by the Risk function in the Group.

The notional and carrying values of the ABS purchased or retained by the Group are shown below in the table analysed by underlying asset type.

Syndicate & Portfolio Management Balance Sheet Securitisation Synthetic Securitisation – Significant Risk Transfer (SRT) trades

The Group via its Syndicate and Portfolio Management (SPM) Balance Sheet Securitisation unit buys synthetic protection for its banking book credit portfolio. Securitisation provides capacity for client-focused growth and improves efficiency of economic and regulatory capital. The Group as the originator performs multiple roles, including protection buyer, calculation agent and credit event monitor agent. The protection buyer executes and maintains securitisation transactions. The calculation agent computes periodic coupon payments and loss payouts. The credit event monitor agent validates and provides notifications of credit events.

Treasury Markets unit performs a different role, acting as deposit taker for funds collected from the credit protection providers. Deposits collected eliminate counterparty risk for transactions where the Group is the protection buyer.

The securitised assets consist of commercial loans, revolving credit facilities and trade finance facilities extended by the Group's branches and subsidiaries to borrowers from the Group's footprint markets, including the emerging markets in Asia, Africa and Middle East. The securitised assets are subject to changes in general economic conditions, performance of relevant financial markets, political events and developments or trends in a particular industry. Historically, the trading volume of loans in these emerging markets has been small relative to other more developed debt markets due to limited liquidity in the secondary loan market.

The securitised assets are originated by the Group in its ordinary course of business. Given the synthetic nature of securitisations originated by SPM Balance Sheet Securitisation unit, the securitised assets remain on the Group's balance sheet and continue to be subject to the Group's credit review and monitoring process and risk methodology. Accordingly retained positions for regulatory risk retention purpose are not hedged.

In its role as credit event monitor agent, SPM Balance Sheet Securitisation unit monitors the credit risk of the underlying securitised assets by leveraging on the Group's client and risk management system.

As of 31 December 2025, \$0 million of Trade Finance (2024: \$0 million) and \$113 million of Commercial Loans (2024: \$29 million) totalling \$113 million (2024: \$29 million) of securitised exposures were classified as impaired and past due.

The Group has eighteen synthetic securitisation transactions originated and managed by SPM Balance Sheet Securitisation unit, with an aggregate hedge capacity of \$26 billion (2024: \$25 billion). SPM Balance Sheet Securitisation unit as the originator has not acted as sponsor to securitise third-party exposures and does not manage or advise any third-party entity that invests in the securitisation positions. Table 72 provides details of current securitisation programmes originated and managed by the Group.

The Group transfer credit risk of underlying securitised assets (Refer to Table 72) to non-consolidated securitisation special purpose entity (SSPE) via credit derivatives or via credit-linked notes issued by the bank. In the transactions involving the use of SSPE structure, the underlying assets are not sold into the relevant SSPE. Instead, the credit risk of the underlying assets is transferred to the SSPE synthetically via credit default swaps whereby the SSPEs act as sellers of credit protection and receive premiums paid by the Group in return. The SSPE in turn issue credit-linked notes to third party investors who fund the credit protection in exchange for coupon on the notes purchased. The premium received by the SSPE and interest earned on the funded amount of the purchased notes are passed through to the third-party investors as coupon on the purchased notes. Payment to the third-party investors is made in accordance with the priority of payments stipulated in the transaction documents.

Traditional Securitisation

The Group entered into traditional securitisation transaction to diversify its sources of funding. The Group originated a revolving cashflow traditional trade finance and lending securitisation transaction, which consolidated the SSPE (Prunelli Issuer S.a.r.l) into the Group's financials as required under IFRS 10 as the Group was deemed to have control over the SSPE. Assets sold to the SSPE continue to remain on the Group's balance sheet as they did not satisfy derecognition criteria under the Group's accounting policy.

As of 31 December 2025, the outstanding securitised exposures were \$2,292 million (2024: \$2,714 million).

3.8 Securitisation continued

Governance of securitisation activities

Securitisation transactions proposed for funding and capital management must obtain support from the Corporate & Investment Banking Financial Risk Committee (“CIB FRC”), which manages the capital requirements of the Group. From 1 January 2026 onwards, the CIB FRC transactional level approvals are to be within Group Chief Financial Officer approval overall quantum for significant risk transfer given its capital implications. For a securitisation transaction that will lead to reduction in regulatory capital, it must be submitted to UK PRA for review one-month post deal close.

Execution of each securitisation transaction must either be approved through a Product Programme (PPG) or an individual Transaction Programme Approval (TPA) where approvals across all functions involved in the transaction are obtained. Specifically, Compliance covers issues like confidentiality of clients’ information and insider information, Group Tax provides an opinion on taxation, Group Finance advises on the capital and accounting treatment.

Basel III for securitisation positions

The calculation of risk-weighted exposure amounts for securitisation positions is based on the following two calculation methods advised by the PRA:

- IRB method for third-party senior securitisation positions bought and securitisation positions originated and retained by the Group (including haircuts due to currency and collateral mismatch)
- Standardised Approach for the residual risk-weighted exposure amounts for all other securitisation positions originated by the Group and sold. For instance, risk-weight substitution under the Standardised Approach is adopted in unfunded transactions where cash collateral is with a third party

The Synthetic securitisation transactions originated by the Group in Table 72 meet the Significant risk transfer requirement (“SRT”) under the CRR. Where securitisations do not achieve SRT (for instance when they are entered into for funding purpose), their associated exposures will be presented in other sections of the Pillar 3 report. Synthetic Securitisation transactions (Table 72) are unrated as the bank utilised SEC-IRBA for risk capital calculation under CRR IV.

Accounting

Accounting assessment takes place at the time of transaction closing. The Group consolidate structured entities (including SSPE) when the substance of the relationship indicates control over the SSPE. The Group controls an entity if it has all the three elements of control which are i) power over the entity; ii) the ability to use its power over the entity to affect the returns of the Group and iii) exposure to variable returns from its involvement with the entity. The consolidation treatment is initially assessed at inception and is reassessed if circumstances indicate that there are changes to one or more of the three elements of control.

A securitisation transaction is recognised as a sale or partial sale where derecognition is achieved. The difference between the carrying amount and the consideration received is recorded in the income statement. Securitisation transactions which do not achieve derecognition are treated as financing activity. In a synthetic securitisation transaction, the underlying assets are not sold into the securitisation special purpose entity (SSPE). Instead, the underlying assets’ performance is transferred into the SSPE through a synthetic instrument such as a CDS, a credit-linked note or a financial guarantee. Synthetic securitisation are assessed using the same accounting approach summarised above, with the associated credit derivative accounted as a financial guarantee under IFRS 9. As of both 31 December 2025 and 31 December 2024, no securitised assets have been derecognised from the Group’s balance sheet.

Financial assets awaiting for securitisation are valued using the Group’s accounting policy for financial instrument. There are no assets classify as awaiting securitisation for both 31 December 2025 and 31 December 2024.

Any financial support or contractual arrangements provided to unconsolidated entities for securitised assets would be recognised as a liability on balance sheet if it met the relevant IFRS criteria. The Group has not provided support to any securitisation transactions beyond its contractual obligations.

The Group’s approach to accounting for SSPEs can be found in the notes to the financial statements in the 2025 Annual Report and Accounts.

Assets securitised under the Significant risk transfer (SRT) program by the Group’s in its capacity as originator decreased by \$0.6 billion to \$14.7 billion.

Credit risk

3.8 Securitisation continued

The following tables shows the distribution of the Group's securitisation exposures across risk-weights. The vast majority of the Group's exposure to securitisation programmes is to the lower risk weighted tranches.

Table 72: Securitisation exposures in the non-trading book (UK-SEC1)

		2025																		
		Institution acts as originator						Institution acts as sponsor				Institution acts as investor								
		Traditional			Synthetic			Traditional				Traditional								
		STS		Non-STS		Of which SRT		STS		Non-STS		Synthetic		STS		Non-STS		Synthetic		
		\$ million	Of which SRT \$ million	\$ million	Of which SRT \$ million	\$ million	Of which SRT \$ million	Sub-total \$ million	\$ million	Non-STS \$ million	Synthetic \$ million	Sub-total \$ million	\$ million	Non-STS \$ million	Synthetic \$ million	Sub-total \$ million	\$ million	Non-STS \$ million	Synthetic \$ million	Sub-total \$ million
1	Total exposures	-	-	664	-	14,717	14,717	15,381	-	-	-	-	254	16,934	-	17,188	-	-	-	-
2	Retail (total)	-	-	-	-	-	-	-	-	-	-	-	254	5,835	-	6,090	-	-	-	-
3	residential mortgage	-	-	-	-	-	-	-	-	-	-	-	-	3,001	-	3,001	-	-	-	-
4	credit card	-	-	-	-	-	-	-	-	-	-	-	52	145	-	197	-	-	-	-
5	other retail exposures	-	-	-	-	-	-	-	-	-	-	-	202	2,689	-	2,892	-	-	-	-
6	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Wholesale (total)	-	-	664	-	14,717	14,717	15,381	-	-	-	-	-	11,099	-	11,099	-	-	-	-
8	loans to corporates	-	-	664	-	13,324	13,324	13,988	-	-	-	-	-	9,716	-	9,716	-	-	-	-
9	commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	884	-	884	-	-	-	-
10	lease and receivables	-	-	-	-	1,393	1,393	1,393	-	-	-	-	-	498	-	498	-	-	-	-
11	other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

		2024																		
		Institution acts as originator						Institution acts as sponsor				Institution acts as investor								
		Traditional			Synthetic			Traditional				Traditional								
		STS		Non-STS		Of which SRT		STS		Non-STS		Synthetic		STS		Non-STS		Synthetic		
		\$ million	Of which SRT \$ million	\$ million	Of which SRT \$ million	\$ million	Of which SRT \$ million	Sub-total \$ million	\$ million	Non-STS \$ million	Synthetic \$ million	Sub-total \$ million	\$ million	Non-STS \$ million	Synthetic \$ million	Sub-total \$ million	\$ million	Non-STS \$ million	Synthetic \$ million	Sub-total \$ million
1	Total exposures	-	-	862	-	15,292	15,292	16,154	-	-	-	-	267	15,768	-	16,035	-	-	-	-
2	Retail (total)	-	-	-	-	-	-	-	-	-	-	-	267	4,853	-	5,120	-	-	-	-
3	residential mortgage	-	-	-	-	-	-	-	-	-	-	-	142	4,314	-	4,456	-	-	-	-
4	credit card	-	-	-	-	-	-	-	-	-	-	-	125	88	-	213	-	-	-	-
5	other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	451	-	451	-	-	-	-
6	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Wholesale (total)	-	-	862	-	15,292	15,292	16,154	-	-	-	-	-	10,916	-	10,916	-	-	-	-
8	loans to corporates	-	-	810	-	13,877	13,877	14,687	-	-	-	-	-	9,019	-	9,019	-	-	-	-
9	commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	669	-	669	-	-	-	-
10	lease and receivables	-	-	52	-	1,415	1,415	1,467	-	-	-	-	-	1,228	-	1,228	-	-	-	-
11	other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

3.8 Securitisation continued

Table 73: Securitisation exposures in the trading book (UK-SEC2)

		2025											
		Institution acts as originator				Institution acts as sponsor				Institution acts as investor			
		Traditional		Sub-total \$ million	Sub-total \$ million	Traditional		Sub-total \$ million	Sub-total \$ million	Traditional			Sub-total \$ million
		STS \$ million	Non-STS \$ million			STS \$ million	Non-STS \$ million			STS \$ million	Non-STS \$ million	Synthetic \$ million	
1	Total exposures	-	-	-	-	-	-	-	-	109	1,257	-	1,366
2	Retail (total)	-	-	-	-	-	-	-	-	105	818	-	923
3	residential mortgage	-	-	-	-	-	-	-	-	8	294	-	302
4	credit card	-	-	-	-	-	-	-	-	10	7	-	17
5	other retail exposures	-	-	-	-	-	-	-	-	88	517	-	605
6	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-
7	Wholesale (total)	-	-	-	-	-	-	-	-	3	439	-	442
8	loans to corporates	-	-	-	-	-	-	-	-	-	255	-	255
9	commercial mortgage	-	-	-	-	-	-	-	-	-	46	-	46
10	lease and receivables	-	-	-	-	-	-	-	-	3	138	-	142
11	other wholesale	-	-	-	-	-	-	-	-	-	-	-	-
12	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-

		2024											
		Institution acts as originator				Institution acts as sponsor				Institution acts as investor			
		Traditional		Sub-total \$ million	Sub-total \$ million	Traditional		Sub-total \$ million	Sub-total \$ million	Traditional			Sub-total \$ million
		STS \$ million	Non-STS \$ million			STS \$ million	Non-STS \$ million			Synthetic \$ million	STS \$ million	Non-STS \$ million	
1	Total exposures	-	-	-	-	-	-	-	-	16	781	-	797
2	Retail (total)	-	-	-	-	-	-	-	-	8	249	-	256
3	residential mortgage	-	-	-	-	-	-	-	-	8	216	-	224
4	credit card	-	-	-	-	-	-	-	-	-	-	-	-
5	other retail exposures	-	-	-	-	-	-	-	-	-	32	-	32
6	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-
7	Wholesale (total)	-	-	-	-	-	-	-	-	9	532	-	541
8	loans to corporates	-	-	-	-	-	-	-	-	-	357	-	357
9	commercial mortgage	-	-	-	-	-	-	-	-	-	27	-	27
10	lease and receivables	-	-	-	-	-	-	-	-	9	147	-	156
11	other wholesale	-	-	-	-	-	-	-	-	-	-	-	-
12	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-

3.8 Securitisation continued

Table 74: Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as originator or as sponsor (UK-SEC3)

		2025																
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IR-BA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IR-BA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IR-BA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions
		\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
1	Total exposures	12,300	2,417	-	-	-	14,717	-	-	-	2,779	-	-	-	222	-	-	-
2	Traditional transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic transactions	12,300	2,417	-	-	-	14,717	-	-	-	2,779	-	-	-	222	-	-	-
10	Securitisation	12,300	2,417	-	-	-	14,717	-	-	-	2,779	-	-	-	222	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Wholesale	12,300	2,417	-	-	-	14,717	-	-	-	2,779	-	-	-	222	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

		2024																
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IR-BA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IR-BA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IR-BA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions
		\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
1	Total exposures	11,015	3,891	386	-	-	15,292	-	-	-	3,096	-	-	-	227	-	-	-
2	Traditional transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic transactions	11,015	3,891	386	-	-	15,292	-	-	-	3,096	-	-	-	227	-	-	-
10	Securitisation	11,015	3,891	386	-	-	15,292	-	-	-	3,096	-	-	-	227	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Wholesale	11,015	3,891	386	-	-	15,292	-	-	-	3,096	-	-	-	227	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

3.8 Securitisation continued

Table 75: Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as investor (UK-SEC4)

		2025																
		Exposure values (by RW bands/deductions)				Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap				
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IR-BA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IR-BA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IR-BA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions
		\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
1	Total exposures	16,203	664	318	4	-	-	11,612	5,576	2	-	2,059	1,029	-	-	165	82	-
2	Traditional transactions	16,203	664	318	4	-	-	11,612	5,576	2	-	2,059	1,029	-	-	165	82	-
3	Securitisation	16,203	664	318	4	-	-	11,612	5,576	2	-	2,059	1,029	-	-	165	82	-
4	Retail underlying	5,554	219	318	-	-	-	3,424	2,666	1	-	590	552	-	-	47	44	-
5	Of which STS	254	-	-	-	-	-	120	135	-	-	12	13	-	-	1	1	-
6	Wholesale	10,649	445	-	4	-	-	8,188	2,910	1	-	1,470	477	-	-	118	38	-
7	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

		2024																
		Exposure values (by RW bands/deductions)				Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap				
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IR-BA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IR-BA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IR-BA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions
		\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
1	Total exposures	15,415	591	6	24	-	-	12,211	3,824	-	-	2,188	666	-	-	175	53	-
2	Traditional transactions	15,415	591	6	24	-	-	12,211	3,824	-	-	2,188	666	-	-	175	53	-
3	Securitisation	15,415	591	6	24	-	-	12,211	3,824	-	-	2,188	666	-	-	175	53	-
4	Retail underlying	4,852	267	-	-	-	-	3,152	1,968	-	-	519	362	-	-	42	29	-
5	Of which STS	267	-	-	-	-	-	142	125	-	-	14	13	-	-	1	1	-
6	Wholesale	10,563	324	6	24	-	-	9,059	1,856	-	-	1,669	304	-	-	134	24	-
7	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

3.8 Securitisation continued

Table 76: Exposures securitised by the institution – Exposures in default and specific credit risk adjustments (UK-SEC5)

		2025			2024		
		Exposures securitised by the institution – Institution acts as originator or as sponsor			Exposures securitised by the institution – Institution acts as originator or as sponsor		
		Total outstanding nominal amount	Of which exposures in default	Total amount of specific credit risk adjustments made during the period	Total outstanding nominal amount	Of which exposures in default	Total amount of specific credit risk adjustments made during the period
		\$million	\$million	\$million	\$million	\$million	\$million
1	Total exposures	23,021	113	–	19,311	29	–
2	Retail (total)	–	–	–	–	–	–
3	residential mortgage	–	–	–	–	–	–
4	credit card	–	–	–	–	–	–
5	other retail exposures	–	–	–	–	–	–
6	re-securitisation	–	–	–	–	–	–
7	Wholesale (total)	23,021	113	–	19,311	29	–
8	loans to corporates	21,489	113	–	17,794	29	–
9	commercial mortgage	82	–	–	77	–	–
10	lease and receivables	1,450	–	–	1,440	–	–
11	other wholesale	–	–	–	–	–	–
12	re-securitisation	–	–	–	–	–	–

4. Traded risk

Our approach to Traded risk can be found in the Enterprise Risk Management approach section in the 2025 Annual Report and Accounts on pages 227 to 229.

4.1 Market risk

The primary categories of Market Risk for the Group are:

- Interest Rate Risk: arising from changes in yield curves and implied volatilities
- Foreign Exchange Rate 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, 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

Valuation framework

Valuation of financial assets and liabilities held at fair value is subject to an independent review by Valuation Methodology within the Finance function. For those financial assets and liabilities whose fair value is determined by reference to externally quoted prices or market observable pricing inputs or to a valuation model, an assessment is made by Valuation Methodology against external market data and consensus services. Valuation Methodology also ensures adherence to the valuation adjustment policies to incorporate bid/ask spreads, model risk and other reserves, and, where appropriate, to mark all positions in accordance with prevailing accounting and regulatory guidelines.

The Valuation and Benchmarks Committee (VBC), a sub-committee of the Corporate and Institutional Banking Risk Committee, provides oversight and governance over price testing and valuation adjustments and reviews the results on a monthly basis. In addition, the VBC also provides governance over the Group's benchmark rates review process.

Our approach to market risk can be found in the Risk management approach section in the 2025 Annual Report and Accounts on pages 227 to 229.

Regulatory VaR

Regulatory VaR is used to estimate the potential loss, from market movements, across trading book positions for which the Bank has received permission to apply the internal model approach (IMA). Regulatory VaR, including Stressed VaR and Risk Not in VaR (RNIV) measures, is used to calculate market risk RWAs for positions falling under the IMA permission.

The PRA has granted the Group permission to apply IMA for the following entities:

Standard Chartered Bank	Solo and consolidated
Standard Chartered Bank (Singapore) Ltd	Consolidated
Standard Chartered Bank (Hong Kong) Ltd	Consolidated
Standard Chartered Bank (China) Ltd	Consolidated
Standard Chartered Bank Korea Ltd	Consolidated
Standard Chartered Bank Malaysia Berhad	Consolidated
Standard Chartered Bank (Taiwan) Ltd	Consolidated
Standard Chartered Bank (Thai) PCL	Consolidated
Standard Chartered Bank (Vietnam) Ltd	Consolidated
Standard Chartered Bank AG	Consolidated

Backtesting

Backtesting is performed to ensure that the VaR model is fit for purpose. It measures the ability of the model to correctly reflect the potential level of losses under normal trading conditions, for a certain confidence level.

A backtesting breach is recorded when the net trading P&L loss in one day is greater than the estimated VaR for the same day. For details see the further Pillar 3 disclosure on regulatory backtesting below.

Stressed VaR

Stressed VaR (sVaR) applies an equal-weighted (i.e., unscaled) model using a one-year historical stressed observation period relevant to the entity (i.e. Group or Solo). SCB has a quarterly sVaR window selection process which ensures that the stressed observation period is equivalent to the period that would maximise VaR given the entity's IMA portfolio. In Q1 and Q2 of 2025, the stressed period was the 260 business days ending 30 June 2009 reflecting the Global Financial Crisis. In Q3 and Q4 of 2025, the stressed period was the 260 business days ending 6 Jan 2017 reflecting the Chinese/African Stress Period.

Traded risk

4.1 Market risk continued

Stress testing

Group-wide stress testing is performed to measure the potential loss on a portfolio of financial positions due to low probability market events or risk to the Group posed by a breakdown of risk model assumptions.

Stress testing supplements the use of VaR as the primary measure of risk. The roles and responsibilities of the various business functions are set out in the Traded Risk Stress Testing standard.

Market risk changes

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

The average level of trading VaR in 2025 was \$25.4 million, 20 per cent higher than 2024 (\$21.1 million). The increase in trading average VaR was driven by an increase in market volatility combined with a VaR model enhancement to make the model more responsive to market volatility.

The average level of non-trading VaR in 2025 was \$47million, 37 per cent higher than 2024 (\$34.2 million). The increase in non-trading average 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.

Table 77: Market risk regulatory capital requirements

	2025		2024	
	Risk Weighted Assets \$million	Regulatory capital requirement \$million	Risk Weighted Assets \$million	Regulatory capital requirement \$million
Market risk capital requirements for trading book				
Interest rate ¹	12,072	966	9,493	759
Equity	121	10	20	2
Options	93	7	69	6
Commodity	507	41	479	38
Foreign exchange	4,363	349	3,748	300
Internal Models Approach	13,507	1,081	14,474	1,158
Total	30,663	2,453	28,283	2,263

¹ Where the risks are not within the approved scope of the internal models approach, they are captured in the relevant category above based on the Standardised Approach.

Table 78: Market risk under standardised approach (UK MR1)

	2025	2024
	Risk Weighted Assets \$million	Risk Weighted Assets \$million
Outright products		
1 Interest rate risk (general and specific)	12,072	9,493
2 Equity risk (general and specific)	121	20
3 Foreign exchange risk	4,363	3,748
4 Commodity risk	507	479
Options	93	69
5 Simplified approach	-	-
6 Delta-plus method	18	21
7 Scenario approach	76	48
8 Securitisation (specific risk) ¹	1,316	694
9 Total	17,156	13,810

¹ Securitisation (specific risk) is included in the interest rate risk RWA number.

Traded risk

4.1 Market risk continued

Table 79: IMA values for trading portfolios (UK MR3)

		2025 \$million	2024 \$million
VaR (10 day 99%)¹			
1	Maximum value	135	129
2	Average value	86	75
3	Minimum value	53	37
4	Period end ²	60	86
Stressed VaR (10 day 99%)¹			
5	Maximum value	358	231
6	Average value	207	153
7	Minimum value	106	98
8	Period end ²	218	166
Incremental Risk Charge (99.99%)¹			
9	Maximum value	-	-
10	Average value	-	-
11	Minimum value	-	-
12	Period end ²	-	-
Comprehensive Risk capital charge (99.9%)¹			
13	Maximum value	-	-
14	Average value	-	-
15	Minimum value	-	-
16	Period end ²	-	-

1 Represents only the Group's portfolio covered by the IMA and calculated at the 99 per cent confidence level. Details of the Group's management VaR covering all non-structured market risk exposures, across the trading and non-trading books, calculated at the 97.5 per cent confidence level can be found in the Group's Year End Report 2025 on pages 277 to 278.

2 Actual one day VaR as at period end date.

Table 80: Market risk under the internal Model Approach (IMA) (UK MR2-A)

		2025		2024	
		RWAs \$million	Own funds requirements \$million	RWAs \$million	Own funds requirements \$million
1	VaR (higher of values a and b)	2,572	206	3,984	319
(a)	Previous day's VaR	753	60	1,072	86
(b)	Average of the daily VaR	2,572	206	3,984	319
2	SVaR (higher of values a and b)	6,399	512	5,529	442
(a)	Latest SVaR	2,723	218	2,073	166
(b)	Average of the SVaR	6,399	512	5,529	442
3	IRC (higher of values a and b)	-	-	-	-
(a)	Most recent IRC measure	-	-	-	-
(b)	12 weeks average IRC measure	-	-	-	-
4	Comprehensive risk measure (higher of values a, b and c)	-	-	-	-
(a)	Most recent risk measure of comprehensive risk measure	-	-	-	-
(b)	12 weeks average of comprehensive risk measure	-	-	-	-
(c)	Comprehensive risk measure Floor	-	-	-	-
5	Other¹	4,536	363	4,960	397
6	Total²	13,507	1,081	14,474	1,158

1 Other IMA capital add-ons for market risks not fully captured in either VaR or SVaR. More details on Risks not in VaR can be found in the Group's Year End Report 2025 on page 278.

2 Represents only the Group's portfolio covered by the IMA and calculated at the 99 per cent confidence level. Details of the Group's management VaR covering all non-structured market risk exposures, across the trading and non-trading books, calculated at the 97.5 per cent confidence level can be found in the Group's Year End Report 2025 on pages 277 to 278.

Backtesting

In 2025, there were no regulatory backtesting negative exceptions at Group level.

An enhancement to the VaR model implemented was from January 2025 to increase the model's responsiveness to abrupt upturns in market volatility.

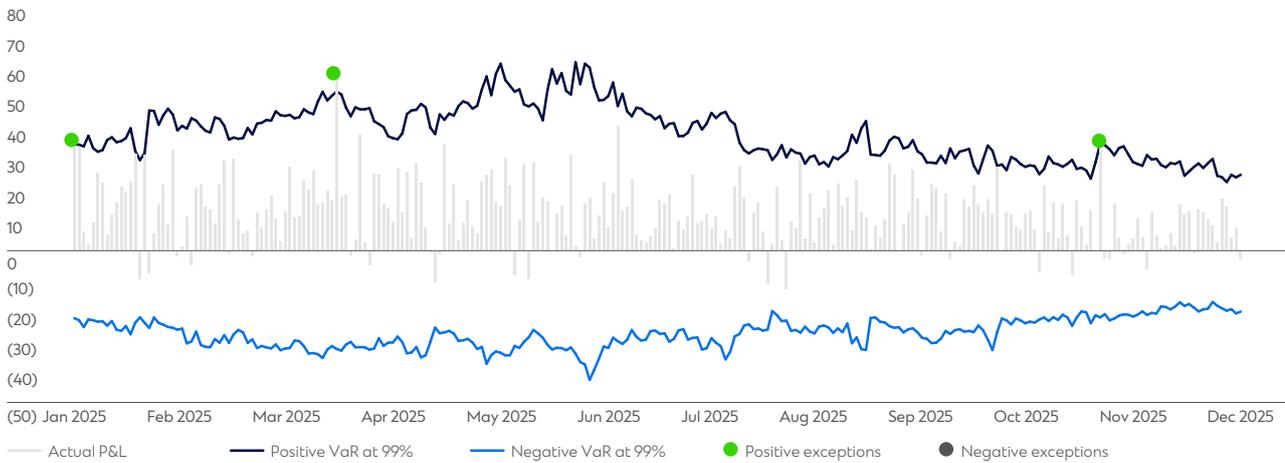
4.1 Market risk continued

The graph below illustrates the performance of the VaR model used in capital calculations. It compares the 99 percentile profit and loss confidence level given by the VaR model with the hypothetical profit and loss of each day given the actual market movement ignoring any intra-day trading activity.

Table 81: 2025 Backtesting chart for Internal Model Approach regulatory trading book at Group level with hypothetical profit and loss (P&L) versus VaR (99 per cent, one day) (MR4)



Table 82: 2025 Backtesting chart for Internal Model Approach regulatory trading book at Group level with actual profit and loss (P&L) versus VaR (99 per cent, one day) (MR4)



4.2 Counterparty credit risk

Counterparty credit risk (CCR) is the risk that a counterparty in a foreign exchange, interest rate, commodity, equity or credit derivative or repo contract defaults prior to the maturity date of the contract, and that the Group at the time has a claim on the counterparty. CCR arises predominantly in the trading book, but also arises in the non-trading book when hedging with external counterparties is required.

CCR is managed within the overall credit risk appetite for corporate and financial institutions. CCR limits are set for individual counterparties, including central clearing counterparties, and for specific portfolios. Individual limits are calibrated to the credit grade and business model of the counterparties and are set on Potential Future Exposure (PFE). Portfolio limits are set to contain concentration risk across multiple dimensions and are set on PFE or other relevant CCR measures.

The Group reduces its credit exposures to counterparties by entering into contractual netting agreements which result in a single amount owed by or to the counterparty. The amount is calculated by netting the Mark-To-Market (MTM) owed by the counterparty to the Group and the MTM owed by the Group to the counterparty on the transactions covered by the netting agreement. In line with the International Accounting Standard (IAS) 32 principles, the Group's balance sheet will present assets and liabilities on a net basis provided there is a legally enforceable right to set off assets and liabilities, and the Group intends to settle on a net basis or realise the asset and liability simultaneously.

Wrong-way risk

Wrong-way risk occurs when an exposure increase is coupled with a decrease in the credit quality of the obligor. Specifically, as the MTM on a derivative or repo contract increases in favour of the Group, the driver of this MTM change also reduces the ability of the counterparty to meet its payment, margin call or collateral posting requirements. Wrong-way risk mostly arises from FX transactions and financing transactions. The Group employs various policies and procedures to ensure that wrong-way risk exposures are recognised upfront, monitored, and where required, contained by limits on country, tenor, collateral type and counterparty.

Stress testing

Stress testing is an integral part of CCR management, complementing PFE or other portfolio limits. Single and multi-factor scenarios are regularly applied to the CCR portfolio to identify and quantify exposures that could become a concern for the Group. The stressed exposures are monitored monthly at regional and global counterparty credit risk exposure forums. The relevance and severity of the stress scenarios are periodically reviewed with cross functional stakeholders.

Exposure value calculation

Exposure calculation used for risk management is based on a PFE measure (at 75% confidence interval). The PFE is mostly calculated from simulation models, and from PFE add-ons for the non-simulated products.

Derivatives exposures for capital calculation purposes are calculated using the Standard Approach Method (SA-CCR). Individual transactions are measured using the sum of current replacement cost and potential future credit exposure, and the benefit of netting agreements is applied as per the SA-CCR rules. This approach is used for all derivative products not covered by our Internal Models Method (IMM) permission. Under the IMM approach, EAD is calculated by multiplying the effective expected positive exposure by a factor stipulated by the regulator called alpha. The Group has been granted permission by the regulator to use the IMM approach for "vanilla" Interest Rate and Foreign Exchange over-the-counter derivatives. The IMM model is subject to model validation including regular model performance monitoring.

Exposure for repurchase transactions and securities lending or borrowing transactions for capital calculation purposes is calculated using the Financial Collateral Comprehensive Method. Supervisory volatility adjustments are applied to both collateral and exposure legs and the benefit of master netting agreements is taken into consideration.

The Group has credit policies and procedures setting out the criteria for collateral to be recognised as a credit risk mitigant, including requirements concerning legal certainty, priority, concentration, correlation, liquidity and valuation parameters such as frequency of review and independence. The Group seeks to negotiate Credit Support Annexes (CSA) with counterparties when collateral is deemed a necessary or desirable mitigant to the exposure. The credit terms of a CSA are specific to each legal document and determined by the credit risk approval unit responsible for the counterparty. The nature of the collateral is specified in the legal document and is typically cash or highly liquid securities.

The MTM of all trades captured under CSAs is calculated daily. Additional collateral will be called from the counterparty if total uncollateralised MTM exposure exceeds the threshold and minimum transfer amount specified in the CSA. Additional collateral may be required from the counterparty to provide an extra buffer to the daily variation margin process.

The Group also has policies and procedures in place setting out the criteria for guarantees to be recognised as a credit risk mitigant. Where guarantees meet regulatory criteria, the Group treats the exposure as guarantor risk from counterparty credit risk capital standpoint.

4.2 Counterparty credit risk continued

Credit valuation adjustments

CVA measures potential MTM loss associated with the deterioration in the creditworthiness of the counterparty. The Group applies standardised approach to calculate CVA capital charge on over-the-counter derivative contracts. Details on CVA are provided in note 13 of the 2025 Annual Report and Accounts on page 363.

Table 83 shows the credit exposure on derivative transactions after taking into account the benefits from legally enforceable netting agreements and collateral held, including transactions cleared through recognised trading exchanges.

Table 84 specifies the methods used by the Group to calculate counterparty credit risk regulatory requirements, followed by Table 85 which demonstrates the risk-weighted exposure amounts to central counterparties by derivative types.

Table 86 indicates the notional amounts of credit derivative transactions segregated between protection bought and sold within each product type.

Table 87 describes the exposure value subject to credit valuation adjustment charge and related RWA.

Table 83: Composition of collateral for CCR exposures (UK CCR5)

		2025					
		Collateral used in derivatives transactions				Collateral used in securities financing transactions (SFTs)	
		Fair value of collateral received		Fair value of collateral posted		Fair value of collateral received	Fair value of collateral posted
Collateral type		Segregated \$million	Unsegregated \$million	Segregated \$million	Unsegregated \$million	\$million	\$million
1	Cash	-	12,281	2,320	14,196	669	-
2	Debt	522	8,906	8,897	5,976	146,451	161,572
3	Equity	-	-	-	-	11,902	488
4	Other	-	-	-	-	41,258	24
5	Total	522	21,187	11,216	20,172	200,281	162,084

		2024					
		Collateral used in derivatives transactions				Collateral used in securities financing transactions (SFTs)	
		Fair value of collateral received		Fair value of collateral posted		Fair value of collateral received	Fair value of collateral posted
Collateral type		Segregated \$million	Unsegregated \$million	Segregated \$million	Unsegregated \$million	\$million	\$million
1	Cash ¹	-	11,307	1,141	14,400	549	-
2	Debt	430	4,665	4,044	1,734	122,674	116,667
3	Equity	-	-	-	-	14,577	985
4	Other	-	-	-	-	21,332	29
5	Total	430	15,972	5,185	16,133	159,132	117,681

1 2024 has been represented to show fair value of collateral received or posted (excluding initial margin and variation margin) for SFTs to only include security legs.

Traded risk

4.2 Counterparty credit risk continued

Table 84: Analysis of CCR exposure by approach (UK CCR1)

		2025							
		Replacement cost (RC) \$million	Potential future exposure (PFE) \$million	EEPE \$million	Alpha used for computing regulatory exposure value	Exposure value pre-CRM \$million	Exposure value post-CRM \$million	Exposure value \$million	RWEA \$million
UK1	Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
UK2	Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	1,219	4,432		1.4	12,426	7,912	7,910	4,197
2	IMM (for derivatives and SFTs)			18,561	1.4	33,276	25,986	25,978	10,667
2a	Of which securities financing transactions netting sets			-		-	-	-	-
2b	Of which derivatives and long settlement transactions netting sets			18,561		33,276	25,986	25,978	10,667
2c	Of which from contractual cross-product netting sets			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					260,602	206,783	206,783	3,806
5	VaR for SFTs					-	-	-	-
6	Total					306,304	240,681	240,671	18,670

		2024							
		Replacement cost (RC) \$million	Potential future exposure (PFE) \$million	EEPE \$million	Alpha used for computing regulatory exposure value	Exposure value pre-CRM \$million	Exposure value post-CRM \$million	Exposure value \$million	RWEA \$million
UK1	Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
UK2	Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	2,014	3,532		1.4	9,987	7,453	7,452	3,583
2	IMM (for derivatives and SFTs)			18,269	1.6	42,806	29,227	29,222	11,322
2a	Of which securities financing transactions netting sets			-		-	-	-	-
2b	Of which derivatives and long settlement transactions netting sets			18,269		42,806	29,227	29,222	11,322
2c	Of which from contractual cross-product netting sets			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					210,101	171,607	171,607	3,467
5	VaR for SFTs					-	-	-	-
6	Total					262,893	208,287	208,281	18,372

Traded risk

4.2 Counterparty credit risk continued

Table 85: Exposures to CCPs (UK CCR8)

		2025		2024	
		Exposure value \$million	RWA \$million	Exposure value \$million	RWA \$million
1	Exposures to QCCPs (total)		1,018		950
2	Trade exposure	10,201	865	6,728	831
3	Of which OTC derivatives	7,169	728	4,042	703
4	Of which exchange-traded derivatives	1,739	112	1,576	106
5	Of which SFTs	1,293	26	1,111	22
6	Of which collateral posted	-	-	-	-
7	Segregated initial margin	-	-	-	-
8	Non-segregated initial margin	-	-	-	-
9	Prefunded default fund contributions	798	153	638	119
10	Unfunded default fund contributions	-	-	-	-
11	Exposures to non-QCCPs (total)		305		100
12	Trade exposure	307	295	93	91
13	Of which OTC derivatives	234	224	54	54
14	Of which exchange-traded derivatives	73	71	39	37
15	Of which SFTs	-	-	-	-
16	Of which collateral posted	-	-	-	-
17	Segregated initial margin	-	-	-	-
18	Non-segregated initial margin	-	-	-	-
19	Prefunded default fund contributions	1	9	1	9
20	Unfunded default fund contributions	-	-	-	-

Table 86: Credit derivatives exposures (UK CCR6)

		2025		2024	
		Protection bought \$million	Protection sold \$million	Protection bought \$million	Protection sold \$million
Notionals					
1	Single-name credit default swaps	14,893	12,191	40,847	36,116
2	Index credit default swaps	15,936	11,276	63,925	59,833
3	Total return swaps	45,432	1,365	41,031	1,669
4	Credit options	-	-	-	-
5	Other Credit derivatives ¹	-	-	-	-
	Total notionals	76,261	24,832	145,803	97,618
Fair values					
6	Positive fair value (asset)	679	369	666	1,264
7	Negative fair value (liability)	(2,506)	(260)	(2,625)	(225)

¹ 2024 has been represented to exclude long settlement transactions reported in other credit derivatives.

Table 87: Transactions subject to own funds requirements for CVA risk (UK CCR2)

		2025		2024	
		Exposure Value	RWA	Exposure Value	RWA
		\$million	\$million	\$million	\$million
1	Total transactions subject to the Advanced method	-	-	-	-
2	(i) VaR component (including the 3x multiplier)		-		-
3	(ii) stressed VaR component (including the 3x multiplier)		-		-
4	Transactions subject to the Standardised method	22,327	2,413	23,756	2,706
UK4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-	-	-
5	Total transactions subject to own funds requirements for CVA risk	22,327	2,413	23,756	2,706

Traded risk

4.2 Counterparty credit risk continued

Table 88 depicts EAD after the effect of collateral associated with each risk weight prescribed in Part Three, Title II, Chapter 2 of the CRR for counterparty credit risk.

Table 88: Standardised approach – CCR exposures by regulatory exposure class and risk weights (UK CCR3)

Standardised Exposure Class		2025												Total
		Risk Weight												
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	Others	
1	Central governments or central banks	498	-	-	-	5	-	-	-	-	-	-	-	503
4	Multilateral development banks	232	-	-	-	31	-	7	-	-	1	-	-	271
6	Institutions	-	8,933	8	-	4	-	-	-	-	-	-	-	8,945
7	Corporates	-	-	-	-	63	-	6	-	-	4,073	-	-	4,142
8	Retail	-	-	-	-	-	-	-	-	1	-	-	-	1
10a	Secured on real estate property	-	-	-	-	-	18	-	-	-	-	-	-	18
10b	Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-
10c	Items belonging to regulatory high risk categories	-	-	-	-	-	-	-	-	-	-	-	-	-
10d	Other items	127	-	-	-	3	-	-	-	-	-	-	-	130
11	Total Standardised	857	8,933	8	-	106	18	13	-	1	4,074	-	-	14,010

Standardised Exposure Class		2024												Total
		Risk Weight												
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	Others	
1	Central governments or central banks	295	-	-	-	12	-	-	-	-	-	-	-	307
4	Multilateral development banks	361	-	-	-	30	-	1	-	-	-	-	-	392
6	Institutions	-	5,562	13	-	2	-	-	-	-	-	-	-	5,577
7	Corporates	-	-	-	-	76	-	4	-	-	2,484	-	-	2,564
8	Retail	-	-	-	-	-	-	-	-	1	-	-	-	1
10a	Secured on real estate property	-	-	-	-	-	12	-	-	-	-	-	-	12
10b	Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-
10c	Items belonging to regulatory high risk categories	-	-	-	-	-	-	-	-	-	-	-	-	-
10d	Other items	-	-	-	-	4	-	-	-	-	-	-	-	4
11	Total Standardised	656	5,562	13	-	124	12	5	-	1	2,484	-	-	8,857

Exposures increased by \$5.0 billion mainly driven by a \$3.4 billion increase in exposures to institutions and a \$1.6 billion increase in corporates.

The following tables provide further detail on the exposure classes subject to counterparty credit risk, in particular for central governments or central banks, institutions, corporates. These have been split by internal credit grade which relate to the PD ranges presented.

- Central governments or central banks EAD increased by \$1.0 billion
- Institutions EAD increased by \$33.1 billion
- Corporates EAD and RWA decreased by \$3.3 billion and \$1.2 billion respectively

Traded risk

4.2 Counterparty credit risk continued

Table 89: IRB – CCR exposures by exposure class

	2025						
	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ²	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %
IRB exposure class							
Central governments or central banks	15,742	0.67	54	12	0.28	850	5
Institutions	118,236	0.27	1,045	7	0.44	4,122	3
Corporates	101,906	0.19	7,419	13	0.43	9,995	10
Of which specialised lending	1,231	0.60	279	50	2.10	589	48
Of which SME	19	1.94	25	85	2.12	30	159
Total IRB	235,884	0.27	8,518	10	0.42	14,967	6
	2024						
	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ²	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %
IRB exposure class							
Central governments or central banks	14,715	0.51	48	9	0.30	637	4
Institutions	85,164	0.21	1,025	9	0.51	4,223	5
Corporates	105,227	0.25	7,842	14	0.46	11,179	11
Of which specialised lending	996	0.60	338	49	1.89	461	46
Of which SME	18	0.36	25	59	1.04	5	28
Total IRB	205,106	0.25	8,915	12	0.47	16,039	8

1 Weighted averages are based on EAD.

2 Number of obligors is based on number of counterparties.

Table 90: IRB approach – CCR exposures by exposure class and PD scale for central governments or central banks (UK CCR4)

PD range %	2025						
	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ²	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %
0.00 to < 0.15	14,411	0.06	41	9	0.16	261	2
0.15 to < 0.25	28	0.22	2	45	1.00	9	34
0.25 to < 0.50	11	0.39	1	–	1.00	5	48
0.50 to < 0.75	3	0.51	1	45	1.00	2	56
0.75 to < 2.50	135	1.18	2	45	1.09	113	84
2.50 to < 10.00	824	3.51	5	45	1.88	346	42
10.00 to < 100.00	305	13.77	1	36	1.08	12	4
100.00 (default)	25	100.00	1	45	1.48	101	398
Total	15,742	0.67	54	12	0.28	850	5
	2024						
	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ²	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %
0.00 to < 0.15	13,080	0.02	36	8	0.21	191	1
0.15 to < 0.25	25	0.22	1	45	1.78	10	42
0.25 to < 0.50	–	0.22	–	–	–	–	42
0.50 to < 0.75	1	0.51	2	45	1.00	1	56
0.75 to < 2.50	42	1.15	2	45	2.61	42	101
2.50 to < 10.00	1,532	4.25	5	16	0.99	312	20
10.00 to < 100.00	36	18.00	2	45	0.02	81	224
100.00 (default)	–	18.00	–	45	0.02	–	20
Total	14,715	0.51	48	9	0.30	637	4

1 Weighted averages are based on EAD.

2 Number of obligors is based on number of counterparties within each PD grade.

Traded risk

4.2 Counterparty credit risk continued

Table 91: IRB approach – CCR exposures by exposure class and PD scale for institutions (UK CCR4)

PD range %	2025						
	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ²	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %
0.00 to < 0.15	106,683	0.05	646	7	0.44	2,829	3
0.15 to < 0.25	4,912	0.22	99	5	0.41	270	6
0.25 to < 0.50	774	0.39	48	6	0.36	70	9
0.50 to < 0.75	1,889	0.53	72	6	0.41	199	11
0.75 to < 2.50	3,644	1.30	113	8	0.36	645	18
2.50 to < 10.00	136	3.44	46	8	0.35	36	26
10.00 to < 100.00	9	13.88	15	45	1.02	22	244
100.00 (default)	189	100.00	6	2	0.04	50	27
Total	118,236	0.27	1,045	7	0.44	4,122	3

PD range %	2024						
	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ²	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %
0.00 to < 0.15	71,543	0.05	645	9	0.52	2,714	4
0.15 to < 0.25	6,173	0.22	93	7	0.64	403	7
0.25 to < 0.50	1,262	0.39	48	3	0.27	57	4
0.50 to < 0.75	2,431	0.55	84	6	0.24	232	10
0.75 to < 2.50	3,523	1.18	105	8	0.39	488	14
2.50 to < 10.00	90	5.05	28	22	0.80	67	74
10.00 to < 100.00	97	18.00	11	45	0.03	246	254
100.00 (default)	45	100.00	11	3	0.18	16	37
Total	85,164	0.21	1,025	9	0.51	4,223	5

1 Weighted averages are based on EAD.

2 Number of obligors is based on number of counterparties within each PD grade.

Table 92: IRB approach – CCR exposures by exposure class and PD scale for corporates (UK CCR4)

PD range %	2025						
	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ²	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %
0.00 to < 0.15	73,291	0.07	4,582	11	0.40	3,684	5
0.15 to < 0.25	14,541	0.22	1,163	13	0.45	1,760	12
0.25 to < 0.50	3,371	0.39	501	29	0.89	1,210	36
0.50 to < 0.75	6,374	0.54	530	15	0.41	1,443	23
0.75 to < 2.50	4,159	1.19	442	20	0.45	1,568	38
2.50 to < 10.00	114	3.92	125	61	1.95	201	176
10.00 to < 100.00	50	14.71	59	43	1.32	117	234
100.00 (default)	6	100.00	17	36	2.39	12	200
Total	101,906	0.19	7,419	13	0.43	9,995	10

PD range %	2024						
	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ²	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %
0.00 to < 0.15	80,313	0.07	4,445	12	0.42	4,251	5
0.15 to < 0.25	9,293	0.22	1,157	23	0.76	2,001	22
0.25 to < 0.50	3,506	0.39	499	22	0.68	934	27
0.50 to < 0.75	7,273	0.54	552	21	0.48	2,037	28
0.75 to < 2.50	4,125	1.26	465	19	0.40	1,463	35
2.50 to < 10.00	349	4.36	184	15	0.67	155	44
10.00 to < 100.00	365	16.48	425	19	0.51	325	89
100.00 (default)	3	100.00	115	35	2.16	13	433
Total	105,227	0.25	7,842	14	0.46	11,179	11

1 Weighted averages are based on EAD.

2 Number of obligors is based on number of counterparties within each PD grade.

Traded risk

4.2 Counterparty credit risk continued

Table 93: IRB approach – CCR exposures by exposure class and PD scale for corporates – specialised lending (UK CCR4)

PD range %	2025						
	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ²	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %
0.00 to < 0.15	522	0.12	53	58	1.34	151	29
0.15 to < 0.25	188	0.22	67	37	3.61	81	43
0.25 to < 0.50	263	0.39	34	54	1.80	160	61
0.50 to < 0.75	112	0.54	40	40	3.30	70	63
0.75 to < 2.50	125	1.18	58	44	2.36	105	85
2.50 to < 10.00	16	3.41	18	30	3.24	14	90
10.00 to < 100.00	3	20.91	4	17	4.18	3	90
100.00 (default)	2	100.00	5	19	4.35	4	180
Total	1,231	0.60	279	50	2.10	589	48

PD range %	2024						
	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ²	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %
0.00 to < 0.15	386	0.10	79	52	1.61	92	24
0.15 to < 0.25	320	0.22	52	46	2.30	126	39
0.25 to < 0.50	81	0.38	43	51	1.86	48	59
0.50 to < 0.75	70	0.49	65	48	1.80	48	68
0.75 to < 2.50	109	1.05	64	48	1.58	95	87
2.50 to < 10.00	13	3.14	28	29	4.16	13	100
10.00 to < 100.00	15	10.54	4	59	1.00	38	248
100.00 (default)	1	100.00	3	28	4.34	2	150
Total	996	0.60	338	49	1.89	461	46

1 Weighted averages are based on EAD.

2 Number of obligors is based on number of counterparties within each PD grade.

Table 94: IRB approach – CCR exposures by exposure class and PD scale for corporates – SME (UK CCR4)

PD range %	2025						
	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ²	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %
0.00 to < 0.15	1	0.10	5	49	1.00	–	13
0.15 to < 0.25	1	0.25	2	87	1.00	–	53
0.25 to < 0.50	3	0.39	4	66	1.00	2	51
0.50 to < 0.75	–	0.67	2	66	1.00	–	69
0.75 to < 2.50	2	1.15	5	62	1.00	1	67
2.50 to < 10.00	12	2.83	7	97	2.84	26	227
10.00 to < 100.00	–	–	–	–	–	–	–
100.00 (default)	–	–	–	–	–	–	–
Total	1,231	0.60	279	50	2.10	589	48

PD range %	2024						
	EAD post CRM and post CCF \$million	Average PD ¹ %	Number of obligors ²	Average LGD ¹ %	Average maturity ¹ years	RWA \$million	RWA density ¹ %
0.00 to < 0.15	12	0.05	1	54	1.00	1	10
0.15 to < 0.25	2	0.23	5	76	1.37	1	48
0.25 to < 0.50	–	0.44	1	87	1.00	–	63
0.50 to < 0.75	3	0.67	3	61	1.00	2	54
0.75 to < 2.50	1	1.53	3	71	1.00	1	92
2.50 to < 10.00	–	3.52	10	82	1.00	1	145
10.00 to < 100.00	–	18.00	2	70	1.00	–	270
100.00 (default)	–	–	–	–	–	–	–
Total	18	0.36	25	59	1.04	5	28

1 Weighted averages are based on EAD.

2 Number of obligors is based on number of counterparties within each PD grade.

5. Operational Risk

The Group applies the Standardised Approach for measuring the capital requirements for operational risk. The table below reflects the risk-weighted assets and capital requirements resultant from operational risk.

Table 95: Operational risk own funds requirements and risk-weighted exposure amounts (UK OR1)

Banking activities		2025				
		Relevant indicator			Own funds requirements	Risk weighted exposure amount
		Year-3	Year-2	Last year		
		\$million	\$million	\$million	\$million	\$million
1	Banking activities subject to basic indicator approach (BIA)	-	-	-	-	-
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	17,779	19,584	20,898	2,818	35,223
3	Subject to TSA:	17,779	19,584	20,898		
4	Subject to ASA:	-	-	-		
5	Banking activities subject to advanced measurement approaches AMA	-	-	-	-	-

Banking activities		2024				
		Relevant indicator			Own funds requirements	Risk weighted exposure amount
		Year-3	Year-2	Last year		
		\$million	\$million	\$million	\$million	\$million
1	Banking activities subject to basic indicator approach (BIA)	-	-	-	-	-
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	14,337	16,015	17,850	2,358	29,479
3	Subject to TSA:	14,337	16,015	17,850		
4	Subject to ASA:	-	-	-		
5	Banking activities subject to advanced measurement approaches AMA	-	-	-	-	-

6. Interest rate risk in the banking book

The Group defines Interest Rate Risk in the Banking Book ('IRRBB') as the potential for loss of future earnings or economic value following adverse movements in interest rates, which arises from a mismatch in the re-pricing profile of assets, liabilities, and off-balance sheet items in the banking book.

Risk Control and Governance

Treasury is responsible for monitoring IRRBB through the Treasury Risk Type Framework, policies and Risk Appetite, subject to independent oversight and challenge from Risk and Internal Audit.

The Board delegates the management of IRRBB to the Group Asset & Liability Committee (GALCO), which provides oversight of Group-level IRRBB and works in conjunction with Country ALCOs to monitor IRRBB as per the Risk Type Framework. IRRBB is managed at a country level by the Country ALCO, chaired by the Country CFO.

IRRBB models and methodologies are defined for the Group by the Treasury function, independently validated and approved by the Risk function. Country modelling assumptions are derived locally using the Group's methodologies and are reviewed by Country ALCO.

The Group uses Funds Transfer Pricing (FTP) to transfer re-pricing risk from the business to Treasury, including that arising from structural positions such as non-maturity deposit balances. For non-maturity deposits (NMDs), the assumed duration is dependent on the portion that can be considered stable and the degree to which these balances are considered price sensitive. Certain structural balances have been approved by GALCO and Country ALCOs to be risk managed directly under the Group's structural hedging programme. Other re-pricing risks transferred to Treasury are managed on an integrated basis with a securities portfolio maintained for liquidity and investment management purposes. Basis risk where material (whether transferred to and managed by Treasury or remaining in the business) is reported and overseen at local ALCOs.

Re-pricing risk arising within Treasury is managed using a combination of on-balance sheet short and long tenor securities and derivative hedges. Derivative hedges are subject to Fair Value and Cash Flow Hedge accounting treatment where available. These interest rate risk positions and limits are independently monitored by the Risk function.

Key Risk Measures

The Group uses two key metrics for measuring IRRBB: Net Interest Income ('NII') Sensitivity, an income measure which quantifies the potential change in projected net interest income over a one-year horizon from defined movements in interest rates; and Economic Value of Equity ('EVE'), a value measure which estimates the potential change in the present value of the Group's Banking Book assets and liabilities from defined movements in interest rates. These measures differ in their coverage of the drivers of interest rate risk and the time horizon for these to materialise but used together they can provide a complementary and rounded view of the Group's risk profile. Both NII Sensitivity and EVE are monitored monthly against defined Risk Appetite limits, which are set at the Group level and, where appropriate, at a country level in compliance with local regulatory requirements.

NII Sensitivity and EVE are indicative stress tests calculated under various interest rate scenarios, including parallel and non-parallel shifts and a range of internally designed scenarios that assess vulnerabilities in the Group's business model and key behavioural assumptions under interest rate shocks and stresses. These stress tests are supplemented by internal NII forecasts which are used for financial planning purposes.

Stress tests are performed monthly to identify structural risks to Net Interest Income or the Economic Value of the Banking Book under adverse but plausible interest rate scenarios. Additionally, stress testing of IRRBB is covered as part of ICAAP and BoE concurrent stress testing exercises (more information on stress testing can be found on page 24). Stress testing of price risk on Fair Value instruments in the Banking Book is conducted by Traded Risk Management under the Traded Risk Framework.

Prescribed Regulatory Interest Rate Shock and Stress Scenarios

The following table shows the Group's NII sensitivity and EVE regulatory metrics under each of the interest rate shock scenarios prescribed by the PRA (Rule 9.4A of the PRA Rulebook: CRR Firms: Interest Rate Risk Arising from Non-Trading Activities Instrument 2020). The sensitivities are indicative and subject to standardised shocks and parametric assumptions that may differ to those used in the Group's own internal models; please see next section for more information. The sensitivities should not be considered an income or profit forecast. Furthermore, the regulatory EVE results should not be considered a proxy for expected income or capital impacts on a going concern basis.

Key modelling and parametric assumptions

Net Interest Income Sensitivity

For regulatory NII sensitivities, currency specific shocks are applied as follows:

- A parallel interest rate shock (up and down) to the current market-implied path of rates, across all yield curves, including +/- 200 bps immediate shock for USD and HKD; +/- 150 bps for SGD; +/- 250 bps for CNY and GBP; and +/- 300 bps for KRW.

Interest rate risk in the banking book

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.

Economic Value of Equity Sensitivity

The regulatory EVE sensitivities have been calculated under six standardised interest rate shock scenarios for measuring EVE under the standard outlier test, defined by the PRA.

For EVE, commercial margins and other spread components have been included in the modelled cashflows. The sensitivity represents a hypothetical impact to capital assuming a complete balance sheet run-off, assuming no new business. Balances are adjusted for assumed behavioural profiles, primarily non-maturity deposits, which reflect quantitative and qualitative assessments of the expected stability, rate sensitivity and run off of client balances under varying interest rate conditions.

In line with regulatory guidelines:

- all equity instruments that have no coupon or call dates have been excluded;
- market interest rate floors start at -1.0% for the overnight tenor on the yield curve and increase by 5bps per year to – at the 20 year tenor point on the yield curve; and
- the aggregate EVE sensitivity for each interest rate shock scenario is calculated by adding together the negative and positive changes to EVE occurring in each currency. Positive values are weighted by 50%, but the full impact of negative values is included.

As at 31 December 2025, the average repricing maturity assigned to Non-Maturity Deposits was 6 months and the longest repricing maturity was 60 months.

Table 96: Quantitative information on IRRBB (UK IRRBB1)

Banking activities	Change in EVE		Change in NII		Tier 1 capital	
	2025	2024	2025	2024	2025	2024
010 Parallel shock up	(2,479)	(2,385)	1,135	977		
020 Parallel shock down	1,267	1,174	(1,664)	(1,449)		
030 Steepener shock	(352)	(426)				
040 Flattener shock	(314)	(234)				
050 Short rates shock up	(1,174)	(1,044)				
060 Short rates shock down	511	451				
070 Maximum	(2,479)	(2,385)	(1,664)	(1,449)		
080 Tier 1 capital					43,949	41,672

As at 31 December 2025, the maximum EVE decline was \$2,479 million under the parallel shock up. This does not represent the expected impact to capital. EVE sensitivity is driven by duration mismatches in the balance sheet. The magnitude of the result is largely due to the exclusion of equity, in line with regulatory guidelines, versus the inclusion of a structural hedge that is designed to stabilise the net interest income arising from the deployment of equity.

In addition, EVE sensitivity shows the theoretical reduction in the value of the structural hedge when rates rise but does not capture the benefit to future income that would result from rising interest rates as demonstrated by the NII Sensitivity.

Duration mismatches for the remainder of the balance sheet are largely immaterial; however, the sensitivity is amplified by large shocks to Emerging Markets currencies, and the impact of weighting positive values at the currency level by 50%. This 50% haircut on positive EVE values is also the main driver of asymmetry between EVE up and down shocks.

The most adverse impact to NII under the regulatory scenarios was a reduction of \$1,664 million under the parallel shock down. While the interest rate shocks used to compute the regulatory NII sensitivity are larger than the Group's NII sensitivities used for risk management, the drivers of the sensitivities and the limitations of these measures are consistent (please see page 285 of the 2025 Annual Report and Accounts for more information).

7. Liquidity risk

Liquidity & Funding risk management

For information on the Group's Liquidity & Funding risk management practices and risk profile we refer to the Principal Risks and Risk Profile sections of the 2025 Annual Report and Accounts on pages 283 and 287 respectively.

Liquidity Coverage Ratio (LCR) disclosure

The Liquidity Coverage Ratio (LCR) is a regulatory stress ratio measuring the proportion of High-Quality Liquid Assets (HQLA) against net outflows over 30 calendar days. An essential component of the Basel III reforms, the LCR was introduced in October 2015 with the goal of promoting the short-term resilience of a firm's liquidity risk profile.

The Group monitors and reports its LCR under UK onshored Commission Delegated Regulation 2015/61 (LCR Delegated Act rules) and is also subject to local prudential LCR requirements across our footprint, where applicable. The Prudential Regulation Authority (PRA), as the Group's competent authority, accelerated LCR implementation by setting an initial industry-wide minimum threshold of 80 per cent on 1 October 2015 before increasing to 90 per cent on 1 January 2017 ahead of full implementation (100 per cent) from 1 January 2018.

The LCR is a Pillar 1 regulatory requirement calculated by applying standardised haircuts, outflow and inflow factors to HQLA, liabilities and assets respectively. Risks not captured, or not fully captured, under the standardised Pillar 1 ratio (e.g. Intra-day risk or other risks specific to each firm) are known as Pillar 2 risks and are captured under a separate Pillar 2 regulatory framework. These Pillar 2 requirements are set in the form of fixed or variable add-ons to LCR Pillar 1 requirements. Therefore, it should be noted that the HQLA reported in the table below is held to meet Pillar 1 and Pillar 2 risks along with internal Board approved risk appetite.

HQLA

HQLA eligible securities, as defined under LCR Delegated Act rules, fall into three categories: Level 1, Level 2A, and Level 2B liquid assets. Level 1 liquid assets, which are of the highest quality and deemed the most liquid (e.g. central bank reserves or securities issued by the U.S. Treasury Department), are subject to no or little discount (or haircuts) to their market value and may be largely used without limit in the liquidity buffer, except for Level 1 covered bonds.

Level 2A and 2B securities are recognised as being relatively stable and reliable sources of liquidity, but not to the same extent as Level 1 assets. LCR rules therefore set a 40 per cent composition cap on the combined amount of Level 2A and Level 2B that firms may hold in their total eligible liquidity buffer. Level 2B liquid assets, which are considered less liquid and more volatile than Level 2A liquid assets, are subject to large and varying haircuts and may not exceed 15 per cent of the total eligible HQLA.

To be recognised as HQLA eligible, securities must also meet various operational and general requirements designed to ensure that such assets have robust liquidity characteristics and can be freely converted into cash within a short timeframe, without significant loss in value.

Outflows

Expected outflows are generally calculated as a percentage outflow of on-balance sheet items (e.g. funding received) and off-balance sheet commitments (e.g. credit and liquidity lines) made by firms. This outflow varies typically by counterparty. For example, the outflow expected on retail deposits is lower than the outflow expected on deposits provided by corporates or financial institutions.

Inflows

Expected inflows are also generally calculated as a percentage inflow on-balance sheet items and include inflows (e.g. from retail or corporate loans) that will be repaid within 30 days. To ensure a minimum level of liquid asset holdings, and to prevent firms from relying solely on anticipated inflows to meet their liquidity coverage ratio, the prescribed amount of inflows that can offset outflows is capped at 75 per cent of total expected outflows.

Calculated pursuant to LCR Delegated Act rules, the following table sets forth simple averages of month-end Group LCR observations over the 12-months preceding each quarter. For a period end Group LCR disclosure, refer to page 281 of the 2025 Annual Report and Accounts.

Liquidity risk

Table 97: Liquidity Coverage Ratio (LCR) (UK LIQ1)

		2025							
		Total unweighted value (average)				Total weighted value (average)			
		31.03.25 \$million	30.06.25 \$million	30.09.25 \$million	31.12.25 \$million	31.03.25 \$million	30.06.25 \$million	30.09.25 \$million	31.12.25 \$million
	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
	High-Quality Liquid Assets								
1	Total High-Quality Liquid Assets (HQLA)					177,586	180,147	182,646	185,262
	Cash outflows								
2	Retail deposits and deposits from small business customers, of which:	188,544	196,413	204,354	211,436	17,541	18,345	19,227	19,671
3	Stable deposits	29,423	33,815	38,809	43,228	1,471	1,691	1,940	2,161
4	Less stable deposits	159,121	162,598	165,545	168,207	16,070	16,654	17,287	17,509
5	Unsecured wholesale funding, of which:	268,878	273,127	276,536	281,690	117,376	118,768	119,322	121,234
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	109,512	113,024	116,321	119,083	27,361	28,239	29,045	29,718
7	Non-operational deposits (all counterparties)	155,354	155,636	155,582	158,131	86,002	86,062	85,645	87,041
8	Unsecured debt	4,012	4,467	4,633	4,476	4,012	4,467	4,633	4,476
9	Secured wholesale funding					6,848	7,339	7,290	7,246
10	Additional requirements	106,994	109,191	110,451	111,343	32,782	33,637	32,668	30,576
11	Outflows related to derivative exposures and other collateral requirements	21,962	21,972	19,872	16,512	16,314	16,661	15,360	12,825
12	Outflows related to loss of funding on debt products	49	21	37	28	49	21	37	28
13	Credit and liquidity facilities	84,983	87,198	90,542	94,804	16,418	16,955	17,271	17,723
14	Other contractual funding obligations	12,786	13,060	13,730	15,534	9,209	9,280	9,699	11,260
15	Other contingent funding obligations	256,674	258,204	257,474	254,800	3,546	3,550	3,670	3,873
16	Total cash outflows					187,301	190,919	191,877	193,861
	Cash inflows								
17	Secured lending (e.g. reverse repos)	74,199	80,197	83,075	89,539	13,130	13,797	14,181	15,143
18	Inflows from fully performing exposures	52,089	51,250	50,851	51,729	36,249	35,716	35,407	36,143
19	Other cash inflows	30,028	31,465	33,173	34,449	18,973	20,287	21,908	22,764
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
UK-19b	(Excess inflows from a related specialised credit institutions)					-	-	-	-
20	Total cash inflows	156,316	162,912	167,099	175,717	68,352	69,800	71,495	74,049
UK-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
UK-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
UK-20c	Inflows subject to 75% cap	149,270	155,246	159,337	167,334	68,352	69,800	71,495	74,049
	Total adjusted value								
21	Liquidity buffer					177,586	180,147	182,646	185,262
22	Total net cash outflows					118,948	121,119	120,381	119,812
23	Liquidity coverage ratio (%)					149%	149%	152%	155%

Liquidity risk

Table 97: Liquidity Coverage Ratio (LCR) (UK LIQ1) continued

		2024							
		Total unweighted value (average)				Total weighted value (average)			
		31.03.24 \$million	30.06.24 \$million	30.09.24 \$million	31.12.24 \$million	31.03.24 \$million	30.06.24 \$million	30.09.24 \$million	31.12.24 \$million
	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
High-Quality Liquid Assets									
1	Total High-Quality Liquid Assets (HQLA)					187,777	184,937	180,914	178,676
Cash outflows									
2	Retail deposits and deposits from small business customers, of which:	160,852	166,820	174,527	182,277	16,641	16,545	16,667	16,984
3	Stable deposits	35,837	32,573	29,406	26,759	1,792	1,629	1,470	1,338
4	Less stable deposits	125,015	134,247	145,121	155,518	14,849	14,916	15,196	15,647
5	Unsecured wholesale funding, of which:	265,422	265,492	267,511	268,125	120,081	119,500	119,167	118,058
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	110,232	107,508	106,485	106,393	27,540	26,859	26,604	26,582
7	Non-operational deposits (all counterparties)	149,431	152,583	156,224	157,426	86,783	87,240	87,761	87,170
8	Unsecured debt	5,758	5,401	4,802	4,306	5,758	5,401	4,802	4,306
9	Secured wholesale funding					5,321	5,529	5,888	6,276
10	Additional requirements	101,849	102,520	103,364	105,088	30,774	30,391	30,995	32,078
11	Outflows related to derivative exposures and other collateral requirements	18,005	18,993	20,116	21,430	15,074	14,554	15,042	15,933
12	Outflows related to loss of funding on debt products	2	32	32	50	2	32	32	50
13	Credit and liquidity facilities	83,842	83,496	83,217	83,608	15,699	15,805	15,921	16,095
14	Other contractual funding obligations	11,172	11,067	11,986	12,098	8,192	8,457	9,098	8,908
15	Other contingent funding obligations	244,096	247,871	252,574	256,204	2,818	3,138	3,411	3,587
16	Total cash outflows					183,826	183,559	185,227	185,890
Cash inflows									
17	Secured lending (e.g. reverse repos)	57,672	57,428	61,322	66,620	8,477	9,029	10,077	11,424
18	Inflows from fully performing exposures	56,103	55,383	54,576	52,650	39,969	39,109	38,220	36,776
19	Other cash inflows	27,989	28,215	29,188	29,751	17,591	17,536	18,175	18,695
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
UK-19b	(Excess inflows from a related specialised credit institutions)					-	-	-	-
20	Total cash inflows	141,763	141,025	145,086	149,021	66,037	65,674	66,472	66,896
UK-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
UK-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
UK-20c	Inflows subject to 75% cap	135,793	135,805	139,655	142,932	66,037	65,674	66,472	66,896
Total adjusted value									
21	Liquidity buffer					187,777	184,937	180,914	178,676
22	Total net cash outflows					117,790	117,885	118,755	118,995
23	Liquidity coverage ratio (%)					160%	157%	153%	150%

The ratios reported in the above table are simple averages of month-end Group LCR ratios over the twelve months preceding each quarter. Therefore, these ratios may not be equal to the implied LCR calculated when using the average component amounts reported under 'Liquidity buffer' and 'Total net cash outflows' in the above table.

Main drivers and changes in LCR

The Group continued to maintain a strong average LCR position over the reporting period with a prudent surplus to both Board approved risk appetite and regulatory requirements. LCR at 155% was higher compared to 2024. Increase is mainly driven by increase in HQLA with Net outflows (outflow minus inflow) remaining broadly stable.

Net Stable Funding Ratio

The Net Stable Funding Ratio (NSFR) is a regulatory ratio measuring Available Stable Funding ("ASF") compared to Required Stable Funding ("RSF") over the time horizon of one year.

Liquidity risk

Table 98: Net Stable Funding Ratio (UK LIQ2)

		2025				
		Unweighted value by residual maturity				Weighted value (average) \$million
		No maturity \$million	< 6 months \$million	6 months to < 1yr \$million	≥ 1yr \$million	
Available stable funding (ASF) Items						
1	Capital items and instruments	50,690	525	584	9,215	60,197
2	Own funds	50,690	525	584	9,215	60,197
3	Other capital instruments		-	-	-	-
4	Retail deposits		201,300	9,751	1,678	194,416
5	Stable deposits		53,045	2,781	60	53,095
6	Less stable deposits		148,255	6,970	1,618	141,321
7	Wholesale funding:		399,225	37,525	56,655	208,148
8	Operational deposits		118,453	-	-	59,227
9	Other wholesale funding		280,772	37,525	56,655	148,921
10	Interdependent liabilities		2,816	52	48	-
11	Other liabilities:	1,147	61,093	1,577	858	1,646
12	NSFR derivative liabilities	1,147				
13	All other liabilities and capital instruments not included in the above categories		61,093	1,577	858	1,646
14	Total available stable funding (ASF)					464,406
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					12,538
UK-15a	Assets encumbered for more than 12m in cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		2,742	-	-	1,371
17	Performing loans and securities:		189,484	61,192	216,751	262,570
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		27,126	1,596	2,165	5,671
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		68,638	29,217	26,712	48,825
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		47,760	14,981	85,796	104,299
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		2,748	1,643	1,525	3,490
22	Performing residential mortgages, of which:		2,136	1,571	61,767	43,818
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		1,561	949	55,781	38,131
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		43,824	13,828	40,310	59,956
25	Interdependent assets		-	-	2,917	-
26	Other assets:	-	59,403	2,571	47,992	51,331
27	Physical traded commodities				18,178	15,451
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		420	9	11,990	10,557
29	NSFR derivative assets		559	-	-	559
30	NSFR derivative liabilities before deduction of variation margin posted		19,703	-	-	985
31	All other assets not included in the above categories		38,722	2,561	17,825	23,779
32	Off-balance sheet items		174,334	74,530	103,661	7,348
33	Total RSF					335,158
34	Net Stable Funding Ratio (%)					138.6%

Liquidity risk

Table 98: Net Stable Funding Ratio (UK LIQ2) continued

		2024				Weighted value (average) \$million
		Unweighted value by residual maturity				
		No maturity \$million	< 6 months \$million	6 months to < 1yr \$million	≥ 1yr \$million	
Available stable funding (ASF) Items						
1	Capital items and instruments	48,085	1,164	1,802	10,456	59,442
2	Own funds	48,085	1,164	1,802	10,456	59,442
3	Other capital instruments		-	-	-	-
4	Retail deposits		166,882	11,230	2,054	163,814
5	Stable deposits		28,827	362	109	27,838
6	Less stable deposits		138,055	10,869	1,945	135,976
7	Wholesale funding:		379,391	38,297	50,552	192,931
8	Operational deposits		102,808	-	-	51,404
9	Other wholesale funding		276,583	38,297	50,552	141,527
10	Interdependent liabilities		2,306	84	14	-
11	Other liabilities:	588	60,130	833	1,099	1,471
12	NSFR derivative liabilities	588				
13	All other liabilities and capital instruments not included in the above categories		60,130	833	1,099	1,471
14	Total available stable funding (ASF)					417,658
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					11,340
UK-15a	Assets encumbered for more than 12m in cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		2,749	-	-	1,375
17	Performing loans and securities:		201,490	64,747	193,269	248,900
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		25,487	1,216	2,162	4,832
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		74,512	25,983	21,063	43,318
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		47,005	14,574	76,932	96,565
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		938	1,184	1,590	2,492
22	Performing residential mortgages, of which:		3,529	2,184	57,479	41,380
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		2,580	1,399	52,780	36,519
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		50,957	20,790	35,632	62,805
25	Interdependent assets		-	-	2,404	-
26	Other assets:	-	60,298	1,906	38,311	41,052
27	Physical traded commodities				7,247	6,160
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	12,784	10,866
29	NSFR derivative assets		693	-	-	693
30	NSFR derivative liabilities before deduction of variation margin posted		17,274	-	-	864
31	All other assets not included in the above categories		42,331	1,906	18,280	22,469
32	Off-balance sheet items ¹		164,524	72,517	104,556	6,282
33	Total RSF					308,948
34	Net Stable Funding Ratio (%)					135.2%

¹ During 2025, uncommitted facilities were included in the NSFR templates. To allow for meaningful year on year comparatives, Pillar 3 templates have been re-stated to account for this change.

Liquidity risk

HQLA composition

Figures reported in this section are simple averages of the 12 data points over the reporting period Jan 2025 to Dec 2025.

HQLA presented herein excludes excess liquidity held at certain subsidiaries that is not transferable within the Group.

Our liquidity management function in Treasury actively manages the size and composition of our eligible HQLA to ensure it is well diversified and reflects the Group's Board approved risk appetite and supporting risk measures, regulatory and internal stress testing requirements, the currency denomination of outflows, amongst other relevant considerations.

For a regional view of our HQLA liquidity pool, refer to page 281 of the 2025 Annual Report and Accounts.

Table 99: Total eligible high-quality liquid assets (HQLA)

	Average unweighted	Average weighted
Level 1 reserves	44%	44%
Level 1 liquid securities	53%	53%
Level 2A liquid assets	3%	2%
Level 2B liquid assets	1%	-

Concentration of funding and liquidity sources

The Group's funding strategy is largely driven by its policy to maintain adequate liquidity at all times, in all geographic locations and in all currencies, and hence to be in a position to meet all obligations as they fall due.

With a sufficiently flexible funding strategy we are able to reduce liquidity risk by diversifying our liquidity resources. Our high degree of geographic diversification constitutes a material risk offset because of our ability to raise a variety of funding across a number of markets in which we operate.

The Group has established internal measures to closely monitor and highlight any build up in counterparty, industry and tenor concentrations to ensure it can meet liquidity needs under different stress scenarios and different time horizons.

Our funding profile over the reporting period was well diversified across different sources by product, business and tenor. Consistent with the Group's funding strategy, customer assets were largely funded out of customer deposits, which are considered a stable source of funding. Customer deposits are primarily sourced from Current Account Saving Account balances along with time deposits and these are further diversified across different customer segments, currencies, tenors and markets.

For further details on the Group's funding profile, refer to pages 281 to 282 of the 2025 Annual Report and Accounts.

Derivative exposures and potential collateral calls

In the normal course of business, the Group deals in the Over-the-counter (OTC) and exchange traded derivative markets with both collateralised and uncollateralised derivative counterparties. Trades are taken primarily to facilitate client activity or for hedging our own risk exposures; as such, derivatives are not generally held for position-taking.

The LCR Delegated Act requires HQLA to be held against net contractual and contingent outflows relating to derivative transactions. These include:

- Net Contractual outflows over a 30-day calendar period – if subject to either legally enforceable master netting agreements and/or covered by collateral agreements (e.g. CSA), these cash flows can be netted at a counterparty level
- The impact of an adverse market scenario on the collateral requirements of the Group's derivatives portfolio
- Incremental collateral required to be posted in the event of a deterioration in the Group's own credit quality (e.g. a three-notch downgrade in the firm's long-term external credit rating)
- The counterparties' contractual right to substitute higher quality collateral with lower quality collateral
- The devaluation of existing collateral posted to counterparties
- Callable/due excess collateral that a firm may be contractually required to return to a counterparty

In addition to regulatory requirements, the Group employs various measures to actively reduce the risk of potential collateral calls on our derivative positions.

On average over the reporting period, weighted 'Outflows related to derivative exposures and other collateral requirements' made up only 6.6 per cent of the Group's total weighted outflows.

Liquidity risk

Currency mismatch in the LCR

The Group LCR is calculated and reported on a consolidated basis and in its reporting currency, US dollars. Although not required to meet minimum LCR requirements in other currencies, we report other significant currency LCRs to the PRA as part of the monthly LCR submission as well as to senior stakeholders in the form of internal monthly MI.

To minimise currency mismatch risk, the Group seeks to fund assets in the same currency, however, due to our global footprint, cross currency funding is utilised to appropriately manage currency gaps when it makes economic sense to do so.

To the extent mismatches arise, these are managed via the Group's currency convertibility framework. The framework identifies currencies that are expected to have limited convertibility during a stress, and sets thresholds on the amount of currency surplus that can be used to meet outflows in other currencies. HQLA amounts reported in Table 96 above therefore exclude surplus liquidity across the Group considered non-convertible in stress.

The implementation of liquidity metrics (such as ADR) at country level ensures that a large portion of assets is funded out of liabilities raised in the same currency. We also monitor closely, against set limits, the amount of foreign currency that can be swapped to local currency, and vice versa, in addition to currency mismatches by different tenor buckets.

7.1 Encumbered and unencumbered assets

The following disclosures of encumbered and unencumbered assets are based on the requirements in Part Eight of the CRR Article 443.

Standard Chartered's primary funding source is its customer deposit base. Given this structural unsecured funding position we have little requirement to fund ourselves in secured markets, and therefore our overall low level of encumbrance reflects this position. However, we do provide collateralised financing services to clients and these result in off-balance sheet encumbrance. The Group monitors the mix of secured and unsecured funding sources within the Group's funding plan and seeks to efficiently utilise available collateral to raise secured funding and meet other collateral requirements.

Table 100: Encumbered and unencumbered assets (UK AE1)

		2025							
		Carrying amount of encumbered assets \$million	Of which notionally eligible EHQLA and HQLA \$million	Fair value of encumbered assets \$million	Of which notionally eligible EHQLA and HQLA \$million	Carrying amount of unencumbered assets \$million	Of which notionally eligible EHQLA and HQLA \$million	Fair value of unencumbered assets \$million	Of which notionally eligible EHQLA and HQLA \$million
010	Assets of the reporting institution	63,244	38,688			846,021	238,458		
030	Equity instruments	-	-	-	-	8,903	176	8,903	90
040	Debt securities	48,413	38,688	48,413	38,494	204,894	148,208	203,048	144,033
050	Of which: covered bonds	113	113	113	113	3,143	3,143	3,143	3,125
060	Of which: securitisations	3,966	193	3,966	193	20,976	8,110	19,984	8,110
070	Of which: issued by general governments	27,576	24,497	27,575	24,531	95,367	86,662	95,404	86,294
080	Of which: issued by financial corporations	17,671	11,950	17,671	11,910	68,326	30,122	66,720	28,242
090	Of which: issued by non-financial corporations	1,043	522	1,043	489	6,243	2,364	5,872	2,352
120	Other assets	14,831	-			632,224	90,074		

		2024							
		Carrying amount of encumbered assets \$million	Of which notionally eligible EHQLA and HQLA \$million	Fair value of encumbered assets \$million	Of which notionally eligible EHQLA and HQLA \$million	Carrying amount of unencumbered assets \$million	Of which notionally eligible EHQLA and HQLA \$million	Fair value of unencumbered assets \$million	Of which notionally eligible EHQLA and HQLA \$million
010	Assets of the reporting institution	46,526	21,089			803,388	223,192		
030	Equity instruments	-	-	-	-	6,254	155	6,256	10
040	Debt securities	32,881	21,089	32,881	21,089	194,839	140,630	194,656	140,559
050	Of which: covered bonds	337	337	337	337	4,355	4,313	4,355	4,313
060	Of which: securitisations	4,965	116	4,965	116	14,812	3,688	14,811	3,688
070	Of which: issued by general governments	21,903	17,434	21,903	17,321	85,764	77,364	85,675	77,222
080	Of which: issued by financial corporations	8,858	3,031	8,858	3,160	79,458	43,642	79,373	43,642
090	Of which: issued by non-financial corporations	978	181	978	181	5,107	2,653	4,952	2,653
120	Other assets	13,644	-			602,295	82,408		

Liquidity risk

7.1 Encumbered and unencumbered assets continued

Table 101: Collateral received and own debt securities issued (UK AE2)

		2025			
		Carrying amount of encumbered assets \$million	Of which notionally eligible EHQLA and HQLA \$million	Fair value of encumbered assets \$million	Of which notionally eligible EHQLA and HQLA \$million
130	Collateral received by the reporting institution	57,440	35,035	43,488	14,625
140	Loans on Demand	-	-	-	-
150	Equity Instruments	-	-	9,381	-
160	Debt securities	57,440	35,035	34,106	14,625
170	Of which: covered bonds	-	-	-	-
180	Of which: Asset backed securities	433	-	2,024	-
190	Of which: issued by General Governments	28,048	22,044	15,375	8,653
200	Of which: issued by Financial Corporations	18,086	5,193	9,361	3,647
210	Of which: issued by Non Financial Corporations	5,743	2,510	4,549	1,339
220	Loans and Advances other than Loans on demand	-	-	-	-
230	Other collateral received	-	-	-	-
240	Own debt securities issued other than own covered bonds or securitisations	-	-	-	-
241	Own covered bonds and asset-backed securities issued and not yet pledged	-	-	-	-
250	Total assets, collateral received and own debt securities issued	120,684	73,723		

		2024			
		Carrying amount of encumbered assets \$million	Of which notionally eligible EHQLA and HQLA \$million	Fair value of encumbered assets \$million	Of which notionally eligible EHQLA and HQLA \$million
130	Collateral received by the reporting institution	73,824	47,736	35,380	17,129
140	Loans on Demand	-	-	-	-
150	Equity Instruments	-	-	9,069	-
160	Debt securities	73,824	47,736	26,311	17,129
170	Of which: covered bonds	-	-	-	-
180	Of which: Asset backed securities	896	-	1,395	-
190	Of which: issued by General Governments	35,370	29,558	10,115	7,400
200	Of which: issued by Financial Corporations	20,479	5,573	10,925	4,493
210	Of which: issued by Non Financial Corporations	7,094	3,492	2,828	2,477
220	Loans and Advances other than Loans on demand	-	-	-	-
230	Other collateral received	-	-	-	-
240	Own debt securities issued other than own covered bonds or securitisations	-	-	-	-
241	Own covered bonds and asset-backed securities issued and not yet pledged	-	-	-	-
250	Total assets, collateral received and own debt securities issued	120,350	68,825		

Liquidity risk

7.1 Encumbered and unencumbered assets continued

Table 102: Sources of encumbrance (UK AE3)

		2025		2024	
		Matching liabilities contingent liabilities or securities lent \$million	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered \$million	Matching liabilities contingent liabilities or securities lent \$million	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered \$million
010	Carrying amount of selected financial liabilities	62,242	65,029	61,273	63,845

The Group's median asset encumbrance for 2025 was \$121 billion, which primarily related to cash collateral pledged against derivatives, and other securities.

Encumbered assets represent on-balance sheet assets pledged or subject to any form of arrangement to secure, collateralise or credit enhance any transaction from which it cannot be freely withdrawn. Debt securities are predominantly related to repurchase agreements. Furthermore, the unencumbered assets that cannot be encumbered also remain at low level and include goodwill, property and plant, unsettled trades, non-group acceptance and tax assets. Derivatives and Reverse Repos are not generally deemed available for encumbrance.

The Group provides collateralised security financing services to its clients, which is also used to manage the Group's own short-term cash and collateral needs. For securities accepted as collateral, mandates are credit rating driven with appropriate notional limits per rating, asset and individual bond concentration. The majority of collateral the Group uses in repo/reverse repo and stock lending/stock borrowing transactions is investment grade government issued. Information on over-collateralisation can be found in the Credit risk mitigation section of the 2025 Annual Report and Accounts on page 226.

8. Remuneration

The qualitative Pillar 3 remuneration disclosures for the 2025 performance year are set out on pages 180 to 206 of the Directors' remuneration report in the 2025 Annual Report and Accounts. Information is provided on the key components of our remuneration approach and how we develop our approach. The disclosures follow the requirements set out in Article 450 of chapter 4 of the 'Disclosure (CRR)' part of the PRA Rulebook.

Table 103: Remuneration awarded for the financial year (UK REM1)

		2025				2024			
		MB Supervisory function \$million	MB Management function \$million	Other senior management \$million	Other identified staff \$million	MB Supervisory function \$million	MB Management function \$million	Other senior management \$million	Other identified staff \$million
Fixed remuneration									
1	Number of identified staff	10	2	13	666	11	2	16	671
2	Total fixed remuneration	5	5	24	372	4	6	33	365
3	Of which: cash-based	5	4	24	372	4	4	33	365
UK-4a	Of which: shares or equivalent ownership interests	-	1	-	-	-	2	-	-
5	Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
UK-5x	Of which: other instruments	-	-	-	-	-	-	-	-
7	Of which: other forms	-	-	-	-	-	-	-	-
Variable remuneration									
9	Number of identified staff	10	2	13	666	11	2	16	671
10	Total variable remuneration	-	14	62	438	-	18	46	399
11	Of which: cash-based	-	4	19	216	-	2	18	201
12	Of which: deferred	-	-	-	3	-	1	9	104
UK-13a	Of which: shares or equivalent ownership interests	-	10	43	222	-	16	28	198
UK-14a	Of which: deferred	-	10	42	220	-	16	19	106
UK-13b	Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
UK-14b	Of which: deferred	-	-	-	-	-	-	-	-
UK-14x	Of which: other instruments	-	-	-	-	-	-	-	-
UK-14y	Of which: deferred	-	-	-	-	-	-	-	-
15	Of which: other forms	-	-	-	-	-	-	-	-
16	Of which: deferred	-	-	-	-	-	-	-	-
17	Total remuneration (2 + 10)	5	19	86	810	4	24	79	764

Remuneration

Table 104: Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff) (UK REM2)

		2025			
		MB Supervisory function \$million	MB Management function \$million	Other senior management \$million	Other identified staff \$million
Guaranteed variable remuneration awards					
1	Guaranteed variable remuneration awards – Number of identified staff	-	-	-	4
2	Guaranteed variable remuneration awards – Total amount	-	-	-	3
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
Severance payments awarded in previous periods, that have been paid out during the financial year					
4	Severance payments awarded in previous periods, that have been paid out during the financial year – Number of identified staff	-	-	-	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year – Total amount	-	-	-	-
Severance payments awarded during the financial year					
6	Severance payments awarded during the financial year – Number of identified staff	-	-	-	-
7	Severance payments awarded during the financial year – Total amount	-	-	-	-
8	Of which paid during the financial year	-	-	-	-
9	Of which deferred	-	-	-	-
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
11	Of which highest payment that has been awarded to a single person	-	-	-	-
		2024			
		MB Supervisory function \$million	MB Management function \$million	Other senior management \$million	Other identified staff \$million
Guaranteed variable remuneration awards					
1	Guaranteed variable remuneration awards – Number of identified staff	-	-	-	4
2	Guaranteed variable remuneration awards – Total amount	-	-	-	3
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
Severance payments awarded in previous periods, that have been paid out during the financial year					
4	Severance payments awarded in previous periods, that have been paid out during the financial year – Number of identified staff	-	-	-	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year – Total amount	-	-	-	-
Severance payments awarded during the financial year					
6	Severance payments awarded during the financial year – Number of identified staff	-	-	-	-
7	Severance payments awarded during the financial year – Total amount	-	-	-	-
8	Of which paid during the financial year	-	-	-	-
9	Of which deferred	-	-	-	-
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
11	Of which highest payment that has been awarded to a single person	-	-	-	-

Remuneration

Table 105: Deferred remuneration (UK REM3)

Deferred and retained remuneration		2025							
		Total amount of deferred remuneration awarded for previous performance periods \$million	Of which due to vest in the financial year \$million	Of which vesting in subsequent financial years \$million	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year \$million	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years \$million	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments) \$million	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year \$million	Total amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods \$million
1	MB Supervisory function	-	-	-	-	-	-	-	-
2	Cash-based	-	-	-	-	-	-	-	-
3	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
4	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
5	Other instruments	-	-	-	-	-	-	-	-
6	Other forms	-	-	-	-	-	-	-	-
7	MB Management function	100	10	90	(2)	-	46	8	8
8	Cash-based	-	-	-	-	-	-	-	-
9	Shares or equivalent ownership interests	100	10	90	(2)	-	46	8	8
10	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
11	Other instruments	-	-	-	-	-	-	-	-
12	Other forms	-	-	-	-	-	-	-	-
13	Other senior management	227	29	198	(2)	-	91	27	20
14	Cash-based	29	4	25	-	-	-	4	-
15	Shares or equivalent ownership interests	198	25	173	(2)	-	91	23	20
16	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
17	Other instruments	-	-	-	-	-	-	-	-
18	Other forms	-	-	-	-	-	-	-	-
19	Other identified staff	1,075	268	807	-	-	362	259	123
20	Cash-based	288	62	226	-	-	-	59	-
21	Shares or equivalent ownership interests	679	179	500	-	-	312	173	109
22	Share-linked instruments or equivalent non-cash instruments	108	27	81	-	-	50	27	14
23	Other instruments	-	-	-	-	-	-	-	-
24	Other forms	-	-	-	-	-	-	-	-
25	Total amount	1,402	307	1,095	(4)	-	499	294	151

Remuneration

Table 105: Deferred remuneration (UK REM3) continued

2024

Deferred and retained remuneration		Total amount of deferred remuneration awarded for previous performance periods \$million	Of which due to vest in the financial year \$million	Of which vesting in subsequent financial years \$million	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year \$million	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years \$million	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments) \$million	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year \$million	Total amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods \$million
1	MB Supervisory function	-	-	-	-	-	-	-	-
2	Cash-based	-	-	-	-	-	-	-	-
3	Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
4	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
5	Other instruments	-	-	-	-	-	-	-	-
6	Other forms	-	-	-	-	-	-	-	-
7	MB Management function	44	7	37	(4)	-	15	3	3
8	Cash-based	-	-	-	-	-	-	-	-
9	Shares or equivalent ownership interests	44	7	37	(4)	-	15	3	3
10	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
11	Other instruments	-	-	-	-	-	-	-	-
12	Other forms	-	-	-	-	-	-	-	-
13	Other senior management	185	43	142	(9)	-	50	18	11
14	Cash-based	34	6	28	-	-	-	4	-
15	Shares or equivalent ownership interests	151	37	114	(9)	-	50	14	11
16	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
17	Other instruments	-	-	-	-	-	-	-	-
18	Other forms	-	-	-	-	-	-	-	-
19	Other identified staff	709	174	535	(3)	-	154	163	63
20	Cash-based	247	58	189	-	-	-	55	-
21	Shares or equivalent ownership interests	409	104	305	(3)	-	136	96	57
22	Share-linked instruments or equivalent non-cash instruments	53	12	41	-	-	18	12	6
23	Other instruments	-	-	-	-	-	-	-	-
24	Other forms	-	-	-	-	-	-	-	-
25	Total amount	938	224	714	(16)	-	219	184	77

Remuneration

Table 106: Remuneration of 1 million EUR or more per year (UK REM4)

EUR		2025	2024
		Identified staff that are high earners as set out in Article 450(i) CRR Number of employees	Identified staff that are high earners as set out in Article 450(i) CRR Number of employees
1	1,000,000 to below 1,500,000	157	164
2	1,500,000 to below 2,000,000	54	54
3	2,000,000 to below 2,500,000	33	25
4	2,500,000 to below 3,000,000	8	16
5	3,000,000 to below 3,500,000	6	10
6	3,500,000 to below 4,000,000	7	6
7	4,000,000 to below 4,500,000	2	4
8	4,500,000 to below 5,000,000	5	4
9	5,000,000 to below 6,000,000	1	2
10	6,000,000 to below 7,000,000	4	3
11	7,000,000 to below 8,000,000	1	2
12	8,000,000 to below 9,000,000	2	1
13	13,000,000 to below 14,000,000	-	1
14	14,000,000 to below 15,000,000	1	1
15	16,000,000 to below 17,000,000	1	-
	Total	282	293

Table 107: Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff) (UK REM5)

	2025										
	Management body remuneration			Business areas							Total \$million
	MB Supervisory function \$million	MB Management \$million	Total MB \$million	Investment banking \$million	Retail banking \$million	Asset management \$million	Corporate functions \$million	Independent internal control functions \$million	All other \$million		
1	Total number of identified staff									691	
2	Of which: members of the MB										
3	Of which: other senior management										
4	Of which: other identified staff										
5	Total remuneration of identified staff										
6	Of which: variable remuneration										
7	Of which: fixed remuneration										

	2024										
	Management body remuneration			Business areas							Total \$million
	MB Supervisory function \$million	MB Management \$million	Total MB \$million	Investment banking \$million	Retail banking \$million	Asset management \$million	Corporate functions \$million	Independent internal control functions \$million	All other \$million		
1	Total number of identified staff									700	
2	Of which: members of the MB										
3	Of which: other senior management										
4	Of which: other identified staff										
5	Total remuneration of identified staff										
6	Of which: variable remuneration										
7	Of which: fixed remuneration										

9. 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 Standard Chartered PLC's Annual Report and the 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 Standard Chartered PLC's Annual Report 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.

Annex 1

Standard Chartered Significant Subsidiaries

Capital resources of significant subsidiaries

For local capital adequacy purposes, a range of approaches are applied in accordance with the regulatory requirements in force in each jurisdiction. Wherever possible, the approaches adopted at the Group level are applied locally.

Under Part 2, rule 2.3 of the CRR requires the application of disclosure requirements of Large subsidiaries of UK parent institutions, UK parent financial holding companies.

The capital resources of the Group's significant subsidiaries under CRR Part 2 are presented below. These subsidiaries are Standard Chartered – solo consolidated, a UK regulated banking entity, Standard Chartered Bank (Hong Kong) Limited, Standard Chartered Bank Korea Limited, and Standard Chartered Bank (Singapore) Limited.

The capital resources of these subsidiaries are calculated in accordance with the regulatory requirements applicable in the countries in which they are incorporated, and therefore cannot be aggregated, but are presented to align with the Group format.

The table below provides a summary view of the significant subsidiaries. The significant subsidiary data is subject to change due to local timing and local regulatory requirements.

Table 108: Capital resources of significant subsidiaries

	2025				2024			
	Standard Chartered – Solo consolidation \$million	Standard Chartered Bank (HK) Ltd \$million	Standard Chartered Bank Korea Ltd \$million	Standard Chartered Bank (Singapore) Ltd \$million	Standard Chartered – Solo consolidation \$million	Standard Chartered Bank (HK) Ltd ² \$million	Standard Chartered Bank Korea Ltd ¹ \$million	Standard Chartered Bank (Singapore) Ltd ¹ \$million
Local Regulator	PRA	HKMA	FSS	MAS	PRA	HKMA	FSS	MAS
Common Equity Tier 1 capital before regulatory adjustments	22,971	22,164	3,583	7,742	23,047	21,561	3,586	7,480
Regulatory adjustments	(8,445)	(2,292)	(194)	(935)	(8,317)	(2,156)	(240)	(747)
Common Equity Tier 1 capital	14,526	19,872	3,388	6,807	14,730	19,405	3,346	6,733
Additional Tier 1 (AT1) capital: instruments	4,152	4,820	208	1,430	4,273	3,018	204	1,392
Tier 1 capital (T1 = CET1 + AT1)	18,678	24,691	3,597	8,237	19,003	22,422	3,550	8,125
Tier 2 capital	5,697	2,123	427	2,968	8,183	1,361	559	2,942
Total capital (TC = T1 + T2)	24,375	26,815	4,023	11,205	27,186	23,784	4,109	11,067
Total risk-weighted assets	130,608	104,849	21,680	51,348	126,383	109,927	20,826	45,467
Capital Ratios								
Common Equity Tier 1	11.1%	19.0%	15.6%	13.3%	11.7%	17.7%	16.1%	14.8%
Tier 1 Capital	14.3%	23.5%	16.6%	16.0%	15.0%	20.4%	17.0%	17.9%
Total Capital	18.7%	25.6%	18.6%	21.8%	21.5%	21.6%	19.7%	24.3%

1 2024 Capital resources have been re-presented to align with local regulatory returns, which included late adjustments for Standard Chartered Korea Ltd and Standard Chartered Bank (Singapore) Ltd.

2 2024 has been re-presented to show Standard Chartered Bank (HK) Ltd on a consolidated basis. This also includes Standard Chartered Bank Korea Ltd.

Capital management – Standard Chartered – Solo consolidated

The Risk management approach section of the 2025 Annual Report and Accounts sets out our approach to capital management (pages 222 to 234). Tables 109 to 131 summarise the consolidated capital position of Standard Chartered – solo consolidated, as well as a summary of exposures, credit quality and remuneration.

Annex 1

Table 109: Composition of regulatory own funds (UK CC1) – Solo consolidation

	2025 \$million	2024 \$million
Common Equity Tier 1 (CET1) capital: instruments and reserves		
1 Capital instruments and the related share premium accounts	20,893	20,893
Of which: Share premium accounts	296	296
2 Retained earnings ¹	3,543	3,815
3 Accumulated other comprehensive income (and other reserves)	(3,766)	(3,804)
5 Minority interests (amount allowed in consolidated CET1)	-	-
5a Independently reviewed interim and year-end profits/(loss) ²	2,493	2,336
Foreseeable dividends ³	(192)	(193)
6 Common Equity Tier 1 (CET1) capital before regulatory adjustments	22,971	23,047
Common Equity Tier 1 capital: regulatory adjustments		
7 Additional value adjustments	(393)	(324)
8 Intangible assets (net of related tax liability)	(3,427)	(3,166)
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met)	(15)	(25)
11 Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	(38)	16
12 Negative amounts resulting from the calculation of expected loss amounts	(259)	(297)
14 Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	308	244
15 Defined-benefit pension fund assets	(99)	(114)
Fair value gains and losses from own credit risk related to derivative liabilities	(60)	(84)
19 Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	(4,447)	(4,456)
UK-20a Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	(13)	(111)
UK-20c Of which: securitisation positions	(5)	(4)
UK-20d Of which: free deliveries	(8)	(107)
22 Amount exceeding the 17,65% threshold (negative amount)	-	
27a Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	(2)	-
28 Total regulatory adjustments to Common Equity Tier 1 (CET1)	(8,445)	(8,317)
29 Common Equity Tier 1 (CET1) capital	14,526	14,730
Additional Tier 1 (AT1) capital: instruments		
30 Capital instruments and the related share premium accounts	5,722	5,722
31 Of which: classified as equity under applicable accounting standards	5,722	5,722
32 Of which: classified as liabilities under applicable accounting standards	-	-
36 Additional Tier 1 (AT1) capital before regulatory adjustments	5,722	5,722
Additional Tier 1 capital: regulatory adjustments		
37 Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	(20)	(20)
40 Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	(1,550)	(1,429)
43 Total regulatory adjustments to Additional Tier 1 (AT1) capital	(1,570)	(1,449)
44 Additional Tier 1 (AT1) capital	4,152	4,273
45 Tier 1 capital (T1 = CET1 + AT1)	18,678	19,003
Tier 2 (T2) capital: instruments and provisions		
46 Capital instruments and the related share premium accounts	8,909	11,117
47 Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	-
48 Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	-
51 Tier 2 (T2) capital before regulatory adjustments	8,909	11,117
Tier 2 capital: regulatory adjustments	-	
52 Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans	(30)	(30)

Table 109: Composition of regulatory own funds (UK CC1) – Solo consolidation continued

55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	(3,182)	(2,904)
57	Total regulatory adjustments to Tier 2 (T2) capital	(3,212)	(2,934)
58	Tier 2 (T2) capital	5,697	8,183
59	Total capital (TC = T1 + T2)	24,375	27,186
60	Total Risk exposure amount	130,608	126,383
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	11.1%	12.0%
62	Tier 1 (as a percentage of total risk exposure amount)	14.3%	15.2%
63	Total capital (as a percentage of total risk exposure amount)	18.7%	22.6%
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	9.25%	9.45%
65	Of which: capital conservation buffer requirement	2.50%	2.50%
66	Of which: countercyclical buffer requirement	0.37%	0.38%
67	Of which: systemic risk buffer requirement	-	-
UK-67a	Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	-	-
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	4.74%	5.10%
	Amounts below the thresholds for deduction (before risk weighting)		
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	1,153	1,400
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	6,345	6,245
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	282	376
	Applicable caps on the inclusion of provisions in Tier 2		
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	302	231
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	-
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	379	399

1 Retained earnings under CRD IV include the effect of regulatory consolidation adjustments.

2 Independently reviewed year-end profits are in accordance with regulatory consolidation rules.

3 Foreseeable dividends as at FY 2025 represent preference and AT1 securities dividends.

Annex 1

Table 110: Reconciliation of regulatory own funds to balance sheet in the audited financial statements (UK CC2) – Solo consolidation

	2025		2024	
	Balance sheet as in published financial statements \$million	Under regulatory scope of consolidation \$million	Balance sheet as in published financial statements \$million	Under regulatory scope of consolidation \$million
Assets				
Cash and balances at central banks	52,348	52,348	45,233	45,233
Financial assets held at fair value through profit or loss	99,894	96,816	88,349	85,699
Derivative financial instruments	66,631	66,631	82,844	82,844
Loans and advances to banks	11,108	11,108	11,755	11,755
Loans and advances to customers	80,091	80,091	77,597	77,597
Investment securities	79,684	77,839	82,101	81,134
Other assets	35,105	33,074	31,584	30,859
Current tax assets	412	447	516	553
Prepayments and accrued income	1,392	1,392	1,535	1,535
Interests in associates and joint ventures	10,802	14,695	10,671	13,354
Goodwill and intangible assets	2,245	2,245	1,988	1,988
Of which: goodwill	2,251	2,244	1,991	1,988
Of which: other intangibles (excluding MSRs)	(6)	1	(3)	-
Of which: MSRs	-	-	-	-
Property, plant and equipment	714	714	659	659
Deferred tax assets	251	251	233	233
Retirement benefit schemes in surplus	104	104	118	118
Assets classified as held for sale	240	240	474	474
Total assets	441,021	437,995	435,656	434,034
Liabilities				
Deposits by banks	20,607	20,607	17,824	17,824
Customer accounts	132,018	132,018	119,502	119,502
Repurchase agreements and other similar secured borrowing	4,828	4,828	9,845	9,845
Financial liabilities held at fair value through profit or loss	64,880	64,880	61,683	61,683
Derivative financial instruments	67,556	67,556	82,745	82,745
Debt securities in issue	37,849	37,849	36,081	36,081
Other liabilities	70,401	68,668	63,799	63,439
Current tax liabilities	254	254	294	294
Accruals and deferred income	2,620	2,627	2,441	2,447
Subordinated liabilities and other borrowed funds	8,158	8,158	9,801	9,801
Of which: considered as Additional Tier 1 capital	-	-	-	-
Of which: considered as Tier 2 capital	8,158	8,158	9,801	9,801
Deferred tax liabilities	358	358	308	309
Of which: DTLs related to goodwill	358	358	308	309
Of which: DTLs related to intangible assets (excluding MSRs)	-	-	-	-
Of which: DTLs related to MSRs	-	-	-	-
Provisions for liabilities and charges	191	191	186	186
Retirement benefit obligations	216	216	200	200
Liabilities included in disposal groups held for sale	150	150	-	-
Total liabilities	410,086	408,360	404,709	404,356
Shareholders' Equity				
Share capital and share premium account	21,643	21,643	21,643	21,643
Other reserves & Retained earnings	3,570	2,270	3,582	2,313
Total parent company shareholders' equity	25,213	23,913	25,225	23,956
Other equity instruments	5,722	5,722	5,722	5,722
Total equity excluding non-controlling interests	30,935	29,635	30,947	29,678
Non-controlling interest	-	-	-	-
Total equity	30,935	29,635	30,947	29,678
Total equity and liabilities	441,021	437,995	435,656	434,034

Countercyclical capital buffer – Standard Chartered – Solo consolidated
Table 11: Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (UK CCyB1) – Solo consolidation

Breakdown by country	2025												
	General credit exposures		Relevant credit exposures – Market risk				Own funds requirements						
	Exposure value under the standardised approach \$million	Exposure value under the IRB approach \$million	Sum of long and short positions of trading book exposures for SA \$million	Value of trading book exposures for internal models \$million	Securitisation exposures Exposure value for non-trading book \$million	Total exposure value \$million	Relevant credit risk exposures – Credit risk \$million	Relevant credit exposures – Market risk \$million	Relevant credit exposures – Securitisation positions in the non-trading book \$million	Total \$million	Risk-weighted exposure amounts %	Own fund requirements weights %	Countercyclical buffer rate (%) %
Armenia	–	–	–	–	–	–	–	–	–	–	–	0.0%	1.5%
Australia	245	3,093	286	–	286	3,910	88	21	4	113	1,415	1.9%	1.0%
Belgium	–	498	2	–	21	521	5	–	–	6	74	–	–
Bulgaria	–	–	–	–	–	–	–	–	–	–	–	0.0%	2.0%
Chile	–	77	91	–	3	171	3	4	–	7	82	0.1%	0.5%
Croatia	–	5	–	–	–	5	–	–	–	–	3	0.0%	1.5%
Cyprus	–	32	–	–	–	32	–	–	–	–	5	0.0%	1.0%
Czech Republic	–	–	6	–	–	6	–	1	–	1	18	0.0%	1.3%
Denmark	12	590	3	–	144	749	4	–	2	6	74	0.1%	2.5%
Estonia	–	–	4	–	–	4	–	–	–	–	–	0.0%	1.5%
France	3	1,039	273	–	2	1,317	34	20	–	54	675	0.9%	1.0%
Germany	282	3,544	104	–	442	4,372	105	15	7	127	1,587	2.1%	0.8%
Greece	–	26	7	–	–	33	–	1	–	1	7	0.0%	0.3%
Hong Kong	349	3,081	237	–	109	3,776	72	11	2	85	1,061	1.4%	0.5%
Hungary	–	87	195	–	–	282	7	1	–	8	96	0.1%	1.0%
Iceland	–	–	–	–	–	–	–	–	–	–	–	0.0%	2.5%
Ireland	29	2,206	1,023	–	109	3,367	25	82	2	109	1,364	1.8%	1.5%
Korea	66	1,172	246	–	11	1,495	28	10	–	38	476	0.6%	1.0%
Latvia	–	–	–	–	–	–	–	–	–	–	–	0.0%	1.0%
Lithuania	–	–	–	–	–	–	–	–	–	–	–	0.0%	1.0%
Luxembourg	150	4,220	101	–	429	4,900	73	7	6	86	1,071	1.4%	0.5%
Netherlands	–	1,213	64	–	495	1,772	70	4	7	81	1,015	1.4%	2.0%
Norway	–	347	7	–	222	576	11	–	3	15	190	0.3%	2.5%
Poland	–	110	10	–	–	120	3	–	–	4	44	0.1%	1.0%
Romania	–	–	–	–	–	–	–	–	–	–	–	0.0%	1.0%
Slovakia	1	1	–	–	–	2	–	–	–	–	1	0.0%	1.5%
Slovenia	–	–	7	–	–	7	–	1	–	1	10	0.0%	1.0%
Spain	8	113	42	–	23	186	8	4	–	12	151	0.2%	0.5%
Sweden	–	227	52	–	181	460	9	5	3	17	214	0.3%	2.0%
United Kingdom	3,121	33,597	1,184	–	8,124	46,026	519	37	123	679	8,481	11.5%	2.0%
Other countries	18,275	127,973	9,849	–	7,768	163,865	4,041	311	115	4,464	55,805	87.3%	0.0%

Table 111: Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (UK CCyB1) – Solo consolidation continued

2024

Breakdown by country	General credit exposures		Relevant credit exposures – Market risk			Own funds requirements							Counter-cyclical buffer rate (%)
	Exposure value under the standardised approach \$million	Exposure value under the IRB approach \$million	Sum of long and short positions of trading book exposures for SA \$million	Value of trading book exposures for internal models \$million	Securitisation exposures Exposure value for non-trading book \$million	Total exposure value \$million	Relevant credit exposures		Relevant credit exposures – Securitisation positions in the non-trading book \$million	Total \$million	Risk-weighted exposure amounts %	Own fund requirements weights %	
							– Credit risk \$million	– Market risk \$million					
Armenia	–	–	–	–	–	–	–	–	–	–	–	–	1.5%
Australia	156	2,333	144	–	34	2,667	82	11	–	94	1,170	0.7%	1.0%
Belgium	–	757	4	–	–	761	4	–	–	5	59	–	1.0%
Bulgaria	–	–	–	–	–	–	–	–	–	–	–	–	2.0%
Chile	–	129	25	–	–	154	3	3	–	6	78	–	0.5%
Croatia	–	7	–	–	–	7	–	–	–	–	4	–	1.5%
Cyprus	2	134	–	–	–	136	4	–	–	4	55	–	1.0%
Czech Republic	–	–	3	–	–	3	–	–	–	–	4	–	1.3%
Denmark	6	665	1	–	–	672	20	–	–	20	248	0.2%	2.5%
Estonia	–	–	–	–	–	–	–	–	–	–	–	–	1.5%
France	14	4,117	221	–	–	4,352	66	10	–	76	946	0.6%	1.0%
Germany	31	6,709	329	–	3,152	10,220	85	8	47	140	1,747	1.1%	0.8%
Greece	5,692	72,370	620	–	3,902	82,583	1,776	8	60	1,844	23,048	14.6%	0.5%
Hong Kong	–	553	196	–	–	749	15	–	–	15	190	0.1%	0.5%
Hungary	–	–	–	–	–	–	–	–	–	–	–	–	2.5%
Iceland	53	2,113	33	–	78	2,278	32	50	1	83	1,041	0.7%	1.5%
Ireland	910	34,811	292	–	–	36,014	789	3	–	792	9,895	6.3%	1.0%
Korea	–	–	–	–	–	–	–	–	–	–	–	–	1.0%
Latvia	134	6,519	12	–	332	6,997	110	2	4	116	1,450	0.9%	0.5%
Lithuania	20	2,261	31	–	–	2,312	86	2	–	88	1,099	0.7%	2.0%
Luxembourg	1	239	4	–	–	244	10	–	–	11	131	0.1%	2.5%
Netherlands	1	–	–	–	–	1	–	–	–	–	–	–	1.0%
Norway	–	–	–	–	–	–	–	–	–	–	–	–	1.5%
Poland	–	–	–	–	–	–	–	–	–	–	–	–	0.5%
Romania	–	1,229	8	–	–	1,238	28	1	–	30	374	0.2%	2.0%
Slovakia	3,780	41,306	1,054	–	18,348	64,487	822	27	265	1,114	13,926	8.8%	2.0%
Slovenia	36,254	229,587	16,766	–	5,482	288,090	7,533	572	79	8,184	102,302	64.8%	–
Spain	8	113	42	–	23	186	8	4	–	12	151	0.2%	0.5%
Sweden	–	227	52	–	181	460	9	5	3	17	214	0.3%	2.0%
United Kingdom	3,121	33,597	1,184	–	8,124	46,026	519	37	123	679	8,481	11.5%	2.0%
Other countries	18,275	127,973	9,849	–	7,768	163,865	4,041	311	115	4,464	55,805	87.3%	0.0%

Table 112: Amount of institution-specific countercyclical capital buffer (UK CCyB2) – Solo consolidation

	2025 \$million	2024 \$million
1 Total risk exposure amount	130,608	126,383
2 Institution specific countercyclical capital buffer rate	0.37%	0.38%
3 Institution specific countercyclical capital buffer requirement	483	479

Leverage ratio – Standard Chartered – Solo consolidated

Table 113: LRSum: Summary reconciliation of accounting assets and leverage ratio exposures (UK LR1) – Solo consolidation

	2025 \$million	2024 \$million
1 Total assets as per published financial statements	441,020	435,691
2 Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	(3,026)	(1,622)
3 (Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-	-
4 (Adjustment for exemption of exposures to central banks)	(48,691)	(43,583)
5 (Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) of the CRR)	-	-
6 Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	(493)	(48)
7 Adjustment for eligible cash pooling transactions	-	-
8 Adjustment for derivative financial instruments	1,630	(25,002)
9 Adjustment for securities financing transactions (SFTs)	5,869	3,706
10 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	69,910	68,672
11 (Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (leverage))	(651)	(621)
UK-11a (Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	-	-
UK-11b (Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) of the CRR)	-	-
12 Other adjustments ¹	(17,238)	(15,415)
13 Total exposure measure	448,330	421,778

1 Other Adjustments include Cash Collateral posted \$(7,674) million, Tier-1 Capital deduction other than disclosed in above row 12 \$(10,306) million, DTL \$91m million.

Table 114: LRCom: Leverage ratio common disclosure (UK LR2) – Solo consolidation

		2025 \$million	2024 \$million
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	301,562	278,060
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(7,674)	(7,634)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining tier 1 capital (leverage))	(10,306)	(8,477)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	283,582	261,949
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	12,716	15,567
UK-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	51,815	44,909
UK-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach	-	-
UK-9b	Exposure determined under the original exposure method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	(5,324)	(6,035)
UK-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
UK-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	-	-
11	Adjusted effective notional amount of written credit derivatives	34,871	103,787
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(25,817)	(100,386)
13	Total derivatives exposures	68,261	57,842
Securities financing transaction exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	133,635	111,445
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(64,235)	(38,253)
16	Counterparty credit risk exposure for SFT assets	5,869	3,706
UK-16a	Derogation for SFTs: counterparty credit risk exposure in accordance with Articles 429e(5) and 222 of the CRR	-	-
17	Agent transaction exposures	-	-
UK-17a	(Exempted CCP leg of client-cleared SFT exposures)	-	-
18	Total securities financing transaction exposures	75,268	76,898
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	206,520	201,646
20	(Adjustments for conversion to credit equivalent amounts)	(136,610)	(132,974)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures)	-	-
22	Off-balance sheet exposures	69,910	68,672
Excluded exposures			
UK-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	-	-
UK-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) of the CRR (on- and off-balance sheet))	-	-
UK-22g	(Excluded excess collateral deposited at triparty agents)	-	-
UK-22k	(Total exempted exposures)	-	-
Capital and total exposures			
23	Tier 1 capital (leverage)	18,678	19,003
24	Total exposure measure including claims on central banks	497,021	465,361
UK-24a	(-) Claims on central banks excluded	(48,691)	(43,583)
UK-24b	Total exposure measure excluding claims on central banks¹	448,330	421,778

Table 114: LRCom: Leverage ratio common disclosure (UK LR2) – Solo consolidation continued

		2025 \$million	2024 \$million
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	4.2%	4.5%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	4.2%	4.5%
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)	4.2%	4.5%
UK-25c	Leverage ratio including claims on central banks (%)	3.8%	4.1%
26	Regulatory minimum leverage ratio requirement (%)	3.3%	3.3%
Additional leverage ratio disclosure requirements – leverage ratio buffers			
27	Leverage ratio buffer (%)	0.1%	0.1%
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	-	-
UK-27b	Of which: countercyclical leverage ratio buffer (%)	0.1%	0.1%
Additional leverage ratio disclosure requirements – disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	75,241	78,234
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	69,399	73,192
UK-31	Average total exposure measure including claims on central banks	519,731	492,115
UK-32	Average total exposure measure excluding claims on central banks	466,499	439,529
UK-33	Average leverage ratio including claims on central banks	3.6%	3.8%
UK-34	Average leverage ratio excluding claims on central banks	4.1%	4.3%

Table 115: LRSpI: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) (UK LR3) – Solo consolidation

		2025 \$million	2024 \$million
UK-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	293,888	270,426
UK-2	Trading book exposures	41,455	30,380
UK-3	Banking book exposures, of which:	252,433	240,046
UK-4	Covered bonds	3,019	3,781
UK-5	Exposures treated as sovereigns	110,937	104,829
UK-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	9,975	9,002
UK-7	Institutions	17,794	18,197
UK-8	Secured by mortgages of immovable properties	6,391	6,368
UK-9	Retail exposures	3,925	4,394
UK-10	Corporates	63,620	56,150
UK-11	Exposures in default	2,150	2,082
UK-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	34,621	35,242

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Credit Risk quality – Standard Chartered – Solo consolidated

Table 116: Performing and non-performing exposures and related provisions (UK CR1) – Solo consolidation

		2025																
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral and financial guarantees received				
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	On performing exposures	On non-performing exposures		
		\$million	Of which stage 1 \$million	Of which stage 2 \$million	\$million	Of which stage 2 \$million	Of which stage 3 \$million	\$million	Of which stage 1 \$million	Of which stage 2 \$million	\$million	Of which stage 2 \$million	Of which stage 3 \$million				\$million	Of which stage 2 \$million
005	Cash balances at central banks and other demand deposits	54,111	53,987	123	-	-	-	-	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	156,527	152,542	3,985	2,698	-	2,698	(237)	(125)	(112)	(1,443)	-	(1,443)	(3,377)	23,144	325		
020	Central banks	4,266	4,266	-	-	-	-	-	-	-	-	-	-	-	6	-		
030	General governments	1,676	1,601	75	339	-	339	(1)	-	-	(25)	-	(25)	(0)	733	-		
040	Credit institutions	43,871	43,751	120	9	-	9	(1)	(1)	-	(4)	-	(4)	(27)	1,442	-		
050	Other financial corporations	54,901	54,550	351	18	-	18	(11)	(4)	(7)	(12)	-	(12)	(59)	6,818	-		
060	Non-financial corporations	42,986	39,834	3,152	1,795	-	1,795	(136)	(48)	(88)	(1,312)	-	(1,312)	(3,291)	7,538	76		
070	Of which SMEs	3,721	3,646	75	142	-	142	(14)	(12)	(2)	(112)	-	(112)	-	444	4		
080	Households	8,827	8,540	287	537	-	537	(89)	(72)	(17)	(89)	-	(89)	-	6,607	249		
090	Debt securities	78,211	77,820	391	-	-	-	(36)	(34)	(2)	-	-	-	-	120	-		
100	Central banks	7,984	7,984	-	-	-	-	(8)	(8)	-	-	-	-	-	-	-		
110	General governments	37,858	37,565	293	-	-	-	(14)	(13)	(1)	-	-	-	-	30	-		
120	Credit institutions	23,550	23,550	-	-	-	-	(6)	(6)	-	-	-	-	-	9	-		
130	Other financial corporations	8,004	7,906	98	-	-	-	(8)	(7)	(1)	-	-	-	-	5	-		
140	Non-financial corporations	816	816	-	-	-	-	-	-	-	-	-	-	-	77	-		
150	Off-balance-sheet exposures	170,826	167,693	3,133	523	-	523	(64)	(36)	(28)	(90)	-	(90)		4,140	48		
160	Central banks	391	391	-	-	-	-	-	-	-	-	-	-		-	-		
170	General governments	1,905	1,873	32	-	-	-	(1)	(1)	-	-	-	-		213	-		
180	Credit institutions	9,664	9,506	158	6	-	6	(1)	(1)	-	-	-	-		148	-		
190	Other financial corporations	72,144	71,368	776	1	-	1	(3)	(3)	(1)	-	-	-		235	-		
200	Non-financial corporations	83,413	81,295	2,118	515	-	515	(58)	(31)	(27)	(90)	-	(90)		3,509	48		
210	Households	3,308	3,259	50	1	-	1	-	-	-	-	-	-		35	-		
220	Total	459,675	452,042	7,632	3,221	-	3,221	(337)	(195)	(142)	(1,533)	-	(1,533)	(3,377)	27,404	374		

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Table 116: Performing and non-performing exposures and related provisions (UK CR1) – Solo consolidation continued

		2024											Collateral and financial guarantees received				
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions									
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	On performing exposures	On non-performing exposures	
		Of which stage 1	Of which stage 2		Of which stage 1	Of which stage 2	Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3	Of which stage 2	Of which stage 3				
		\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million
005	Cash balances at central banks and other demand deposits	46,333	46,193	140	-	-	-	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	156,961	152,708	4,253	2,688	-	2,688	(213)	(115)	(98)	(1,580)	-	(1,580)	(3,339)	26,147	367	
020	Central banks	3,102	3,102	-	-	-	-	-	-	-	-	-	-	-	10	-	
030	General governments	10,776	10,392	384	94	-	94	(1)	-	(1)	(41)	-	(41)	-	911	5	
040	Credit institutions	36,609	36,502	107	8	-	8	(1)	(1)	-	(6)	-	(6)	(27)	2,046	-	
050	Other financial corporations	58,250	57,803	447	19	-	19	(6)	(5)	(1)	(19)	-	(19)	(59)	9,445	-	
060	Non-financial corporations	39,521	36,345	3,176	2,177	-	2,177	(128)	(53)	(75)	(1,426)	-	(1,426)	(3,253)	7,697	118	
070	Of which SMEs	3,922	3,822	100	209	-	209	(13)	(10)	(3)	(123)	-	(123)	-	572	2	
080	Households	8,703	8,564	139	390	-	390	(77)	(56)	(21)	(88)	-	(88)	-	6,038	244	
090	Debt securities	81,450	81,205	245	-	-	-	(18)	(17)	(1)	-	-	-	-	51	-	
100	Central banks	6,783	6,783	-	-	-	-	(3)	(3)	-	-	-	-	-	1	-	
110	General governments	34,313	34,068	245	-	-	-	(8)	(7)	(1)	-	-	-	-	-	-	
120	Credit institutions	21,396	21,396	-	-	-	-	(1)	(1)	-	-	-	-	-	14	-	
130	Other financial corporations	18,097	18,097	-	-	-	-	(5)	(5)	-	-	-	-	-	-	-	
140	Non-financial corporations	861	861	-	-	-	-	(1)	(1)	-	-	-	-	-	36	-	
150	Off-balance-sheet exposures	137,886	134,056	3,830	445	-	445	(47)	(25)	(22)	(102)	-	(102)		2,227	20	
160	Central banks	111	111	-	-	-	-	-	-	-	-	-	-		-	-	
170	General governments	4,142	4,124	18	-	-	-	-	-	-	-	-	-		123	-	
180	Credit institutions	8,569	8,282	287	17	-	17	(2)	(1)	(1)	(4)	-	(4)		47	-	
190	Other financial corporations	52,391	52,083	308	1	-	1	(3)	(3)	-	-	-	-		610	-	
200	Non-financial corporations	69,706	66,545	3,161	427	-	427	(41)	(20)	(21)	(98)	-	(98)		1,296	20	
210	Households	2,967	2,911	56	-	-	-	(1)	(1)	-	-	-	-		151	-	
220	Total	422,630	414,162	8,468	3,133	-	3,133	(278)	(157)	(121)	(1,682)	-	(1,682)	(3,339)	28,425	387	

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Table 117: Maturity of exposures (UK CR1-A) – Solo consolidation

		2025					
		Net exposure value					Total
		On demand \$million	<= 1 year \$million	> 1 year <= 5 years \$million	> 5 years \$million	No stated maturity \$million	\$million
1	Loans and advances	7,967	96,792	30,372	25,972	–	161,102
2	Debt securities	1	35,294	28,390	45,566	–	109,251
3	Total	7,968	132,086	58,762	71,537	–	270,353
		2024					
		Net exposure value					Total
		On demand \$million	<= 1 year \$million	> 1 year <= 5 years \$million	> 5 years \$million	No stated maturity \$million	\$million
1	Loans and advances	7,412	101,739	26,002	21,496	–	156,649
2	Debt securities	139	27,849	27,908	45,785	–	101,681
3	Total	7,551	129,588	53,910	67,281	–	258,330

Table 118: Changes in the stock of non-performing loans and advances (UK CR2) – Solo consolidation

		2025	2024
		Gross carrying amount \$million	Gross carrying amount \$million
010	Initial stock of non-performing loans and advances	2,688	3,767
020	Inflows to non-performing portfolios	1,221	601
030	Outflows from non-performing portfolios	(1,212)	(1,680)
040	Outflows due to write-offs	(207)	(433)
050	Outflow due to other situations	(1,005)	(1,247)
060	Final stock of non-performing loans and advances	2,697	2,688

Table 119: Credit quality of forborne exposures (UK CQ1) – Solo consolidation

		2025							
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Non-performing forborne				On performing forborne exposures \$million	On non-performing forborne exposures \$million	Of which collateral and financial guarantees received on non-performing exposures with forbearance measures \$million	
		Performing forborne \$million	\$million	Of which defaulted \$million	Of which impaired \$million				
005	Cash balances at central banks and other demand deposits	–	–	–	–	–	–	–	–
010	Loans and advances	61	596	596	596	(2)	(310)	33	23
020	Central banks	–	–	–	–	–	–	–	–
030	General governments	–	27	27	27	–	(1)	–	–
040	Credit institutions	–	–	–	–	–	–	–	–
050	Other financial corporations	48	18	18	18	–	(18)	–	–
060	Non-financial corporations	10	551	551	551	(1)	(291)	30	23
070	Households	3	–	–	–	–	–	2	–
080	Debt Securities	–	–	–	–	–	–	–	–
090	Loan commitments given	–	–	–	–	–	–	–	–
100	Total	61	596	596	596	(2)	(310)	33	23

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Table 119: Credit quality of forborne exposures (UK CQ1) – Solo consolidation continued

		2024									
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures			
		Non-performing forborne								Of which collateral and financial guarantees received on non-performing exposures with forbearance measures	
		Performing forborne \$million	\$million	Of which defaulted \$million	Of which impaired \$million	On performing forborne exposures \$million	On non-performing forborne exposures \$million	\$million		\$million	\$million
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	15	708	708	708	-	(397)	95		81	
020	Central banks	-	-	-	-	-	-	-		-	
030	General governments	-	-	-	-	-	-	-		-	
040	Credit institutions	-	-	-	-	-	-	-		-	
050	Other financial corporations	-	19	19	19	-	(19)	-		-	
060	Non-financial corporations	11	688	688	688	-	(378)	92		81	
070	Households	4	1	1	1	-	-	3		-	
080	Debt Securities	-	-	-	-	-	-	-		-	
090	Loan commitments given	-	-	-	-	-	-	-		-	
100	Total	15	708	708	708	-	(397)	95		81	

Table 120: Credit quality of performing and non-performing exposures by past due days (UK CQ3) – Solo consolidation

		2025										
		Gross carrying amount/nominal amount										
		Performing exposures				Non-performing exposures						
		Not past due or past due ≤ 30 days \$million	Past due > 30 days ≤ 90 days \$million	Unlikely to pay that are not past due or are past due ≤ 90 days \$million	Past due > 90 days ≤ 180 days \$million	Past due > 180 days ≤ 1 year \$million	Past due > 1 year ≤ 2 years \$million	Past due > 2 years ≤ 5 years \$million	Past due > 5 years ≤ 7 years \$million	Past due > 7 years \$million	Of which defaulted \$million	
005	Cash balances at central banks and other demand deposits	54,111	54,111	-	-	-	-	-	-	-	-	-
010	Loans and advances	156,527	156,179	348	2,698	1,234	361	4	165	161	290	483
020	Central banks	4,266	4,266	-	-	-	-	-	-	-	-	-
030	General governments	1,677	1,677	-	339	290	-	1	11	37	-	339
040	Credit institutions	43,871	43,870	1	9	8	1	-	-	-	-	9
050	Other financial corporations	54,901	54,802	99	18	-	-	-	3	-	15	18
060	Non-financial corporations	42,986	42,791	196	1,795	792	-	140	143	252	468	1,795
070	Of which SMEs	3,721	3,716	4	142	-	-	12	40	32	58	142
080	Households	8,827	8,774	53	537	145	360	4	24	4	1	537
090	Debt securities	78,211	78,211	-	-	-	-	-	-	-	-	-
100	Central banks	7,984	7,984	-	-	-	-	-	-	-	-	-
110	General governments	37,858	37,858	-	-	-	-	-	-	-	-	-
120	Credit institutions	23,550	23,550	-	-	-	-	-	-	-	-	-
130	Other financial corporations	8,004	8,004	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	816	816	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	170,826		523								523
160	Central banks	391		-								-
170	General governments	1,905		0								0
180	Credit institutions	9,665		6								6
190	Other financial corporations	72,144		1								1
200	Non-financial corporations	83,413		515								515
210	Households	3,308		1								1
220	Total	459,675	288,501	348	3,221	1,234	361	4	165	161	290	483

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Table 120: Credit quality of performing and non-performing exposures by past due days (UK CQ3) – Solo consolidation continued

		2024											
		Gross carrying amount/nominal amount											
		Performing exposures				Non-performing exposures							
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted		
		\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million
005	Cash balances at central banks and other demand deposits	46,333	46,333	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	156,961	156,875	86	2,688	997	370	124	200	393	178	426	2,688
020	Central banks	3,102	3,102	-	-	-	-	-	-	-	-	-	-
030	General governments	10,776	10,776	-	94	50	1	-	-	43	-	-	94
040	Credit institutions	36,609	36,609	-	8	7	1	-	-	-	-	-	8
050	Other financial corporations	58,250	58,250	-	19	1	-	-	3	-	-	15	19
060	Non-financial corporations	39,521	39,496	25	2,177	939	23	120	163	344	177	411	2,177
070	Of which SMEs	3,922	3,917	5	209	51	5	3	8	45	62	35	209
080	Households	8,703	8,642	61	390	-	345	4	34	6	1	-	390
090	Debt securities	81,450	81,450	-	-	-	-	-	-	-	-	-	-
100	Central banks	6,783	6,783	-	-	-	-	-	-	-	-	-	-
110	General governments	34,313	34,313	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	21,396	21,396	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	18,097	18,097	-	-	-	-	-	-	-	-	-	-
140	Non-financial corporations	861	861	-	-	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	137,886			445								445
160	Central banks	111			-								-
170	General governments	4,142			-								-
180	Credit institutions	8,569			17								17
190	Other financial corporations	52,391			1								1
200	Non-financial corporations	69,706			427								427
210	Households	2,967			-								-
220	Total	422,630	284,658	86	3,133	997	370	124	200	393	178	426	3,133

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Table 121: Quality of non-performing exposures by geography (UK CQ4) – Solo consolidation

		2025						
		Gross carrying amount					Provisions on off-balance-sheet commitments and financial guarantees given \$million	Accumulated negative changes in fair value due to credit risk on non-performing exposures \$million
		Of which non-performing		Of which loans and advances subject to impairment \$million	Accumulated impairment \$million			
	\$million	\$million	Of which defaulted \$million					
010	On-balance-sheet exposures	291,547		2,698		(1,716)		–
020	United Kingdom	33,705		9		(26)		–
030	United States	82,503		71		(33)		–
040	India	20,355		301		(310)		–
050	Japan	13,471		–		(1)		–
060	Other countries	141,513		2,317		(1,347)		–
070	Off-balance-sheet exposures	171,348		523			(154)	
080	United Kingdom	70,568		2			(7)	
090	United States	45,935		11			(18)	
100	India	10,163		59			(53)	
110	Japan	1,710		–			(1)	
120	Other countries	42,972		451			(75)	
130	Total	462,895		3,221		(1,716)	(154)	–

		2024						
		Gross carrying amount					Provisions on off-balance-sheet commitments and financial guarantees given \$million	Accumulated negative changes in fair value due to credit risk on non-performing exposures \$million
		Of which non-performing		Of which loans and advances subject to impairment \$million	Accumulated impairment \$million			
	\$million	\$million	Of which defaulted \$million					
010	On-balance-sheet exposures	287,432		2,688		(1,810)		–
020	United Kingdom	33,133		13		(26)		–
030	United States	77,305		2		(7)		–
040	India	22,645		409		(364)		–
050	Japan	15,915		–		(11)		–
060	Other countries	138,434		2,264		(1,402)		–
070	Off-balance-sheet exposures	138,331		445			(149)	
080	United Kingdom	17,380		5			(6)	
090	United States	49,251		–			(9)	
100	India	9,992		77			(56)	
110	Japan	1,591		–			(1)	
120	Other countries	60,117		363			(77)	
130	Total	425,763		3,133		(1,810)	(149)	–

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Table 122: Credit quality of loans and advances to non-financial corporations by industry (UK CQ5) – Solo consolidation

		2025					
		Gross carrying amount		Of which non-performing	Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		\$million	\$million	Of which defaulted \$million	\$million	\$million	\$million
005	Cash balances at central banks and other demand deposits	52,191		-		-	-
010	Agriculture, forestry and fishing	66		2		(4)	-
020	Mining and quarrying	2,384		15		(23)	-
030	Manufacturing	13,905		746		(566)	-
040	Electricity, gas, steam and air conditioning supply	4,354		230		(79)	-
050	Water supply	164		-		-	-
060	Construction	854		63		(74)	-
070	Wholesale and retail trade	10,335		373		(343)	-
080	Transport and storage	1,777		62		(3)	-
090	Accommodation and food service activities	856		66		(40)	-
100	Information and communication	1,595		33		(49)	-
110	Financial and insurance activities	67		-		-	-
120	Real estate activities	5,581		135		(103)	-
130	Professional, scientific and technical activities	254		6		(5)	-
140	Administrative and support service activities	316		2		(4)	-
150	Public administration and defence, compulsory social security	-		-		-	-
160	Education	41		-		-	-
170	Human health services and social work activities	167		-		-	-
180	Arts, entertainment and recreation	30		-		-	-
190	Other services	2,036		61		(155)	-
200	Total	44,782		1,795		(1,449)	-
210	Households	9,364		537		(178)	-
220	Total	106,337		2,332		(1,627)	-

		2024					
		Gross carrying amount		Of which non-performing	Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		\$million	\$million	Of which defaulted \$million	\$million	\$million	\$million
005	Cash balances at central banks and other demand deposits	45,066		-		-	-
010	Agriculture, forestry and fishing	144		6		(7)	-
020	Mining and quarrying	3,037		218		(200)	-
030	Manufacturing	15,395		920		(547)	-
040	Electricity, gas, steam and air conditioning supply	3,415		187		(61)	-
050	Water supply	116		-		(1)	-
060	Construction	717		90		(93)	-
070	Wholesale and retail trade	9,941		436		(294)	-
080	Transport and storage	1,835		61		(29)	-
090	Accommodation and food service activities	685		65		(11)	-
100	Information and communication	1,251		32		(77)	-
110	Financial and insurance activities	-		-		-	-
120	Real estate activities	4,215		140		(84)	-
130	Professional, scientific and technical activities	361		6		(6)	-
140	Administrative and support service activities	343		16		(12)	-
150	Public administration and defence, compulsory social security	-		-		-	-
160	Education	11		-		-	-
170	Human health services and social work activities	196		-		-	-
180	Arts, entertainment and recreation	22		-		-	-
190	Other services	14		-		(132)	-
200	Total	41,698		2,177		(1,554)	-
210	Households	9,093		390		(165)	-
220	Total	95,857		2,567		(1,719)	-

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Table 123: CRM techniques overview: Disclosure of the use of credit risk mitigation techniques (UK CR3) – Solo consolidation

		2025				
		Exposures unsecured \$million	Exposures secured \$million	Of which secured by collateral \$million	Of which secured by financial guarantees \$million	Of which secured by credit derivatives \$million
1	Total loans	188,186	23,469	19,104	4,366	123
2	Total debt securities	78,055	120	70	50	
3	Total exposures	266,241	23,589	19,174	4,416	123
4	Of which non-performing exposures	930	325	325	-	-
5	Of which defaulted	930	325			
		2024				
		Exposures unsecured \$million	Exposures secured \$million	Of which secured by collateral \$million	Of which secured by financial guarantees \$million	Of which secured by credit derivatives \$million
1	Total loans	177,675	26,514	22,163	4,351	-
2	Total debt securities	81,382	51	31	20	
3	Total exposures	259,057	26,565	22,194	4,371	-
4	Of which non-performing exposures	741	367	367	-	-
5	Of which defaulted	741	367			

Table 124: Standardised approach – Credit risk exposure and CRM effects (UK CR4) – Solo consolidation

		2025					
		Exposures before CCF and CRM ¹		Exposures post CCF and CRM		RWA and RWA density	
		On-balance sheet \$million	Off-balance sheet \$million	On-balance sheet \$million	Off-balance sheet \$million	RWA \$million	RWA density %
Standardised Exposure Class							
1	Central governments or central banks	14,726	240	15,634	554	704	4
2	Multilateral development banks	19,898	608	21,810	318	84	-
6	Institutions	8	165	-	-	-	-
7	Corporates	18,156	20,760	4,259	957	4,235	81
8	Retail	3,040	1,282	2,874	59	2,051	70
9	Secured on real estate property	5,005	137	5,005	78	2,410	47
10	Exposures in default	96	7	96	3	99	100
11	Items belonging to regulatory high risk categories	376	141	167	2	253	150
15	Equity	2,446	-	2,446	-	6,115	250
16	Other items ²	11,828	-	13,447	-	4,664	35
17	Total Standardised³	75,579	23,340	65,738	1,971	20,615	30
		2024					
		Exposures before CCF and CRM ¹		Exposures post CCF and CRM		RWA and RWA density	
		On-balance sheet \$million	Off-balance sheet \$million	On-balance sheet \$million	Off-balance sheet \$million	RWA \$million	RWA density %
Standardised Exposure Class							
1	Central governments or central banks	14,116	189	14,926	718	746	4.77
2	Multilateral development banks	15,028	806	17,241	46	70	0.40
6	Institutions	6	138	-	-	-	-
7	Corporates	4,949	4,430	3,259	622	3,167	81.60
8	Retail	2,959	1,435	2,889	68	2,059	69.63
9	Secured on real estate property	4,799	183	4,799	105	2,509	51.16
10	Exposures in default	123	9	123	6	128	99.22
11	Items belonging to regulatory high risk categories	163	248	149	25	260	149.43
15	Equity	1,865	-	1,865	-	4,661	249.92
16	Other items ²	10,787	10	5,080	10	3,125	61.39
17	Total Standardised³	54,795	7,448	50,331	1,600	16,725	32.21

1 EAD before the effect of collateral and substitution.

2 Other items include public sector entities.

3 Refer to table 132 (OVI): Standardised approach \$13,796 million and amount below threshold for deduction \$6,819 million RWA.

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Table 125: Liquidity Coverage Ratio (LCR) (UK LIQ1) – Solo consolidation

	2025							
	Total unweighted value (average)				Total weighted value (average)			
	31.03.25 \$million	30.06.25 \$million	30.09.25 \$million	31.12.25 \$million	31.03.25 \$million	30.06.25 \$million	30.09.25 \$million	31.12.25 \$million
Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
High-Quality Liquid Assets								
1 Total High-Quality Liquid Assets (HQLA)					88,828	88,491	89,813	89,647
Cash outflows								
2 Retail deposits and deposits from small business customers, of which:	14,484	15,181	15,759	16,318	1,763	1,944	2,092	2,189
3 Stable deposits	601	579	554	572	30	29	28	29
4 Less stable deposits	13,882	14,603	15,206	15,746	1,733	1,915	2,064	2,161
5 Unsecured wholesale funding, of which:	113,592	115,048	115,358	115,333	57,654	58,183	58,013	57,977
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	36,093	37,647	38,888	39,443	9,022	9,410	9,719	9,856
7 Non-operational deposits (all counterparties)	74,836	74,454	73,363	72,908	45,969	45,825	45,186	45,139
8 Unsecured debt	2,663	2,948	3,108	2,982	2,663	2,948	3,108	2,982
9 Secured wholesale funding					7,972	8,636	8,719	8,448
10 Additional requirements	67,588	68,290	66,968	65,541	22,463	22,942	21,493	19,256
11 Outflows related to derivative exposures and other collateral requirements	19,107	19,049	16,293	12,509	13,016	13,187	11,499	8,811
12 Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13 Credit and liquidity facilities	48,481	49,241	50,675	53,032	9,447	9,755	9,994	10,445
14 Other contractual funding obligations	5,656	5,799	6,275	7,383	3,134	3,105	3,482	4,545
15 Other contingent funding obligations	99,077	98,545	97,109	95,846	749	733	658	637
16 Total cash outflows					93,734	95,543	94,456	93,052
Cash inflows								
17 Secured lending (e.g. reverse repos)	69,993	75,273	77,107	82,151	10,486	10,898	11,058	11,507
18 Inflows from fully performing exposures	17,200	17,955	18,293	19,165	14,836	15,377	15,633	16,382
19 Other cash inflows	12,196	12,524	12,576	13,241	10,244	10,798	11,090	11,794
UK-19a (Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
UK-19b (Excess inflows from a related specialised credit institutions)					-	-	-	-
20 Total cash inflows	99,390	105,752	107,975	114,557	35,566	37,073	37,781	39,682
UK-20a Fully exempt inflows	-	-	-	-	-	-	-	-
UK-20b Inflows subject to 90% cap	-	-	-	-	-	-	-	-
UK-20c Inflows subject to 75% cap	90,138	96,157	98,619	105,600	35,566	37,073	37,781	39,682
Total adjusted value								
21 Liquidity buffer					88,828	88,491	89,813	89,647
22 Total net cash outflows					58,168	58,470	56,675	53,370
23 Liquidity coverage ratio (%)					153.4%	151.8%	159.7%	169.2%

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Table 125: Liquidity Coverage Ratio (LCR) (UK LIQ1) – Solo consolidation continued

		2024							
		Total unweighted value (average)				Total weighted value (average)			
		31.03.25 \$million	30.06.25 \$million	30.09.25 \$million	31.12.25 \$million	31.03.25 \$million	30.06.25 \$million	30.09.25 \$million	31.12.25 \$million
	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
High-Quality Liquid Assets									
1	Total High-Quality Liquid Assets (HQLA)					103,106	98,688	92,637	90,026
Cash outflows									
2	Retail deposits and deposits from small business customers, of which:	13,172	13,420	13,713	14,048	1,433	1,462	1,518	1,629
3	Stable deposits	605	669	692	649	30	33	35	32
4	Less stable deposits	12,567	12,752	13,021	13,399	1,403	1,429	1,483	1,597
5	Unsecured wholesale funding, of which:	114,034	111,473	111,342	112,986	61,167	59,585	58,323	58,065
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	33,856	32,836	33,261	34,455	8,462	8,207	8,314	8,612
7	Non-operational deposits (all counterparties)	75,679	74,484	74,635	75,603	48,208	47,224	46,564	46,525
8	Unsecured debt	4,498	4,153	3,445	2,928	4,498	4,153	3,445	2,928
9	Secured wholesale funding					6,068	6,324	6,693	7,165
10	Additional requirements	63,961	64,425	65,300	66,789	21,547	20,849	21,170	22,193
11	Outflows related to derivative exposures and other collateral requirements	15,433	16,353	17,495	18,820	12,126	11,609	12,012	12,900
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	48,528	48,072	47,805	47,969	9,421	9,240	9,158	9,293
14	Other contractual funding obligations	4,966	4,751	5,087	5,363	2,682	2,975	3,105	3,140
15	Other contingent funding obligations	96,129	97,467	98,917	99,574	455	567	706	745
16	Total cash outflows					93,354	91,762	91,515	92,938
Cash inflows									
17	Secured lending (e.g. reverse repos)	53,322	53,445	57,577	62,593	6,135	6,843	7,913	8,892
18	Inflows from fully performing exposures	16,408	15,854	16,320	16,894	14,693	14,067	14,357	14,706
19	Other cash inflows	10,615	11,366	11,806	12,433	8,407	9,097	9,473	10,220
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
UK-19b	(Excess inflows from a related specialised credit institutions)					-	-	-	-
20	Total cash inflows	80,346	80,666	85,703	91,919	29,235	30,007	31,742	33,818
UK-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
UK-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
UK-20c	Inflows subject to 75% cap	73,980	74,661	78,900	84,084	29,235	30,007	31,742	33,818
Total adjusted value									
21	Liquidity buffer					103,106	98,688	92,637	90,026
22	Total net cash outflows					64,119	61,755	59,773	59,120
23	Liquidity coverage ratio (%)					161%	160%	155%	153%

Table 126: Net Stable Funding Ratio (UK LIQ2) – Solo consolidation

		2025				Weighted value (average) \$million
		Unweighted value by residual maturity				
		No maturity \$million	< 6 months \$million	6 months to < 1yr \$million	≥ 1yr \$million	
Available stable funding (ASF) Items						
1	Capital items and instruments	28,964	267	9	9,067	38,036
2	Own funds	28,964	267	9	9,067	38,036
3	Other capital instruments		-	-	-	-
4	Retail deposits		15,525	770	197	14,891
5	Stable deposits		558	21	11	560
6	Less stable deposits		14,968	750	186	14,331
7	Wholesale funding:		214,953	23,681	43,573	105,228
8	Operational deposits		39,233	-	-	19,616
9	Other wholesale funding		175,720	23,681	43,573	85,612
10	Interdependent liabilities		4,357	200	159	-
11	Other liabilities:	134	23,655	766	373	756
12	NSFR derivative liabilities	134				
13	All other liabilities and capital instruments not included in the above categories		23,655	766	373	756
14	Total available stable funding (ASF)					158,911
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					3,711
UK-15a	Assets encumbered for more than 12m in cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		1,384	-	-	692
17	Performing loans and securities:		95,061	25,248	65,160	88,426
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		24,124	1,254	1,575	4,477
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		41,124	14,274	18,238	28,639
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		13,486	4,982	24,837	30,460
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		2,748	1,643	-	2,305
22	Performing residential mortgages, of which:		230	145	2,201	1,618
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		230	145	2,201	1,618
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		16,097	4,592	18,308	23,230
25	Interdependent assets		-	-	4,716	-
26	Other assets:	-	29,563	1,989	30,360	31,978
27	Physical traded commodities				3,452	2,934
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		412	8	9,501	8,433
29	NSFR derivative assets		119	-	-	119
30	NSFR derivative liabilities before deduction of variation margin posted		13,481	-	-	674
31	All other assets not included in the above categories		15,552	1,981	17,406	19,818
32	Off-balance sheet items		58,912	27,759	64,150	4,724
33	Total RSF					129,531
34	Net Stable Funding Ratio (%)					122.7%

Annex 1

Table 126: Net Stable Funding Ratio (UK LIQ2) – Solo consolidation continued

		2024				Weighted value (average) \$million
		Unweighted value by residual maturity				
		No maturity \$million	< 6 months \$million	6 months to < 1yr \$million	≥ 1yr \$million	
Available stable funding (ASF) Items						
1	Capital items and instruments	28,457	771	1,044	9,349	38,327
2	Own funds	28,457	771	1,044	9,349	38,327
3	Other capital instruments		–	–	–	–
4	Retail deposits		11,618	1,419	945	12,707
5	Stable deposits		494	69	68	603
6	Less stable deposits		11,123	1,350	878	12,104
7	Wholesale funding:		205,334	24,064	37,116	96,853
8	Operational deposits		33,626	–	–	16,813
9	Other wholesale funding		171,708	24,064	37,116	80,040
10	Interdependent liabilities		3,302	123	13	–
11	Other liabilities:	266	22,686	367	618	802
12	NSFR derivative liabilities	266				
13	All other liabilities and capital instruments not included in the above categories		22,686	367	618	802
14	Total available stable funding (ASF)					148,690
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					4,173
UK-15a	Assets encumbered for more than 12m in cover pool		–	–	–	–
16	Deposits held at other financial institutions for operational purposes		1,028	–	–	514
17	Performing loans and securities:		105,046	26,635	57,981	86,348
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		20,656	920	1,913	3,859
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		48,466	13,751	13,476	25,400
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		14,155	5,154	22,420	28,941
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		938	1,184	–	1,131
22	Performing residential mortgages, of which:		683	66	1,858	1,593
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		681	61	1,806	1,545
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		21,085	6,743	18,315	26,555
25	Interdependent assets		–	–	3,438	–
26	Other assets:	–	28,906	1,055	27,891	27,419
27	Physical traded commodities				2,087	1,774
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		–	–	8,220	6,987
29	NSFR derivative assets		56	–	–	56
30	NSFR derivative liabilities before deduction of variation margin posted		12,557	–	–	628
31	All other assets not included in the above categories		16,293	1,055	17,584	17,975
32	Off-balance sheet items ¹		60,688	25,750	61,067	4,045
33	Total RSF					122,499
34	Net Stable Funding Ratio (%)					121.4%

1 During 2025, uncommitted facilities were included in the NSFR templates. To allow for meaningful year on year comparatives, Pillar 3 templates have been re-stated to account for this change.

Table 127: Remuneration awarded for the financial year – Solo consolidation (UK REM1)

		2025				2024			
		MB Supervisory function \$million	MB Management function \$million	Other senior management \$million	Other identified staff \$million	MB Supervisory function \$million	MB Management function \$million	Other senior management \$million	Other identified staff \$million
Fixed remuneration									
1	Number of identified staff	10	2	13	658	10	2	16	666
2	Total fixed remuneration	5	5	24	368	4	6	33	364
3	Of which: cash-based	5	4	24	368	4	6	33	364
UK-4a	Of which: shares or equivalent ownership interests	-	1	-	-	-	-	-	-
5	Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
UK-5x	Of which: other instruments	-	-	-	-	-	-	-	-
7	Of which: other forms	-	-	-	-	-	-	-	-
Variable remuneration									
9	Number of identified staff	10	2	13	658	10	2	16	666
10	Total variable remuneration	-	14	62	437	-	18	46	397
11	Of which: cash-based	-	4	19	215	-	2	18	200
12	Of which: deferred	-	-	-	3	-	1	9	104
UK-13a	Of which: shares or equivalent ownership interests	-	10	43	222	-	16	28	197
UK-14a	Of which: deferred	-	10	42	220	-	16	19	106
UK-13b	Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
UK-14b	Of which: deferred	-	-	-	-	-	-	-	-
UK-14x	Of which: other instruments	-	-	-	-	-	-	-	-
UK-14y	Of which: deferred	-	-	-	-	-	-	-	-
15	Of which: other forms	-	-	-	-	-	-	-	-
16	Of which: deferred	-	-	-	-	-	-	-	-
17	Total remuneration (2 + 10)	5	19	86	805	4	24	79	761

Table 128: Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff) – Solo consolidation (UK REM2)

		2025			
		MB Supervisory function \$million	MB Management function \$million	Other senior management \$million	Other identified staff \$million
Guaranteed variable remuneration awards					
1	Guaranteed variable remuneration awards – Number of identified staff	-	-	-	4
2	Guaranteed variable remuneration awards – Total amount	-	-	-	3
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
Severance payments awarded in previous periods, that have been paid out during the financial year					
4	Severance payments awarded in previous periods, that have been paid out during the financial year – Number of identified staff	-	-	-	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year – Total amount	-	-	-	-
Severance payments awarded during the financial year					
6	Severance payments awarded during the financial year – Number of identified staff	-	-	-	-
7	Severance payments awarded during the financial year – Total amount	-	-	-	-
8	Of which paid during the financial year	-	-	-	-
9	Of which deferred	-	-	-	-
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
11	Of which highest payment that has been awarded to a single person	-	-	-	-
		2024			
		MB Supervisory function \$million	MB Management function \$million	Other senior management \$million	Other identified staff \$million
Guaranteed variable remuneration awards					
1	Guaranteed variable remuneration awards – Number of identified staff	-	-	-	4
2	Guaranteed variable remuneration awards – Total amount	-	-	-	3
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
Severance payments awarded in previous periods, that have been paid out during the financial year					
4	Severance payments awarded in previous periods, that have been paid out during the financial year – Number of identified staff	-	-	-	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year – Total amount	-	-	-	-
Severance payments awarded during the financial year					
6	Severance payments awarded during the financial year – Number of identified staff	-	-	-	-
7	Severance payments awarded during the financial year – Total amount	-	-	-	-
8	Of which paid during the financial year	-	-	-	-
9	Of which deferred	-	-	-	-
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
11	Of which highest payment that has been awarded to a single person	-	-	-	-

Table 129: Deferred remuneration – Solo Consolidation (UK REM3)

Deferred and retained remuneration		2025							
		Total amount of deferred remuneration awarded for previous performance periods \$million	Of which due to vest in the financial year \$million	Of which vesting in subsequent financial years \$million	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year \$million	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years \$million	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments) \$million	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year \$million	Total amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods \$million
1	MB Supervisory function	2	1	1	-	-	1	1	-
2	Cash-based	-	-	-	-	-	-	-	-
3	Shares or equivalent ownership interests	2	1	1	-	-	1	1	-
4	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
5	Other instruments	-	-	-	-	-	-	-	-
6	Other forms	-	-	-	-	-	-	-	-
7	MB Management function	100	10	90	(2)	-	46	8	8
8	Cash-based	-	-	-	-	-	-	-	-
9	Shares or equivalent ownership interests	100	10	90	(2)	-	46	8	8
10	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
11	Other instruments	-	-	-	-	-	-	-	-
12	Other forms	-	-	-	-	-	-	-	-
13	Other senior management	227	29	198	(2)	-	91	27	20
14	Cash-based	29	4	25	-	-	-	4	-
15	Shares or equivalent ownership interests	198	25	173	(2)	-	91	23	20
16	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
17	Other instruments	-	-	-	-	-	-	-	-
18	Other forms	-	-	-	-	-	-	-	-
19	Other identified staff	1,073	268	805	-	-	361	259	123
20	Cash-based	287	62	225	-	-	-	59	-
21	Shares or equivalent ownership interests	678	179	499	-	-	311	173	109
22	Share-linked instruments or equivalent non-cash instruments	108	27	81	-	-	50	27	14
23	Other instruments	-	-	-	-	-	-	-	-
24	Other forms	-	-	-	-	-	-	-	-
25	Total amount	1,402	308	1,094	(4)	-	499	295	151

Table 129: Deferred remuneration – Solo consolidation (UK REM3) continued

Deferred and retained remuneration		2024							Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year \$million	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods \$million
		Total amount of deferred remuneration awarded for previous performance periods \$million	Of which due to vest in the financial year \$million	Of which vesting in subsequent financial years \$million	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year \$million	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years \$million	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments) \$million			
1	MB Supervisory function	1	–	1	–	–	–	–	–	
2	Cash-based	–	–	–	–	–	–	–	–	
3	Shares or equivalent ownership interests	1	–	1	–	–	–	–	–	
4	Share-linked instruments or equivalent non-cash instruments	–	–	–	–	–	–	–	–	
5	Other instruments	–	–	–	–	–	–	–	–	
6	Other forms	–	–	–	–	–	–	–	–	
7	MB Management function	44	7	37	(4)	–	15	3	3	
8	Cash-based	–	–	–	–	–	–	–	–	
9	Shares or equivalent ownership interests	44	7	37	(4)	–	15	3	3	
10	Share-linked instruments or equivalent non-cash instruments	–	–	–	–	–	–	–	–	
11	Other instruments	–	–	–	–	–	–	–	–	
12	Other forms	–	–	–	–	–	–	–	–	
13	Other senior management	185	43	142	(9)	–	50	18	11	
14	Cash-based	34	6	28	–	–	–	4	–	
15	Shares or equivalent ownership interests	151	37	114	(9)	–	50	14	11	
16	Share-linked instruments or equivalent non-cash instruments	–	–	–	–	–	–	–	–	
17	Other instruments	–	–	–	–	–	–	–	–	
18	Other forms	–	–	–	–	–	–	–	–	
19	Other identified staff	709	175	534	(3)	–	154	164	63	
20	Cash-based	247	58	189	–	–	–	55	–	
21	Shares or equivalent ownership interests	408	104	304	(3)	–	136	96	57	
22	Share-linked instruments or equivalent non-cash instruments	54	13	41	–	–	18	13	6	
23	Other instruments	–	–	–	–	–	–	–	–	
24	Other forms	–	–	–	–	–	–	–	–	
25	Total amount	939	225	714	(16)	–	219	185	77	

Annex 1

Table 130: Remuneration of 1 million EUR or more per year – Solo consolidation (UK REM4)

EUR		2025	
		Identified staff that are high earners as set out in Article 450(i) CRR Number of employees	Identified staff that are high earners as set out in Article 450(i) CRR Number of employees
1	1,000,000 to below 1,500,000	157	164
2	1,500,000 to below 2,000,000	54	54
3	2,000,000 to below 2,500,000	33	25
4	2,500,000 to below 3,000,000	8	16
5	3,000,000 to below 3,500,000	6	10
6	3,500,000 to below 4,000,000	7	6
7	4,000,000 to below 4,500,000	2	4
8	4,500,000 to below 5,000,000	5	4
9	5,000,000 to below 6,000,000	1	2
10	6,000,000 to below 7,000,000	4	3
11	7,000,000 to below 8,000,000	1	2
12	8,000,000 to below 9,000,000	2	1
13	13,000,000 to below 14,000,000	–	1
14	14,000,000 to below 15,000,000	1	1
15	16,000,000 to below 17,000,000	1	–
	Total	282	293

Table 131: Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff) – Solo consolidation (UK REM5)

	2025										
	Management body remuneration			Business areas							
	MB Supervisory function \$million	MB Management \$million	Total MB \$million	Investment banking \$million	Retail banking \$million	Asset management \$million	Corporate functions \$million	Independent internal control functions \$million	All other \$million	Total \$million	
1	Total number of identified staff									683	
2	10	2	12								
3				2	1	–	5	4	1		
4				384	59	–	92	114	9		
5	5	19	24	571	87	–	160	81	16		
6	–	14	14	335	51	–	86	32	9		
7	5	5	10	236	36	–	74	49	7		
	2024										
	Management body remuneration			Business areas							
	MB Supervisory function \$million	MB Management \$million	Total MB \$million	Investment banking \$million	Retail banking \$million	Asset management \$million	Corporate functions \$million	Independent internal control functions \$million	All other \$million	Total \$million	
1	Total number of identified staff									694	
2	10	2	12								
3				3	1	–	8	3	1		
4				365	52	2	120	114	13		
5	4	24	28	501	74	2	197	79	15		
6	–	18	18	282	43	–	98	31	7		
7	4	6	10	219	31	2	98	48	8		

Annex 1

Table 132: Overview of RWA – Significant Subsidiaries

	2025							
	Standard Chartered – Solo consolidation		Standard Chartered Bank (HK) Ltd ¹		Standard Chartered Bank Korea Ltd		Standard Chartered Bank (Singapore) Ltd	
	Risk weighted assets \$million	Regulatory capital requirement \$million	Risk weighted assets \$million	Regulatory capital requirement \$million	Risk weighted assets \$million	Regulatory capital requirement \$million	Risk weighted assets \$million	Regulatory capital requirement \$million
Local Regulator	PRA		HKMA		FSS		MAS	
Credit risk (excluding CCR)²	65,489	5,239	66,944	5,356	13,997	1,120	24,495	1,960
Of which the standardised approach	13,796	1,104	5,427	434	4,977	398	14,896	1,192
Of which slotting approach	2,842	227	3,431	275	-	-	-	-
Of which the advanced IRB (AIRB) approach	48,851	3,908	23,340	1,867	9,020	722	-	-
Of which the foundation IRB (FIRB) approach	-	-	34,746	2,780	-	-	9,599	768
Counterparty credit risk – CCR³	16,773	1,342	8,603	687	4,023	321	3,677	294
Of which the standardised approach	2,891	231	4,492	359	2,753	220	1,467	117
Of which internal model method (IMM)	7,840	627	-	-	-	-	-	-
Of which exposures to a CCP	1,022	82	-	-	5	-	-	-
Of which credit valuation adjustment – CVA	1,639	131	3,317	265	1,265	101	1,666	133
Of which other CCR	3,382	271	794	63	-	-	544	44
Settlement risk	-	-	-	-	-	-	-	-
Securitisation exposures in the banking book	3,429	274	1,094	87	-	-	286	23
Of which SEC-IRBA approach	1,722	138	-	-	-	-	49	4
Of which SEC-ERBA (including IAA)	929	74	934	75	-	-	211	17
Of which SEC-SA approach	779	62	160	13	-	-	26	2
Of which 1250%/deduction	-	-	-	-	-	-	-	-
Position, foreign exchange and commodities risks (Market risk)	22,466	1,797	13,032	1,043	1,099	88	9,218	737
Of which the standardised approach	10,859	869	13,032	1,043	1,099	88	9,218	737
Of which IMA	11,607	929	-	-	-	-	-	-
Large exposures	-	-	-	-	-	-	-	-
Operational risk	15,632	1,251	12,348	988	2,560	205	5,587	447
Of which standardised approach	15,632	1,251	12,348	988	2,560	205	5,587	447
Amounts below the thresholds for deduction (subject to 250% risk weight)	6,819	546	2,874	230	1	-	4	-
Floor Adjustment	-	-	-	-	-	-	-	-
Total	130,608	10,449	104,896	8,392	21,680	1,734	51,348	3,328

1 Standard Chartered Bank (Hong Kong) Ltd follows local disclosure rules for the OVI table above, the net impact is \$(47) million. Total RWA: \$104,896 million (\$104,849 million + \$(47) million).

2 Credit risk (including counterparty credit risk) includes Non-credit obligation assets.

3 Counterparty credit risk includes assets which are assessed under both IRB and Standardised approaches.

Table 132: Overview of RWA – Significant Subsidiaries continued

	2024							
	Standard Chartered – Solo consolidation		Standard Chartered Bank (HK) Ltd ⁴		Standard Chartered Bank Korea Ltd		Standard Chartered Bank (Singapore) Ltd	
	Risk weighted assets \$million	Regulatory capital requirement \$million	Risk weighted assets \$million	Regulatory capital requirement \$million	Risk weighted assets \$million	Regulatory capital requirement \$million	Risk weighted assets \$million	Regulatory capital requirement \$million
Local Regulator	PRA		HKMA		FSS		MAS	
Credit risk (excluding CCR)²	65,425	5,234	67,255	5,380	13,097	1,048	32,632	2,610
Of which the standardised approach	11,425	914	4,722	378	4,372	350	13,687	1,095
Of which slotting approach	2,313	185	4,204	336	–	–	–	–
Of which the advanced IRB (AIRB) approach	51,688	4,135	–	–	8,725	698	8,273	662
Of which the foundation IRB (FIRB) approach	–	–	58,329	4,666	–	–	10,672	854
Counterparty credit risk – CCR³	15,638	1,251	8,694	696	4,762	380	1,686	135
Of which the standardised approach	2,435	195	5,467	437	3,317	265	1,607	129
Of which internal model method (IMM)	7,798	624	–	–	–	–	–	–
Of which exposures to a CCP	717	57	–	–	5	–	–	–
Of which credit valuation adjustment – CVA	1,824	146	2,560	205	1,440	115	856	68
Of which other CCR	2,864	229	666	53	–	–	80	6
Settlement risk	–	–	1	–	–	–	–	–
Securitisation exposures in the banking book	3,712	297	783	63	–	–	155	12
Of which SEC-IRBA approach	1,671	134	140	11	–	–	–	–
Of which SEC-ERBA (including IAA)	1,599	128	538	43	–	–	143	11
Of which SEC-SA approach	442	35	105	8	–	–	12	1
Of which 1250%/deduction	–	–	–	–	–	–	–	–
Position, foreign exchange and commodities risks (Market risk)	21,914	1,753	13,110	1,049	945	76	5,140	411
Of which the standardised approach	7,905	632	5,253	420	945	76	5,140	411
Of which IMA	14,008	1,121	7,857	629	–	–	–	–
Large exposures	–	–	–	–	–	–	–	–
Operational risk	14,258	1,141	13,868	1,109	1,957	157	4,998	400
Of which standardised approach	14,258	1,141	13,868	1,109	1,957	157	4,998	400
Amounts below the thresholds for deduction (subject to 250% risk weight)	5,427	434	2,093	167	64	5	–	–
Floor Adjustment	–	–	–	–	–	–	–	–
Total	126,375	10,110	105,803	8,464	20,826	1,666	45,468	3,569

1 Standard Chartered Bank (Hong Kong) Ltd follows local disclosure rules for the OV1 table above, the net impact is \$2,284 million. Total RWA: \$105,803 million (\$109,927 million + (4,124) million).

2 Credit risk (including counterparty credit risk) includes Non-credit obligation assets.

3 Counterparty credit risk includes assets which are assessed under both IRB and Standardised approaches.

4 2024 has been re-presented to show Standard Chartered Bank (HK) Ltd on a consolidated basis. This also includes Standard Chartered Bank Korea Ltd.

Table 133: Leverage ratio common disclosure – Significant Subsidiaries

	2025				2024			
	Standard Chartered – Solo consolidation \$million	Standard Chartered Bank (HK) Ltd \$million	Standard Chartered Bank Korea Ltd \$million	Standard Chartered Bank (Singapore) Ltd \$million	Standard Chartered – Solo consolidation \$million	Standard Chartered Bank (HK) Ltd ² \$million	Standard Chartered Bank Korea Ltd ¹ \$million	Standard Chartered Bank (Singapore) Ltd ¹ \$million
Capital and total exposures								
Tier 1 capital	18,678	24,691	3,597	8,237	19,003	22,422	3,550	8,125
Total leverage ratio exposures	448,330	381,427	64,684	176,923	421,778	337,126	55,578	154,989
Leverage ratio	4.2%	6.5%	5.6%	4.7%	4.5%	6.7%	6.4%	5.2%

1 2024 has been re-presented to align with local regulatory returns, which included late adjustments for Standard Chartered Bank Korea Ltd and Standard Chartered Bank (Singapore) Ltd.

2 2024 has been re-presented to show Standard Chartered Bank (HK) Ltd on a consolidated basis. This also includes Standard Chartered Bank Korea Ltd.

Table 134: Market risk regulatory capital requirements for significant subsidiaries

	2025				2024			
	Standard Chartered – Solo consolidation \$million	Standard Chartered Bank (HK) Ltd \$million	Standard Chartered Bank Korea Ltd \$million	Standard Chartered Bank (Singapore) Ltd \$million	Standard Chartered – Solo consolidation \$million	Standard Chartered Bank (HK) Ltd ¹ \$million	Standard Chartered Bank Korea Ltd \$million	Standard Chartered Bank (Singapore) Ltd \$million
Market Risk regulatory capital Requirements for Trading Book								
Local Regulators	PRA	HKMA	FSS	MAS	PRA	HKMA	FSS	MAS
Interest rate	606	660	81	248	385	208	65	99
Equity	7	2	–	–	1	–	–	–
Options	5	206	4	5	4	163	3	9
Commodity	38	26	–	1	37	34	–	7
Foreign exchange	212	148	3	481	205	15	8	296
Internal Models Approach	929	–	–	–	1,121	629	–	–
Total	1,797	1,043	88	735	1,753	1,049	76	411
Market Risk – RWA	22,466	13,032	1,100	9,182	21,914	13,110	945	5,138

1 2024 has been re-presented to show Standard Chartered Bank (HK) Ltd on a consolidated basis. This also includes Standard Chartered Bank Korea Ltd.

Acronyms

ABS	Asset Backed Securities	IRB	Internal Ratings Based
AIRB	Advanced Internal Rating Based approach	IRC	Incremental Risk Charge
ALCO	Asset and Liability Committee	IRR	Interest Rate Risk
ALM	Asset and Liability Management	LCR	Liquidity Coverage Ratio
AT1	Additional Tier 1	LGD	Loss Given Default
BCBS	Basel Committee on Banking Supervision	MAC	Model Assessment Committee
BOU	Bank of Uganda	MAS	Monetary Authority of Singapore
BRC	Board Risk Committee	MDB	Multilateral Development Banks
CCF	Credit Conversion Factor	MR	Market Risk
CCP	Central Counterparty	MREL	Minimum requirements for own funds and eligible liabilities
CCR	Counterparty Credit Risk	MTM	Mark-To-Market
CCyB	Countercyclical capital buffer	NII	Net Interest Income
CDOs	Collateralised Debt Obligations	NSFR	Net Stable Funding Ratio
CDS	Credit Default Swap	O-SII	Other Systemically Important Institution
CET1	Common Equity Tier 1	OBSC	Operational Balance Sheet Committee
CMBS	Commercial Mortgage Backed Securities	OTC	Over the counter
CQS	Credit Quality Step	PD	Probability of Default
CPM	Credit & Portfolio Management	PFE	Potential Future Exposure
CRD	Capital Requirements Directive	PIT	Point in Time
CRM	Credit Risk Mitigation	PM	Portfolio Management
CRO	Chief Risk Officer	PRA	Prudential Regulation Authority
CRR	Capital Requirements Regulation	PV01	Present Value 01
CSA	Credit Support Annex	PVA	Prudent Valuation Adjustment
CSDG	Capital Structuring & Distribution Group	QCCP	Qualifying Central Counterparty
CVA	Credit Valuation Adjustment	QRRE	Qualifying Revolving Retail Exposure
D-SIB	Domestic Systemically Important Bank	RMB	Renminbi
DVA	Debit Valuation Adjustment	RMBS	Residential Mortgage Backed Securities
EAD	Exposure at default	RNIV	Risk not in VaR
EBA	European Banking Authority	RTS	Regulatory Technical Standards
ECAI	External Credit Assessment Institutions	RWAs	Risk-Weighted Assets
EL	Expected loss	SA	Standardised Approach
FCA	Financial Conduct Authority	SFT	Securities Financing Transactions
FIRB	Foundation Internal Ratings Based approach	SIF	Significant Influence Function
FPC	Financial Policy Committee	SME	Small and Medium – sized Enterprise
FSB	Financial Stability Board	SPE	Special Purpose Entity
FSS	Financial Supervisory Service (South Korea)	SVAR	Stressed VaR
FVA	Funding valuation adjustments	T1	Tier 1 capital
GCRO	Group Chief Risk Officer	T2	Tier 2 capital
G-SIB	Global Systemically Important Bank	TC	Total capital
G-SII	Global Systemically Important Institutions	TLAC	Total loss-absorbing capacity
HKMA	Hong Kong Monetary Authority	TM	Treasury Markets
IAS	International Accounting Standard	TRS	Total Return Swap
ICAAP	Internal Capital Adequacy Assessment Process	TTC	Through the cycle
ILAAP	Internal Liquidity Adequacy Assessment Process	VaR	Value at Risk
IFRS	International Financial Reporting Standards	VBC	Valuation and Benchmarks Committee
IMA	Internal Model Approach	XVA	Credit and Funding Valuation Adjustment
IMM	Internal model Method		

Glossary

Additional Tier 1 (AT1) capital	Additional Tier 1 capital consists of instruments issued by the bank and related share premium other than Common Equity Tier 1 that meet the Capital Requirement Regulation (CRR) criteria for inclusion in Tier 1 capital.
Advanced Internal Rating Based (AIRB) approach	The AIRB approach under the Basel framework is used to calculate credit risk capital based on the Group's own estimates of prudential parameters.
Africa & Middle East (AME)	Africa & Middle East (AME) includes Bahrain, Egypt, Iraq, Jordan, Lebanon, Oman, Pakistan, Qatar, Saudi Arabia and the United Arab Emirates (UAE).
Arrears	A debt or other financial obligation is considered to be in a state of arrears when payments are overdue. Loans and advances are considered to be delinquent when consecutive payments are missed. Also known as 'delinquency'.
Available-for-Sale	Non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables; held to maturity investments, or financial assets at fair value through profit or loss.
ASEAN	Association of South East Asian Nations (ASEAN) which includes the Group's operation in Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.
ASEAN & South Asia (ASA)	ASEAN & South Asia (ASA) includes Australia, Bangladesh, Brunei, Cambodia, India, Indonesia, Laos, Malaysia, Myanmar, Nepal, Philippines, Singapore, Sri Lanka, Thailand and Vietnam.
Asset Backed Securities (ABS)	Securities that represent an interest in an underlying pool of referenced assets. The referenced pool can comprise any assets which attract a set of associated cash flows but are commonly pools of residential or commercial mortgages and in the case of Collateralised Debt Obligations (CDOs), the reference pool may be ABS.
Attributable profit to ordinary shareholders	Profit for the year after non-controlling interests and the declaration of dividends on preference shares classified as equity.
Backtesting	A statistical technique used to monitor and assess the accuracy of a model, and how that model would have performed had it been applied in the past.
Basel II	The capital adequacy framework issued by the Basel Committee on Banking Supervision (BCBS) in June 2006 in the form of the 'International Convergence of Capital Measurement and Capital Standards'.
Basel III	In December 2010, the BCBS issued the Basel III rules text, which were updated in June 2011, and represents the details of strengthened global regulatory standards on bank capital adequacy and liquidity. The new requirements have been fully implemented. In December 2017, the BCBS published a document setting out the finalisation of the Basel III framework. The new requirements issued in December 2017 will be implemented by 2023.
Basis point (bps)	One hundredth of a per cent (0.01 per cent); 100 basis points is 1 per cent. Used in quoting movements e.g. in interest rates or yields on securities.
Capital conservation buffer	A capital buffer prescribed by regulators under Basel III and designed to ensure banks build up capital buffers outside periods of stress which can be drawn down as losses are incurred. Should a bank's CET1 capital fall within the capital conservation buffer range, capital distributions will be constrained by the regulators.
Capital Requirements Directive (CRD)	A capital adequacy legislative package adopted by EU member states. CRD IV comprises the recast Capital Requirements Directive and the Capital Requirements Regulation (CRR). The package implements the Basel III framework together with transitional arrangements for some of its requirements. CRD IV came into force on 1 January 2014. CRR II and CRD V amending the existing package came into force in June 2019 with most changes starting to apply from 28 June 2021.
Central Counterparty (CCP)	A CCP is a clearing house that acts as an intermediary between counterparties for certain products that are traded in one or more financial markets.
Common Equity Tier 1 (CET1) capital	Common Equity Tier 1 capital consists of the common shares issued by the bank and related share premium, retained earnings, accumulated other comprehensive income and other disclosed reserves, eligible non-controlling interests and regulatory adjustments required in the calculation of Common Equity Tier 1.
Common Equity Tier 1 ratio	Common Equity Tier 1 capital as a percentage of risk-weighted assets.
Countercyclical capital buffer (CCyB)	The countercyclical capital buffer is part of a set of macroprudential instruments, designed to help counter pro-cyclicality in the financial system. CCyB as defined in the Basel III standard provides for an additional capital requirement of up to 2.5 per cent of risk-weighted assets in a given jurisdiction. The Bank of England's Financial Policy Committee has the power to set CCyB rate for the United Kingdom. Each bank must calculate its 'institution-specific' CCyB rate, defined as the weighted average of the CCyB rates in effect across the jurisdictions in which it has credit exposures. The institution-specific CCyB rate is then applied to a bank's total risk weighted assets.
Counterparty credit risk (CCR)	The risk that a counterparty defaults before satisfying its obligations under a derivative, a securities financing transaction (SFT) or a similar contract.
Credit Conversion Factor (CCF)	Either prescribed by CRR or modelled by the bank, an estimate of the amount the Group expects a customer to have drawn further on a facility limit at the point of default.

Glossary

Credit Default Swap (CDS)	A derivative contract where a buyer pays a fee to a seller in return for receiving a payment in the event of a credit event (for example bankruptcy, payment default on a reference asset or assets, or downgrades by a rating agency) on an underlying obligation.
Credit quality step (CQS)	Credit Quality Steps (CQS) are used to derive the risk-weight to be applied to exposures treated under the Standardised approach to credit risk.
Credit risk	Credit risk is the potential for loss due to the failure of a counterparty to meet its obligations to pay the Group in accordance with agreed terms.
Credit risk mitigation (CRM)	Credit risk mitigation is a process to mitigate potential credit losses from any given account, customer or portfolio by using a range of tools such as collateral, netting agreements, credit insurance, credit derivatives and guarantees.
Credit support annex (CSA)	A legal document that regulates the exchange of collateral between the parties of OTC derivative transactions.
Credit Valuation Adjustment (CVA)	In the context of prudential requirements, additional regulatory capital charge that covers the risk of mark-to-market losses associated with changes in the credit worthiness of counterparties to derivative transactions.
Debit Valuation Adjustment (DVA)	In the context of prudential requirements, adjustment required to Tier 1 capital to derecognise any unrealised fair value gains and losses associated with fair valued liabilities that are attributable to the market's perception of the Group's credit worthiness.
Domestic systemically important banks (D-SIB)	Domestic systemically important banks are deemed systemically relevant for the domestic financial system in which they operate. The FSB and the BCBS have developed a framework for identifying and dealing with D-SIBs. The D-SIB framework has been implemented in the EU via CRD IV which refers to D-SIBs as Other Systemically Important Institutions ('O-SIIs').
Equity price risk	The financial risk involved in holding equity in a particular investment. Arises from changes in the prices of equities, equity indices, equity baskets and implied volatilities on related options.
Expected Loss (EL)	The Group measure of anticipated loss for exposures captured under an internal ratings based credit risk approach for capital adequacy calculations. It is measured as the Group-modelled view of anticipated loss based on Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD), with a one-year time horizon.
Exposure	Credit exposures represent the amount lent to a customer, together with any undrawn commitment.
Exposure at default (EAD)	The estimation of the extent to which the Group may be exposed to a customer or counterparty in the event of, and at the time of, that counterparty's default. At default, the customer may not have drawn the loan fully or may already have repaid some of the principal, so that exposure is typically less than the approved loan limit.
External Credit Assessment Institutions (ECAI)	For the Standardised Approach to credit risk for sovereigns, corporates and institutions, external ratings are used to assign risk-weights. These external ratings must come from credit rating agencies that are registered or certified in accordance with the credit rating agencies (CRA) regulation or from a central bank issuing credit ratings which is exempt from the application this regulation.
Fair value	The value of an asset or liability when it is transacted on an arm's length basis between knowledgeable and willing parties.
Financial Policy Committee (FPC)	The Financial Policy Committee is an independent committee at the Bank of England that has the primary objective of identifying, monitoring and taking action to remove or reduce systemic risks with a view to protecting and enhancing the resilience of the UK financial system. The FPC's secondary objective is to support the economic policy of the Government.
Foreseeable dividends net of scrip	Includes both ordinary and preference share dividends reasonably expected to be paid out of any future residual interim or year-end profits. In the case of ordinary dividends, the amount of foreseeable dividends deducted from the interim or year-end profits is equal to the amount of interim or year-end profits multiplied by the dividend payout ratio. In the case of preference share dividends, the amount of foreseeable dividends is equal to the amount accrued during the relevant reporting period payable at a future date.
Foundation Internal Ratings Based (FIRB) Approach	A method of calculating credit risk capital requirements using internal PD models but with supervisory estimates of LGD and conversion factors for the calculation of EAD.
Free delivery	When a bank takes receipt of a debt or equity security, a commodity or foreign exchange without making immediate payment, or where a bank delivers a debt or equity security, a commodity or foreign exchange without receiving immediate payment.
Funding valuation adjustments (FVA)	FVA reflects an adjustment to fair value in respect of derivative contracts associated with the funding costs that the market participant would incorporate when determining an exit price.
Greater China	Greater China includes the Group's operation in the People's Republic of China, the Hong Kong Special Administrative Region of the People's Republic of China and Taiwan.
Greater China & North Asia (GCNA)	Greater China & North Asia (GCNA) includes China, Hong Kong, Japan, Korea, Macau and Taiwan.

Glossary

Global Systemically Important Bank (G-SIB)	Global financial institutions whose size, complexity and systemic interconnectedness mean that their distress or failure would cause significant disruption to the wider financial system and economic activity. The Financial Stability Board (FSB) and the Basel Committee on Banking Supervision (BCBS) have established a methodology to identify G-SIBs based on 12 principal indicators. The list of G-SIBs is re-assessed through annual re-scoring of banks and a triennial review of the methodology. The G-SIB framework established by the FSB and the BCBS is implemented in the EU via CRD IV and G-SIBs are referred to as Global Systemically Important Institutions ('G-SIIs').
G-SIB buffer	A CET1 capital buffer which results from designation as a G-SIB. The G-SIB buffer is between 1 per cent and 3.5 per cent, dependent on the allocation to one of five buckets based on the annual scoring. In the EU, the G-SIB buffer is implemented via CRD IV as Global Systemically Important Institutions ('G-SII') buffer requirement.
Haircut	A haircut, or volatility adjustment, ensures the value of exposures and collateral are adjusted to account for the volatility caused by foreign exchange or maturity mismatches, when the currency and maturity of an exposure differ materially to the currency and maturity of the associated collateral.
Held-to-maturity	Held-to-maturity assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the intention and ability to hold to maturity.
Impaired loans	Loans where individually identified impairment provisions have been raised. Also includes loans which are collateralised or where indebtedness has already been written down to the expected realisable value. The impaired loan category may include loans, which, while impaired, are still performing.
Individually assessed loan impairment provisions (IIP)	Impairment is measured for assets that are individually significant to the Group. Typically assets within the Corporate & Institutional Banking segment of the Group are assessed individually.
Individual capital guidance	Guidance given by the PRA to the Group about the amount and quality of capital resources to maintain.
Individual impairment charge	The amount of individually assessed loan impairment provisions that are charged to the income statement in the reporting period.
Individual liquidity guidance	Guidance given by the PRA to the Group about the amount, quality and funding profile of liquidity resources to maintain.
Institution	A credit institution or an investment firm as defined under the Capital Requirement Regulation (CRR).
Internal Capital Adequacy Assessment Process (ICAAP)	A requirement on institutions under Pillar 2 of the Basel framework to undertake a comprehensive assessment of their risks and to determine the appropriate amounts of capital to be held against these risks.
Internal Liquidity Adequacy Assessment Process (ILAAP)	A requirement on institutions under Pillar 2 of the Basel framework to undertake a comprehensive assessment of their risks and to determine the appropriate amounts of liquidity to be held against these risks.
Internal Model Approach (IMA)	The approach used to calculate market risk capital and RWA with an internal market risk model approved by the PRA under the terms of CRD IV/CRR.
Internal Model Method (IMM)	One of three approaches defined in the Basel Framework to determine exposure values for counterparty credit risk.
Interest Rate Risk (IRR)	Interest rate risk arises due to the investment into rate-sensitive assets, as well as from mismatches between debt issuance and placements.
Internal ratings-based approach ('IRB')	Risk-weighting methodology in accordance with the Basel Capital Accord where capital requirements are based on a firm's own estimates of prudential parameters.
Items belonging to regulatory high-risk categories	In relation to the Standardised Approach to credit risk, items which attract a risk-weight of 150 per cent. This includes exposures arising from venture capital business and certain positions in collective investment schemes.
Leverage ratio	A ratio introduced under Basel III / CRD IV that compares Tier 1 capital to total exposures, including certain exposures held off-balance sheet as adjusted by stipulated credit conversion factors. Intended to be a simple, non-risk based backstop measure.
Liquidity Coverage Ratio (LCR)	The ratio of the stock of high quality liquid assets to expected net cash outflows over the following 30 days. High quality liquid assets should be unencumbered, liquid in markets during a time of stress and, ideally, be central bank eligible.
Loans and advances	This represents lending made under bilateral agreements with customers entered into in the normal course of business and is based on the legal form of the instrument.
Loss Given Default (LGD)	The percentage of an exposure that a lender expects to lose in the event of obligor default.
Mark-to-market approach	One of the approaches available to banks to calculate the exposure value associated with derivative transactions. The approach calculates the current replacement cost of derivative contracts, by determining the market value of the contract and considering any potential future exposure.

Glossary

Market risk	The potential for loss of earnings or economic value due to adverse changes in financial market rates or prices.
Maturity	The time from the reporting date to the contractual maturity date of an exposure, capped at five years. Maturity is considered as part of the calculation of risk-weights for the Group's exposures treated under the IRB approach to credit risk.
Minimum capital requirement	Minimum capital required to be held for credit, market and operational risk.
Model validation	The process of assessing how well a model performs using a predefined set of criteria including the discriminatory power of the model, the appropriateness of the inputs, and expert opinion.
MREL or minimum requirement for own fund and eligible liabilities	A requirement under the Bank Recovery and Resolution Directive for EU resolution authorities to set a minimum requirement for own funds and eligible liabilities for banks, implementing the FSB's Total Loss-Absorbing Capacity (TLAC) standard. MREL is intended to ensure there is sufficient equity and specific types of liabilities to facilitate an orderly resolution that minimises any impact on financial stability and ensures the continuity of critical functions and avoids exposing taxpayers to loss.
Multilateral Development Banks (MDB)	An institution created by a group of countries to provide financing for the purpose of development. Under the Standardised approach to credit risk, eligible multilateral development banks attract a zero per cent risk-weight.
Net stable funding ratio (NSFR)	The ratio of available stable funding to required stable funding over a one year time horizon, assuming a stressed scenario. It is a longer-term liquidity measure designed to restrain the amount of wholesale borrowing and encourage stable funding over a one year time horizon.
North East (NE) Asia	North East (NE) Asia includes the Group's operation in the Republic of Korea and Japan.
Operational risk	The potential for loss arising from the failure of people, process, or technology, or the impact of external events.
Over-the-Counter (OTC) traded products/OTC derivatives	A bilateral transaction that is not exchange traded and is valued using valuation models.
Pillar 1	The first Pillar of the three pillars of Basel framework which provides the approach to the calculation of the minimum capital requirements for credit, market and operational risk. Minimum capital requirements are 8 per cent of the Group's risk-weighted assets.
Pillar 2	The second pillar of the three pillars of Basel framework which requires banks to undertake a comprehensive assessment of their risks and to determine the appropriate amounts of capital to be held against these risks where other suitable mitigants are not available.
Pillar 3	The third pillar of the three pillars of Basel framework which aims to provide a consistent and comprehensive disclosure framework that enhances comparability between banks and further promotes improvements in risk practices.
Point in time (PIT)	Considers the economic conditions at the point in the economic cycle at which default occurs when estimating the probability of default.
Portfolio Impairment Provision (PIP)	The amount of loan impairment provisions assessed on the collective portfolio that are charged to the income statement in the reporting period.
Potential Future Exposure (PFE)	An estimate of the potential increase in exposure that may arise on a derivative contract prior to default, used to derive the exposure amount.
Probability of Default (PD)	PD is an internal estimate for each borrower grade of the likelihood that an obligor will default on an obligation within 12 months.
Present Value 01 (PV01)	This represents the change in present value of an asset or liability for a 1 basis point change in the nominal yield curve.
Prudential Regulatory Authority (PRA)	The Prudential Regulation Authority is the statutory body responsible for the prudential supervision of banks, building societies, credit unions, insurers and a small number of significant investment firms in the UK. The PRA is a part of the Bank of England.
Prudent Valuation Adjustment (PVA)	An adjustment to CET1 capital, to reflect the difference between the accounting fair value and the regulatory prudent value of positions, where the application of prudence results in a lower absolute carrying value than recognised in the financial statements.
Qualifying Central Counterparty (QCCP)	Central counterparty that is either authorised (when established in the EU) or recognised (when established in a third-country) in accordance with the rules laid down in the European Market Infrastructure Regulation (EMIR).
Qualifying Revolving Retail Exposure (QRRE)	Retail IRB exposures that are revolving, unsecured, and, to the extent they are not drawn, immediately and unconditionally cancellable, such as credit cards.
Regulatory capital	Sum of Tier 1 and Tier 2 capital after regulatory adjustments.
Repurchase agreement (repo) / reverse repurchase agreement (reverse repo)	A short term funding agreement which allows a borrower to sell a financial asset, such as ABS or Government bonds as collateral for cash. As part of the agreement the borrower agrees to repurchase the security at some later date, usually less than 30 days, repaying the proceeds of the loan. For the party on the other end of the transaction (buying the security and agreeing to sell in the future) it is a reverse repurchase agreement or reverse repo.

Glossary

Residential Mortgage-Backed Securities (RMBS)	Securities that represent interests in a group of residential mortgages. Investors in these securities have the right to cash received from future mortgage payments (interest and/or principal).
Residual maturity	The remaining maturity of a facility from the reporting date until either the contractual maturity of the facility or the effective maturity date.
Retail Internal Ratings Based (Retail IRB) Approach	In accordance with the PRA handbook and CRR, the approach to calculating credit risk capital requirements for eligible retail exposures.
Risk Appetite	Risk Appetite is defined by the Group and approved by the Board. It is the maximum amount and type of risk the Group is willing to assume in pursuit of its strategy.
Risk Capacity	The maximum level of risk the Group can assume, given its current capabilities and resources, before breaching constraints determined by capital and liquidity requirements and internal operational capability (including but not limited to technical infrastructure, risk management capabilities, expertise), or otherwise failing to meet the expectations of regulators and law enforcement agencies.
Risk-weighted assets (RWA)	A measure of a bank's assets adjusted for their associated risks, expressed as a percentage of an exposure value in accordance with the applicable Standardised or IRB approach provisions.
RWA density	The risk-weighted asset as a percentage of exposure at default (EAD).
Scrip dividends	Dividends paid to existing shareholders in securities instead of cash payment.
Securities Financing Transactions (SFT)	Securities Financing Transactions are secured (i.e. collateralised) transactions that involve the temporary exchange of cash against securities, or securities against other securities, e.g. stock lending or stock borrowing or the lending or borrowing of other financial instruments, a repurchase or reverse repurchase transaction, or a buy-sell back or sell-buy back transaction.
Securitisation	Securitisation is a process by which credit exposures are aggregated into a pool, which is used to back new securities. Under traditional securitisation transactions, assets are sold to a special purpose entity (SPE) who then issues new securities to investors at different level of seniority (credit tranching). This allows the credit quality of the assets to be separated from the credit rating of the originating institution and transfers risk to external investors in a way that meets their risk appetite. Under synthetic securitisation transactions, the transfer of risk is achieved by the use of credit derivatives or guarantees, and the exposures being securitized remain exposures of the originating institution.
Securitisation position(s)	The positions assumed by the Group following the purchase of securities issued by Asset-Backed Securitisation programmes or those retained following the origination of a securitisation programme.
Specialised lending	Specialised lending exposures are defined as an exposure to an entity which was created specifically to finance and/or operate physical assets, where the contractual arrangements given the lender a substantial degree of control over the assets and the income that they generate and the primary source of repayment of the obligation is the income generated by the assets being financed, rather than the independent capacity of a broader commercial enterprise.
Special Purpose Entities (SPEs)	SPEs are entities that are created to accomplish a narrow and well defined objective. There are often specific restrictions or limits around their ongoing activities. Transactions with SPEs take a number of forms, including: the provision of financing to fund asset purchases, or commitments to provide financing for future purchases; derivative transactions to provide investors in the SPE with a specified exposure; the provision of liquidity or backstop facilities which may be drawn upon if the SPE experiences future funding difficulties; and direct investment in the notes or equity issued by SPEs.
Standardised Approach (SA)	In relation to credit risk, a method for calculating credit risk capital requirements using External Credit Assessment Institutions (ECAI) ratings and supervisory risk-weights. In relation to operational risk, a method of calculating the operational risk capital requirement by the application of a supervisory defined percentage charge to the gross income of eight specified business lines.
Stressed Value at Risk (SVAR)	A regulatory market risk measure based on potential market movements for a continuous one-year period of stress for a trading portfolio.
Through the cycle (TTC)	Reduces the volatility in the estimation of the probability of default by considering the average conditions over the economic cycle at the point of default, versus the point in time (PIT) approach, which considers economic conditions at the point of the economic cycle at which default occurs.
Tier 1 capital	Tier 1 capital comprises Common Equity Tier 1 capital plus Additional Tier 1 securities and related share premium accounts.
Tier 1 capital ratio	Tier 1 capital as a percentage of risk-weighted assets.
Tier 2 capital	Tier 2 capital comprises qualifying subordinated liabilities and related share premium accounts.
Total Loss Absorbing Capacity (TLAC)	An international standard for TLAC issued by the FSB, which requires G-SIBs to have sufficient loss-absorbing and recapitalisation capacity available in resolution, to minimise impacts on financial stability, maintain the continuity of critical functions and avoid exposing public funds to loss.

Glossary

Total Return Swap (TRS)	A derivative transaction that swaps the total return on a financial instrument, including cash flows and capital gains or losses, for an interest rate return.
Trading book	The trading book consists of all positions in CRD financial instrument and commodities which are fair valued through the profit and loss account for accounting purposes, which are held either with trading intent or in order to hedge other elements of the trading book and which are either free of any restrictive covenants on their tradability or ability to be hedged.
Value at Risk (VAR)	A quantitative measure of market risk estimating the potential loss that will not be exceeded in a set time period at a set statistical confidence level.
Write downs	After an advance has been identified as impaired and is subject to an impairment allowance, the stage may be reached whereby it is concluded that there is no realistic prospect of further recovery. Write downs will occur when and to the extent that, the whole or part of a debt is considered irrecoverable.
Wrong way risk	Wrong way risk occurs when an exposure increase is coupled with a decrease in the credit quality of the obligor.

Prudential disclosure reference

CRR article ref.	Requirement summary	Disclosure
Scope of disclosure requirement		
431	(1) Institutions shall publicly disclose the information referred to in Titles II and III in accordance with the provisions laid down in this Title, subject to the exceptions referred to in Article 432.	The Group publishes Pillar 3 disclosures
	(2) Institutions that have been granted permission by the competent authorities under Part Three for the instruments and methodologies referred to in Title III of this Part shall publicly disclose the information laid down therein.	The Group applies the standardised approach, RWAs and capital requirements for operational risk are shown in Table 20: (OV1) on page 30 and in the 2025 Annual Reports and Accounts on page 306.
	(3) The management body or senior management shall adopt formal policies to comply with the disclosure requirements laid down in this Part and put in place and maintain internal processes, systems and controls to verify that the institution's disclosures are appropriate and in compliance with the requirements laid down in this Part. At least one member of the management body or senior management shall attest in writing that the relevant institution has made the disclosures required under this Part in accordance with the formal policies and internal processes, systems and controls. The written attestation and the key elements of the institution's formal policies to comply with the disclosure requirements shall be included in the institutions' disclosures. Information to be disclosed in accordance with this Part shall be subject to the same level of internal verification as that applicable to the management report included in the institution's financial report. Institutions shall also have policies in place to verify that their disclosures convey their risk profile comprehensively to market participants. Where institutions find that the disclosures required under this Part do not convey the risk profile comprehensively to market participants, they shall publicly disclose information in addition to the information required to be disclosed under this Part. Nonetheless, institutions shall only be required to disclose information that is material and not proprietary or confidential in accordance with Article 432.	The Group has a dedicated policy governing prudential disclosure requirements in place.
	(4) All quantitative disclosures shall be accompanied by a qualitative narrative and any other supplementary information that may be necessary in order for the users of that information to understand the quantitative disclosures, noting in particular any significant change in any given disclosure compared to the information contained in the previous disclosures.	
	(5) Institutions shall, if requested, explain their rating decisions to SMEs and other corporate applicants for loans, providing an explanation in writing when asked. The administrative costs of the explanation shall be proportionate to the size of the loan.	The Group provides ratings decisions to SMEs and corporates upon request.
Non-material, proprietary or confidential information		
432	(1) With the exception of the disclosures laid down in point (c) of Article 435(2) and in Articles 437 and 450, institutions may omit one or more of the disclosures listed in Titles II and III where the information provided by those disclosures is not regarded as material. Information in disclosures shall be regarded as material where its omission or misstatement could change or influence the assessment or decision of a user of that information relying on it for the purpose of making economic decisions.	Items omitted from disclosure are listed in section 1.4. Regulatory disclosure – Framework on page 2.

Prudential disclosure reference

CRR article ref.	Requirement summary	Disclosure	
(2)	<p>Institutions may also omit one or more items of information referred to in Titles II and III where those items include information that is regarded as proprietary or confidential in accordance with this paragraph, except for the disclosures laid down in Articles 437 and 450.</p> <p>Information shall be regarded as proprietary to institutions where disclosing it publicly would undermine their competitive position. Proprietary information may include information on products or systems that would render the investments of institutions therein less valuable, if shared with competitors.</p> <p>Information shall be regarded as confidential where the institutions are obliged by customers or other counterparty relationships to keep that information confidential.</p>	See Article 432(1) above	
(3)	<p>In the exceptional cases referred to in paragraph 2, the institution concerned shall state in its disclosures the fact that the specific items of information are not disclosed and the reason for not disclosing those items, and publish more general information about the subject matter of the disclosure requirement, except where that subject matter is, in itself, proprietary or confidential.</p>	All material, non-confidential and non-proprietary information is disclosed by the Group in its 2025 Pillar 3 and 2025 Annual Report and Accounts.	
Frequency of disclosure			
433	<p>Institutions shall publish the disclosures required under Titles II and III in the manner set out in Articles 433a, 433b and 433c.</p> <p>Annual disclosures shall be published on the same date as the date on which institutions publish their financial statements or as soon as possible thereafter.</p> <p>Semi-annual and quarterly disclosures shall be published on the same date as the date on which the institutions publish their financial reports for the corresponding period where applicable or as soon as possible thereafter.</p> <p>Any delay between the date of publication of the disclosures required under this Part and the relevant financial statements shall be reasonable.</p>	Section 1.4 Regulatory disclosure – Framework sub-section on Frequency on page 4.	
Means of disclosure			
434	(1)	<p>Institutions shall disclose all the information required under Titles II and III in electronic format and in a single medium or location. The single medium or location shall be a standalone document that provides a readily accessible source of prudential information for users of that information or a distinctive section included in or appended to the institutions' financial statements or financial reports containing the required disclosures and being easily identifiable to those users.</p>	Section 1.4 Regulatory disclosure – Framework, sub-section on Verification on page 4. The 2025 Pillar 3 document is made publicly available on the Group website with the 2025 Annual Report and Accounts and other public disclosures.
	(2)	<p>Institutions shall make available on their website or, in the absence of a website, in any other appropriate location an archive of the information required to be disclosed in accordance with this Part. That archive shall be kept accessible for a period of time that shall be no less than the storage period set by national law for information included in the institutions' financial reports.</p>	The Group discharges parts of the prudential disclosure requirements in the 2025 Annual Reports and Accounts, in Main Features and GSIB disclosures, with cross references to exact locations provided in its Pillar 3 document.
Risk management objectives and policies			
435	(1)	<p>Institutions shall disclose their risk management objectives and policies for each separate category of risk, including the risks referred to in this Title. These disclosures shall include:</p>	See below
	(1)(a)	<p>The strategies and processes to manage those categories of risks</p>	Section 1.5 Risk management on pages 4 to 5. Risk management approach section in the 2025 Annual Report and Accounts on pages 222 to 234.
	(1)(b)	<p>The structure and organisation of the relevant risk management function including information on the basis of its authority, its powers and accountability in accordance with the institution's incorporation and governing documents</p>	See Article 435 (1)(a) above

Prudential disclosure reference

CRR article ref.	Requirement summary	Disclosure
(1)(c)	The scope and nature of risk reporting and measurement systems	See Article 435 (1)(a) above
(1)(d)	The policies for hedging and mitigating risk, and the strategies and processes for monitoring the continuing effectiveness of hedges and mitigants	See Article 435 (1)(a) above
(1)(e)	A declaration approved by the management body on the adequacy of risk management arrangements of the institution providing assurance that the risk management systems put in place are adequate with regard to the institution's profile and strategy	
(1)(f)	A concise risk statement approved by the management body succinctly describing the relevant institution's overall risk profile associated with the business strategy; that statement shall include: (i) key ratios and figures providing external stakeholders with a comprehensive view of the institution's management of risk, including how the risk profile of the institution interacts with the risk tolerance set by the management body; (ii) information on intragroup transactions and transactions with related parties that may have a material impact of the risk profile of the consolidated group.	See Article 435 (1)(a) above Key ratios and figures are highlighted in section 1.3 on pages 2 to 3 and in the 2025 Annual Report and Accounts on page 12.
(2)	Institutions shall disclose the following information regarding governance arrangements:	See below
(2)(a)	The number of directorships held by members of the management body	2025 Annual Reports and Accounts, Board of Directors, on page 130 to 133
(2)(b)	The recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise	2025 Annual Reports and Accounts, Board of Directors, on pages 130 to 133 and Governance and Nomination Committee on pages 176 to 181.
(2)(c)	The policy on diversity with regard to selection of members of the management body, its objectives and any relevant targets set out in that policy, and the extent to which those objectives and targets have been achieved	2025 Annual Reports and Accounts, Governance and Nomination Committee, on pages 176 to 181. Further information published on the Group website sc.com/boarddiversitypolicy .
(2)(d)	Whether or not the institution has set up a separate risk committee and the number of times the risk committee has met	2025 Annual Reports and Accounts, Corporate Governance, on pages 116 to 122
(2)(e)	The description of the information flow on risk to the management body	2025 Annual Reports and Accounts, Risk management, on pages 222 to 234
Scope of application		
436	Institutions shall disclose the following information regarding the scope of application of the CRR as follows:	See below
(a)	The name of the institution to which the CRR applies.	Name of the Group and the Group logo are displayed on the cover page of the disclosures.
(b)	A reconciliation between the consolidated financial statements prepared in accordance with the applicable accounting framework and the consolidated financial statements prepared in accordance with the requirements on regulatory consolidation pursuant to Sections 2 and 3 of Title II of Part One; that reconciliation shall outline the differences between the accounting and regulatory scopes of consolidation and the legal entities included within the regulatory scope of consolidation where it differs from the accounting scope of consolidation; the outline of the legal entities included within the regulatory scope of consolidation shall describe the method of regulatory consolidation where it is different from the accounting consolidation method, whether those entities are fully or proportionally consolidated and whether the holdings in those legal entities are deducted from own funds.	Table 3: Regulatory Consolidation on page 5. Table 4: Outline of the differences in the scope of consolidation (LI3) on page 6.
(c)	A breakdown of assets and liabilities of the consolidated financial statements prepared in accordance with the requirements on regulatory consolidation pursuant to Sections 2 and 3 of Title II of Part One, broken down by type of risks as referred to under this Part.	Table 5: Differences between accounting and regulatory scopes of consolidation and the mapping of financial statement categories with regulatory risk categories (UK LI1) on page 7

Prudential disclosure reference

CRR article ref.	Requirement summary	Disclosure
(d)	A reconciliation identifying the main sources of differences between the carrying value amounts in the financial statements under the regulatory scope of consolidation as defined in Sections 2 and 3 of Title II of Part One, and the exposure amount used for regulatory purposes; that reconciliation shall be supplemented by qualitative information on those main sources of differences.	Table 6: Main sources of differences between regulatory exposure amounts and carrying values in financial statements (UK LI2) on page 9
(e)	For exposures from the trading book and the non-trading book that are adjusted in accordance with Article 34 and Article 105, a breakdown of the amounts of the constituent elements of an institution's prudent valuation adjustment, by type of risks, and the total of constituent elements separately for the trading book and non-trading book positions.	Table 7: Prudent valuation adjustments (PVA) (UK PV1) on page 10
(f)	Any current or expected material practical or legal impediment to the prompt transfer of own funds or repayment of liabilities between the parent undertaking and its subsidiaries.	
(g)	The aggregate amount by which the actual own funds are less than required in all subsidiaries that are not included in the consolidation, and the name or names of those subsidiaries.	
(h)	Where applicable, the circumstances under which use is made of the derogation referred to in Article 7 or the individual consolidation method laid down in Article 9.	
Own funds		
437	(a) A full reconciliation of Common Equity Tier 1 items, Additional Tier 1 items, Tier 2 items and filters and deductions applied to own funds of the institution pursuant to Articles 32 to 36, 56, 66 and 79 with the balance sheet in the audited financial statements of the institution.	Table 9: Composition of regulatory own funds (UK CC1) on page 12 Table 10: Reconciliation of regulatory own funds to balance sheet in the audited financial statements (UK CC2) on page 14
	(b) A description of the main features of the Common Equity Tier 1 and Additional Tier 1 instruments and Tier 2 instruments issued by the institution.	Details of the Group's capital instruments are set out in the Group's Main Features of Capital Instruments document available on the Group's website at https://www.sc.com/en/investors/credit-ratings-fixed-income/#capitalsecurities .
	(c) The full terms and conditions of all Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments.	See Article 437(1)(b) above
	(d) A separate disclosure of the nature and amounts of the following: (i) each prudential filter applied pursuant to Articles 32 to 35; (ii) items deducted pursuant to Articles 36, 56 and 66; (iii) items not deducted pursuant to Articles 47, 48, 56, 66 and 79;	Table 9: Composition of regulatory own funds (UK CC1) on page 12 Table 10: Reconciliation of regulatory own funds to balance sheet in the audited financial statements (UK CC2) on page 14
	(e) A description of all restrictions applied to the calculation of own funds in accordance with the CRR and the instruments, prudential filters and deductions to which those restrictions apply.	There were no restrictions applied to the calculation of own funds.
	(f) A comprehensive explanation of the basis on which capital ratios are calculated where those capital ratios are calculated by using elements of own funds determined on a basis other than the basis laid down in the CRR.	The Group follows own funds calculation set out in the CRR, in the format set out by the below implementing regulation.
Disclosure of Own Funds and Eligible Liabilities		
437a	Institutions that are subject to Article 92a or 92b shall disclose the following information regarding their own funds and eligible liabilities:	See below

Prudential disclosure reference

CRR article ref.	Requirement summary	Disclosure
(a)	The composition of their own funds and eligible liabilities, their maturity and their main features.	Details of the Group's capital instruments are set out in the Group's Main Features of Capital Instruments document available on the Group's website at https://www.sc.com/en/investors/credit-ratings-fixed-income/#capitalsecurities
(b)	The ranking of eligible liabilities in the creditor hierarchy.	Table 12: Resolution entity – creditor ranking at legal entity level (TLAC3) on page 17 Table 13: Standard Chartered Bank – creditor ranking (TLAC2) on page 18 Table 14: Standard Chartered Bank (Hong Kong) Limited – creditor ranking (TLAC2) on page 19 Table 15: Standard Chartered Bank Korea Limited – creditor ranking (TLAC2) on page 20 Table 16: Standard Chartered Bank (Singapore) Limited – creditor ranking (TLAC2) on page 21 Table 17: Standard Chartered Bank (China) Limited – creditor ranking (TLAC2) on page 22
(c)	The total amount of each issuance of eligible liabilities instruments referred to in Article 72b and the amount of those issuances that is included in eligible liabilities items within the limits specified in Article 72b(3) and (4).	Table 12: TLAC composition for G-SIBs (TLAC1) on page 17
(d)	The total amount of excluded liabilities referred to in Article 72a(2).	Table 12: Resolution entity – creditor ranking at legal entity level (TLAC3) on page 17
Own Funds Requirements and Risk-Weighted Exposure Amounts		
438	Institutions shall disclose the following information regarding their compliance with Article 92 and rules 3.1(1) (a) and 3.4 of the Internal Capital Adequacy Assessment Part of the PRA Rulebook:	See below
(a)	A summary of their approach to assessing the adequacy of their internal capital to support current and future activities.	Section 2.1 Capital management on page 11 Capital planning on page 303 of the 2025 Annual Reports and Accounts
(b)	The amount of the additional own funds requirements based on the supervisory review and evaluation process (within the meaning of regulation 34A of the Capital Requirements Regulations) and its composition in terms of Common Equity Tier 1, additional Tier 1 and Tier 2 instruments.	Table 1: Key metrics template (UK KM1) on page 2
(c)	The result of the institution's internal capital adequacy assessment process.	Section 2.1 Capital management on page 11. Capital planning on page 303 of the 2025 Annual Reports and Accounts
(d)	The total risk-weighted exposure amount and the corresponding total own funds requirement determined in accordance with Article 92, to be broken down by the different risk categories set out in Part Three and, where applicable, an explanation of the effect on the calculation of own funds and risk-weighted exposure amounts that results from applying capital floors and not deducting items from own funds.	Table 20: Overview of risk weighted exposure amounts (UK OV1) on page 25
(e)	The on- and off-balance-sheet exposures, the risk-weighted exposure amounts and associated expected losses for each category of specialised lending referred to in Table 1 of Article 153(5) and the on- and off-balance-sheet exposures and risk-weighted exposure amounts for the categories of equity exposures set out in Article 155(2).	Excluded on the grounds of materiality
(f)	The exposure value and the risk-weighted exposure amount of own funds instruments held in any insurance undertaking, reinsurance undertaking or insurance holding company that the institutions do not deduct from their own funds in accordance with Article 49 when calculating their capital requirements on an individual, sub-consolidated and consolidated basis.	Not applicable
(g)	The supplementary own funds requirement and the capital adequacy ratio of the financial conglomerate calculated in accordance with the provisions implementing Article 6 of Directive 2002/87/EC and Annex I to that Directive where method 1 or 2 set out in that Annex is applied.	Table 24: RWA flow statements of market risk exposures under the IMA (UK MR2-B) on page 27

Prudential disclosure reference

CRR article ref.	Requirement summary	Disclosure
(h)	The variations in the risk-weighted exposure amounts of the current disclosure period compared to the immediately preceding disclosure period that result from the use of internal models, including an outline of the key drivers explaining those variations.	Table 22: RWEA flow statements of credit risk exposures under the IRB approach (UK CR8) on page 26 Table 23: RWEA flow statements of CCR exposures under the IMM (UK CCR7) on page 27
Exposure to counterparty credit risk		
439	Institutions shall disclose the following information regarding their exposure to counterparty credit risk as referred to in Chapter 6 of Title II of Part Three:	See below
(a)	A description of the methodology used to assign internal capital and credit limits for counterparty credit exposures, including the methods to assign those limits to exposures to central counterparties.	Section 4.2. Counterparty credit risk on page 95
(b)	A description of policies related to guarantees and other credit risk mitigants, such as the policies for securing collateral and establishing credit reserves.	Section 4.2. Counterparty credit risk on page 95
(c)	A description of policies with respect to General Wrong-Way risk and Specific Wrong-Way risk as defined in Article 291.	Section 4.2. Counterparty credit risk on page 95
(d)	The amount of collateral the institution would have to provide if its credit rating were downgraded.	Section 4.2. Counterparty credit risk on page 95
(e)	For derivative transactions, the amount of segregated and unsegregated collateral received and posted per type of collateral; and for securities financing transactions, the total amount of collateral received and posted per type of collateral; provided in each case that: (i) institutions shall not disclose such amounts unless both the fair value of collateral posted in the form of debt securities and the fair value of collateral received in that form exceed GBP 125 billion; and (ii) for the purposes of subparagraph (i), institutions shall use the twelve month rolling arithmetic mean of the fair value of collateral received or posted (as the case may be) in the form of debt securities, determined using quarterly data calculated in a manner consistent with data reported under Article 430(g) and covering the twelve months immediately preceding the disclosure reference date;	Table 86: Credit derivatives exposures (UK CCR6) on page 98
(f)	For derivative transactions, the exposure values before and after the effect of the credit risk mitigation as determined under the methods set out in Sections 3 to 6 of Chapter 6 of Title II of Part Three, whichever method is applicable, and the associated risk exposure amounts broken down by applicable method.	Table 84: Analysis of CCR exposure by approach (UK CCR1) on page 97
(g)	For securities financing transactions, the exposure values before and after the effect of the credit risk mitigation as determined under the methods set out in Chapters 4 and 6 of Title II of Part Three, whichever method is used, and the associated risk exposure amounts broken down by applicable method.	Table 84: Analysis of CCR exposure by approach (UK CCR1) on page 97
(h)	The exposure values after credit risk mitigation effects and the associated risk exposures for credit valuation adjustment capital charge, separately for each method as set out in Title VI of Part Three.	Table 87: Transactions subject to own funds requirements for CVA risk (UK CCR2) on page 98
(i)	The exposure value to central counterparties and the associated risk exposures within the scope of Section 9 of Chapter 6 of Title II of Part Three, separately for qualifying and non-qualifying central counterparties, and broken down by types of exposures.	Table 85: Exposures to CCPs (UK CCR8) on page 98
(j)	The notional amounts and fair value of credit derivative transactions; credit derivative transactions shall be broken down by product type; within each product type, credit derivative transactions shall be broken down further by credit protection bought and credit protection sold.	
(k)	The estimate of alpha where the institution has received the permission of the competent authorities to use its own estimate of alpha in accordance with Article 284(9).	Table 84: Analysis of CCR exposure by approach (UK CCR1) on page 97

Prudential disclosure reference

CRR article ref.	Requirement summary	Disclosure
(m)	for institutions using the methods set out in Sections 4 to 5 of Chapter 6 of Title II Part Three, the size of their on- and off-balance-sheet derivative business as calculated in accordance with Article 273a(1) or (2), as applicable.	Table 84: Analysis of CCR exposure by approach (UK CCR1) on page 97
Countercyclical capital buffers		
440	Institutions shall disclose the following information in relation to their compliance with the requirement for a countercyclical capital buffer referred to in regulation 2 of the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014:	See below
(a)	The geographical distribution of the exposure amounts and risk-weighted exposure amounts of its credit exposures used as a basis for the calculation of their countercyclical capital buffer.	Table 18: Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (UK CCyB1) on page 23
(b)	The amount of their institution-specific countercyclical capital buffer.	Table 19: Amount of institution-specific countercyclical capital buffer (UK CCyB2) on page 24
Indicators of global systemic importance		
441	(1) G-SIIs shall disclose, on an annual basis, the values of the indicators used for determining their score in accordance with the identification methodology referred to in regulation 23 of Part 4 of Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014.	Discussed in Section 1.3. Regulatory disclosure framework on page 2
Exposures to Credit Risk and Dilution Risk		
442	Institutions shall disclose the following information regarding their exposure to credit risk and dilution risk:	See below
(a)	The scope and definitions that they use for accounting purposes of 'past due' and 'impaired' and the differences, if any, between the definitions of 'past due' and 'default' for accounting and regulatory purposes.	Glossary sections of Pillar 3 and the Annual Report and Accounts on pages 151 to 156 and 470 to 478 respectively Credit risk section of the 2025 Annual Report and Accounts on page 233
(b)	A description of the approaches and methods adopted for determining specific and general credit risk adjustments.	Section 3.4. Exposure values on page 62 Note 8 of the 2025 Annual Report and Account on pages 342 to 346
(c)	Information on the amount and quality of performing, non-performing and forborne exposures for loans, debt securities and off-balance-sheet exposures, including their related accumulated impairment, provisions and negative fair value changes due to credit risk and amounts of collateral and financial guarantees received.	Table 44: Performing and non-performing exposures and related provisions (UK CR1) on page 55 Table 47: Credit quality of forborne exposures (UK CQ1) on page 57 Table 49: Quality of non-performing exposures by geography (UK CQ4) on page 59 Table 50: Credit quality of loans and advances to non-financial corporations by industry (UK CQ5) on page 60
(d)	An ageing analysis of accounting past due exposures.	Table 48: Credit quality of performing and non-performing exposures by past due days (UK CQ3) on page 58
(e)	The gross carrying amounts of both defaulted and non-defaulted exposures, the accumulated specific and general credit risk adjustments, the accumulated write-offs taken against those exposures and the net carrying amounts and their distribution by geographical area and industry type and for loans, debt securities and off-balance-sheet exposures.	Table 44: Performing and non-performing exposures and related provisions (UK CR1) on page 55 Table 47: Credit quality of forborne exposures (UK CQ1) on page 57 Table 49: Quality of non-performing exposures by geography (UK CQ4) on page 59 Table 50: Credit quality of loans and advances to non-financial corporations by industry (UK CQ5) on page 60
(f)	Any changes in the gross amount of defaulted on- and off-balance-sheet exposures, including, as a minimum, information on the opening and closing balances of those exposures, the gross amount of any of those exposures reverted to non-defaulted status or subject to a write-off.	Table 44: Performing and non-performing exposures and related provisions (UK CR1) on page 55 Table 47: Credit quality of forborne exposures (UK CQ1) on page 57 Table 49: Quality of non-performing exposures by geography (UK CQ4) on page 59 Table 50: Credit quality of loans and advances to non-financial corporations by industry (UK CQ5) on page 60
(g)	The breakdown of loans and debt securities by residual maturity.	Table 45: Maturity of exposures (UK CR1-A) on page 56

Prudential disclosure reference

CRR article ref.	Requirement summary	Disclosure
Encumbered and unencumbered assets		
443	Institutions shall disclose information concerning their encumbered and unencumbered assets. For those purposes, institutions shall use the carrying amount per exposure class broken down by asset quality and the total amount of the carrying amount that is encumbered and unencumbered. Disclosure of information on encumbered and unencumbered assets shall not reveal emergency liquidity assistance provided by central banks.	Table 100: Encumbered and unencumbered assets (UK AE1) on page 112 Table 101: Collateral received and own debt securities issued (UK AE2) on page 113 Table 102: Sources of encumbrance (UK AE3) on page 114
Use of the Standardised Approach		
444	Chapter 2 of Title II of Part Three shall disclose the following information for each of the exposure classes set out in Article 112:	See below
(a)	The names of the nominated ECALs and export credit agencies and the reasons for any changes in those nominations over the disclosure period.	Section 3.7. standardised risk weight profile on page 81
(b)	The exposure classes for which each ECAL or export credit agency is used.	Section 3.7. standardised risk weight profile on page 81
(c)	A description of the process used to transfer the issuer and issue credit ratings onto items not included in the trading book.	Section 3.7. standardised risk weight profile on page 81
(d)	The association of the external rating of each nominated ECAL or export credit agency with the risk weights that correspond to the credit quality steps as set out in Chapter 2 of Title II of Part Three taking into account that it is not necessary to disclose that information where the institutions comply with the standard association published by the competent authority.	Section 3.7. standardised risk weight profile on page 81
(e)	The exposure values and the exposure values after credit risk mitigation associated with each credit quality step as set out in Chapter 2 of Title II of Part Three, by exposure class, as well as those deducted from own funds.	Table 49: Quality of non-performing exposures by geography (UK CQ4) on page 59 Table 50: Credit quality of loans and advances to non-financial corporations by industry (UK CQ5) on page 60
Exposure to market risk		
445	Institutions calculating their own funds requirements in accordance with points (b) and (c) of Article 92(3) shall disclose those requirements separately for each risk referred to in those provisions. In addition, own funds requirements for the specific interest rate risk of securitisation positions shall be disclosed separately.	Table 78: Market risk under standardised approach (UK MR1) on page 92
Operational risk management		
446	Institutions shall disclose the following information about their operational risk management:	The Group applies STD approach for measuring capital requirements, described in section 1.5. Risk management under Operational Risk on page 4
(a)	The approaches for the assessment of own funds requirements for operational risk that the institution qualifies for.	Table 95: Operational risk own funds requirements and risk-weighted exposure amounts (UK OR1) on page 103
(b)	Where the institution makes use of it, a description of the methodology set out in Article 312(2), which shall include a discussion of relevant internal and external factors being considered in the institution's advanced measurement approach.	Not applicable
(c)	In the case of partial use, the scope and coverage of the different methodologies used.	Not applicable
Key metrics		
447	Institutions shall disclose the following key metrics in a tabular format:	See below
(a)	The composition of their own funds and their own funds requirements as calculated in accordance with Article 92.	Table 1: Key metrics template (UK KM1) on page 2
(b)	The total risk exposure amount as calculated in accordance with Article 92(3).	Table 1: Key metrics template (UK KM1) on page 2
(c)	Where applicable, the amount and composition of additional own funds which the institutions are required to hold in accordance with regulation 34(1) of the Capital Requirements Regulations.	Table 1: Key metrics template (UK KM1) on page 2

Prudential disclosure reference

CRR article ref.	Requirement summary	Disclosure
(d)	Their combined buffer requirement which the institutions are required to hold in accordance with regulation 35 of the Capital Requirements (Capital Buffers and Macro-prudential Measures) Regulations 2014.	Table 1: Key metrics template (UK KM1) on page 2
(e)	The following information in relation to their leverage ratio: (i) for all institutions, their leverage ratio and total exposure measure; (ii) for LREQ firms, the information in Article 451(1)(b) and (g) and Article 451(2)(b) to (d);	Table 1: Key metrics template (UK KM1) on page 2
(f)	The following information in relation to their liquidity coverage ratio as calculated in accordance with Chapter 2 of the Liquidity Coverage Ratio (CRR) Part of the PRA Rulebook: (i) the average or averages, as applicable, of their liquidity coverage ratio based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period; (ii) the average or averages, as applicable, of their total liquid assets, after applying the relevant haircuts, included in the liquidity buffer pursuant to the Chapter 2 of the Liquidity Coverage Ratio (CRR) Part of the PRA Rulebook, based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period; (iii) the averages of their liquidity outflows, inflows and net liquidity outflows as calculated pursuant to Chapter 2 of the Liquidity Coverage Ratio (CRR) Part of the PRA Rulebook, based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period;	Table 1: Key metrics template (UK KM1) on page 2
(g)	The following information in relation to their net stable funding requirement as calculated in accordance with Title IV of Part Six: (i) the average or averages, as applicable, of their net stable funding ratio based on end-of-the-quarter observations over the preceding four quarters, for each quarter of the relevant disclosure period; (ii) the average or averages, as applicable, of their available stable funding based on end-of-the-quarter observations over the preceding four quarters, for each quarter of the relevant disclosure period; (iii) the average or averages, as applicable, of their required stable funding based on end-of-the-quarter observations over the preceding four quarters, for each quarter of the relevant disclosure period;	Table 1: Key metrics template (UK KM1) on page 2
(h)	Their own funds and eligible liabilities ratios and their components, numerator and denominator, as calculated in accordance with Articles 92a and 92b and broken down at the level of each resolution group, where applicable.	
Exposure to interest rate risk on positions not included in the trading book		
448	(1) Institutions shall disclose the following quantitative and qualitative information on the risks arising from potential changes in interest rates that affect both the economic value of equity and the net interest income of their non-trading book activities referred to in in Chapter 9 of the Internal Capital Adequacy Assessment (ICAA) Part of the PRA Rulebook:	See below

Prudential disclosure reference

CRR article ref.	Requirement summary	Disclosure
(1)(a)	The changes in the economic value of equity calculated under the following six supervisory shock scenarios referred to in Rule 9.7 of the ICAA Part of the PRA Rulebook for the current and previous disclosure periods: (i) parallel shock up; (ii) parallel shock down; (iii) steeper shock (short rates down and long rates up); (iv) flattener shock (short rates up and long rates down); (v) short rates shock up; (vi) short rates shock down;	Table 96: Quantitative information on IRRBB (UK IRRBB1) on page 104.
(1)(b)	The changes in the net interest income calculated under the following two supervisory shock scenarios referred to in Rule 9.7 of the ICAA Part of the PRA Rulebook for the current and previous disclosure periods: (i) parallel shock up; (ii) parallel shock down;	Table 96: Quantitative information on IRRBB (UK IRRBB1) on page 104.
(1)(c)	A description of key modelling and parametric assumptions used to calculate changes in the economic value of equity and in the net interest income required under points (a) and (b) of this paragraph.	Section 6 on Interest rate risk in the banking book on pages 104 to 105.
(1)(d)	An explanation of the significance of the risk measures disclosed under points (a) and (b) of this paragraph and of any significant variations of those risk measures since the previous disclosure reference date.	Section 6 on Interest rate risk in the banking book on pages 104 to 105.
(1)(e)	The description of how institutions define, measure, mitigate and control the interest rate risk of their non-trading book activities for the purposes of the competent authorities' review in accordance with Chapter 9 of the ICAA Part of the PRA Rulebook, including: (i) a description of the specific risk measures that the institutions use to evaluate changes in their economic value of equity and in their net interest income; (ii) a description of the key modelling and parametric assumptions used in the institutions' internal measurement systems for the purpose of calculating changes in the economic value of equity and in net interest income, as required under points (a) and (b) of this paragraph, if those assumptions differ from those used for the purposes of Chapter 9 of the ICAA Part of the PRA Rulebook or from those specified in Annex XXXVIII of Chapter 6 of this Disclosure (CRR) Part of the PRA Rulebook, including the rationale for those differences; (iii) a description of the interest rate shock scenarios that institutions use to estimate the interest rate risk; (iv) the recognition of the effect of hedges against those interest rate risks, including internal hedges that meet the requirements laid down in Article 106(3); (v) an outline of how often the evaluation of the interest rate risk occurs;	Section 6 on Interest rate risk in the banking book on pages 104 to 105.
(1)(f)	The description of the overall risk management and mitigation strategies for those risks.	Section 6 on Interest rate risk in the banking book on pages 104 to 105.
(1)(g)	Average and longest repricing maturity assigned to non-maturing deposits.	Section 6 on Interest rate risk in the banking book on pages 104 to 105.
2	By way of derogation from paragraph 1 of this Article, the requirements set out in points (c) and (e)(i) to (e)(iv) of paragraph 1 of this Article for descriptions relating to economic value of equity shall not apply to institutions that use the standardised framework referred to in Rule 9.1B of the ICAA Part of the PRA Rulebook.	
Exposure to securitisation position		
449	Institutions calculating risk-weighted exposure amounts in accordance with Chapter 5 of Title II of Part Three or own funds requirements in accordance with Article 337 or 338 shall disclose the following information separately for their trading and non-trading book activities:	See below

Prudential disclosure reference

CRR article ref.	Requirement summary	Disclosure
(a)	A description of their securitisation and re-securitisation activities, including their risk management and investment objectives in connection with those activities, their role in securitisation and re-securitisation transactions, whether they use the simple, transparent and standardised securitisation (STS) as defined in point (10) of Article 242, and the extent to which they use securitisation transactions to transfer the credit risk of the securitised exposures to third parties with, where applicable, a separate description of their synthetic securitisation risk transfer policy.	Section 3.8 Securitisation on pages 83 to 85
(b)	The type of risks they are exposed to in their securitisation and re-securitisation activities by level of seniority of the relevant securitisation positions providing a distinction between STS and non-STS positions and: (i) the risk retained in own-originated transactions; (ii) the risk incurred in relation to transactions originated by third parties	Section 3.8 Securitisation on pages 83 to 85
(c)	Their approaches for calculating the risk-weighted exposure amounts that they apply to their securitisation activities, including the types of securitisation positions to which each approach applies and with a distinction between STS and non-STS positions.	Section 3.8 Securitisation on pages 83 to 85
(d)	A list of SSPEs falling into any of the following categories, with a description of their types of exposures to those SSPEs, including derivative contracts: (i) SSPEs which acquire exposures originated by the institutions; (ii) SSPEs sponsored by the institutions; (iii) SSPEs and other legal entities for which the institutions provide securitisation-related services, such as advisory, asset servicing or management services; (iv) SSPEs included in the institutions' regulatory scope of consolidation.	Section 3.8 Securitisation on page 83
(e)	A list of any legal entities in relation to which the institutions have disclosed that they have provided support in accordance with Chapter 5 of Title II of Part Three.	Section 3.8 Securitisation on page 83
(f)	A list of legal entities affiliated with the institutions and that invest in securitisations originated by the institutions or in securitisation positions issued by SSPEs sponsored by the institutions.	Section 3.8 Securitisation on page 83
(g)	A summary of their accounting policies for securitisation activity, including where relevant a distinction between securitisation and re-securitisation positions.	Section 3.8 Securitisation on page 84
(h)	The names of the ECALs used for securitisations and the types of exposure for which each agency is used.	Section 3.8 Securitisation on pages 83 to 85
(i)	Where applicable, a description of the Internal Assessment Approach as set out in Chapter 5 of Title II of Part Three, including the structure of the internal assessment process and relation between internal assessment and external ratings of the relevant ECAI disclosed in accordance with point (h), the control mechanisms for the internal assessment process including discussion of independence, accountability, and internal assessment process review, the exposure types to which the internal assessment process is applied and the stress factors used for determining credit enhancement levels.	Section 3.8 Securitisation on pages 83 to 85
(j)	Separately for the trading book and the non-trading book, the carrying amount of securitisation exposures, including information on whether institutions have transferred significant credit risk in accordance with Articles 244 and 245, for which institutions act as originator, sponsor or investor, separately for traditional and synthetic securitisations, and for STS and non-STS transactions and broken down by type of securitisation exposures.	Table 72: Securitisation exposures in the non-trading book (UK-SEC1) on page 86 Table 73: Securitisation exposures in the trading book (UK-SEC2) on page 87

Prudential disclosure reference

CRR article ref.	Requirement summary	Disclosure
(k)	For the trading and the non-trading book activities, the following information: (i) the aggregate amount of securitisation positions where institutions act as originator or sponsor and the associated risk-weighted assets and capital requirements by regulatory approaches, including exposures deducted from own funds or risk weighted at 1250%, broken down between traditional and synthetic securitisations and between securitisation and re-securitisation exposures, separately for STS and non-STs positions, and further broken down into a meaningful number of risk-weight or capital requirement bands and by approach used to calculate the capital requirements ; (ii) the aggregate amount of securitisation positions where institutions act as investor and the associated risk-weighted assets and capital requirements by regulatory approaches, including exposures deducted from own funds or risk weighted at 1250%, broken down between traditional and synthetic securitisations, securitisation and re-securitisation positions, and STS and non-STs positions, and further broken down into a meaningful number of risk weight or capital requirement bands and by approach used to calculate the capital requirements;	Table 74: Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as originator or as sponsor (UK-SEC3) on page 88 Table 75: Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as investor (UK-SEC4) on page 89
(l)	For exposures securitised by the institution, the amount of exposures in default and the amount of the specific credit risk adjustments made by the institution during the current period, both broken down by exposure type.	Table 76: Exposures securitised by the institution – Exposures in default and specific credit risk adjustments (UK-SEC5) on page 90
Remuneration policy		
450	Institutions shall disclose the following information regarding their remuneration policy and practices for those categories of staff whose professional activities have a material impact on risk profile of the institutions:	
(1)(a)	Information concerning the decision-making process used for determining the remuneration policy, as well as the number of meetings held by the main body overseeing remuneration during the financial year, including, where applicable, information about the composition and the mandate of a remuneration committee, the external consultant whose services have been used for the determination of the remuneration policy and the role of the relevant stakeholders.	2025 Annual Reports and Accounts on pages 180 to 206
(1)(b)	Information about the link between pay of the staff and their performance.	2025 Annual Reports and Accounts on pages 180 to 206
(1)(c)	The most important design characteristics of the remuneration system, including information on the criteria used for performance measurement and risk adjustment, deferral policy and vesting criteria.	2025 Annual Reports and Accounts on page 180
(1)(d)	The ratios between fixed and variable remuneration set in accordance with rules 15.9 to 15.13 of the Remuneration Part of the PRA Rulebook.	2025 Annual Reports and Accounts on page 180
(1)(e)	Information on the performance criteria on which the entitlement to shares, options or variable components of remuneration is based.	2025 Annual Reports and Accounts on page 180
(1)(f)	The main parameters and rationale for any variable component scheme and any other non-cash benefits.	2025 Annual Reports and Accounts on pages 180 to 206
(1)(g)	Aggregate quantitative information on remuneration, broken down by business area.	2025 Annual Reports and Accounts on page 180

Prudential disclosure reference

CRR article ref.	Requirement summary	Disclosure
(1)(h)	Aggregate quantitative information on remuneration, broken down by senior management and members of staff whose professional activities have a material impact on the risk profile of the institutions, indicating the following: <ul style="list-style-type: none"> (i) the amounts of remuneration for the financial year, split into fixed remuneration including a description of the fixed components, and variable remuneration, and the number of beneficiaries; (ii) the amounts and forms of awarded variable remuneration, split into cash, shares, share-linked instruments and other types separately for the part paid upfront and the deferred part; (iii) the amounts of deferred remuneration awarded for previous performance periods, split into the amount due to vest in the financial year and the amount due to vest in subsequent years; (iv) the amount of deferred remuneration due to vest in the financial year, and the number of beneficiaries of those awards; (v) the guaranteed variable remuneration awards during the financial year, and the number of beneficiaries of those awards; (vi) severance payments awarded in previous periods, that have been paid out during the financial year; (vii) the amounts of severance payments awarded during the financial year, split into paid upfront and deferred, the number of beneficiaries of those payments and highest payment that has been awarded to a single person; 	2025 Annual Reports and Accounts on pages 180 to 206
(1)(i)	The number of individuals that have been remunerated EUR 1 million or more per financial year, with the remuneration between EUR 1 million and EUR 5 million broken down into pay bands of EUR 500 000 and with the remuneration of EUR 5 million and above broken down into pay bands of EUR 1 million.	See Article 450 (1)(h)(i) above
(1)(k)	Information on whether the institution benefits from a derogation laid down in the Remuneration Part of the PRA Rulebook at 5.3, and/or 12.2 (second subparagraph), and 15.A1(3). For the purposes of point (k) of the first subparagraph of this paragraph, institutions that benefit from such a derogation shall indicate whether they benefit from that derogation on the basis of the Remuneration Part of the PRA Rulebook at 5.3, and/or 12.2 (second subparagraph), and 15.A1(3). They shall also indicate for which of the remuneration principles they apply the derogation(s), the number of staff members that benefit from the derogation(s) and their total remuneration, split into fixed and variable remuneration.	See Article 450 (1)(h)(i) above
(2)	For large institutions, the quantitative information on the remuneration of institutions' collective management body referred to in this Article shall also be made available to the public, differentiating between executive and non-executive members. Institutions shall comply with the requirements set out in this Article in a manner that is appropriate to their size, internal organisation and the nature, scope and complexity of their activities and without prejudice to the GDPR.	2025 Annual Reports and Accounts on pages 180 to 206
Leverage		
451	Institutions shall disclose the following information regarding their leverage ratio as calculated in accordance with Article 429 of Chapter 3 of the Leverage Ratio (CRR) Part and their management of the risk of excessive leverage:	See below

Prudential disclosure reference

CRR article ref.	Requirement summary	Disclosure
(1)(a)	The leverage ratio.	Table 26: LRSum: Summary reconciliation of accounting assets and leverage ratio exposures (UK LR1) on page 29 Table 27: LRCom: Leverage ratio common disclosure (UK LR2) on page 30 Table 28: LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) (UK LR3) on page 31
(1)(b)	The leverage ratio calculated as if central bank claims were required to be included in the total exposure measure.	Table 26: LRSum: Summary reconciliation of accounting assets and leverage ratio exposures (UK LR1) on page 29 Table 27: LRCom: Leverage ratio common disclosure (UK LR2) on page 30 Table 28: LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) (UK LR3) on page 31
(1)(c)	A breakdown of the total exposure measure, as well as a reconciliation of the total exposure measure with the relevant information disclosed in published financial statements.	Table 26: LRSum: Summary reconciliation of accounting assets and leverage ratio exposures (UK LR1) on page 29 Table 27: LRCom: Leverage ratio common disclosure (UK LR2) on page 30 Table 28: LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) (UK LR3) on page 31
(1)(d)	A description of the processes used to manage the risk of excessive leverage.	Section 2.6 Leverage Ratio on page 28
(1)(e)	A description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers.	Section 2.6 Leverage ratio on page 28
(1)(f)	In relation to the quarterly periods up to 31 December 2025, the leverage ratio calculated as if Article 468 of the CRR did not apply for purposes of the capital measure under Article 429(3) of Chapter 3 of the Leverage Ratio (CRR) Part.	
(1)(g)	In relation to the quarterly periods up to 31 December 2025, the leverage ratio calculated as if Article 473a of the CRR did not apply for purposes of the capital measure under Article 429(3) of Chapter 3 of the Leverage Ratio (CRR) Part.	
(2)	An LREQ firm must disclose each of the following	See below
(2)(a)	The average exposure measure.	Table 27: LRCom: Leverage ratio common disclosure (UK LR2) on page 30
(2)(b)	The average leverage ratio.	Table 27: LRCom: Leverage ratio common disclosure (UK LR2) on page 30
(2)(c)	The average leverage ratio calculated as if central bank claims were required to be included in the total exposure measure; and	Table 27: LRCom: Leverage ratio common disclosure (UK LR2) on page 30
(2)(d)	The countercyclical leverage ratio buffer.	Table 27: LRCom: Leverage ratio common disclosure (UK LR2) on page 30
(3)	An LREQ firm must disclose such information as is necessary to enable users to understand changes in the firm's total exposure measure and tier 1 capital (leverage) over the quarter that have affected the firm's average leverage ratio.	
(4)	Subject to paragraph 5	See below
(4)(a)	For the purposes of paragraph 2(a) an LREQ firm must calculate its average exposure measure for a quarter as the sum of: (i) the arithmetic mean of the firm's total exposure measure in relation to on-balance sheet assets and securities financing transactions on each day in the quarter; and (ii) the arithmetic mean of the firm's total exposure measure excluding on-balance sheet assets and securities financing transactions on the last day of each month in the quarter; and	

Prudential disclosure reference

CRR article ref.	Requirement summary	Disclosure
4(b)	For the purposes of paragraphs 2(a) and 3, an LREQ firm must calculate its average leverage ratio for a quarter as its capital measure divided by its exposure measure where the: (i) capital measure is the arithmetic mean of the firm's tier 1 capital (leverage) on the last day of each month in the quarter; and (ii) exposure measure is the sum derived in accordance with (a), unless paragraph 5 applies in which case it shall be the sum derived in accordance with that paragraph.	
(5)	In relation to the quarterly periods up to 1 January 2025 an LREQ firm must calculate its average exposure measure for a quarter as the sum of:	
(5)(a)	The arithmetic mean of the firm's total exposure measure in relation to on-balance sheet assets on each day in the quarter; and	
(5)(b)	The arithmetic mean of the firm's total exposure measure excluding on-balance sheet assets on the last day of each month in the quarter.	
Liquidity Requirements		
451a	(1) Institutions that are subject to Part Six shall disclose information on their liquidity coverage ratio, net stable funding ratio and liquidity risk management in accordance with this Article.	Section 7 Liquidity Risk on pages 106 to 111
	(2) Institutions shall disclose the following information in relation to their liquidity coverage ratio as calculated in accordance with the Chapter 2 of the Liquidity Coverage Ratio (CRR) Part of the PRA Rulebook:	See below
	(2)(a) The average or averages, as applicable, of their liquidity coverage ratio based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period.	Table 97: Liquidity Coverage Ratio (LCR) (UK LIQ1) on page 107
	(2)(b) The average or averages, as applicable, of their total liquid assets, after applying the relevant haircuts, included in the liquidity buffer pursuant to the Chapter 2 of the Liquidity Coverage Ratio (CRR) Part of the PRA Rulebook, based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period, and a description of the composition of that liquidity buffer.	Table 97: Liquidity Coverage Ratio (LCR) (UK LIQ1) on page 107
	(2)(c) The averages of their liquidity outflows, inflows and net liquidity outflows as calculated in accordance with the Chapter 2 of the Liquidity Coverage Ratio (CRR) Part of the PRA Rulebook, based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period and the description of their composition.	Table 97: Liquidity Coverage Ratio (LCR) (UK LIQ1) on page 107
	(3) Institutions shall disclose the following information in relation to their net stable funding ratio as calculated in accordance with Title IV of Part Six:	See below
	(3)(a) Averages of their net stable funding ratio calculated in accordance with Chapter 2 of Title IV of Part Six for each quarter of the relevant disclosure period, based on end-of-the-quarter observations over the preceding four quarters.	Table 98: Net Stable Funding Ratio (UK LIQ2) on page 109.
	(3)(b) An overview of the amount of available stable funding calculated in accordance with Chapter 3 of Title IV of Part Six for each quarter of the relevant disclosure period, comprising averages based on end-of-the-quarter observations over the preceding four quarters.	Table 98: Net Stable Funding Ratio (UK LIQ2) on page 109.

Prudential disclosure reference

CRR article ref.	Requirement summary	Disclosure
(3)(c)	An overview of the amount of required stable funding calculated in accordance with Chapter 4 of Title IV of Part Six for each quarter of the relevant disclosure period, comprising averages based on end-of-the-quarter observations over the preceding four quarters.	Table 98: Net Stable Funding Ratio (UK LIQ2) on page 109.
(4)	Institutions shall disclose the arrangements, systems, processes and strategies put in place to identify, measure, manage and monitor their liquidity risk in accordance with the Internal Liquidity Adequacy Assessment Part of the PRA Rulebook.	Section 7 Liquidity Risk on pages 106 to 111
Use of the IRB Approach to credit risk		
452	Institutions calculating the risk-weighted exposure amounts under the IRB Approach to credit risk shall disclose the following information:	See below
(a)	The competent authority's permission of the approach or approved transition.	Section 3.3 Internal Ratings Based models on pages 33 to 54 Table 65: Scope of the use of IRB and SA approaches (UK CR6-A) on page 76
(b)	For each exposure class referred to in Article 147, the percentage of the total exposure value of each exposure class subject to the Standardised Approach laid down in Chapter 2 of Title II of Part Three or to the IRB Approach laid down in Chapter 3 of Title II of Part Three, as well as the part of each exposure class subject to a roll-out plan; where institutions have received permission to use own LGDs and conversion factors for the calculation of risk-weighted exposure amounts, they shall disclose separately the percentage of the total exposure value of each exposure class subject to that permission.	Section 3.3 Internal Ratings Based models on pages 33 to 54 Table 65: Scope of the use of IRB and SA approaches (UK CR6-A) on page 76 Table 52: Internal default grade probabilities and mapping to external ratings on page 63
(c)	The control mechanisms for rating systems at the different stages of model development, controls and changes, which shall include information on: (i) the relationship between the risk management function and the internal audit function; (ii) the rating system review; (iii) the procedure to ensure the independence of the function in charge of reviewing the models from the functions responsible for the development of the models; (iv) the procedure to ensure the accountability of the functions in charge of developing and reviewing the models;	Section 3.3 Internal Ratings Based models on pages 33 to 54 Table 65: Scope of the use of IRB and SA approaches (UK CR6-A) on page 76
(d)	The role of the functions involved in the development, approval and subsequent changes of the credit risk models.	Section 3.3 Internal Ratings Based models on pages 33 to 54 Table 65: Scope of the use of IRB and SA approaches (UK CR6-A) on page 76
(e)	The scope and main content of the reporting related to credit risk models.	Section 3.3 Internal Ratings Based models on pages 33 to 54 Table 65: Scope of the use of IRB and SA approaches (UK CR6-A) on page 76

Prudential disclosure reference

CRR article ref.	Requirement summary	Disclosure
(f)	<p>A description of the internal ratings process by exposure class, including the number of key models used with respect to each portfolio and a brief discussion of the main differences between the models within the same portfolio, covering:</p> <p>(i) the definitions, methods and data for estimation and validation of PD, which shall include information on how PDs are estimated for low default portfolios, whether there are regulatory floors and the drivers for differences observed between PD and actual default rates at least for the last three periods;</p> <p>(ii) where applicable, the definitions, methods and data for estimation and validation of LGD, such as methods to calculate downturn LGD, how LGDs are estimated for low default portfolio and the time lapse between the default event and the closure of the exposure;</p> <p>(iii) where applicable, the definitions, methods and data for estimation and validation of conversion factors, including assumptions employed in the derivation of those variables;</p>	<p>Section 3.3 Internal Ratings Based models on pages 33 to 54</p> <p>Table 65: Scope of the use of IRB and SA approaches (UK CR6-A) on page 76</p>
(g)	<p>As applicable, the following information in relation to each exposure class referred to in Article 147:</p> <p>(i) their gross on-balance-sheet exposure;</p> <p>(ii) their off-balance-sheet exposure values prior to the relevant conversion factor;</p> <p>(iii) their exposure after applying the relevant conversion factor and credit risk mitigation;</p> <p>(iv) any model, parameter or input relevant for the understanding of the risk weighting and the resulting risk exposure amounts disclosed across a sufficient number of obligor grades (including default) to allow for a meaningful differentiation of credit risk;</p> <p>(v) separately for those exposure classes in relation to which institutions have received permission to use own LGDs and conversion factors for the calculation of risk-weighted exposure amounts, and for exposures for which the institutions do not use such estimates, the values referred to in points (i) to (iv) subject to that permission;</p>	<p>Tables 53 to 64: IRB approach – Credit risk exposures by exposure class and PD range on pages 64 to 75</p>
(h)	<p>Institutions' estimates of PDs against the actual default rate for each exposure class over a longer period, with separate disclosure of the PD range, the external rating equivalent, the weighted average and arithmetic average PD, the number of obligors at the end of the previous year and of the year under review, the number of defaulted obligors, including the new defaulted obligors, and the annual average historical default rate.</p>	<p>Tables 29 to 38: IRB approach – Back-testing of PD per exposure class (UK CR9) on pages 35 to 44</p> <p>Tables 39 to 43: IRB – Backtesting of probability of default (PD) (UK CR9.1) on pages 45 to 53</p>
Use of credit risk mitigation techniques		
453	<p>Institutions using credit risk mitigation techniques shall disclose the following information:</p>	See below
(a)	<p>The core features of the policies and processes for on- and off-balance-sheet netting and an indication of the extent to which institutions make use of balance sheet netting.</p>	Section 3.6. Credit risk mitigation on page 78
(b)	<p>The core features of the policies and processes for eligible collateral evaluation and management.</p>	See 453(a) above
(c)	<p>A description of the main types of collateral taken by the institution to mitigate credit risk.</p>	See 453(a) above
(d)	<p>For guarantees and credit derivatives used as credit protection, the main types of guarantor and credit derivative counterparty and their creditworthiness used for the purpose of reducing capital requirements, excluding those used as part of synthetic securitisation structures.</p>	See 453(a) above
(e)	<p>Information about market or credit risk concentrations within the credit mitigation taken.</p>	See 453(a) above

Prudential disclosure reference

CRR article ref.	Requirement summary	Disclosure
(f)	For institutions calculating risk-weighted exposure amounts under the Standardised Approach or the IRB Approach, the total exposure value not covered by any eligible credit protection and the total exposure value covered by eligible credit protection after applying volatility adjustments; the disclosure set out in this point shall be made separately for loans and debt securities and including a breakdown of defaulted exposures.	Table 67: CRM techniques overview: Disclosure of the use of credit risk mitigation techniques (UK CR3) on page 78
(g)	The corresponding conversion factor and the credit risk mitigation associated with the exposure and the incidence of credit risk mitigation techniques with and without substitution effect.	Table 68: UK CR4 – Credit risk exposure and CRM effects on page 79
(h)	For institutions calculating risk-weighted exposure amounts under the Standardised Approach, the on- and off-balance-sheet exposure value by exposure class before and after the application of conversion factors and any associated credit risk mitigation.	Table 68: UK CR4 – Credit risk exposure and CRM effects on page 79
(i)	For institutions calculating risk-weighted exposure amounts under the Standardised Approach, the risk-weighted exposure amount and the ratio between that risk-weighted exposure amount and the exposure value after applying the corresponding conversion factor and the credit risk mitigation associated with the exposure; the disclosure set out in this point shall be made separately for each exposure class.	Table 68: UK CR4 – Credit risk exposure and CRM effects on page 79
(j)	The institutions using the Advanced Measurement Approaches set out in Articles 321 to 324 for the calculation of their own funds requirements for operational risk shall disclose a description of their use of insurance and other risk transfer mechanisms for the purpose of mitigating that risk.	Table 69: UK CR7 – IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques on page 80 Table 70: UK CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques on page 80
Use of the Advanced Measurement Approaches to operational risk		
454	The institutions using the Advanced Measurement Approaches set out in Articles 321 to 324 for the calculation of their own funds requirements for operational risk shall disclose a description of their use of insurance and other risk transfer mechanisms for the purpose of mitigating that risk.	The Group does not hold a permission to use the advanced measurement approach for operational risk
Use of Internal Market Risk Models		
455	Institutions calculating their capital requirements in accordance with Article 363 shall disclose the following information:	See below
(a)	For each sub-portfolio covered: (i) the characteristics of the models used; (ii) where applicable, for the internal models for incremental default and migration risk and for correlation trading, the methodologies used and the risks measured through the use of an internal model including a description of the approach used by the institution to determine liquidity horizons, the methodologies used to achieve a capital assessment that is consistent with the required soundness standard and the approaches used in the validation of the model; (iii) a description of stress testing applied to the sub-portfolio; (iv) a description of the approaches used for back-testing and validating the accuracy and consistency of the internal models and modelling processes;	The Group does not have IMA approval for incremental default and migration risk for correlation trading.
(b)	The scope of permission by the competent authority.	Section 4.1 under the heading Regulatory VaR and Regulatory VaR vs. management VaR on page 91
(c)	A description of the extent and methodologies for compliance with the requirements set out in Articles 104 and 105.	Section 4.1 under the heading Trading book and Valuation framework on page 91

Prudential disclosure reference

CRR article ref.	Requirement summary	Disclosure
(d)	The highest, the lowest and the mean of the following: (i) the daily value-at-risk measures over the reporting period and at the end of the reporting period; (ii) the stressed value-at-risk measures over the reporting period and at the end of the reporting period; (iii) the risk numbers for incremental default and migration risk and for the specific risk of the correlation trading portfolio over the reporting period and at the end of the reporting period.	Table 79 IMA values for trading portfolios (UK MR3) on page 93
(e)	The elements of the own funds requirement as specified in Article 364.	Table 80 Market risk under the internal Model Approach (IMA) (UK MR2-A) on page 93
(f)	The weighted average liquidity horizon for each sub-portfolio covered by the internal models for incremental default and migration risk and for correlation trading.	The Group has no model permissions for specific rate and comprehensive risk measure.
(g)	A comparison of the daily end-of-day value-at-risk measures to the one-day changes of the portfolio's value by the end of the subsequent business day together with an analysis of any important overshooting during the reporting period.	Backtesting overshooting are shown in tables 81 and 82 (UK MR4) on page 94

Summary of differences between Pillar 3 Disclosures and the Risk and capital review section of the Annual Report and Accounts

The Group's Pillar 3 Disclosures for 31 December 2025 provide details from a regulatory perspective on certain aspects of credit risk, market risk and operational risk. The quantitative disclosures in the Pillar 3 Disclosures will not, however, be directly comparable to those in the Risk and capital review section of the Annual Report and Accounts as they are largely based on internally modelled risk metrics such as PD, LGD and EAD under Basel framework, whereas the quantitative disclosures in the Risk review are based on IFRS. EAD differs from the IFRS exposure primarily due to the inclusion of undrawn credit lines and off-balance sheet commitments. In addition, a number of the credit risk disclosures within the Pillar 3 Disclosures are only provided for the internal ratings based portfolio.

Topic	Annual Report and Accounts	Pillar 3 Disclosures
Basis of requirements	<ul style="list-style-type: none"> The Group's Annual Report and Accounts are prepared in accordance with the requirements of IFRS as endorsed by the EU, the UK Companies Act 2006, and the UK, Hong Kong and India Listing rules 	<ul style="list-style-type: none"> The Group's Pillar 3 Disclosures provide details on risk from a regulatory perspective to fulfil Basel III / CRD V requirements which have been implemented in the UK by the Prudential Regulatory Authority (PRA) via the 'Disclosure (CRR)' part of the PRA Rulebook.
Basis of preparation	<ul style="list-style-type: none"> The quantitative credit risk disclosures in the Risk review are based on IFRS Loans and advances are analysed between the four client segments of Corporate & Institutional, Commercial, Private and Retail Banking (split by industry classification codes) Market risk disclosures are presented using VaR methodology for the trading and non- trading books 	<ul style="list-style-type: none"> Provides details from a regulatory perspective on certain aspects of credit risk, market risk and operational risk. For credit risk this is largely based on internally modelled risk metrics such as PD, LGD and EAD under Basel rules Loans and advances are analysed between those that are internal ratings basis (IRB) and standardised, split by standard CRR categories Market risk and operational risk disclosures are based on the capital required
Coverage	<ul style="list-style-type: none"> All external assets which have an exposure to credit risk Market risk exposure is the trading and non-trading books Liquidity risk analysis of contractual maturities, liquid assets and encumbered assets 	<ul style="list-style-type: none"> The credit risk disclosures are provided for approved portfolios as per the IRB approach and remaining portfolios are assessed as per Standardised rules as prescribed in the CRR The PRA has granted the Group permission to use the internal model approach (IMA) covering the majority of market risk in the trading book. Positions outside the IMA scope are assessed according to standard CRR rules The Standardised Approach consistent with the CRR requirements is used to assess its regulatory operational risk capital requirement
Credit rating and measurement	<ul style="list-style-type: none"> Overview of credit risk management credit grading and the use of IRB models is on page 264 Maximum exposure to credit risk set out on page 234 Internal credit grading analysis provided by business segment for both performing and non-performing loans and advances on pages 237 to 246 External credit grading analysis for unimpaired debt securities and treasury bills is set out on pages 237 to 246 	<ul style="list-style-type: none"> Details of IRB and Standardised approach to credit risk is set out on pages 32 to 33 For the IRB portfolio, page 63 provides an indicative mapping of the Group's credit grades in relation to Standard & Poor's credit ratings. Minimum regulatory capital requirements for credit risk on page 25 Credit grade analysis provided for the IRB portfolio only. EAD within the IRB portfolio after CRM, Undrawn commitments, exposure weighted average LGD and weighted average risk-weight internal credit grade on pages 64 to 75 and 100 to 102 Credit quality step analysis for Standardised portfolio is provided on pages 88 to 89

Summary of differences

Topic	Annual Report and Accounts	Pillar 3 Disclosures
Credit risk mitigation	<ul style="list-style-type: none"> • CRM approach is set out on page 226 • Overview of collateral held and other credit risk mitigants provided on page 226. Quantitative overview of other risk mitigants including: • Securitisations, where the Group transfers the rights to collect principal and interest on client loan assets to third parties • Master netting agreements, CSAs and cash collateral for derivatives 	<ul style="list-style-type: none"> • Provides details on CRM from a regulatory perspective by providing EAD after CRM by IRB exposure class. Explanation is given on what constitutes eligible collateral including explanations of funded and unfunded protection. The main type of collateral for the Group's Standardised portfolio is also disclosed. Please refer to pages 88 to 89 • Extensive disclosures on securitisation including notional and carrying amounts, details of securitisation programmes where the Group is an originator, the accounting and governance of securitisation activities and retained exposures and carrying value by risk weight band. Please refer to pages 86 to 90 • EAD for items subject to CCR risk pre and post credit mitigation is disclosed. The products that are covered under CCR include 'repo style' transactions and derivative transactions. Please refer to pages 97
Market risk	<ul style="list-style-type: none"> • Details of the VaR methodology, and VAR (trading and non trading) is disclosed by risk type on pages 277 to 278 • Details on Group Treasury's market risk, including a table showing a parallel shift in the yield curves, on page 285 	<ul style="list-style-type: none"> • Provides details of the internal model approvals, such as the CAD2 granted by the PRA and the extension of the CAD2 scope to include coal market risk. • Market risk capital requirements for the trading book disclosed by risk type on page 92



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