Half Year Report 2026

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Unless another currency is specified, the word 'dollar' or symbol '$' in this document means US dollar and the word 'cent' or symbol 'c' means one-hundredth of one US dollar.

The information within Performance highlights to Capital review and Other supplementary information to Glossary is unreviewed.

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.

Within the tables in this report, blank spaces indicate that the number is not disclosed, dashes indicate that the number is zero and nm stands for not meaningful. Standard Chartered PLC is incorporated in England and Wales with limited liability. Standard Chartered PLC is headquartered in London.

The Group's head office provides guidance on governance and regulatory standards. Standard Chartered PLC stock codes are: HKSE 02888 and LSE STAN.LN.

Standard Chartered PLC

Results for the first half and second quarter ended 30 June 2026

All figures are presented on a reported basis and comparisons are made to 2025 on a constant currency basis, unless otherwise stated. Refer to page 5 for comparisons on a reported basis.

Bill Winters, Group Chief Executive, said:

"We delivered a record first-half performance in 2026, with double-digit growth in Wealth Solutions and Global Banking. Our performance demonstrates the strength of our differentiated international network and the disciplined execution of our strategy. Clients continue to turn to us to facilitate trade, investment and wealth flows across the world's most dynamic markets. We delivered a 17 per cent increase in our earnings per share, and our upgraded income guidance and new share buyback of $1.0 billion reflect our confidence in the business."

Selected information on Q2'26 financial performance with comparisons to Q2'25 unless otherwise stated

- Operating income of $5.7bn up 3 per cent
  - Excluding $238m gain on the Solv India transaction in Q2'25, income is up 8 per cent
  - Net interest income[1] (NII) up 7 per cent to $2.9bn; driven by volumes and improved balance sheet mix
  - Non-interest income[1] of $2.8bn was broadly flat, up 9 per cent excluding the Solv India transaction; driven by continued momentum in Wealth Solutions and Global Banking
  - Wealth Solutions up 43 per cent, mostly driven by strong double-digit growth in Investment Products
  - Global Banking up 18 per cent, driven by strong origination activity and increased capital markets activity
- Operating expenses were broadly flat, up 3 per cent excluding a notable item of $74m release of provisions on Korea equity-linked securities (ELS) portfolio
- Credit impairment charge of $150m up $31m. Wealth & Retail Banking (WRB) charge of $116m down $49m mainly from portfolio actions. Corporate & Investment Banking (CIB) charge of $39m was up $78m mostly from management overlays partly offset by releases
- Profit before tax of $2.3bn, up 2 per cent
- Return on Tangible Equity (RoTE) of 17.9 per cent, broadly flat
- Balance sheet remains strong, liquid and well diversified with underlying loans and advances to customers up 2.2 per cent and underlying customer deposits up 2 per cent quarter-on-quarter
- Risk-weighted assets (RWA) of $261.5bn, down $4.7bn since 31.3.26; Credit risk RWA down $3.4bn, Market RWA down $1.4bn, and Operational RWA flat
- The Group remains strongly capitalised with Common Equity Tier 1 (CET1) ratio of 14.2 per cent up 77bps quarter-on-quarter
  - $1.0bn share buyback starting imminently is expected to reduce CET1 ratio by 38bps
  - Interim ordinary dividend increased 66 per cent to 20.4 cents per share ($448m)
- Tangible net asset value per share of $17.55, up 4 per cent.

Selected information on H1'26 financial performance with comparisons to H1'25 unless otherwise stated

- Record operating income up 6 per cent to $11.6bn, up 8 per cent excluding the Solv India transaction
  - NII up 4 per cent to $5.7bn; Non-interest income up 8 per cent to $5.9bn
  - Wealth Solutions up 38 per cent, driven by strong growth in investment products
  - Global Banking up 19 per cent, driven by strong origination activity and strong capital market activity
- Operating expenses up 1 per cent to $6.3bn, up 2 per cent excluding notables[2]
- Credit impairment charge of $446m with $296m from WRB and $150m from CIB mostly driven by management overlays relating to the Middle East conflict
- Record profit before tax of $4.8bn, up 9 per cent
- Tax charge of $1.1bn; effective tax rate of 23.3 per cent
- RoTE of 17.6 per cent, up 120bps
- Earnings per share (EPS) increased 17 per cent to 151.6 cents.

Guidance

Our revised 2026 guidance is as follows:

- Operating income growth year-on-year to be around the middle of the 5-7 per cent range at constant currency and excluding material notable[2] items
  - Within which, net interest income[1] expected to be low single digit percentage growth year-on-year at constant currency
- Expenses excluding notables[2] expected to be around $13.3 billion at constant currency
- RoTE to be greater than 12 per cent.

1 Net interest income and non-interest income are adjusted for trading book funding cost, treasury currency management activities, interest from cash collateral from trading businesses and from prime services activities. The reconciliation of adjusted and reported amounts of net interest income and non-interest income is on page 5

2 Material notable items in 2026 expenses include $74m release of provision on Korea ELS (2025 income includes $113m relating to a property sale, 2025 expenses include $159m relating to Korea ELS and a litigation settlement)

Statement of results

	6 months ended 30.06.26 $million	6 months ended 30.06.25 $million	Change[1] %
Financial performance[7]			
Operating income	**11,604**	10,906	6
Operating expenses	**(6,336)**	(6,247)	(1)
Credit impairment	**(446)**	(336)	(33)
Other impairment	**(21)**	(19)	(11)
(Loss)/Profit from associates and joint ventures	**(17)**	79	(122)
Profit before taxation	**4,784**	4,383	9
Taxation	**(1,113)**	(1,057)	(5)
Profit for the period	**3,671**	3,326	10
Profit attributable to parent company shareholders	**3,653**	3,309	10
Profit attributable to ordinary shareholders[2]	**3,368**	3,065	10
Return on ordinary shareholders' tangible equity (%)	**17.6**	16.4	120bps
Cost-to-income ratio (%)	**54.6**	57.3	270bps
Net interest margin (%) (adjusted)[6]	**2.04**	2.05	(1)bp

	30.06.26 $million	31.12.25 $million	Change[1] %
Balance sheet and capital			
Total assets	**993,406**	919,955	8
Total equity	**55,893**	54,586	2
Average tangible equity attributable to ordinary shareholders[2]	**38,490**	38,242	1
Loans and advances to customers	**299,279**	286,788	4
Customer accounts	**552,644**	530,161	4
Risk-weighted assets	**261,451**	258,031	1
Total capital	**55,164**	53,227	4
Total capital ratio (%)	**21.1**	20.6	47bps
Common Equity Tier 1	**37,003**	36,440	2
Common Equity Tier 1 ratio (%)	**14.2**	14.1	3bps
Advances-to-deposits ratio (%)[3]	**50.9**	51.4	53bps
Liquidity coverage ratio (%)	**148.4**	155.4	695bps
Leverage ratio (%)	**4.7**	4.7	1bp

	30.06.26	30.06.25	Change[1]
Information per ordinary share			
Earnings per share[4] (cents)	**151.6**	129.1	17
Net asset value per share[5] (cents)	**2,047**	1,941	5
Tangible net asset value per share[5] (cents)	**1,755**	1,680	4
Ordinary shares in issue, excluding own shares (millions)	**2,189**	2,330	(6)

1 Variance is better/(worse) other than assets, liabilities and risk-weighted assets. Change is percentage points difference between two points rather than percentage change for total capital ratio (%), Common Equity Tier 1 ratio (%), net interest margin (%), advances-to-deposits ratio (%), liquidity coverage ratio (%), leverage ratio (%), cost-to-income ratio (%) and return on ordinary shareholders' tangible equity (%)

2 Profit/(loss) attributable to ordinary shareholders is after the deduction of dividends payable to the holders of non-cumulative redeemable preference shares and Additional Tier 1 securities classified as equity

3 When calculating this ratio, total loans and advances to customers excludes reverse repurchase agreements and other similar secured lending, excludes approved balances held with central banks, confirmed as repayable at the point of stress and includes loans and advances to customers held at fair value through profit and loss. Total customer accounts include customer accounts held at fair value through profit or loss

4 Represents the earnings divided by the basic weighted average number of shares. Results represent six months to the end of the reporting period

5 Calculated on period end net asset value, tangible net asset value and number of shares

6 Net interest margin is calculated as adjusted net interest income divided by average interest-earning assets, annualised. The reconciliation of adjusted and reported amounts of net interest income and non-interest income and calculation of net interest margin are set out on page 7

7 Performance/results within this interim financial report means amounts reported under UK-adopted International Accounting Standards and International Financial Reporting Standards

Group Chief Executive's review

A world of shifting flows

As I reflect upon the first half of the year, I remain proud of our achievements. Standard Chartered remains in a good position, while navigating a world that is undergoing some seismic transitions.

Trade corridors are shifting and capital flows are moving differently. Wealth is growing in new markets. Technologies are changing what we can do and how we do it. And, the transition to a low carbon economy continues apace. Geopolitical uncertainty and economic fragmentation are creating complexity, but they are also creating new and diversified opportunities.

These trends play to our strengths.

We operate at the intersection of trade, investment and wealth flows, connecting clients across some of the world's most dynamic markets. As the global economy evolves, the value of our international network is increasingly clear.

Delivering our strategy

Against this backdrop, we delivered a record first-half performance.

Our performance reflects the strength of our franchise, the disciplined execution of our strategy and the investments we have made over many years. The choices we have made are delivering results.

We are growing where we have a clear competitive advantage: affluent clients, cross-border banking and network-led business.

In Wealth & Retail Banking, Wealth Solutions income increased by 38 per cent year-on-year, driven by strong client engagement, net new money growth and continued momentum in client acquisition.

In Corporate & Investment Banking, clients continued to turn to us for financing, transaction services and risk management solutions as trade and investment flows evolved. Network income represented 67 per cent of CIB income, while Global Banking income increased by 19 per cent year-on-year.

The Bank today is stronger, more focused and better positioned for growth than it was a decade ago.

Building a simpler, faster bank

Technology is reshaping financial services. We are investing in data, digital platforms and artificial intelligence (AI) to improve client experience, increase productivity and strengthen resilience.

At the same time, we are simplifying the organisation, modernising infrastructure and removing complexity across the Group.

Our objective is straightforward: build a simpler, faster and more efficient bank.

Well positioned for what comes next

The drivers of our growth remain intact.

The expansion of private wealth, the reconfiguration of trade, growing cross-border capital flows and the digitisation of finance are long-term trends that are unlikely to reverse. They are trends for which we have been positioning the bank for over many years.

Our network is differentiated, our strategy is working and the opportunities ahead remain significant.

Our strong financial performance and the return of a further $1.0 billion to shareholders reflect both the progress we have made and our confidence in the future.

None of this would be possible without the extraordinary commitment of our colleagues around the world. Their focus on clients and relentless execution continue to make the difference.

We enter the second half with momentum, confidence and a clear sense of purpose.

Bill Winters
Group Chief Executive

29 July 2026

Group Chief Financial Officer's review

Summary of financial performance

All commentary that follows is on a reported basis and comparisons are made to the equivalent period in 2025 on a constant currency basis, unless otherwise stated. Refer to page 5 for comparisons on a reported basis.

We delivered a strong performance in the first half. Record operating income of $11.6 billion grew 6 per cent year-on-year (or 8 per cent excluding the prior-year Solv transaction gain), supported by robust client activity, high-quality volume growth and disciplined execution. Operating expenses increased 1 per cent year-on-year, reflecting continued investment in priority growth initiatives, partly offset by efficiency savings. This resulted in improved operating leverage with positive income-to-cost jaws of 5 per cent. Credit impairment increased to $446 million, equivalent to an annualised loan-loss rate of 26 basis points, including a $234 million management overlay for Middle East-related exposures. Reported profit before tax was $4.8 billion, up 9 per cent year-on-year, resulting in an increase in earnings per share by 17 per cent to 151.6 cents.

The Group remains strongly capitalised and highly liquid. The liquidity coverage ratio of 148 per cent reflects disciplined balance sheet management. The Common Equity Tier 1 (CET1) ratio was 14.2 per cent, with profit accretion in the first-half funding shareholder distributions and growth in risk-weighted assets (RWA). This has enabled the Board to announce an interim ordinary dividend of 20.4 cents per share, up 66 per cent, and a further $1 billion share buyback programme, commencing imminently. This follows the $1.5 billion share buyback executed in the first half of the year.

Adjusted net interest income (NII)[1] increased by 4 per cent, as the benefit from higher volumes and improved balance sheet mix was partly offset by the impact of lower interest rates.

Adjusted non-interest income[1] grew by 8 per cent or 13 per cent excluding the prior year Solv transaction gain, driven by Wealth Solutions and strong growth in Global Banking. Wealth Solutions delivered record income, supported by broad-based performance across geographies and products, while Global Banking benefited from higher origination volumes and increased Capital Markets activity.

Operating expenses remained well controlled, increasing by 1 per cent year-on-year, or 2 per cent excluding the $74 million provision release relating to Korea Equity Linked Securities (ELS), which is classified as a notable item. The underlying increase reflects targeted investments in Wealth & Retail Banking (WRB) and Corporate & Investment Banking (CIB) growth initiatives which were partly offset by efficiency savings and lower legal costs.

Credit impairment charge of $446 million was up $110 million year-on-year, driven by $234 million of management overlays relating to the Middle East conflict. This was partly offset by recoveries and releases in CIB and portfolio de-risking actions in WRB.

Losses from associates and joint ventures totalled $17 million, reflecting our share of losses in certain minority investments.

Taxation was $1.1 billion with an effective tax rate of 23.3 per cent, down 0.8 per cent on the prior year, primarily due to improved UK profitability and lower non-deductible expenses.

RoTE strengthened to 17.6 per cent, up 120 basis points, reflecting higher reported profits, partly offset by higher average tangible equity and an increase in AT1 coupon costs following issuances.

Basic earnings per share (EPS) increased by 17 per cent to 152 cents, reflecting both the increase in profits and the reduction in share count following the execution of successive share buyback programmes.

Manus Costello
Group Chief Financial Officer

29 July 2026

1 Net interest income and non-interest income are adjusted for trading book funding cost, treasury currency management activities, interest from cash collateral from trading businesses and from prime services activities. The reconciliation of adjusted and reported amounts of net interest income and non-interest income is on page 5

Group Chief Financial Officer's review

Financial performance summary

	H1'26 $million	H1'25[1] $million	Change %	Constant currency change[2] %	Q2'26 $million	Q2'25[1] $million	Change %	Constant currency change[2] %	Q1'26 $million	Change %	Constant currency change[2] %
Adjusted net interest income	**5,740**	5,499	4	4	**2,871**	2,702	6	7	2,869	–	1
Adjusted non-interest income	**5,864**	5,407	8	8	**2,831**	2,825	–	–	3,033	(7)	(6)
Operating income	**11,604**	10,906	6	6	**5,702**	5,527	3	3	5,902	(3)	(3)
Operating expenses	**(6,336)**	(6,247)	(1)	(1)	**(3,196)**	(3,201)	–	–	(3,140)	(2)	(3)
Operating profit before impairment and taxation	**5,268**	4,659	13	13	**2,506**	2,326	8	7	2,762	(9)	(9)
Credit impairment	**(446)**	(336)	(33)	(29)	**(150)**	(119)	(26)	(22)	(296)	49	48
Other impairment	**(21)**	(19)	(11)	(5)	**(19)**	(4)	nm	nm	(2)	nm	nm
(Loss)/Profit from associates and joint ventures	**(17)**	79	(122)	(122)	**(3)**	77	(104)	(104)	(14)	79	79
Profit before taxation	**4,784**	4,383	9	9	**2,334**	2,280	2	2	2,450	(5)	(4)
Taxation	**(1,113)**	(1,057)	(5)	(5)	**(573)**	(546)	(5)	(6)	(540)	(6)	(7)
Profit for the period	**3,671**	3,326	10	10	**1,761**	1,734	2	1	1,910	(8)	(7)
Return on tangible equity (%)[3]	**17.6**	16.4	120		**17.9**	17.9	–		17.4	50	
Basic earnings per share (cents)	**151.6**	129.1	17		**77.4**	72.5	7		74.2	4	

1 Comparatives have been re-presented in accordance with the RNS titled 'Re-presentation of Financial Information' issued on 25 March 2026
2 Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods
3 Change is the basis points (bps) difference between the two periods rather than the percentage change

Net interest income and non-interest income

	H1'26			H1'25		
	Adjusted[1] $million	Adjustment for Trading book funding cost and others $million	Reported $million	Adjusted[1] $million	Adjustment for Trading book funding cost and others $million	Reported $million
Net interest income	**5,740**	**(2,739)**	**3,001**	5,499	(2,455)	3,044
Non-interest income	**5,864**	**2,739**	**8,603**	5,407	2,455	7,862
Operating income	**11,604**	**–**	**11,604**	10,906	–	10,906

	Q2'26			Q1'26			Q2'25		
	Adjusted[1] $million	Adjustment for Trading book funding cost and others $million	Reported $million	Adjusted[1] $million	Adjustment for Trading book funding cost and others $million	Reported $million	Adjusted[1] $million	Adjustment for Trading book funding cost and others $million	Reported $million
Net interest income	**2,871**	**(1,401)**	**1,470**	2,869	(1,338)	1,531	2,702	(1,239)	1,463
Non-interest income	**2,831**	**1,401**	**4,232**	3,033	1,338	4,371	2,825	1,239	4,064
Operating income	**5,702**	**–**	**5,702**	5,902	–	5,902	5,527	–	5,527

1 Adjusted net interest income and adjusted non-interest income reflect specified reclassification between reported net interest income and reported non-interest income, including trading book funding cost, treasury currency management activities, interest from cash collateral from trading businesses and from prime services activities

Financial review

Operating income by product

	H1'26 $million	H1'25[1] $million	Change %	Constant currency change[2] %	Q2'26 $million	Q2'25[1] $million	Change %	Constant currency change[2] %	Q1'26 $million	Change %	Constant currency change[2] %
Transaction Services	**3,054**	3,000	2	1	**1,542**	1,471	5	5	1,512	2	2
Payments & Liquidity	**2,084**	2,078	–	–	**1,047**	1,015	3	3	1,037	1	1
Securities & Prime Services	**359**	309	16	17	**182**	158	15	16	177	3	2
Trade & Working Capital	**611**	613	–	(2)	**313**	298	5	4	298	5	6
Global Banking	**1,314**	1,094	20	19	**651**	548	19	18	663	(2)	(1)
Lending & Financial Solutions	**1,057**	926	14	13	**546**	476	15	14	511	7	7
Capital Markets & Advisory	**257**	168	53	54	**105**	72	46	47	152	(31)	(30)
Global Markets	**2,306**	2,357	(2)	(2)	**1,116**	1,175	(5)	(5)	1,190	(6)	(6)
Wealth Solutions	**2,107**	1,520	39	38	**1,064**	742	43	43	1,043	2	3
Investment Products	**1,627**	1,104	47	46	**849**	544	56	56	778	9	10
Bancassurance	**480**	416	15	15	**215**	198	9	9	265	(19)	(18)
Deposits & Mortgages	**2,049**	2,026	1	1	**1,032**	1,004	3	3	1,017	1	2
CCPL & Other Unsecured Lending	**577**	582	(1)	(2)	**281**	313	(10)	(10)	296	(5)	(4)
Treasury & Other	**197**	327	(40)	(39)	**16**	274	(94)	(91)	181	(91)	(86)
Total operating income	**11,604**	10,906	6	6	**5,702**	5,527	3	3	5,902	(3)	(3)

1 Comparatives have been re-presented in accordance with the RNS titled 'Re-presentation of Financial Information' issued on 25 March 2026
2 Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods

The operating income by product commentary that follows is on a reported basis and comparisons are made to the equivalent period in 2025 on a constant currency basis, unless otherwise stated.

Transaction Services income increased by 1 per cent year-on-year, led by strong growth in Securities & Prime Services partly offset by lower Trade & Working Capital income. Payments & Liquidity income was broadly stable, with liability growth and fee momentum offset by the impact of lower rates. Trade & Working Capital income declined by 2 per cent year-on-year due to capital optimisation actions, offset by higher volumes and fee growth. Securities & Prime Services income grew by 17 per cent, driven by higher custody balances and client volumes, partly moderated by ongoing interest rate headwinds.

Global Banking income grew by 19 per cent. Lending & Financial Solutions income increased by 13 per cent as improved deal completion led to higher origination and distribution volumes. Capital Markets & Advisory fee income grew by 54 per cent on the back of higher bond issuance fees and M&A activity.

Global Markets income declined by 2 per cent. Flow income maintained strong momentum, up 17 per cent year-on-year, supported by higher FX activity, digital-led volumes and Credit Trading, as we continued to capture market opportunities across our footprint. This was more than offset by softer episodic income against a strong prior-year comparator.

Wealth Solutions delivered a record half-year performance, with income up by 38 per cent, supported by broad-based momentum across products and geographies. Investment Products rose 46 per cent and Bancassurance grew 15 per cent, while affluent net-new money reached a record $33 billion, driven by higher Wealth Sales and strong new-to-bank affluent client onboarding.

Deposits & Mortgages income was up by 1 per cent year-on-year, as volume growth from both mortgages and deposits more than offset the headwind from lower interest rates.

Credit Cards and Personal Loans (CCPL) & Other Unsecured Lending income was down by 2 per cent mainly on account of portfolio optimisation initiatives leading to the run-down or exit of select off-strategy portfolios partly offset by continued growth in client numbers and volumes within the Digital Banks.

Treasury & Other decreased by $130 million, with higher yields from the structural hedge and interest accretive mix changes within Treasury more than offset by the non-repeat of prior year Solv transaction gain within SC Ventures.

Financial review

Profit before tax by client segment

	H1'26 $million	H1'25[1] $million	Change %	Constant currency change[2] %	Q2'26 $million	Q2'25[1] $million	Change %	Constant currency change[2] %	Q1'26 $million	Change %	Constant currency change[2] %
Corporate & Investment Banking	**3,237**	3,296	(2)	(2)	**1,510**	1,630	(7)	(8)	1,727	(13)	(13)
Wealth & Retail Banking	**1,989**	1,222	63	61	**1,008**	572	76	74	981	3	3
Central & other items	**(442)**	(135)	nm	(189)	**(184)**	78	nm	nm	(258)	29	32
Profit before taxation	**4,784**	4,383	9	9	**2,334**	2,280	2	2	2,450	(5)	(4)

1 Comparatives have been re-presented in accordance with the RNS titled 'Re-presentation of Financial Information' issued on 25 March 2026
2 Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods

The client segment commentary that follows is on a reported basis and comparisons are made to the equivalent period in 2025 on a constant currency basis, unless otherwise stated.

Corporate & Investment Banking (CIB) profit before taxation declined by 2 per cent. Income grew by 4 per cent, with a strong Global Banking performance and 1 per cent growth in Transaction Services, partly offset by a 2 per cent decline in Global Markets. Expenses were 5 per cent higher, reflecting the impact of strategic hiring, additional marketing and investment spend. The credit impairment charge of $150 million was up $160 million primarily from non-repeat of prior year releases combined with management overlays relating to the Middle East conflict.

Wealth & Retail Banking (WRB) delivered a record performance, with profit before taxation increasing by 61 per cent, supported by a 15 per cent rise in income led by a strong performance in Wealth Solutions. Expenses were 1 per cent lower on a headline basis, as continued investment in affluent business growth initiatives and digital capabilities was partly funded by efficiency savings and provision releases. The credit impairment charge was $296 million, $57 million lower than the prior year, reflecting the benefit of portfolio de-risking actions, partly offset by management overlays.

Central & other items (C&O) recorded a loss before tax of $442 million, a $307 million increase in losses compared to prior year, mainly from lower Ventures income reflecting the non-repeat of Solv India gains combined with losses in associates.

Adjusted net interest income and margin

	H1'26 $million	H1'25 $million	Change[1] %	Q2'26 $million	Q2'25 $million	Change[1] %	Q1'26 $million	Change[1] %
Net interest income	**3,001**	3,044	(1)	**1,470**	1,463	–	1,531	(4)
Adjustment for trading book funding cost and others	**2,739**	2,455	12	**1,401**	1,239	13	1,338	5
Adjusted net interest income[2]	**5,740**	5,499	4	**2,871**	2,702	6	2,869	–
Average interest-earning assets[3]	**567,017**	541,385	5	**567,122**	546,709	4	566,911	–
Average interest-bearing liabilities[3]	**616,202**	564,056	9	**619,192**	571,401	8	613,179	1
Gross yield (%)[4]	**4.27**	4.75	(48)	**4.23**	4.61	(38)	4.31	(8)
Rate paid (%)[4]	**2.05**	2.59	54	**2.02**	2.51	49	2.09	7
Net yield (%)[4]	**2.22**	2.16	6	**2.21**	2.10	11	2.22	(1)
Net interest margin (%)[4,5]	**2.04**	2.05	(1)	**2.03**	1.98	5	2.05	(2)

1 Variance is better/(worse), other than assets and liabilities which is increase/(decrease)
2 Adjusted net interest income is net interest income less FX swap accounting asymmetry, as well as the funding costs adjustment for the trading book, cash collateral and prime services
3 Average interest-earning assets and interest-bearing liabilities are adjusted for cash collateral balances in other assets and other liabilities that are related to the Global Markets trading book
4 Change is the basis points (bps) difference between the two periods rather than the percentage change
5 Adjusted net interest income divided by average interest-earning assets, annualised

Adjusted net interest income increased by 4 per cent year-on-year. The benefit from higher volumes and improved mix was partly offset by the impact of lower interest rates. The net interest margin was 1 basis point lower at 204 basis points, as the impact of lower gross asset yields was offset by a lower rate paid on liabilities reflecting disciplined liability pricing.

Compared with the prior quarter, adjusted net interest income was stable, with volume growth, improved balance sheet mix and benefit from day count partly offset by rates and margin headwinds and impact of WRB portfolio actions, which resulted in a 2 basis point decline in the net interest margin.

Average interest-earning assets increased by 5 per cent year-on-year to $567 billion, supported by growth in Wealth Lending within WRB and Global Banking origination and distribution volumes within CIB. Gross yields declined by 48 basis points year-on-year, from the impact of the lower interest rate environment.

Average interest-bearing liabilities grew by 9 per cent year-on-year, driven by strong growth in customer accounts. The rate paid on liabilities reduced by 54 basis points, reflecting the benefit of interest rate movements, disciplined pricing management and improved liability mix.

Credit risk summary

Income statement view

	H1'26 $million	H1'25[2] $million	Change[1] %	Q2'26 $million	Q2'25[2] $million	Change[1] %	Q1'26 $million	Change[1] %
Total credit impairment charge/(release)[2]	**446**	336	33	**150**	119	26	296	(49)
Of which stage 1 and 2	**234**	177	32	**24**	66	(64)	210	(89)
Of which stage 3	**212**	159	33	**126**	53	138	86	47

1 Variance is increase/(decrease) comparing current reporting period to prior reporting period
2 Comparatives have been re-presented and underlying results are no longer reported, in accordance with the RNS titled 'Re-presentation of Financial Information' issued on 25 March 2026

Balance sheet

	30.06.26 $million	31.03.26 $million	Change[1] %	31.12.25 $million	Change[1] %	30.06.25 $million	Change[1] %
Gross loans and advances to customers[2]	**303,415**	297,639	2	290,849	4	291,811	4
Of which stage 1	**283,953**	280,670	1	275,062	3	273,155	4
Of which stage 2	**13,757**	11,154	23	9,823	40	12,520	10
Of which stage 3	**5,705**	5,815	(2)	5,964	(4)	6,136	(7)
Expected credit loss provisions	**(4,136)**	(4,078)	1	(4,061)	2	(5,080)	(19)
Of which stage 1	**(515)**	(544)	(5)	(528)	(2)	(553)	(7)
Of which stage 2	**(489)**	(463)	6	(446)	10	(465)	5
Of which stage 3	**(3,132)**	(3,071)	2	(3,087)	1	(4,062)	(23)
Net loans and advances to customers	**299,279**	293,561	2	286,788	4	286,731	4
Of which stage 1	**283,438**	280,126	1	274,534	3	272,602	4
Of which stage 2	**13,268**	10,691	24	9,377	41	12,055	10
Of which stage 3	**2,573**	2,744	(6)	2,877	(11)	2,074	24
Cover ratio of stage 3 before/after collateral (%)[3]	**55/72**	53/70	2/2	52/68	3/4	66/82	(11)/(10)
Credit grade 12 accounts ($million)	**1,160**	1,102	5	1,111	4	2,095	(45)
Early alerts ($million)[4]	**5,839**	5,020	16	4,303	36	4,485	30
Investment-grade corporate exposures (%)[3]	**75**	74	1	74	1	75	–

1 Variance is increase/(decrease) comparing current reporting period to prior reporting period
2 Includes reverse repurchase agreements and other similar secured lending held at amortised cost of $7,395 million (31 March 2026: $4,602 million; 31 December 2025: $8,242 million and 30 June 2025: $4,189 million)
3 Change is the percentage points difference between the two points rather than the percentage change
4 Includes non-purely precautionary early alert balances

Asset quality remained resilient in the first half. The Group continues to actively manage the credit portfolio while remaining alert to a volatile and challenging external environment, including the Middle East conflict, energy and commodity price volatility and trade uncertainty, which has led to idiosyncratic stress in a select number of geographies and industry sectors.

The credit impairment charge of $446 million was up $110 million year-on-year, including $234 million of management overlays relating to the Middle East conflict. The first half charge is equivalent to an annualised loan-loss rate of 26 basis points.

Financial review

The non-linearity impact increased from the inclusion of a new downside scenario, in addition to the existing Bank Capital Stress test scenario. This new scenario considers a prolonged geopolitical crisis in the Middle East, leading to sustained disruptions in energy supply and elevated global commodity prices, alongside higher downside probability weightings as the likelihood of these scenarios materialising increased. This reflects an increased probability weighting of the two downside scenarios from 41 per cent as at 31 December 2025 to 60 per cent while the base forecast probability weighting reduced from 59 per cent as at 31 December 2025 to 40 per cent (see page 28). In addition, we have taken overlays in relation to the petrochemical sector, selected WRB portfolios being assessed as particularly vulnerable to Middle East-related disruption and for potential sovereign downgrades.

In CIB, there was a net $150 million charge, up $160 million over the prior year, as the increase from management overlays totalling $170 million were partially offset by continued stage 3 net releases. WRB charges of $296 million were $57 million lower with the impact of targeted overlays and portfolio-specific actions more than offset by the benefits from disciplined credit actions and ongoing de-risking initiatives.

Gross stage 3 loans and advances to customers have reduced by $0.3 billion to $5.7 billion since 31 December 2025, with repayments, client upgrades, reduction in exposures and write-offs more than offsetting new inflows. Credit-impaired loans remained broadly stable at around 1.9 per cent of gross loans. The stage 2 balances increased by $3.9 billion since 31 December 2025, primarily due to stage transfers of exposures impacted by the management overlays relating to the conflict in the Middle East.

The stage 3 cover ratio of 55 per cent increased by 3 percentage points since 31 December 2025, while the post-collateral cover ratio increased by 4 percentage point to 72 per cent, as gross stage 3 balances decreased more than the reduction in stage 3 provisions.

Credit grade 12 balances stood at $1.2 billion, a 4 per cent increase since 31 December 2025. Early alert balances increased to $5.8 billion from $4.3 billion at 31 December 2025, mainly due to downgrades relating to the Middle East conflict, partly offset by other repayments and migrations. The Group continues to closely and carefully monitor exposures.

The proportion of investment-grade corporate exposures remained broadly stable at 75 per cent.

Balance sheet and liquidity

	30.06.26 $million	31.03.26 $million	Change[1] %	31.12.25 $million	Change[1] %	30.06.25 $million	Change[1] %
Assets							
Loans and advances to banks	**45,962**	44,289	4	43,901	5	42,386	8
Loans and advances to customers	**299,279**	293,561	2	286,788	4	286,731	4
Others[3]	**648,165**	635,057	2	589,266	10	584,819	11
Total assets	**993,406**	972,907	2	919,955	8	913,936	9
Liabilities							
Deposits by banks	**29,800**	28,819	3	30,846	(3)	30,883	(4)
Customer accounts	**552,644**	542,223	2	530,161	4	517,390	7
Others[4]	**355,069**	347,180	2	304,362	17	310,993	14
Total liabilities	**937,513**	918,222	2	865,369	8	859,266	9
Equity	**55,893**	54,685	2	54,586	2	54,670	2
Total equity and liabilities	**993,406**	972,907	2	919,955	8	913,936	9
Advances-to-deposits ratio (%)[2]	**50.9**	51.1		51.4		51.0	
Liquidity coverage ratio (%)	**148**	151		155		146	

1 Variance is increase/(decrease) comparing current reporting period to prior reporting periods
2 The Group excludes $8,649 million held with central banks (31 March 2026: $11,854 million, 31 December 2025: $8,474 million and 30 June 2025: $14,239 million) that has been confirmed as repayable at the point of stress. Advances exclude reverse repurchase agreement and other similar secured lending of $7,395 million (31 March 2026: $4,602 million, 31 December 2025: $8,243 million and 30 June 2025: $4,189 million) and include loans and advances to customers held at fair value through profit or loss of $11,054 million (31 March 2026: $11,590 million, 31 December 2025: $12,355 million and 30 June 2025: $8,119 million). Deposits include customer accounts held at fair value through profit or loss of $25,939 million (31 March 2026: $22,379 million, 31 December 2025: $19,414 million and 30 June 2025: $24,958 million)
3 Others includes all other assets other than loans and advances to banks and loans and advances to customers
4 Others includes all other liabilities other than deposits by banks and customer accounts

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

Loans and advances to customers increased to $299 billion, up $12 billion, or 4 per cent, from 31 December 2025, reflecting continued client growth across CIB and WRB. Excluding the $5 billion reduction from currency translation and a $1 billion increase from Treasury and securities-based loans held to collect, the underlying growth was up $16 billion, or 6 per cent. The underlying growth was primarily driven by strong execution of the Global Banking pipeline in CIB, as well as sustained momentum in Wealth Lending and Mortgages in WRB, partly offset by optimisation initiatives regarding off-strategy unsecured lending portfolios.

Customer accounts of $553 billion increased by $22 billion, or 4 per cent, from 31 December 2025. Excluding the $5 billion reduction from currency translation, customer accounts increased by $27 billion, or 5 per cent. This was supported by strong deposit momentum across CIB, with a $16 billion increase in Transaction Services, while WRB deposits grew across both Current and Savings Account (CASA) and term deposit, from targeted campaigns and a focus on attracting new to bank affluent clients and net new money.

Other assets increased by $59 billion, or 10 per cent, from 31 December 2025, with a $30 billion increase in financial assets held at fair value through profit or loss, with an increase of $16 billion in derivative financial instruments, a $16 billion increase in unsettled trades and other financial assets, and a $7 billion increase in cash and balances with central banks. This was partly offset by a $11 billion reduction in investment securities.

Other liabilities increased by 17 per cent, or $51 billion, from 31 December 2025, with a $17 billion increase in unsettled trades and other financial liabilities, a $15 billion increase in derivative financial instruments, a $10 billion increase in financial liabilities held at fair value through profit or loss, a $7 billion increase in debt securities in issue and a $4 billion increase in cash collateral. This was partly offset by a decrease of $3 billion in repurchase agreements and other similar secured borrowing.

The advances-to-deposits ratio decreased to 50.9 per cent from 51.4 per cent as at 31 December 2025. The point-in-time liquidity coverage ratio decreased 7 percentages points in the first half to 148 per cent and remains well above the minimum regulatory requirement of 100 per cent.

Risk-weighted assets (RWAs)

	30.06.26 $million	31.03.2026 $million	Change[1] %	31.12.25 $million	Change[1] %	30.06.25 $million	Change[1] %
By risk type							
Credit risk	**194,082**	197,432	(2)	192,145	1	191,348	1
Operational risk	**35,111**	35,111	–	35,223	–	32,578	8
Market risk	**32,258**	33,643	(4)	30,663	5	35,758	(10)
Total RWAs	**261,451**	266,186	(2)	258,031	1	259,684	1

1 Variance is increase/(decrease) comparing current reporting period to prior reporting periods

Total risk-weighted assets of $261.5 billion increased by $3.4 billion or 1 per cent from 31 December 2025:

- Credit risk RWA at $194.1 billion increased by $1.9billion as compared with 31 December 2025. The increase was driven by asset growth and mix of $8.9 billion, primarily in CIB, and a $0.4 billion increase from methodology and asset quality changes. This was partly offset by a $2 billion reduction from currency translation and a $5.4 billion reduction from continued optimisation initiatives.
- Operational risk RWA remained unchanged as the Group is now performing the annual operational risk RWA computation in the fourth quarter of the year.
- Market risk RWA increased by $1.6 billion to $32.3 billion, driven by higher Value-at-Risk of $1.2 billion reflecting elevated market volatility during the period, and Specific Interest Rate Risk of $1.3 billion, primarily from an increase in positions in the Credits and Rates businesses of $0.7 billion and $0.5 billion respectively. This was partially offset by the Structural FX position of $0.9 billion due to increased hedging activity.

Capital base and ratios

	30.06.26 $million	31.03.2026 $million	Change[1] %	31.12.25 $million	Change[1] %	30.06.25 $million	Change[1] %
CET1 capital	**37,003**	35,616	4	36,440	2	37,260	(1)
Additional Tier 1 capital (AT1)	**9,085**	8,091	12	7,509	21	6,517	39
Tier 1 capital	**46,088**	43,707	5	43,949	5	43,777	5
Tier 2 capital	**9,076**	9,052	–	9,278	(2)	9,504	(5)
Total capital	**55,164**	52,759	5	53,227	4	53,281	4
CET1 capital ratio (%)[2]	**14.2**	13.4	77	14.1	3	14.3	(20)
Total capital ratio (%)[2]	**21.1**	19.8	128	20.6	47	20.5	58
Leverage ratio (%)[2]	**4.7**	4.6	11	4.7	1	4.7	1

1 Variance is increase/(decrease) comparing current reporting period to prior reporting periods
2 Change is percentage points difference between two points rather than percentage change

The Group's CET1 ratio of 14.2 per cent was 3 basis points higher compared with the ratio as at 31 December 2025 and remains 3.9 percentage points above the Group's latest regulatory minimum CET1 requirement. Strong profit accretion was largely offset by shareholder distributions and an increase in RWAs.

The 142 basis points of CET1 accretion from profits was offset by a 33 basis point impact from an increase in RWA, and a 17 basis point reduction from other comprehensive income from fair value gains, regulatory capital adjustments and FX impact.

The Group announced a share buyback programme on 24 February 2026 which was completed by 24 June 2026. The Group spent $1.5 billion purchasing 62.8 million ordinary shares of $0.50 each, representing a volume weighted average price per share of £17.8. These shares were subsequently cancelled, reducing the total issued share capital by 2.8 per cent, and the CET1 ratio by 58 basis points.

The Group is accruing a provisional interim 2026 ordinary share dividend, which is calculated formulaically at one-third of the ordinary dividend paid in 2025, or 20.4 cents a share. This, combined with payments due to AT1 and preference shareholders, reduced the CET1 ratio by 30 basis points.

The Board has decided to carry out a share buyback commencing imminently for up to a maximum consideration of $1.0 billion to reduce further the number of ordinary shares in issue by cancelling the repurchased shares. The terms of the buyback will be announced, and it is expected to reduce the Group's CET1 ratio in the third quarter of 2026 by 38 basis points.

The Group's leverage ratio stayed broadly stable at 4.7 per cent versus 31 December 2025, as the benefit from an increase in CET1 capital was supplemented by $1.6 billion of Additional Tier 1 capital issuance in the first half enabling a $43 billion increase in leverage exposures. The ratio remains comfortably above the Group's minimum requirement of 3.7 per cent.

Supplementary financial information

Performance by client segment

	H1'26				H1'25[1]			
	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Central & other items $million	Total $million	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Central & other items $million	Total $million
Operating income	6,901	4,925	(222)	11,604	6,592	4,236	78	10,906
External	6,737	2,515	2,352	11,604	6,326	1,908	2,672	10,906
Inter-segment	164	2,410	(2,574)	–	266	2,328	(2,594)	–
Operating expenses	(3,511)	(2,632)	(193)	(6,336)	(3,306)	(2,651)	(290)	(6,247)
Operating profit/(loss) before impairment losses and taxation	3,390	2,293	(415)	5,268	3,286	1,585	(212)	4,659
Credit impairment	(150)	(296)	–	(446)	10	(353)	7	(336)
Other impairment	(3)	(8)	(10)	(21)	–	(10)	(9)	(19)
(Loss)/Profit from associates and joint ventures	–	–	(17)	(17)	–	–	79	79
Profit/(loss) before taxation	3,237	1,989	(442)	4,784	3,296	1,222	(135)	4,383
Total assets	588,444	139,041	265,921	993,406	512,736	135,740	265,460	913,936
Loans and advances to customers (incl FVTPL)[2]	216,485	131,880	16,945	365,310	204,812	128,267	17,539	350,618
Loans and advances to customers (excl FVTPL)[2]	150,492	131,878	16,909	299,279	140,930	128,262	17,539	286,731
Total liabilities	546,415	271,800	119,298	937,513	507,546	250,464	101,256	859,266
Customer accounts (incl FVTPL)	334,715	267,507	6,988	609,210	332,952	246,330	2,851	582,133
Risk-weighted assets	185,312	57,401	18,738	261,451	181,880	58,770	19,034	259,684
Income return on risk-weighted assets (%)	7.5	17.2	(2.0)	8.8	7.5	14.8	0.7	8.6
Return on tangible equity (%)	17.3	35.9	(30.1)	17.6	18.6	21.1	(9.4)	16.4
Cost-to-income ratio (%)	50.9	53.4	nm	54.6	50.2	62.6	nm	57.3

1 Comparatives have been re-presented in accordance with the RNS titled 'Re-presentation of Financial Information' issued on 25 March 2026
2 FVTPL includes reverse repurchase agreements of H1'26: $54,977 million and H1'25: $55,768 million

Supplementary financial information

All commentary that follows is on a reported basis and comparisons are made to the equivalent period in 2025 on a constant currency basis, unless otherwise stated.

Corporate & Investment Banking

	H1'26 $million	H1'25[1] $million	Change[2] %	Constant currency change[2,3] %	Q2'26 $million	Q2'25[1] $million	Change[2] %	Constant currency change[2,3] %	Q1'26 $million	Change[2] %	Constant currency change[2,3] %
Transaction Services	**3,054**	3,000	2	1	**1,542**	1,471	5	5	1,512	2	2
Payments & Liquidity	**2,084**	2,078	–	–	**1,047**	1,015	3	3	1,037	1	1
Securities & Prime Services	**359**	309	16	17	**182**	158	15	16	177	3	2
Trade & Working Capital	**611**	613	–	(2)	**313**	298	5	4	298	5	6
Global Banking	**1,314**	1,094	20	19	**651**	548	19	18	663	(2)	(1)
Lending & Financial Solutions	**1,057**	926	14	13	**546**	476	15	14	511	7	7
Capital Market & Advisory	**257**	168	53	54	**105**	72	46	47	152	(31)	(30)
Global Markets	**2,306**	2,357	(2)	(2)	**1,116**	1,175	(5)	(5)	1,190	(6)	(6)
Treasury & Other	**227**	141	61	56	**40**	81	(51)	(53)	187	(79)	(79)
Operating income	**6,901**	6,592	5	4	**3,349**	3,275	2	2	3,552	(6)	(5)
Operating expenses	**(3,511)**	(3,306)	(6)	(5)	**(1,797)**	(1,682)	(7)	(8)	(1,714)	(5)	(6)
Operating profit before impairment losses and taxation	**3,390**	3,286	3	3	**1,552**	1,593	(3)	(3)	1,838	(16)	(15)
Credit impairment	**(150)**	10	nm	nm	**(39)**	39	nm	nm	(111)	65	63
Other impairment	**(3)**	–	nm	nm	**(3)**	(1)	nm	nm	–	nm	nm
Profit from associates and joint ventures	**–**	–	nm	nm	**–**	(1)	100	100	–	nm	nm
Profit before taxation	**3,237**	3,296	(2)	(2)	**1,510**	1,630	(7)	(8)	1,727	(13)	(13)
Total assets	**588,444**	512,736	15	15	**588,444**	512,736	15	15	582,361	1	1
Loans and advances to customers (incl FVTPL)[6]	**216,485**	204,812	6	6	**216,485**	204,812	6	6	210,781	3	3
Loans and advances to customers (excl FVTPL)[6]	**150,492**	140,930	7	–	**150,492**	140,930	7	–	146,985	2	–
Total liabilities	**546,415**	507,546	8	9	**546,415**	507,546	8	9	541,130	1	1
Customer accounts (incl FVTPL)	**334,715**	332,952	1	1	**334,715**	332,952	1	1	326,587	2	2
Risk-weighted assets	**185,312**	181,880	2	nm	**185,312**	181,880	2	nm	190,559	(3)	nm
Income return on risk-weighted assets (%)[4]	**7.5**	7.5	–	nm	**7.2**	7.3	(10)bps	nm	7.7	(50)bps	nm
Return on tangible equity (%)[4]	**17.3**	18.6	(130)bps	nm	**15.8**	18.5	(270)bps	nm	18.9	(310)bps	nm
Cost-to-income ratio (%)[5]	**50.9**	50.2	(0.7)	(0.6)	**53.7**	51.4	(2.3)	(2.6)	48.3	(5.4)	(5.5)

1 Comparatives have been re-presented in accordance with the RNS titled 'Re-presentation of Financial Information' issued on 25 March 2026
2 Variance is better/(worse), other than risk-weighted assets, assets and liabilities, which is increase/(decrease)
3 Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods
4 Change is the basis points (bps) difference between the two periods rather than the percentage change
5 Change is the percentage points difference between the two periods rather than the percentage change
6 FVTPL includes reverse repurchase agreements of H1'26: $54,977 million and H1'25: $55,768 million

Percentage changes are shown on a constant currency basis versus the equivalent period in 2025 unless otherwise stated.

Performance highlights

- Profit before tax of $3,237 million decreased by 2 per cent year-on-year as higher income was offset by higher credit impairment (due to Middle East conflict related management overlays) and higher operating expenses.
- Operating income of $6,901 million increased by 4 per cent primarily driven by strong performance in Global Banking, which delivered double-digit growth of 19 per cent in H1, on the back of growth in loan origination volumes and strong debt capital markets activity, reflecting effective execution of the deal pipeline.
- Transaction Services increased by 1 per cent, driven by growth in Securities & Prime Services, up 17 per cent supported by higher custody balances and client volumes. Payments & Liquidity was flat year-on-year, with liability growth, fee momentum and disciplined pass-through rate management offset by lower rates. Trade & Working Capital income declined by 2 per cent, reflecting portfolio optimisation actions partially offset by higher capital-light unfunded exposure.
- Global Markets declined by 2 per cent. Flow income grew by 17 per cent year-on-year driven by strong client activity across products, as we continued to capture market opportunities across our footprint, but this was offset by softer episodic income against a stronger prior-year comparator.
- Operating expenses increased by 5 per cent, largely due to investment in strategic growth initiatives.
- Credit impairment was a net charge of $150 million driven largely by management overlays relating to the conflict in the Middle East.
- RWAs of $185.3 billion increased $9.5 billion since 31 December 2025, with higher credit and market RWA. Credit RWA increased due to business growth, while market RWA reflected higher market activity and inventory levels compared with the seasonally lower levels typically observed at year-end.

Supplementary financial information

Wealth & Retail Banking

	H1'26 $million	H1'25[1] $million	Change[2] %	Constant currency change[2,3] %	Q2'26 $million	Q2'25[1] $million	Change[2] %	Constant currency change[2,3] %	Q1'26 $million	Change[2] %	Constant currency change[2,3] %
Wealth Solutions	**2,107**	1,520	39	38	**1,064**	742	43	43	1,043	2	3
Investment Products	**1,627**	1,104	47	46	**849**	544	56	56	778	9	10
Bancassurance	**480**	416	15	15	**215**	198	9	9	265	(19)	(18)
Deposits & Mortgages	**2,049**	2,026	1	1	**1,032**	1,004	3	3	1,017	1	2
CCPL & Other Unsecured Lending	**577**	582	(1)	(2)	**281**	313	(10)	(10)	296	(5)	(4)
Treasury & Other	**192**	108	78	66	**92**	37	149	130	100	(8)	(7)
Operating income	**4,925**	4,236	16	15	**2,469**	2,096	18	18	2,456	1	1
Operating expenses	**(2,632)**	(2,651)	1	1	**(1,337)**	(1,360)	2	1	(1,295)	(3)	(4)
Operating profit before impairment losses and taxation	**2,293**	1,585	45	43	**1,132**	736	54	52	1,161	(2)	(2)
Credit impairment	**(296)**	(353)	16	17	**(116)**	(165)	30	30	(180)	36	35
Other impairment	**(8)**	(10)	20	20	**(8)**	1	nm	nm	–	nm	nm
Profit before taxation	**1,989**	1,222	63	61	**1,008**	572	76	74	981	3	3
Total assets	**139,041**	135,740	2	6	**139,041**	135,740	2	6	136,663	2	2
Loans and advances to customers (incl FVTPL)	**131,880**	128,267	3	7	**131,880**	128,267	3	7	129,895	2	2
Loans and advances to customers (excl FVTPL)	**131,878**	128,262	3	–	**131,878**	128,262	3	–	129,892	2	–
Total liabilities	**271,800**	250,464	9	10	**271,800**	250,464	9	10	266,791	2	2
Customer accounts (incl FVTPL)	**267,507**	246,330	9	10	**267,507**	246,330	9	10	262,505	2	2
Risk-weighted assets	**57,401**	58,770	(2)	nm	**57,401**	58,770	(2)	nm	57,881	(1)	nm
Income return on risk-weighted assets (%)[4]	**17.2**	14.8	240bps	nm	**17.3**	14.7	260bps	nm	17.0	30bps	nm
Return on tangible equity (%)[4]	**35.9**	21.1	1,480bps	nm	**36.6**	20.1	1,650bps	nm	35.1	150bps	nm
Cost-to-income ratio (%)[5]	**53.4**	62.6	9.2	9.1	**54.2**	64.9	10.7	10.3	52.7	(1.5)	(1.5)

1 Comparatives have been re-presented in accordance with the RNS titled 'Re-presentation of Financial Information' issued on 25 March 2026
2 Variance is better/(worse), other than risk-weighted assets, assets and liabilities, which is increase/(decrease)
3 Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods
4 Change is the basis points (bps) difference between the two periods rather than the percentage change
5 Change is the percentage points difference between the two periods rather than the percentage change

Performance highlights

- Profit before tax of $1,989 million, increased by 61 per cent, predominantly driven by higher operating income and lower credit impairment.
- Operating income of $4,925 million grew by 15 per cent, primarily driven by Wealth Solutions, which grew by 38 per cent. Wealth Solutions delivered a record half-year performance, supported by broad-based momentum across products and geographies. This performance was underpinned by $33 billion of affluent net new money and the acquisition of 150,000 new-to-bank clients in the first half of 2026. Deposits & Mortgages increased 1 per cent, as volume growth and proactive pricing actions were largely offset by lower interest rates. CCPL & Other Unsecured Lending declined by 2 per cent as portfolio optimisation initiatives were partly offset by growth in Digital banks.
- Operating expenses decreased by 1 per cent year-on-year. Excluding notable items, expenses increased 1 per cent, from continued investment in affluent business growth initiatives, including the strategic hiring of affluent relationship managers and uplifting digital capabilities. This was part-funded through efficiency initiatives on branches, off-strategy products and client segments. The notable item relates to the reversal of Korea equity-linked securities (ELS) related provisions.

Supplementary financial information

- The credit impairment charge decreased by 17 per cent to $296 million, primarily driven by optimisation actions in the unsecured lending portfolio, partly offset by management overlays relating to the conflict in the Middle East.
- RWAs reduced by $1.9 billion to $57.4 billion since December 2025, primarily reflecting optimisation actions from reducing Unsecured Lending portfolios, partially offset by growth in Wealth Lending and Mortgages balances.

Central & other items

	H1'26 $million	H1'25[1] $million	Change[2] %	Constant currency change[2,3] %	Q2'26 $million	Q2'25[1] $million	Change[2] %	Constant currency change[2,3] %	Q1'26 $million	Change[2] %	Constant currency change[2,3] %
Treasury & Other	**(222)**	78	nm	nm	**(116)**	156	(174)	(171)	(106)	(9)	3
Operating income	**(222)**	78	nm	nm	**(116)**	156	(174)	(171)	(106)	(9)	3
Operating expenses	**(193)**	(290)	33	35	**(62)**	(159)	61	61	(131)	53	51
Operating (loss)/profit before impairment losses and taxation	**(415)**	(212)	(96)	(82)	**(178)**	(3)	nm	nm	(237)	25	28
Credit impairment	**–**	7	(100)	(100)	**5**	7	(29)	25	(5)	nm	nm
Other impairment	**(10)**	(9)	(11)	–	**(8)**	(4)	(100)	(60)	(2)	nm	nm
(Loss)/Profit from associates and joint ventures	**(17)**	79	(122)	(122)	**(3)**	78	(104)	(104)	(14)	79	79
Profit/(loss) before taxation	**(442)**	(135)	nm	(189)	**(184)**	78	nm	nm	(258)	29	32
Total assets	**265,921**	265,460	–	2	**265,921**	265,460	–	2	253,883	5	5
Loans and advances to customers (incl FVTPL)	**16,945**	17,539	(3)	(1)	**16,945**	17,539	(3)	(1)	16,712	1	1
Loans and advances to customers (excl FVTPL)	**16,909**	17,539	(4)	–	**16,909**	17,539	(4)	–	16,684	1	–
Total liabilities	**119,298**	101,256	18	18	**119,298**	101,256	18	18	110,301	8	8
Customer accounts (incl FVTPL)	**6,988**	2,851	145	166	**6,988**	2,851	145	166	3,953	77	76
Risk-weighted assets	**18,738**	19,034	(2)	nm	**18,738**	19,034	(2)	nm	17,746	6	nm
Income return on risk-weighted assets (%)[4]	**(2.0)**	0.7	(270)bps	nm	**(2.1)**	2.8	(490)bps	nm	(2.0)	(10)bps	nm
Return on tangible equity (%)[4]	**(30.1)**	(9.4)	nm	nm	**(16.3)**	10.0	nm	nm	(43.9)	nm	nm
Cost-to-income ratio (%)[5]	**nm**	nm	nm	nm	**nm**	nm	nm	nm	nm	nm	nm
Memo items											
SC Ventures (SCV) income	**(23)**	232	(110)	(110)	**2**	232	(99)	(100)	(25)	108	104

1 Comparatives have been re-presented in accordance with the RNS titled 'Re-presentation of Financial Information' issued on 25 March 2026
2 Variance is better/(worse), other than risk-weighted assets, assets and liabilities, which is increase/(decrease)
3 Comparisons presented on the basis of the current period's transactional currency rate, ensuring like-for-like currency rates between the two periods
4 Change is the basis points (bps) difference between the two periods rather than the percentage change
5 Change is the percentage points difference between the two periods rather than the percentage change

Performance highlights

- Loss before taxation amounted to $442 million, declining by 189 per cent compared to prior year. The deterioration was predominantly driven by lower operating income and an increase in share of losses from associates and joint ventures, partially offset by lower operating expenses.
- Operating income declined year-on-year to a loss of $222 million, mainly driven by the non-repeat of the prior-year gain from the Solv India transaction of $238 million.
- Operating expenses decreased by 35 per cent to $193 million, driven by lower legal costs, reduced provisions for changes to statutory labour costs, together with the non-repeat of costs associated with the Solv India transaction.
- The loss from associates and joint ventures primarily relates to investments within SC Ventures, while the reduced profit year-on-year is mainly from the lower share of profits recognised from China Bohai Bank.

Supplementary financial information

Performance by key market

	H1'26										
	Hong Kong $million	Korea $million	China $million	Taiwan $million	Singapore $million	India $million	UAE $million	UK $million	US $million	Other $million	Group $million
Operating income	**3,000**	**641**	**537**	**340**	**1,585**	**816**	**610**	**1,246**	**608**	**2,221**	**11,604**
Operating expenses	**(1,258)**	**(299)**	**(438)**	**(174)**	**(1,007)**	**(401)**	**(323)**	**(699)**	**(398)**	**(1,339)**	**(6,336)**
Operating profit before impairment losses and taxation	**1,742**	**342**	**99**	**166**	**578**	**415**	**287**	**547**	**210**	**882**	**5,268**
Credit impairment	**(127)**	**(52)**	**2**	**–**	**(77)**	**5**	**(11)**	**(39)**	**(9)**	**(138)**	**(446)**
Other impairment	**(5)**	**–**	**–**	**–**	**(13)**	**(3)**	**1**	**–**	**–**	**(1)**	**(21)**
(Loss)/Profit from associates and joint ventures	**–**	**–**	**–**	**–**	**(5)**	**–**	**–**	**(4)**	**–**	**(8)**	**(17)**
Profit before taxation	**1,610**	**290**	**101**	**166**	**483**	**417**	**277**	**504**	**201**	**735**	**4,784**
Total assets employed	**229,358**	**56,970**	**54,944**	**22,149**	**128,324**	**33,538**	**19,836**	**278,861**	**68,745**	**100,681**	**993,406**
Loans and advances to customers (incl FVTPL)[2]	**96,296**	**28,471**	**13,771**	**11,750**	**68,527**	**12,825**	**8,699**	**61,513**	**28,292**	**35,166**	**365,310**
Loans and advances to customers (excl FVTPL)[2]	**79,231**	**28,469**	**12,935**	**11,562**	**65,160**	**11,940**	**8,608**	**22,151**	**27,625**	**31,598**	**299,279**
Total liabilities employed	**234,712**	**48,796**	**47,397**	**20,670**	**120,376**	**26,201**	**19,903**	**270,837**	**60,895**	**87,726**	**937,513**
Customer accounts (incl FVTPL)	**197,924**	**35,400**	**39,669**	**19,234**	**104,506**	**16,233**	**17,147**	**86,669**	**27,123**	**65,305**	**609,210**
Customer accounts (excl FVTPL)	**191,319**	**30,984**	**31,452**	**19,220**	**103,678**	**15,855**	**17,095**	**51,699**	**26,721**	**64,621**	**552,644**

	H1'25[1]										
	Hong Kong $million	Korea $million	China $million	Taiwan $million	Singapore $million	India $million	UAE $million	UK $million	US $million	Other $million	Group $million
Operating income	2,804	562	670	290	1,655	777	605	895	599	2,049	10,906
Operating expenses	(1,209)	(371)	(416)	(172)	(861)	(469)	(302)	(858)	(298)	(1,291)	(6,247)
Operating profit before impairment losses and taxation	1,595	191	254	118	794	308	303	37	301	758	4,659
Credit impairment	(168)	(27)	(57)	(18)	(48)	(15)	16	24	–	(43)	(336)
Other impairment	(5)	1	(4)	(2)	(3)	(2)	–	(1)	–	(3)	(19)
Profit/(loss) from associates and joint ventures	–	–	103	–	1	–	–	(15)	–	(10)	79
Profit before taxation	1,422	165	296	98	744	291	319	45	301	702	4,383
Total assets employed	209,923	53,654	45,573	24,526	114,423	33,336	21,902	265,713	56,506	88,380	913,936
Loans and advances to customers (incl FVTPL)[2]	86,140	31,328	15,243	12,628	65,063	13,616	8,464	65,615	22,039	30,482	350,618
Loans and advances to customers (excl FVTPL)[2]	73,250	31,325	14,368	12,242	63,981	12,899	8,155	19,877	21,033	29,601	286,731
Total liabilities employed	214,165	45,178	38,422	21,401	109,253	25,260	18,323	258,501	47,405	81,358	859,266
Customer accounts (incl FVTPL)	187,036	35,057	30,959	18,841	99,094	17,383	15,471	99,032	18,277	60,983	582,133
Customer accounts (excl FVTPL)	180,031	32,938	23,669	18,841	98,718	17,303	15,448	51,750	18,277	60,415	517,390

1 Comparatives have been re-presented in accordance with the RNS titled 'Re-presentation of Financial Information' issued on 25 March 2026
2 FVTPL includes reverse repurchase agreements of H1'26: $54,977 million and H1'25: $55,768 million

Supplementary financial information

Quarterly operating income by product

	Q2'26 $million	Q1'26 $million	Q4'25[1] $million	Q3'25[1] $million	Q2'25[1] $million	Q1'25[1] $million	Q4'24[1] $million	Q3'24[1] $million
Transaction Services	**1,542**	1,512	1,521	1,490	1,471	1,529	1,667	1,575
Payments & Liquidity	**1,047**	1,037	1,064	1,018	1,015	1,063	1,193	1,115
Securities & Prime Services	**182**	177	173	166	158	151	161	156
Trade & Working Capital	**313**	298	284	306	298	315	313	304
Global Banking	**651**	663	547	588	548	546	501	479
Lending & Financial Solutions	**546**	511	483	496	476	450	435	411
Capital Markets & Advisory	**105**	152	64	92	72	96	66	68
Global Markets	**1,116**	1,190	660	847	1,175	1,182	770	837
Wealth Solutions	**1,064**	1,043	677	890	742	778	563	695
Investment Products	**849**	778	553	691	544	560	453	508
Bancassurance	**215**	265	124	199	198	218	110	187
Deposits & Mortgages	**1,032**	1,017	1,065	1,043	1,004	1,022	1,079	1,069
CCPL & Other Unsecured Lending	**281**	296	320	309	313	269	295	304
Treasury & Other	**16**	181	136	(57)	274	53	(73)	(9)
Total operating income	**5,702**	5,902	4,926	5,110	5,527	5,379	4,802	4,950

1 Comparatives have been re-presented in accordance with the RNS titled 'Re-presentation of Financial Information' issued on 25 March 2026

Earnings per ordinary share

	H1'26 $million	H1'25[1] $million	Change %	Q2'26 $million	Q2'25[1] $million	Change %	Q1'26 $million	Change %
Profit for the period attributable to equity holders	**3,671**	3,326	10	**1,761**	1,734	2	1,910	(8)
Non-controlling interest	**(18)**	(17)	(6)	**(8)**	(15)	47	(10)	20
Dividend payable on preference shares and AT1 classified as equity	**(285)**	(244)	(17)	**(45)**	(11)	(309)	(240)	81
Profit for the period attributable to ordinary shareholders	**3,368**	3,065	10	**1,708**	1,708	–	1,660	3
Basic – Weighted average number of shares (millions)	**2,222**	2,375	(6)	**2,207**	2,355	(6)	2,238	(1)
Diluted – Weighted average number of shares (millions)	**2,287**	2,443	(6)	**2,269**	2,422	(6)	2,305	(2)
Basic earnings per ordinary share (cents)	**151.6**	129.1	17	**77.4**	72.5	7	74.2	4
Diluted earnings per ordinary share (cents)	**147.3**	125.5	17	**75.3**	70.5	7	72.0	5

1 Comparatives have been restated in accordance with the RNS titled 'Re-presentation of Financial Information' issued on 25 March 2026, as set out in Note 1 Accounting policies, Changes in comparatives

Supplementary financial information

Return on Tangible Equity

	H1'26 $million	H1'25[2] $million	Change %	Q2'26 $million	Q2'25[2] $million	Change %	Q1'26 $million	Change %
Average parent company Shareholders' Equity	**46,282**	45,077	3	**46,203**	45,645	1	46,346	–
Less Average preference share capital and share premium	**(1,494)**	(1,494)	–	**(1,494)**	(1,494)	–	(1,494)	–
Less Average intangible assets	**(6,298)**	(5,907)	(7)	**(6,331)**	(5,965)	(6)	(6,250)	(1)
Average Ordinary Shareholders' Tangible Equity	**38,490**	37,676	2	**38,378**	38,186	1	38,602	(1)
Profit for the period attributable to equity holders	**3,671**	3,326	10	**1,761**	1,734	2	1,910	(8)
Non-controlling interests	**(18)**	(17)	(6)	**(8)**	(15)	47	(10)	20
Dividend payable on preference shares and AT1 classified as equity	**(285)**	(244)	(17)	**(45)**	(11)	(309)	(240)	81
Profit for the period attributable to ordinary shareholders	**3,368**	3,065	10	**1,708**	1,708	–	1,660	3
Return on tangible equity[1]	**17.6**	16.4	120bps	**17.9**	17.9	–	17.4	50bps

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

2 Comparatives have been restated in accordance with the RNS titled 'Re-presentation of Financial Information' issued on 25 March 2026, as set out in Note 1 Accounting policies, Changes in comparatives

Net Tangible Asset Value per Share

	30.06.26 $million	30.06.25 $million	Change %	31.12.25 $million	Change %	31.03.26 $million	Change %
Parent company shareholders' equity	**46,308**	46,730	(1)	46,593	(1)	46,097	–
Less preference share capital and share premium	**(1,494)**	(1,494)	–	(1,494)	–	(1,494)	–
Less intangible assets	**(6,394)**	(6,091)	(5)	(6,231)	(3)	(6,268)	(2)
Net shareholders tangible equity	**38,420**	39,145	(2)	38,868	(1)	38,335	–
Ordinary shares in issue, excluding own shares (millions)	**2,189**	2,330	(6)	2,247	(3)	2,229	(2)
Net Tangible Asset Value per share (cents)	**1,755**	1,680	4	1,730	1	1,720	2

Loan Loss Rate

	6 months ended 30.06.26 $million	6 months ended 30.06.25 $million
Net credit impairment charge	**446**	336
Less Net credit impairment on debt securities	**6**	12
Less Net credit impairment relating to other financial assets	**(8)**	8
Net credit impairment considered for LLR calculation	**448**	316
Gross Average Loans and Advances to Banks & Customers (excluding FVTPL)	**349,479**	335,286
LLR bps (Annualised)	**26**	19

Alternative performance measures

An alternative performance measure is a financial measure of historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework. The following are key alternative performance measures used by the Group to assess financial performance and financial position.

Adjusted net interest income: Reported net interest income adjusted for specified reclassifications between net interest income and non-interest income, including trading book funding adjustments, Treasury currency management activities, and cash collateral and prime services-related items.

Adjusted non-interest income: Reported net interest income adjusted for specified reclassifications between non-interest income and net interest income, including trading book funding adjustments, Treasury currency management activities, and cash collateral and prime services-related items.

Advances-to-deposits/customer advances-to-deposits (ADR) ratio: The ratio of total loans and advances to customers relative to total customer accounts, excluding approved balances held with central banks, confirmed as repayable at the point of stress. A low advances-to-deposits ratio demonstrates that customer accounts exceed customer loans resulting from emphasis placed on generating a high level of stable funding from customers.

Average interest-earning balance: Daily average of the interest-earning assets and interest-bearing liabilities balances excluding the daily average cash collateral balances in other assets and other liabilities that are related to the Global Markets trading book.

Constant currency basis: A performance measure on a constant currency basis is presented such that comparative periods are adjusted for the current year's functional currency rate. The following balances are presented on a constant currency basis when described as such: 1. Operating income, 2. Operating expenses, 3. Profit before tax and 4. RWAs or risk-weighted assets.

Cost-to-income ratio (CIR): The proportion of total operating expenses to total operating income.

Cover ratio: The ratio of impairment provisions for each stage to the gross loan exposure for each stage.

Cover ratio after collateral/cover ratio including collateral: The ratio of impairment provisions for stage 3 loans and realisable value of tangible collateral held against these non-performing loan exposures to the gross loan exposure of stage 3 loans.

Gross yield: Reported interest income divided by average interest-earning assets.

Income return on risk weighted assets (IRoRWA): Annualised reported income as a percentage of average RWA.

Jaws: The difference between the rates of change in revenue and operating expenses. Positive jaws occurs when the percentage change in revenue is higher than, or less negative than, the corresponding rate for operating expenses.

Loan-loss rate: Year-to-date Annualised Credit Impairment on Loans & Advances to Banks & Customers, Undrawn Commitments, and Financial Guarantees over Gross Average Loans and Advances to Banks and Customers, excluding FVTPL loans.

Net charge-off ratio: The ratio of net credit impairment charge or release to average outstanding net loans and advances.

Net Interest Margin (NIM): Reported net interest income adjusted for trading book funding cost, reclassification of accounting asymmetry on account of Treasury currency management activities, cash collateral and prime services on interest-earning assets, divided by average interest-earning assets excluding financial assets measured at fair value through profit or loss.

Net tangible asset value per share: Ratio of net tangible assets (total tangible assets less total liabilities) to the number of ordinary shares outstanding at the end of a reporting period.

Net yield: Gross yield on average assets less rate paid on average liabilities.

Non-interest income: Reported non-interest income is a sum of net fees and commission, net trading income and other operating income.

Notable items: Income or expense items that, by reason of their size, nature, frequency, volatility, or relevance, warrant separate identification to support a clearer understanding of the Group's financial performance. These items may be positive or negative in nature and include amounts that are material, non-recurring or infrequent, unusual in character, episodic, or otherwise of particular interest to regulators, investors, analysts or other users.

Rate paid: Reported interest expense adjusted for interest expense incurred on amortised cost liabilities used to fund financial instruments held at fair value through profit or loss, divided by average interest-bearing liabilities.

Return on Ordinary Shareholders' Tangible Equity (RoTE): The ratio of the current year's profit available for distribution to ordinary shareholders to the average tangible equity, being ordinary shareholders' equity less the average intangible assets for the reporting period. Where a target RoTE is stated, this is based on profit and equity expectations for future periods.

TSR or Total Shareholder Return: The total return of the Group's equity (share price growth and dividends) to investors.

Group Chief Risk Officer's review

Maintaining resilience through proactive oversight amid heightened geopolitical and macroeconomic uncertainty.

Managing Risk

During H1 2026, the Group operated against a challenging global economy shaped by continued macroeconomic uncertainty and geopolitical tensions in the Middle East. The escalation in the Middle East increased pressure on energy and commodity markets, disrupted supply chains and added uncertainty to trade flows and downstream goods linked to Gulf commodities and industrial inputs. These developments, alongside increasing global interconnectedness, policy uncertainty and higher tariffs, added pressure to growth, inflation and market confidence.

Our established risk management framework continued to operate effectively, enabling early identification, active oversight and timely management of emerging risks. This supported the Group in navigating challenging conditions during the period, with no material risk issues arising. Sovereign risks rose in selected markets and were actively managed through watchlists, out-of-cycle sovereign reviews and targeted rating actions focused on the most vulnerable countries. We assessed trade linkages to identify the countries, sectors and portfolios most exposed, taking timely mitigating actions where appropriate. In addition, we monitored both primary and secondary impacts through Group-wide stress testing and targeted portfolio reviews. While the impact on the Group remained manageable, we remain vigilant and continue to monitor evolving and emerging risks.

Alongside geopolitical risk, the adoption of digital assets continued, creating both strategic opportunities and new risk considerations. Increasing regulatory clarity in key jurisdictions, including Hong Kong, together with the growing use of stablecoins, is creating new payment use cases, accelerating institutional use of digital assets for payments and increasing competition for traditional payment franchises. At the same time, digital assets, including stablecoins, introduce new risk considerations. As we expanded our digital assets activities, we remained focused on understanding how these risks could materialise. We continued to work closely with regulators, central banks and clients, while evolving our risk frameworks to support alignment with applicable legislative and regulatory requirements.

Competitive dynamics also continued to evolve, with the growth of non-bank capital, particularly private credit, redistributing risk beyond the traditional banking sector. This reinforced the importance of disciplined credit underwriting and robust risk oversight. Our exposure to private credit remained of good quality and limited, at less than 1 per cent of Group exposures and was managed through rigorous limit frameworks and underwriting standards.

Artificial Intelligence (AI) presents both a major opportunity and a source of risk for the Group, our clients and our third-party ecosystem. While AI is enhancing operational efficiency, it also elevates risks, including AI-enabled cyber threats and evolving security vulnerabilities. Operational, technology and cyber risks therefore remained a key area of focus. We continued to strengthen resilience across critical systems, third-party dependencies, and emerging AI-driven threats. Recent cyber developments, including frontier AI (e.g. Mythos), reinforced trends already anticipated, and our defence-in-depth approach remained central to maintaining the Group's resilience against cyber risk.

Read more on the Summary of Topical and Emerging Risks on page 24;
An update on the Middle East conflict is also provided on page 28; Overlays held for the Middle East conflict on page 66;
Non-linearity and downside scenarios on page 65

Corporate & Investment Banking (CIB)

Our CIB credit portfolio remained strong, with overall good asset quality as evidenced by our largely investment-grade corporate portfolio (30 June 2026: 75 per cent; 31 December 2025: 74 per cent). We undertook targeted portfolio reviews amid the evolving external environment and, while no signs of material stress have emerged to date, we adopted a proactive approach to assessing potential impacts, including impairment provisions, close monitoring of clients through our established Early Alert framework and portfolio reviews. Our impairment increases were forward-looking, primarily driven by management overlays, rather than evidence of broad-based deterioration.

The higher trading average Value at Risk (VaR) in H1 2026 was driven by the increased market volatility following the Middle East conflict (30 June 2026: $27.0 million; 31 December 2025: $22.9 million). The lower non-trading average VaR was driven by a reduction in Treasury's interest rate positions (30 June 2026: $35.4 million; 31 December 2025: $46.8 million). While markets experienced increased volatility in interest rates and commodity prices, the traded exposures remained within risk appetite during the period. Stress tests were used extensively to detect any emerging market risk and counterparty credit risk, with mitigating actions taken where required. There were no margin call issues with our collateralised counterparties, including hedge funds. Concentration risk was monitored tightly and contained by limits. Overall, the Traded Risk framework performed effectively. We continue to enhance our stress testing and modelling capabilities in anticipation of further market volatility in H2 2026.

Group Chief Risk Officer's review

Wealth & Retail Banking (WRB)

The WRB credit portfolio remained resilient amid economic uncertainty in several key markets and ongoing geopolitical challenges, with 88 per cent of exposures fully secured by robust collateral. Portfolio management actions have been dynamically adjusted over the past 18 months in response to evolving macroeconomic and operating conditions. As a result, delinquency trends improved year-on-year, and portfolio performance remained within risk appetite. Consistent with CIB, recent increases in impairments were primarily driven by forward-looking IFRS 9 overlays rather than deterioration in underlying credit performance. We continued to take a proactive approach across origination, portfolio management and collections to manage risks arising from geopolitical events, global trade disruptions and market volatility, while supporting the disciplined execution of the strategic pivot towards Affluent segments across WRB markets.

Treasury Risk

Treasury risks remained well managed across the Group and major legal entities with no material or sustained liquidity pressures observed (CET1 ratio at 14.2 per cent; liquidity coverage ratio at 148 per cent; leverage ratio at 4.7 per cent). Capital strength improved, supported by stronger CET1 outcomes in the 2025 Internal Capital Adequacy Assessment Process and 2025 Bank of England stress test, reflecting recent de-risking actions. Stress testing across a range of severe but plausible scenarios, including resolution and market-wide liquidity stresses, continued to demonstrate the Group's resilience to liquidity and macroeconomic shocks, supported by a strong High Quality Liquid Asset (HQLA) position and ample contingent liquidity. The Net Interest Income Sensitivity from potential interest rate movements is being actively managed with the implementation of a Structural hedging programme. We remain focused on proactively managing capital, Interest Rate Risk in the Banking Book (IRRBB) and liquidity risks, including enhancing contingent liquidity where appropriate and strengthening our Treasury risk management framework in response to evolving market conditions.

Read more on managing Liquidity and Funding Risk and IRRBB on pages 73 and 77

Compliance, Financial Crime and Conduct Risk (CFCR)

As the Group continues to operate in an evolving regulatory, public policy and geopolitical environment, we remain focused on understanding and responding to developments in the markets in which we operate. Our Compliance, Financial Crime and Conduct risks continued to be managed within overall risk appetite. We also continued to invest in our financial crime risk management capabilities, including technology and infrastructure enhancements, to address evolving risks and regulatory expectations.

Regulatory attention remains focused on risks arising from geopolitical developments, including those relating to the Middle East, as well as the broader impact of macroeconomic and geopolitical conditions on financial institutions. These developments may lead to new sanctions designations and, at times, differing regulatory priorities across jurisdictions, creating an increasingly complex compliance environment. We continue to monitor these developments closely and maintain engagement with regulatory authorities and public-private partnerships to support the effective management of financial crime and sanctions-related risks.

Our risk management approach

Our Enterprise Risk Management Framework (ERMF) sets out the principles and minimum requirements for risk management and governance across the Group. 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[1].

The ERMF enables the Group to manage enterprise-wide risks, with the objective of maximising risk-adjusted returns while remaining within our Risk Appetite (RA).

1 The Group's ERMF and system of internal control applies only to wholly controlled subsidiaries of the Group, and not to associates, joint ventures or structured entities of the Group

Principal Risk Types and Risk Appetite

PRTs are those risks that are inherent in our strategy and business model and have been formally defined in the Group's ERMF. These risks are managed through distinct Risk Type Frameworks (RTFs) which are approved by the Group Chief Risk Officer (GCRO).

The table below details the Group's current PRTs, definitions and our RA statements.

Principal risk types	Definition	Risk appetite statement
Credit Risk	Potential for loss due to failure of a counterparty to meet its agreed obligations to pay the Group.	The Group manages its credit exposures following the principle of diversification across products, geographies, client segments and industry sectors.
Traded Risk	Potential for market or counterparty credit risk losses resulting from activities undertaken by the Group in fair valued financial market instruments.	The Group should control its financial markets activities to ensure that market and counterparty credit risk losses do not cause material damage to the Group's franchise.
Treasury Risk	Potential for insufficient capital, liquidity, or funding to support our operations, the risk of reductions in earnings or value from movements in interest rates impacting banking book items and the potential for losses from a shortfall in the Group's pension plans.	The Group should maintain sufficient capital, liquidity and funding to support its operations, and an interest rate profile that ensures that the reductions in earnings or value from movements in interest rates impacting banking book items do not cause material damage to the Group's franchise. In addition, the Group should ensure its pension plans are adequately funded.
Operational and Technology Risk	Potential for loss resulting from inadequate or failed internal processes, technology events, human error, or from the impact of external events (including legal risks).	The Group aims to mitigate and control Operational and Technology risks, to seek to ensure that events, including any related to conduct of business matters, do not cause the Group material harm as a result of business disruption, financial loss or reputational damage.
Information and Cyber Security Risk (ICS)	Risk to the Group's assets, operations, and individuals due to the potential for unauthorised access, use, disclosure, disruption, modification, or destruction of information assets and/or technology assets.	The Group aims to mitigate and control ICS risks to ensure that incidents do not cause the Group material harm, business disruption, financial loss or reputational damage, recognising that while incidents are unwanted, they cannot be entirely avoided.
Financial Crime Risk[2]	Potential for legal or regulatory penalties, material financial loss or reputational damage resulting from the failure to comply with applicable laws and regulations relating to international sanctions, anti-money laundering and anti-bribery and corruption, and fraud.	The Group has no appetite for breaches in laws and regulations related to Financial Crime, recognising that while incidents are unwanted, they cannot be entirely avoided.
Compliance Risk	Potential for penalties or loss to the Group or for an adverse impact to our clients, stakeholders or to the integrity of the markets we operate in through a failure on our part to comply with laws, or regulations.	The Group has no appetite for breaches in laws and regulations related to regulatory non-compliance; recognising that while incidents are unwanted, they cannot be entirely avoided.
Environmental, Social and Governance and Reputational (ESGR) Risk	Potential or actual adverse impact on the environment and/or society, the Group's financial performance, operations, or the Group's name, brand or standing, arising from environmental, social or governance factors, or as a result of the Group's actual or perceived actions or inactions.	The Group aims to measure and manage financial and non-financial risks arising from climate change, reduce emissions in line with our net zero strategy and protect the Group from material reputational damage by upholding responsible conduct and striving to do no significant environmental and social harm.
Model Risk	Potential loss that may occur because of decisions or the risk of mis-estimation that could be principally based on the output of models, due to errors in the development, implementation, or use of such models.	The Group has no appetite for material adverse implications arising from misuse of models or errors in the development or implementation of models, while accepting some model uncertainty.

2 Fraud forms part of the Financial Crime RA statement but, in line with market practice, does not apply a zero-tolerance approach

Read more on our risk management approach on pages 220 to 232 of the 2025 Annual Report

Summary of Topical and Emerging Risks (TERs)

Emerging Risks refer to external events that have the potential to adversely impact our operating environment over time, but have not fully materialised. Topical Risks are themes that are already visible and affecting the foreseeable operating environment therefore require comprehensive assessment and ongoing attention.

As part of our horizon risk scanning process, we have updated our TERs from those disclosed in the 2025 Annual Report. The list of TERs is not exhaustive and there may be additional risks that could have an adverse effect on the Group. Our mitigation approach for these risks may not eliminate them but demonstrates our awareness and attempts to mitigate or manage their impact.

Read more on our Topical and Emerging Risks on pages 45 to 49 of the 2025 Annual Report

Topical and Emerging Risks	Description
Expanding array of global tensions and transition of the international order	Our global operations and business model are subject to risks arising from intensifying geopolitical tensions, including challenges to the rules-based international order in the form of a competition for power. These risk factors include conflicts, the use of tariffs, sanctions and economic statecraft, and the erosion of multilateral coordination. These could lead to disruption to our operations, as well as those of our clients and third-party suppliers.
Macroeconomic uncertainty and energy shock	Market volatility and macroeconomic risk are elevated. Energy supply disruptions are driving inflation, including the risk of stagflation, with interest rates likely to remain higher for longer. This has the potential to impact markets and clients, whether through direct financial stress or strategic challenges in navigating volatility. Many economies face fiscal constraints and adverse reserve dynamics that limit their ability to combat these macroeconomic trends.
Supply chain disruption and key material shortages	Global supply chains remain vulnerable to geopolitical events, rising protectionism and a variety of chokepoints, including recurrent disruptions to key transport routes. Reliance on foreign-sourced critical inputs, including semiconductors, fertilisers, natural resources and rare earth elements, heightens the risk of shortages. These dynamics may disrupt production across sectors, exacerbate economic headwinds, contribute to inflationary pressures and affect the operating environment for our clients and the Group.
Evolving ESG Dynamics	Stakeholder scrutiny of ESG commitments remains elevated, alongside evolving regulatory requirements and greenwashing risk. Diverging regulatory frameworks and shifting geopolitical priorities, such as national security and energy resilience, are increasing compliance complexity and creating challenges for organisations operating across multiple jurisdictions. Physical climate risks are becoming more acute, with more frequent and severe weather events disrupting infrastructure, supply chains and client operations.
Competitive disruption	Evolving client preferences caused by technological innovation and adoption are accelerating disruption to traditional financial services, including through digital assets, stablecoins and alternative financing models. New entrants and technology-enabled firms may increase competitive pressure, potentially affecting revenue pools, distribution models and client relationships.
Rapid and holistic adoption of AI	The rapid pace of AI development and adoption across industries is creating opportunities but also introducing risks relating to governance, data privacy, operational resilience and workforce disruption. The use of AI may elevate exposure to fraud, cyber threats and misinformation. Broader impacts on labour markets and productivity could affect social cohesion and growth potential in some economies.
Cyber, data and operational resilience	The Group continues to face evolving cyber and operational risks as digitalisation increases. Threats such as ransomware, third-party failures and AI-enabled attacks are becoming more frequent and sophisticated. Increasing interconnectedness heightens the potential impact of disruptions, while longer-term developments such as quantum computing and data localisation requirements may require significant adaptation. These risks reduce tolerance for errors and outages; with risks to the Group extending to clients and third-party suppliers.
Regulatory evolution and fragmentation	A lack of international cooperation and an increased focus on competitiveness is increasing regulatory fragmentation, with more inconsistencies and opposing requirements rather than differing national implementation. Increasing complexity in sanctions and financial crime frameworks may create operational challenges and elevate compliance risk, particularly for cross-border activities, and diverging rule-sets may create additional legal risks.
Skills and the competition for talent	Advances in technology and digital capabilities, together with changing employee expectations, continue to transform the workplace. Competition for talent with critical skills remains intense and may affect our ability to attract, develop and retain colleagues needed to execute our strategy.
Demographic and migration trend	Ageing populations in developed markets and rapidly growing workforces in many dynamic markets continue to alter labour and economic dynamics across our footprint. Migration pressures, evolving workforce requirements and lack of fiscal headroom may increase pressure on infrastructure, public services and employment markets. Advances in technology and AI could further disrupt employment patterns and skills demand, potentially amplifying existing demographic challenges. These trends may contribute to social instability and affect economic growth prospects.

Jason Forrester
Group Chief Risk Officer
29 July 2026

Risk review and Capital review

The following parts of the Risk review and Capital review form part of these financial statements and are reviewed by the external auditors:

a) Risk review: Disclosures marked as 'reviewed' from the start of the 'Credit Risk' section (page 26) to the end of other principal risks in the same section (page 78); and

b) Capital review: Tables marked as 'reviewed' from the start of 'Capital base' (page 79) to the end of 'Movement in total capital' (page 81), excluding 'Total risk-weighted assets'.

Risk review

Credit Risk (reviewed)

Basis of preparation

Unless otherwise stated, the balance sheet and income statement information presented within this section is based on the booking location. The presentation of reported segments has been changed in 2026 as set out in Note 1 to the financial statements, and prior period amounts have been restated in line with this change.

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

Credit Risk overview

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

Impairment model

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

Read more on the accounting policy on page 94 and the IFRS 9 ECL methodology on page 59

Staging of financial instruments

Financial instruments that are not already credit-impaired are originated into stage 1 and a 12-month ECL provision is recognised. Instruments will remain in stage 1 until they are repaid, unless they experience significant credit deterioration (stage 2) or they become credit-impaired (stage 3).

Instruments will transfer to stage 2 and a lifetime ECL provision is recognised when there has been a significant change in the Credit Risk compared to what was expected at origination. The framework used to determine a Significant increase in Credit Risk (SICR) is set out below.

Stage 1
- 12-month ECL
- Performing

Stage 2
- Lifetime ECL
- Performing but has exhibited SICR

Stage 3
- Credit-impaired
- Non-performing

IFRS 9 ECL principles and approaches

The main methodology principles and approach adopted by the Group are set out in the following table. Refer to the 2025 Annual Report for the 'Application of lifetime ECL' on page 264, 'SICR' on page 274, and 'Governance of Post Model Adjustments and application of expert credit judgement in respect of ECL' on page 275.

Title	Supplementary information	Page
Approach for determining ECL	• IFRS 9 ECL methodology	59
Key assumptions and judgements in determining ECL	• Incorporation of forward-looking information	60
	• Forecast of key macroeconomic variables underlying the ECL calculation and the impact of non-linearity	60
	• Impact of multiple economic scenarios	65
	• Judgemental adjustments and management overlays	66
	• Sensitivity of ECL calculation to macroeconomic variables	67
Transfers between stages	• Movement in gross exposures and credit impairment	40
Modified financial assets	• Forborne and other modified loans	47

Summary of Credit Risk Performance

Maximum exposure

The Group's on-balance sheet maximum exposure to Credit Risk increased by $72.8 billion to $939.4 billion (31 December 2025: $866.6 billion). Cash and balances at central banks increased by $6.8 billion to $84.5 billion (31 December 2025: $77.7 billion) due to increased placements in the United Kingdom and United States. Loans to banks held at amortised cost increased by $2.1 billion to $46 billion (31 December 2025: $43.9 billion).

Debt securities (not held at fair value through profit or loss) decreased by $10.5 billion to $155.3 billion (31 December 2025: $165.8 billion) due to liquidity management and as exposures were redeployed into commercial assets.

Loans and advances to customers increased by $12.5 billion to $299.3 billion (31 December 2025: $286.8 billion).

Fair Value through profit and loss increased by $27.9 billion to $214.1 billion (31 December 2025: $186.2 billion), largely due to an increase in debt securities and reverse repos due to the deployment of surplus liquidity into high-quality liquid assets and growth in the rates business.

Derivative financial instruments increased by $16.4 billion to $82.2 billion (31 December 2025: $65.8 billion) mainly due to the strengthening of the US dollar.

Off-balance sheet instruments increased by $11.9 billion to $325.4 billion (31 December 2025: $313.4 billion), due to an increase in undrawn commitments, financial guarantees and other equivalents driven by client demand.

Read more on Maximum exposure to Credit Risk on page 29; Credit quality by client segment on page 32

Loans and advances

94 per cent (31 December 2025: 95 per cent) of the Group's gross loans and advances to customers remain in stage 1 at $284 billion (31 December 2025: $275.1 billion), reflecting our continued focus on high-quality origination. For WRB, stage 1 balances increased by $2.6 billion to $129.9 billion (31 December 2025: $127.3 billion), mainly due to a $3.9 billion increase in secured wealth products primarily in Singapore and Hong Kong, which was offset by a $2 billion reduction in credit cards and personal loans due to ongoing strategic portfolio optimisation actions and a pivot to the affluent customer segment. For CIB, stage 1 balances increased by $5 billion to $137.7 billion (31 December 2025: $132.8 billion). For Central and other items, stage 1 balances increased by $1.4 billion to $16.4 billion (31 December 2025: $15 billion). Across both CIB and Central and other items, lending to Governments increased by $2.5 billion.

Stage 2 loans and advances to customers increased by $3.9 billion to $13.8 billion (31 December 2025: $9.8 billion). For WRB, stage 2 balances reduced by $0.4 billion to $1.6 billion (31 December 2025: $2 billion), mainly due to the migration of secured wealth exposures back to stage 1. For CIB, stage 2 balances increased by $3.7 billion to $11.6 billion (31 December 2025: $7.9 billion) primarily as a result of stage transfers of exposures impacted by management overlays taken for the Middle East conflict and an increase in exposures placed on Non-Purely Precautionary Early Alert.

Stage 3 loans and advances decreased by $0.3 billion to $5.7 billion (31 December 2025: $6 billion) due to repayments, asset sales, write-offs in CIB, and in Central and other items, which was offset by an increase in WRB mainly due to secured lending. The CIB stage 3 cover ratio before collateral increased to 55.4 per cent (31 December 2025: 52.7 per cent). The WRB stage 3 cover ratio before collateral increased to 53.8 per cent (31 December 2025: 49.5 per cent) largely in secured products and the stage 3 cover ratio after collateral increased to 90.9 per cent (31 December 2025: 88 per cent).

Read more on Analysis of financial instruments by stage on page 30; Credit quality by client segment on page 32; Credit quality by industry on page 52

Analysis of stage 2

The key SICR driver which caused exposures to be classified as stage 2 remains an increase in probability of default (PD). The proportion of CIB and C&O exposures in stage 2 for qualitative factors increased due to the Middle East conflict which has resulted in a change in the staging of exposures impacted by management overlays and an increase in exposures placed on Non-Purely Precautionary Early Alert. In WRB, the exposures in stage 2 loans with more than 30 days past due remained stable at $0.2 billion (31 December 2025: $0.2 billion).

Read more on Credit quality by client segment on page 32; Analysis of stage 2 balances on page 46; SICR quantitative and qualitative criteria on pages 274 and 275 of the 2025 Annual Report

Credit impairment charges

The Group's ongoing credit impairment was a net charge of $446 million (30 June 2025: $336 million).

WRB contributed a net charge of $296 million (30 June 2025: $353 million), as improvements in the underlying credit performance driven by effective credit actions, continued execution of the Affluent strategy, and de-risking across segments and markets were offset by higher overlays and non-linearity, $37 million of which was related to the Middle East conflict. CIB contributed to a net charge of $150 million (30 June 2025: $10 million release), mainly due to $156 million of management overlays in respect of the Middle East conflict in H1 2026, offset by continued stage 3 net release. The total non-linearity impact increased impairment charges by $64 million in H1 2026 (30 June 2025: $34 million). This reflects an increased probability weighting of the two downside scenarios to 60 per cent (31 December 2025: 41 per cent) due to heightened geopolitical uncertainty and the Middle East conflict.

Read more on the Financial review on page 6; Credit impairment charge on page 47; Overlays held for the Middle East conflict on page 66; Non-linearity and downside scenarios on page 65

Middle East conflict

Following an escalation in the Middle East conflict in H1 2026, the Group has reflected the impact on the Group's portfolio through a number of management overlays and an increased non-linearity charge, totalling $234 million overall. Management overlays of $159 million were taken in CIB and Central and other items, to reflect risks in the petrochemical sector and the estimated probability weighted impact of sovereign downgrades across several footprint markets, while a $14 million overlay was taken in WRB reflecting risks in specific markets.

Aside from the above, the non-linearity charge increased by $64 million in H1 2026, $61 million of which is attributable to the conflict, due to the inclusion of a new downside scenario (in addition to the existing 'Bank Capital Stress test' (BCST) scenario) which considers a prolonged geopolitical crisis in the Middle East leading to sustained energy supply disruptions and elevated global commodity prices. The impact is an increase in downside probability weightings due to the heightened likelihood of downside scenarios materialising. The probability weighting of the two downside scenarios has increased to 60 per cent[1] (31 December 2025: 41 per cent) while the base forecast probability weighting has decreased to 40 per cent (31 December 2025: 59 per cent). The probability weights reflect management's judgement given the continuing geopolitical uncertainty around the Middle East conflict, trade tariffs and other market risks. The increase in the BCST scenario weighting since 31 December 2025 is aligned with this assessment, as the scenario incorporates the effects of global supply-side disruptions (including tariffs) and materially elevated commodity prices, including an oil price peak of $150/bbl.

Read more on the Overlays held for the Middle East conflict on page 66; Non-linearity and downside scenarios on pages 65; and the Group's loans and advances to the Middle East on a booking and country of risk basis on page 53

Commercial Real Estate (CRE)

The Group provides loans to CRE and data centres[2] counterparties of which $9 billion[3] (31 December 2025: $10 billion) is to counterparties in the CIB segment where the source of repayment is substantially derived from rental or sale of real estate and is secured by real estate collateral. The remaining CRE loans comprise working capital loans to real estate corporates, loans with non-property collateral, unsecured loans and loans to real estate entities of diversified conglomerates. The average LTV ratio of the performing book CRE portfolio has remained stable at 54 per cent (31 December 2025: 54 per cent). The proportion of loans with an LTV greater than 80 per cent has decreased to 3 per cent (31 December 2025: 6 per cent).

High-carbon sectors

The Group's high-carbon sectors exposure has increased by $2.7 billion to $45.9 billion (31 December 2025: $43.1 billion) primarily due to growth in the CRE, power and aviation sectors. High-carbon sector exposure is at 12.8 per cent of the Group's maximum exposure (31 December 2025: 12.6 per cent).

The increase in high-carbon exposure does not directly translate into higher emissions intensity, as the exposure includes lending to both higher and lower emissions intensity counterparties, including sustainable finance and transition finance lending.

Read more on the high-carbon sectors exposure on page 55

1 The two downside scenarios are 'Sustained Middle East Conflict' (SMEC) and 'Bank Capital Stress Test' (BCST), which have a probability weighting of 30 per cent each
2 Data centre exposure excludes clients relating to Infrastructure and Development Finance Group and Financial Sponsors
3 The Group's CRE net nominal exposure, adjusted for non-property collateral

Maximum exposure to Credit Risk (reviewed)

The table below presents the Group's maximum exposure to Credit Risk for its on-balance sheet and off-balance sheet financial instruments as at 30 June 2026, before and after taking into account any collateral held or other Credit Risk mitigation.

Read more on Summary of Credit Risk Performance on page 27

	30.06.26				31.12.25			
	Credit risk management				Credit risk management			
	Maximum exposure $million	Collateral[8] $million	Master netting agreements $million	Net Exposure $million	Maximum exposure $million	Collateral[8] $million	Master netting agreements $million	Net Exposure $million
On-balance sheet								
Cash and balances at central banks	**84,541**	**–**	**–**	**84,541**	77,746	–	–	77,746
Loans and advances to banks[1]	**45,962**	**4,109**	**–**	**41,853**	43,901	3,724	–	40,177
Of which – reverse repurchase agreements and other similar secured lending	**4,109**	**4,109**	**–**	**–**	3,724	3,724	–	–
Loans and advances to customers[1]	**299,279**	**133,043**	**–**	**166,236**	286,788	134,253	–	152,535
Of which – reverse repurchase agreements and other similar secured lending	**7,395**	**7,395**	**–**	**–**	8,242	8,242	–	–
Investment securities – Debt securities and other eligible bills[2,3]	**155,289**	**–**	**–**	**155,289**	165,753	–	–	165,753
Fair value through profit or loss[4]	**214,100**	**94,235**	**–**	**119,865**	186,173	84,130	–	102,043
Loans and advances to banks	**1,811**	**–**	**–**	**1,811**	2,984	–	–	2,984
Loans and advances to customers	**11,054**	**–**	**–**	**11,054**	12,355	–	–	12,355
Reverse repurchase agreements and other similar lending	**94,235**	**94,235**	**–**	**–**	84,130	84,130	–	–
Investment securities – Debt securities and other eligible bills[4]	**107,000**	**–**	**–**	**107,000**	86,704	–	–	86,704
Derivative financial instruments[5]	**82,225**	**18,605**	**54,377**	**9,243**	65,782	14,168	44,712	6,902
Accrued income	**2,441**	**–**	**–**	**2,441**	2,631	–	–	2,631
Assets held for sale[9]	**1,133**	**–**	**–**	**1,133**	1,042	–	–	1,042
Other assets[6]	**54,414**	**–**	**–**	**54,414**	36,770	–	–	36,770
Total balance sheet	**939,384**	**249,992**	**54,377**	**635,015**	866,586	236,275	44,712	585,599
Off-balance sheet[7]								
Undrawn Commitments	**204,616**	**4,092**	**–**	**200,524**	199,245	3,513	–	195,732
Financial Guarantees and other equivalents	**120,748**	**4,341**	**–**	**116,407**	114,193	3,214	–	110,979
Total off-balance sheet	**325,364**	**8,433**	**–**	**316,931**	313,438	6,727	–	306,711
Total	**1,264,748**	**258,425**	**54,377**	**951,946**	1,180,024	243,002	44,712	892,310

1 Amounts are net of ECL provisions. An analysis of credit quality is set out in the credit quality analysis section (page 33). Further details of collateral held by client segment and stage are set out in the collateral analysis section (page 48). The Group also has credit mitigation through Credit Default Swaps and Credit Linked Notes as set out on page 51
2 Excludes equity and other investments of $1,157 million (31 December 2025: $1,203 million). Further details are set out in Note 13 financial instruments
3 The Group has credit insurance over $4.4 billion (31 December 2025: $4.2 billion) of other eligible bills
4 Excludes equity and other investments of $11,186 million (31 December 2025: $9,084 million). Further details are set out in Note 13 financial instruments
5 The Group enters into master netting agreements, which in the event of default result in a single amount owed by or to the counterparty through netting the sum of the positive and negative mark-to-market values of applicable derivative transactions
6 Other assets include Hong Kong certificates of indebtedness, cash collateral, and acceptances, in addition to unsettled trades and other financial assets
7 Excludes ECL provisions of $297 million (31 December 2025: $224 million) which are reported under Provisions for liabilities and charges
8 Adjusted for over-collateralisation, which has been determined with reference to the drawn and undrawn component as this best reflects the effect on the amount arising from expected credit losses
9 The amount is after ECL provisions. Further details are set out in Note 20 Assets held for sale and associated liabilities

Analysis of financial instruments by stage (reviewed)

The table below presents the gross and credit impairment balances by stage for the Group's amortised cost and FVOCI financial instruments as at 30 June 2026.

Read more on Summary of Credit Risk Performance on page 27

	30.06.26											
	Stage 1			Stage 2			Stage 3			Total		
	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million
Cash and balances at central banks	83,534	–	83,534	410	–	410	599	(2)	597	84,543	(2)	84,541
Loans and advances to banks (amortised cost)	45,261	(9)	45,252	637	–	637	80	(7)	73	45,978	(16)	45,962
Loans and advances to customers (amortised cost)	283,953	(515)	283,438	13,757	(489)	13,268	5,705	(3,132)	2,573	303,415	(4,136)	299,279
Debt securities and other eligible bills[5]	151,984	(63)		3,038	(4)		298	(4)		155,320	(71)	
Amortised cost	62,847	(30)	62,817	212	(1)	211	17	–	17	63,076	(31)	63,045
FVOCI[2]	89,137	(33)		2,826	(3)		281	(4)		92,244	(40)	–
Accrued income (amortised cost)[4]	2,441	–	2,441	–	–	–	–	–	–	2,441	–	2,441
Assets held for sale	1,110	(15)	1,095	40	(6)	34	7	(3)	4	1,157	(24)	1,133
Other assets[4]	54,413	–	54,413	–	–	–	4	(3)	1	54,417	(3)	54,414
Undrawn commitments[3]	200,776	(87)		3,838	(47)		2	(1)		204,616	(135)	
Financial guarantees, trade credits and irrevocable letter of credits[3]	117,802	(40)		2,426	(16)		520	(106)		120,748	(162)	
Total	941,274	(729)		24,146	(562)		7,215	(3,258)		972,635	(4,549)	

1 Gross carrying amount for off-balance sheet refers to notional values

2 These instruments are held at fair value on the balance sheet. The ECL provision in respect of debt securities measured at FVOCI is held within the OCI reserve

3 These are off-balance sheet instruments. Only the ECL is recorded on-balance sheet as a financial liability and therefore there is no 'net carrying amount'. ECL allowances on off-balance sheet instruments are held as liability provisions to the extent that the drawn and undrawn components of loan exposures can be separately identified. Otherwise they will be reported against the drawn component

4 Stage 1 ECL is not material

5 Stage 3 gross includes $281 million originated credit-impaired debt securities with impairment of $4 million

Risk review

	31.12.25											
	Stage 1			Stage 2			Stage 3			Total		
	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million	Gross balance[1] $million	Total credit impairment $million	Net carrying value $million
Cash and balances at central banks	76,520	–	76,520	463	(1)	462	773	(9)	764	77,756	(10)	77,746
Loans and advances to banks (amortised cost)	43,608	(6)	43,602	217	(1)	216	90	(7)	83	43,915	(14)	43,901
Loans and advances to customers (amortised cost)	275,062	(528)	274,534	9,823	(446)	9,377	5,964	(3,087)	2,877	290,849	(4,061)	286,788
Debt securities and other eligible bills[5]	164,283	(56)		1,198	(5)		296	(5)		165,777	(66)	
Amortised cost	57,005	(22)	56,983	243	(2)	241	26	–	26	57,274	(24)	57,250
FVOCI[2]	107,278	(34)		955	(3)		270	(5)		108,503	(42)	–
Accrued income (amortised cost)[4]	2,631	–	2,631	–	–	–	–	–	–	2,631	–	2,631
Assets held for sale	1,053	(22)	1,031	8	–	8	8	(5)	3	1,069	(27)	1,042
Other assets[4]	36,769	–	36,769	–	–	–	7	(6)	1	36,776	(6)	36,770
Undrawn commitments[3]	195,032	(49)		4,208	(33)		5	(2)		199,245	(84)	
Financial guarantees, trade credits and irrevocable letter of credits[3]	112,091	(26)		1,511	(16)		591	(98)		114,193	(140)	
Total	907,049	(687)		17,428	(502)		7,734	(3,219)		932,211	(4,408)	

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

Credit quality analysis (reviewed)

Credit quality by client segment

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

Mapping of credit quality

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

	Corporate & Investment Banking			Private Banking[1]	Wealth & Retail Banking[3]
Credit quality description	Internal grade mapping	S&P external ratings equivalent[2]	Regulatory PD range (%)	Internal ratings	Internal grade mapping
Strong	1A to 5B	AAA/AA+ to BBB-	0 to 0.425	Class I and Class IV	Current loans (no past dues nor impaired)
Satisfactory	6A to 11C	BB+ to CCC+	0.426 to 15.75	Class II and Class III	Loans past due up to 29 days
Higher risk	Grade 12	CCC+ to C	15.751 to 99.999	Stressed Assets Group (SAG) Managed	Loans past due between 30 and 89 days

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

2 For certain counterparties (for example banks and sovereigns), the precise mapping between internal grades and external ratings may differ from the ranges shown above

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

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

Read more on the Summary of Credit Risk Performance on page 27

Loans and advances by client segment (reviewed)

	30.06.26						
		Customers					
Amortised cost	Banks $million	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Central & other items $million	Customer Total $million	Undrawn commitments $million	Financial Guarantees $million
Stage 1	45,261	137,737	129,862	16,354	283,953	200,776	117,802
• Strong	32,457	100,396	123,134	16,037	239,567	180,199	73,278
• Satisfactory	12,804	37,341	6,728	317	44,386	20,577	44,524
Stage 2	637	11,583	1,607	567	13,757	3,838	2,426
• Strong	59	1,956	1,145	–	3,101	735	131
• Satisfactory	576	8,469	126	567	9,162	2,913	2,220
• Higher risk	2	1,158	336	–	1,494	190	75
Of which (stage 2):							
• Less than 30 days past due	40	52	126	–	178	–	–
• More than 30 days past due	–	5	336	–	341	–	–
Stage 3, credit-impaired financial assets	80	3,850	1,853	2	5,705	2	520
Gross balance[1]	45,978	153,170	133,322	16,923	303,415	204,616	120,748
Stage 1	(9)	(181)	(322)	(12)	(515)	(87)	(40)
• Strong	(3)	(63)	(275)	(12)	(350)	(28)	(9)
• Satisfactory	(6)	(118)	(47)	–	(165)	(59)	(31)
Stage 2	–	(364)	(125)	–	(489)	(47)	(16)
• Strong	–	(9)	(86)	–	(95)	(13)	(1)
• Satisfactory	–	(185)	(12)	–	(197)	(25)	(11)
• Higher risk	–	(170)	(27)	–	(197)	(9)	(4)
Of which (stage 2):							
• Less than 30 days past due	–	(3)	(12)	–	(15)	–	–
• More than 30 days past due	–	–	(27)	–	(27)	–	–
Stage 3, credit-impaired financial assets	(7)	(2,133)	(997)	(2)	(3,132)	(1)	(106)
Total credit impairment	(16)	(2,678)	(1,444)	(14)	(4,136)	(135)	(162)
Net carrying value	45,962	150,492	131,878	16,909	299,279		
Stage 1	0.0%	0.1%	0.2%	0.1%	0.2%	0.0%	0.0%
• Strong	0.0%	0.1%	0.2%	0.1%	0.1%	0.0%	0.0%
• Satisfactory	0.0%	0.3%	0.7%	–	0.4%	0.3%	0.1%
Stage 2	–	3.1%	7.8%	–	3.6%	1.2%	0.7%
• Strong	–	0.5%	7.5%	–	3.1%	1.8%	0.8%
• Satisfactory	–	2.2%	9.5%	–	2.2%	0.9%	0.5%
• Higher risk	–	14.7%	8.0%	–	13.2%	4.7%	5.3%
Of which (stage 2):							
• Less than 30 days past due	–	5.8%	9.5%	–	8.4%	–	–
• More than 30 days past due	–	–	8.0%	–	7.9%	–	–
Stage 3, credit-impaired financial assets (S3)	8.8%	55.4%	53.8%	100.0%	54.9%	50.0%	20.4%
• Stage 3 Collateral	–	289	688	–	977	–	83
• Stage 3 Cover ratio (after collateral)	8.8%	62.9%	90.9%	100.0%	72.0%	50.0%	36.3%
Cover ratio	–	1.7%	1.1%	0.1%	1.4%	0.1%	0.1%
Fair value through profit or loss							
Performing	40,890	65,982	2	36	66,020		
• Strong	30,828	33,955	2	–	33,957		
• Satisfactory	10,062	32,027	–	36	32,063		
• Higher risk	–	–	–	–	–		
Impaired (CG13-14)	179	11	–	–	11		
Gross balance (FVTPL)[2]	41,069	65,993	2	36	66,031		
Net carrying value (incl FVTPL)	87,031	216,485	131,880	16,945	365,310		

1 Loans and advances includes reverse repurchase agreements and other similar secured lending of $7,395 million under Customers and of $4,109 million under Banks, held at amortised cost

2 Loans and advances includes reverse repurchase agreements and other similar secured lending of $54,977 million under Customers and of $39,258 million under Banks, held at fair value through profit or loss

Risk review

	31.12.25[1]						
		Customers					
Amortised cost	Banks $million	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Central & other items $million	Customer Total $million	Undrawn commitments $million	Financial Guarantees $million
Stage 1	43,608	132,772	127,306	14,984	275,062	195,032	112,091
• Strong	31,257	94,399	121,979	14,228	230,606	176,123	67,184
• Satisfactory	12,351	38,373	5,327	756	44,456	18,909	44,907
Stage 2	217	7,859	1,964	–	9,823	4,208	1,511
• Strong	42	1,767	1,453	–	3,220	1,340	351
• Satisfactory	172	4,984	162	–	5,146	2,662	1,052
• Higher risk	3	1,108	349	–	1,457	206	108
Of which (stage 2):							
• Less than 30 days past due	–	86	162	–	248	–	–
• More than 30 days past due	3	158	349	–	507	–	–
Stage 3, credit-impaired financial assets	90	4,201	1,761	2	5,964	5	591
Gross balance[2]	43,915	144,832	131,031	14,986	290,849	199,245	114,193
Stage 1	(6)	(128)	(388)	(12)	(528)	(49)	(26)
• Strong	(2)	(59)	(343)	(12)	(414)	(28)	(12)
• Satisfactory	(4)	(69)	(45)	–	(114)	(21)	(14)
Stage 2	(1)	(310)	(136)	–	(446)	(33)	(16)
• Strong	(1)	(4)	(92)	–	(96)	(4)	–
• Satisfactory	–	(217)	(15)	–	(232)	(20)	(9)
• Higher risk	–	(89)	(29)	–	(118)	(9)	(7)
Of which (stage 2):							
• Less than 30 days past due	–	(9)	(15)	–	(24)	–	–
• More than 30 days past due	–	(1)	(29)	–	(30)	–	–
Stage 3, credit-impaired financial assets	(7)	(2,214)	(871)	(2)	(3,087)	(2)	(98)
Total credit impairment	(14)	(2,652)	(1,395)	(14)	(4,061)	(84)	(140)
Net carrying value	43,901	142,180	129,636	14,972	286,788		
Stage 1	0.0%	0.1%	0.3%	0.1%	0.2%	–	–
• Strong	0.0%	0.1%	0.3%	0.1%	0.2%	0.0%	0.0%
• Satisfactory	0.0%	0.2%	0.8%	–	0.3%	0.1%	0.0%
Stage 2	0.5%	3.9%	6.9%	–	4.5%	0.8%	1.1%
• Strong	2.4%	0.2%	6.3%	–	3.0%	0.3%	–
• Satisfactory	–	4.4%	9.3%	–	4.5%	0.8%	0.9%
• Higher risk	–	8.0%	8.3%	–	8.1%	4.4%	6.5%
Of which (stage 2):							
• Less than 30 days past due	–	10.5%	9.3%	–	9.7%	–	–
• More than 30 days past due	–	0.6%	8.3%	–	5.9%	–	–
Stage 3, credit-impaired financial assets (S3)	7.8%	52.7%	49.5%	100.0%	51.8%	40.0%	16.6%
• Stage 3 Collateral	–	314	678	–	992	–	56
• Stage 3 Cover ratio (after collateral)	7.8%	60.2%	88.0%	100.0%	68.4%	40.0%	26.1%
Cover ratio	0.0%	1.8%	1.1%	0.1%	1.4%	0.0%	0.1%
Fair value through profit or loss							
Performing	36,580	62,780	3	–	62,783	–	–
• Strong	28,277	39,351	3	–	39,354	–	–
• Satisfactory	8,303	23,429	–	–	23,429	–	–
• Higher risk	–	–	–	–	–	–	–
Impaired (CG13-14)	92	14	–	–	14	–	–
Gross balance (FVTPL)[3]	36,672	62,794	3	–	62,797	–	–
Net carrying value (incl FVTPL)	80,573	204,974	129,639	14,972	349,585	–	–

1 Comparatives have been restated in accordance with RNS titled 'Re-presentation of Financial Information' issued on 25 March 2026, as set out in Note 1. Changes in comparatives

2 Loans and advances includes reverse repurchase agreements and other similar secured lending of $8,242 million under Customers and of $3,724 million under Banks, held at amortised cost

3 Loans and advances includes reverse repurchase agreements and other similar secured lending of $50,443 million under Customers and of $33,689 million under Banks, held at fair value through profit or loss

Risk review

Loans and advances analysis by client segment and credit quality

Credit grade	Regulatory 1 year PD range (%)	S&P external ratings equivalent	30.06.26 Corporate & Investment Banking and Central & other items Gross Stage 1 $million	Stage 2 $million	Stage 3 $million	Total $million	Credit impairment Stage 1 $million	Stage 2 $million	Stage 3 $million	Total $million
Strong			116,433	1,956	–	118,389	(75)	(9)	–	(84)
1A–2B	0–0.045	A+ and above	28,520	500	–	29,020	(20)	(1)	–	(21)
3A–4A	0.046–0.110	A/A- to BBB+/BBB	31,824	233	–	32,057	(4)	–	–	(4)
4B–5B	0.111–0.425	BBB to BBB-/BB+	56,089	1,223	–	57,312	(51)	(8)	–	(59)
Satisfactory			37,658	9,036	–	46,694	(118)	(185)	–	(303)
6A–7B	0.426–1.350	BB+/BB to BB-	25,163	1,500	–	26,663	(21)	(36)	–	(57)
8A–9B	1.351–4.000	BB-/B+ to B	10,290	1,612	–	11,902	(38)	(72)	–	(110)
10A–11C	4.001–15.75	B/B- to B-/CCC+	2,205	5,924	–	8,129	(59)	(77)	–	(136)
Higher risk			–	1,158	–	1,158	–	(170)	–	(170)
12	15.751–99.999	CCC/C	–	1,158	–	1,158	–	(170)	–	(170)
Credit-impaired			–	–	3,852	3,852	–	–	(2,135)	(2,135)
13–14	100	Impaired	–	–	3,852	3,852	–	–	(2,135)	(2,135)
Total			154,091	12,150	3,852	170,093	(193)	(364)	(2,135)	(2,692)
						31.12.25				
Strong			108,627	1,767	–	110,394	(71)	(4)	–	(75)
1A–2B	0–0.045	A+ and above	27,495	71	–	27,566	(14)	–	–	(14)
3A–4A	0.046–0.110	A/A- to BBB+/BBB	32,856	428	–	33,284	(3)	–	–	(3)
4B–5B	0.111–0.425	BBB to BBB-/BB+	48,276	1,268	–	49,544	(54)	(4)	–	(58)
Satisfactory			39,129	4,984	–	44,113	(69)	(217)	–	(286)
6A–7B	0.426–1.350	BB+/BB to BB-	24,871	1,564	–	26,435	(16)	(26)	–	(42)
8A–9B	1.351–4.000	BB-/B+ to B	9,738	1,758	–	11,496	(36)	(125)	–	(161)
10A–11C	4.001–15.75	B/B- to B-/CCC+	4,520	1,662	–	6,182	(17)	(66)	–	(83)
Higher risk			–	1,108	–	1,108	–	(89)	–	(89)
12	15.751–99.999	CCC/C	–	1,108	–	1,108	–	(89)	–	(89)
Credit-impaired			–	–	4,203	4,203	–	–	(2,216)	(2,216)
13–14	100	Impaired	–	–	4,203	4,203	–	–	(2,216)	(2,216)
Total			147,756	7,859	4,203	159,818	(140)	(310)	(2,216)	(2,666)

Undrawn commitment and financial guarantees – by client segment and credit quality

			30.06.26							
			Corporate & Investment Banking and Central & other items							
			Notional				Credit impairment			
Credit grade	Regulatory 1 year PD range (%)	S&P external ratings equivalent	Stage 1 $million	Stage 2 $million	Stage 3 $million	Total $million	Stage 1 $million	Stage 2 $million	Stage 3 $million	Total $million
Strong			**170,993**	**731**	**–**	**171,724**	**(26)**	**(11)**	**–**	**(37)**
1A–2B	0–0.045	A+ and above	**31,455**	**42**	**–**	**31,497**	**(1)**	**–**	**–**	**(1)**
3A–4A	0.046–0.110	A/A- to BBB+/BBB	**60,982**	**66**	**–**	**61,048**	**(7)**	**(1)**	**–**	**(8)**
4B–5B	0.111–0.425	BBB to BBB-/BB+	**78,556**	**623**	**–**	**79,179**	**(18)**	**(10)**	**–**	**(28)**
Satisfactory			**60,590**	**5,103**	**–**	**65,693**	**(87)**	**(35)**	**–**	**(122)**
6A–7B	0.426–1.350	BB+/BB to BB-	**49,314**	**1,217**	**–**	**50,531**	**(19)**	**(4)**	**–**	**(23)**
8A–9B	1.351–4.000	BB-/B+ to B	**9,767**	**771**	**–**	**10,538**	**(16)**	**(17)**	**–**	**(33)**
10A–11C	4.001–15.75	B/B- to B-/CCC+	**1,509**	**3,115**	**–**	**4,624**	**(52)**	**(14)**	**–**	**(66)**
Higher risk			**–**	**241**	**–**	**241**	**–**	**(11)**	**–**	**(11)**
12	15.751–99.999	CCC+/C	**–**	**241**	**–**	**241**	**–**	**(11)**	**–**	**(11)**
Credit-impaired			**–**	**–**	**519**	**519**	**–**	**–**	**(107)**	**(107)**
13–14	100	Impaired	**–**	**–**	**519**	**519**	**–**	**–**	**(107)**	**(107)**
Total			**231,583**	**6,075**	**519**	**238,177**	**(113)**	**(57)**	**(107)**	**(277)**
			31.12.25							
Strong			165,772	1,499	–	167,271	(26)	(1)	–	(27)
1A–2B	0–0.045	A+ and above	30,194	344	–	30,538	(2)	–	–	(2)
3A–4A	0.046–0.110	A/A- to BBB+/BBB	60,619	453	–	61,072	(5)	–	–	(5)
4B–5B	0.111–0.425	BBB to BBB-/BB+	74,959	702	–	75,661	(19)	(1)	–	(20)
Satisfactory			62,472	3,652	–	66,124	(32)	(28)	–	(60)
6A–7B	0.426–1.350	BB+/BB to BB-	46,842	1,299	–	48,141	(16)	(3)	–	(19)
8A–9B	1.351–4.000	BB-/B+ to B	11,762	1,388	–	13,150	(11)	(16)	–	(27)
10A–11C	4.001–15.75	B/B- to B-/CCC+	3,868	965	–	4,833	(5)	(9)	–	(14)
Higher risk			–	292	–	292	–	(16)	–	(16)
12	15.751–99.999	CCC+/C	–	292	–	292	–	(16)	–	(16)
Credit impaired			–	–	583	583	–	–	(100)	(100)
13–14	100	Impaired	–	–	583	583	–	–	(100)	(100)
Total			228,244	5,443	583	234,270	(58)	(45)	(100)	(203)

Loans and advances analysis by client segment, credit quality and key geography

	Corporate & Investment Banking and Central & other items																
	30.06.26																
	Gross								Credit impairment								
	Stage 1			Stage 2				Stage 3	Stage 1			Stage 2				Stage 3	
	Strong $million	Satisfactory $million	Total $million	Strong $million	Satisfactory $million	Higher Risk $million	Total $million	Impaired $million	Strong $million	Satisfactory $million	Total $million	Strong $million	Satisfactory $million	Higher Risk $million	Total $million	Impaired $million	Total Coverage %
Hong Kong	34,768	12,636	47,404	451	756	492	1,699	995	(18)	(11)	(29)	(4)	(28)	(158)	(190)	(398)	(1.2)
Corporate Lending	16,035	5,397	21,432	411	714	445	1,570	481	(17)	(6)	(23)	(4)	(28)	(155)	(187)	(363)	(2.4)
Non Corporate Lending[1]	7,323	2,380	9,703	–	42	47	89	472	(1)	(4)	(5)	–	–	(3)	(3)	(34)	(0.4)
Banks	11,410	4,859	16,269	40	–	–	40	42	–	(1)	(1)	–	–	–	–	(1)	0.0
Singapore	24,106	9,647	33,753	926	540	25	1,491	293	(3)	(26)	(29)	(1)	(3)	–	(4)	(178)	(0.6)
Corporate Lending	10,171	4,653	14,824	921	459	25	1,405	235	–	(24)	(24)	(1)	(3)	–	(4)	(170)	(1.2)
Non Corporate Lending[1]	10,905	1,061	11,966	–	72	–	72	24	(3)	(1)	(4)	–	–	–	–	(5)	(0.1)
Banks	3,030	3,933	6,963	5	9	–	14	34	–	(1)	(1)	–	–	–	–	(3)	(0.1)
China	13,574	2,454	16,028	–	152	10	162	22	(2)	(2)	(4)	–	–	–	–	(5)	(0.1)
Corporate Lending	4,606	1,570	6,176	–	80	10	90	20	(1)	(2)	(3)	–	–	–	–	(3)	(0.1)
Non Corporate Lending[1]	4,404	261	4,665	–	70	–	70	–	(1)	–	(1)	–	–	–	–	–	0.0
Banks	4,564	623	5,187	–	2	–	2	2	–	–	–	–	–	–	–	(2)	0.0
UK	16,622	7,202	23,824	15	939	499	1,453	852	(4)	(10)	(14)	–	(21)	4	(17)	(385)	(1.6)
Corporate Lending	7,307	3,566	10,873	8	830	499	1,337	538	(3)	(8)	(11)	–	(20)	4	(16)	(356)	(3.0)
Non Corporate Lending[1]	7,882	1,577	9,459	7	109	–	116	313	(1)	(1)	(2)	–	(1)	–	(1)	(28)	(0.3)
Banks	1,433	2,059	3,492	–	–	–	–	1	–	(1)	(1)	–	–	–	–	(1)	(0.1)
US	23,710	4,378	28,088	–	479	–	479	233	(5)	(7)	(12)	–	(18)	–	(18)	(56)	(0.3)
Corporate Lending	9,353	3,396	12,749	–	428	–	428	233	(2)	(6)	(8)	–	(18)	–	(18)	(56)	(0.6)
Non Corporate Lending[1]	13,737	520	14,257	–	44	–	44	–	(3)	(1)	(4)	–	–	–	–	–	0.0
Banks	620	462	1,082	–	7	–	7	–	–	–	–	–	–	–	–	–	0.0
Others	36,110	14,145	50,255	623	6,746	134	7,503	1,537	(46)	(68)	(114)	(4)	(115)	(16)	(135)	(1,120)	(2.3)
Corporate Lending	18,118	10,518	28,636	621	6,146	132	6,899	1,380	(26)	(57)	(83)	(4)	(90)	(16)	(110)	(980)	(3.2)
Non Corporate Lending[1]	6,591	2,758	9,349	–	31	–	31	157	(17)	(8)	(25)	–	(25)	–	(25)	(140)	(2.0)
Banks	11,401	869	12,270	2	569	2	573	–	(3)	(3)	(6)	–	–	–	–	–	0.0
Total	148,890	50,462	199,352	2,015	9,612	1,160	12,787	3,932	(78)	(124)	(202)	(9)	(185)	(170)	(364)	(2,142)	(1.3)

1 Include financing, insurance and non-banking corporations and governments

Risk review

	Corporate & Investment Banking and Central & other items															
	31.12.25															
	Gross								Credit impairment							
	Stage 1			Stage 2				Stage 3	Stage 1			Stage 2				Stage 3
	Strong $million	Satisfactory $million	Total $million	Strong $million	Satisfactory $million	Higher Risk $million	Total $million	Impaired $million	Strong $million	Satisfactory $million	Total $million	Strong $million	Satisfactory $million	Higher Risk $million	Total $million	Impaired $million	Total Coverage %
Hong Kong	29,977	11,244	41,221	235	1,140	433	1,808	1,181	(19)	(25)	(44)	–	(78)	(78)	(156)	(424)	(1.4)
Corporate Lending	15,933	4,481	20,414	215	1,127	382	1,724	546	(16)	(20)	(36)	–	(75)	(78)	(153)	(384)	(2.5)
Non Corporate Lending[1]	5,337	2,255	7,592	20	13	51	84	588	(1)	(4)	(5)	–	(3)	–	(3)	(39)	(0.6)
Banks	8,707	4,508	13,215	–	–	–	–	47	(2)	(1)	(3)	–	–	–	–	(1)	0.0
Singapore	25,585	9,638	35,223	636	962	25	1,623	240	(4)	(11)	(15)	(2)	(16)	–	(18)	(170)	(0.5)
Corporate Lending	9,996	4,552	14,548	617	849	25	1,491	162	(3)	(9)	(12)	(2)	(16)	–	(18)	(159)	(1.2)
Non Corporate Lending[1]	11,217	1,198	12,415	–	71	–	71	39	(1)	(1)	(2)	–	–	–	–	(8)	(0.1)
Banks	4,372	3,888	8,260	19	42	–	61	39	–	(1)	(1)	–	–	–	–	(3)	0.0
China	12,149	1,718	13,867	–	123	12	135	89	(2)	(1)	(3)	–	–	–	–	(16)	(0.1)
Corporate Lending	4,410	1,196	5,606	–	122	12	134	87	(1)	(1)	(2)	–	–	–	–	(14)	(0.3)
Non Corporate Lending[1]	4,321	210	4,531	–	–	–	–	–	(1)	–	(1)	–	–	–	–	–	0.0
Banks	3,418	312	3,730	–	1	–	1	2	–	–	–	–	–	–	–	(2)	(0.1)
UK	16,597	7,627	24,224	52	1,300	462	1,814	868	–	–	–	–	(30)	–	(30)	(371)	(1.5)
Corporate Lending	7,136	3,350	10,486	52	1,129	462	1,643	538	–	–	–	–	(28)	–	(28)	(346)	(3.0)
Non Corporate Lending[1]	7,028	2,188	9,216	–	87	–	87	329	–	–	–	–	(2)	–	(2)	(24)	(0.3)
Banks	2,433	2,089	4,522	–	84	–	84	1	–	–	–	–	–	–	–	(1)	0.0
US	20,847	3,737	24,584	431	417	–	848	298	(2)	(3)	(5)	–	(21)	–	(21)	(53)	(0.3)
Corporate Lending	6,629	3,075	9,704	163	367	–	530	298	(1)	(3)	(4)	–	(20)	–	(20)	(53)	(0.7)
Non Corporate Lending[1]	13,681	171	13,852	258	44	–	302	–	(1)	–	(1)	–	(1)	–	(1)	–	0.0
Banks	537	491	1,028	10	6	–	16	–	–	–	–	–	–	–	–	–	0.0
Others	34,729	17,516	52,245	455	1,214	179	1,848	1,617	(46)	(33)	(79)	(3)	(72)	(11)	(86)	(1,189)	(2.4)
Corporate Lending	18,355	13,663	32,018	428	1,108	176	1,712	1,341	(30)	(25)	(55)	(2)	(65)	(11)	(78)	(997)	(3.2)
Non Corporate Lending[1]	4,586	2,788	7,374	14	67	–	81	275	(15)	(7)	(22)	–	(7)	–	(7)	(192)	(2.9)
Banks	11,788	1,065	12,853	13	39	3	55	1	(1)	(1)	(2)	(1)	–	–	(1)	–	0.0
Total	139,884	51,480	191,364	1,809	5,156	1,111	8,076	4,293	(73)	(73)	(146)	(5)	(217)	(89)	(311)	(2,223)	(1.3)

1 Include financing, insurance and non-banking corporations and governments

Risk review

	Wealth & Retail Banking																
	30.06.26																
	Gross								Credit impairment								
	Stage 1			Stage 2				Stage 3	Stage 1			Stage 2				Stage 3	
	Strong $million	Satisfactory $million	Total $million	Strong $million	Satisfactory $million	Higher Risk $million	Total $million	Impaired $million	Strong $million	Satisfactory $million	Total $million	Strong $million	Satisfactory $million	Higher Risk $million	Total $million	Impaired $million	Total Coverage %
Hong Kong	**45,257**	**413**	**45,670**	**321**	**25**	**49**	**395**	**289**	**(48)**	**(25)**	**(73)**	**(34)**	**(3)**	**(8)**	**(45)**	**(136)**	**(0.5)**
Mortgages	**32,163**	**256**	**32,419**	**73**	**13**	**27**	**113**	**64**	**(1)**	**–**	**(1)**	**–**	**–**	**–**	**–**	**(2)**	**0.0**
Credit cards	**4,045**	**26**	**4,071**	**109**	**10**	**6**	**125**	**12**	**(32)**	**(8)**	**(40)**	**(27)**	**(3)**	**(6)**	**(36)**	**(12)**	**(2.1)**
Others[1]	**9,049**	**131**	**9,180**	**139**	**2**	**16**	**157**	**213**	**(15)**	**(17)**	**(32)**	**(7)**	**–**	**(2)**	**(9)**	**(122)**	**(1.7)**
Singapore	**35,476**	**1,098**	**36,574**	**233**	**39**	**34**	**306**	**357**	**(62)**	**(5)**	**(67)**	**(15)**	**(4)**	**(8)**	**(27)**	**(302)**	**(1.1)**
Mortgages	**16,495**	**12**	**16,507**	**167**	**31**	**10**	**208**	**12**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(13)**	**(0.1)**
Credit cards	**2,519**	**29**	**2,548**	**45**	**8**	**21**	**74**	**25**	**(45)**	**(6)**	**(51)**	**(11)**	**(2)**	**(6)**	**(19)**	**(19)**	**(3.4)**
Others[1]	**16,462**	**1,057**	**17,519**	**21**	**–**	**3**	**24**	**320**	**(17)**	**1**	**(16)**	**(4)**	**(2)**	**(2)**	**(8)**	**(270)**	**(1.6)**
Korea	**18,109**	**218**	**18,327**	**302**	**7**	**21**	**330**	**177**	**(22)**	**(2)**	**(24)**	**(12)**	**(2)**	**–**	**(14)**	**(83)**	**(0.6)**
Mortgages	**14,227**	**175**	**14,402**	**266**	**6**	**17**	**289**	**85**	**(4)**	**–**	**(4)**	**(2)**	**–**	**–**	**(2)**	**(4)**	**(0.1)**
Credit cards	**9**	**–**	**9**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**0.0**
Others[1]	**3,873**	**43**	**3,916**	**36**	**1**	**4**	**41**	**92**	**(18)**	**(2)**	**(20)**	**(10)**	**(2)**	**–**	**(12)**	**(79)**	**(2.7)**
Rest of World	**24,292**	**4,999**	**29,291**	**289**	**55**	**232**	**576**	**1,030**	**(143)**	**(15)**	**(158)**	**(25)**	**(3)**	**(11)**	**(39)**	**(476)**	**(2.2)**
Mortgages	**15,609**	**2,393**	**18,002**	**155**	**35**	**153**	**343**	**510**	**(5)**	**(6)**	**(11)**	**(2)**	**(1)**	**(1)**	**(4)**	**(181)**	**(1.0)**
Credit cards	**614**	**8**	**622**	**5**	**1**	**5**	**11**	**24**	**(16)**	**(1)**	**(17)**	**(2)**	**–**	**(1)**	**(3)**	**(18)**	**(5.8)**
Others[1]	**8,069**	**2,598**	**10,667**	**129**	**19**	**74**	**222**	**496**	**(122)**	**(8)**	**(130)**	**(21)**	**(2)**	**(9)**	**(32)**	**(277)**	**(3.9)**
Total	**123,134**	**6,728**	**129,862**	**1,145**	**126**	**336**	**1,607**	**1,853**	**(275)**	**(47)**	**(322)**	**(86)**	**(12)**	**(27)**	**(125)**	**(997)**	**(1.1)**

	Wealth & Retail Banking																
	31.12.25																
	Gross								Credit impairment								
	Stage 1			Stage 2				Stage 3	Stage 1			Stage 2				Stage 3	
	Strong $million	Satisfactory $million	Total $million	Strong $million	Satisfactory $million	Higher Risk $million	Total $million	Impaired $million	Strong $million	Satisfactory $million	Total $million	Strong $million	Satisfactory $million	Higher Risk $million	Total $million	Impaired $million	Total Coverage %
Hong Kong	43,564	220	43,784	265	64	39	368	230	(74)	(10)	(84)	(32)	(5)	(9)	(46)	(77)	(0.5)
Mortgages	31,375	150	31,525	70	46	12	128	67	(1)	–	(1)	–	–	–	–	(3)	0.0
Credit cards	4,332	33	4,365	112	18	23	153	19	(49)	(5)	(54)	(30)	(5)	(9)	(44)	(16)	(2.5)
Others[1]	7,857	37	7,894	83	–	4	87	144	(24)	(5)	(29)	(2)	–	–	(2)	(58)	(1.1)
Singapore	33,327	52	33,379	448	25	32	505	347	(63)	(17)	(80)	(7)	(2)	(7)	(16)	(279)	(1.1)
Mortgages	15,809	12	15,821	196	18	11	225	16	–	–	–	–	–	–	–	(7)	0.0
Credit cards	2,531	25	2,556	18	7	20	45	22	(47)	(17)	(64)	(5)	(2)	(7)	(14)	(17)	(3.6)
Others[1]	14,987	15	15,002	234	–	1	235	309	(16)	–	(16)	(2)	–	–	(2)	(255)	(1.8)
Korea	19,829	190	20,019	269	7	20	296	190	(23)	(2)	(25)	(12)	(2)	(1)	(15)	(78)	(0.6)
Mortgages	15,321	150	15,471	232	6	15	253	88	(1)	–	(1)	(1)	–	–	(1)	(3)	0.0
Credit cards	16	–	16	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0
Others[1]	4,492	40	4,532	37	1	5	43	102	(22)	(2)	(24)	(11)	(2)	(1)	(14)	(75)	(2.4)
Rest of World	25,259	4,865	30,124	471	66	258	795	994	(183)	(16)	(199)	(41)	(6)	(12)	(59)	(437)	(2.2)
Mortgages	15,532	2,321	17,853	196	41	149	386	471	(4)	(5)	(9)	(2)	–	(1)	(3)	(148)	(0.9)
Credit cards	1,124	15	1,139	95	4	9	108	28	(21)	(3)	(24)	(20)	(1)	(2)	(23)	(21)	(5.3)
Others[1]	8,603	2,529	11,132	180	21	100	301	495	(158)	(8)	(166)	(19)	(5)	(9)	(33)	(268)	(3.9)
Total	121,979	5,327	127,306	1,453	162	349	1,964	1,761	(343)	(45)	(388)	(92)	(15)	(29)	(136)	(871)	(1.1)

1 Others includes Personal loans and other unsecured lending, Secured wealth products and Other retail products

Risk review

Undrawn commitment and financial guarantees – by client segment and credit quality

	Wealth & Retail Banking							
	30.06.26							
	Notional				Credit impairment			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Amortised cost	$million	$million	$million	$million	$million	$million	$million	$million
Strong	**69,924**	**76**	**–**	**70,000**	**(9)**	**(2)**	**–**	**(11)**
Satisfactory	**514**	**9**	**–**	**523**	**(2)**	**–**	**–**	**(2)**
Higher risk	**–**	**24**	**–**	**24**	**–**	**(1)**	**–**	**(1)**
Impaired	**–**	**–**	**2**	**2**	**–**	**–**	**–**	**–**
Total	**70,438**	**109**	**2**	**70,549**	**(11)**	**(3)**	**–**	**(14)**

	31.12.25							
	Notional				Credit impairment			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Amortised cost	$million	$million	$million	$million	$million	$million	$million	$million
Strong	70,447	82	–	70,529	(13)	(4)	–	(17)
Satisfactory	467	10	–	477	(2)	(1)	–	(3)
Higher risk	–	22	–	22	–	(1)	–	(1)
Impaired	–	–	4	4	–	–	–	–
Total	70,914	114	4	71,032	(15)	(6)	–	(21)

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

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

The methodology for the preparation of the movement in gross exposures and credit impairment is set out on page 246 of the 2025 Annual Report.

Movements during the year

Stage 1 gross exposures increased by $9.7 billion to $799.8 billion (31 December 2025: $790.1 billion). CIB exposures increased by $18.6 billion to $431.1 billion (31 December 2025: $412.6 billion), mainly due to an increase in lending, financial guarantees and undrawn commitments. WRB exposures increased by $2.1 billion to $200.3 billion (31 December 2025: $198.2 billion), mainly due to an increase in Secured wealth products in Singapore and Hong Kong from higher demand. Total stage 1 provisions increased by $49 million to $714 million (31 December 2025: $665 million). CIB provisions increased by $105 million to $299 million (31 December 2025: $194.0 million), due to portfolio movements and new management overlay related to the Middle East conflict. WRB provisions decreased by $68 million to $333 million (31 December 2025: $401 million), due to ongoing portfolio optimisation actions.

Stage 2 gross exposures increased by $6.7 billion to $23.7 billion (31 December 2025: $17 billion), primarily because of stage transfers of exposures impacted by the management overlays taken for the Middle East conflict and an increase in exposures placed on non-purely precautionary early alerts. WRB exposures decreased by $0.4 billion to $1.7 billion (31 December 2025: $2.1 billion), mainly in secured wealth and unsecured products. Stage 2 provisions increased by $55 million to $556 million (31 December 2025: $501 million). CIB provisions increased by $65 million to $419 million (31 December 2025: $354 million) due to a net increase in management overlays relating to the Middle East conflict. WRB provisions decreased by $14 million to $128 million (31 December 2025: $142 million), mainly in the unsecured portfolio.

The non-linearity impact increased stage 1 and 2 provisions by $64 million to $177 million (31 December 2025: $113 million). This reflects an increased probability weighing the overall downside scenarios from 41 per cent to 60 per cent, reflecting continuing geopolitical uncertainty around the Middle East conflict, trade tariffs and other market risks.

Stage 3 gross exposures decreased by $0.3 billion to $6.6 billion (31 December 2025: $6.9 billion). CIB exposures decreased by $0.4 billion to $4.4 billion (31 December 2025: $4.9 billion) due to repayments. WRB exposures increased by $0.1 billion to $1.9 billion (31 December 2025: $1.8 billion) mainly in the secured portfolio. Stage 3 provisions increased by $0.1 billion to $3.3 billion (31 December 2025: $3.2 billion). CIB provisions remained stable at $2.3 billion (31 December 2025: $2.3 billion). WRB provisions increased by $0.1 billion to $1 billion (31 December 2025: $0.9 billion).

Risk review

All segments (reviewed)

	Stage 1			Stage 2			Stage 3[5]			Total		
	Gross balance[3]	Total credit impairment	Net	Gross balance[3]	Total credit impairment	Net	Gross balance[3]	Total credit impairment	Net	Gross balance[3]	Total credit impairment	Net
Amortised cost and FVOCI	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million
As at 1 January 2025	720,679	(582)	720,097	18,607	(537)	18,070	6,999	(4,085)	2,914	746,285	(5,204)	741,081
Transfers to stage 1	17,431	(630)	16,801	(17,429)	630	(16,799)	(2)	–	(2)	–	–	–
Transfers to stage 2	(39,710)	125	(39,585)	40,040	(144)	39,896	(330)	19	(311)	–	–	–
Transfers to stage 3	(170)	1	(169)	(3,038)	255	(2,783)	3,208	(256)	2,952	–	–	–
Net change in exposures	74,970	(221)	74,749	(19,400)	5	(19,395)	(1,558)	502	(1,056)	54,012	286	54,298
Net remeasurement from stage changes	–	73	73	–	(176)	(176)	–	(187)	(187)	–	(290)	(290)
Changes in risk parameters	–	168	168	–	(135)	(135)	–	(1,035)	(1,035)	–	(1,002)	(1,002)
Write-offs	–	–	–	–	–	–	(1,718)	1,718	–	(1,718)	1,718	–
Interest due but unpaid	–	–	–	–	–	–	(159)	159	–	(159)	159	–
Discount unwind	–	–	–	–	–	–	–	102	102	–	102	102
Exchange translation differences and other movements[1]	16,876	401	17,277	(1,823)	(399)	(2,222)	506	(136)	370	15,559	(134)	15,425
As at 31 December 2025[2]	790,076	(665)	789,411	16,957	(501)	16,456	6,946	(3,199)	3,747	813,979	(4,365)	809,614
Income statement ECL (charge)/ release[6]		20			(306)			(720)			(1,006)	
Recoveries of amounts previously written off		–			–			341			341	
Total credit impairment (charge)/ release[4]	–	20	–	–	(306)	–	–	(379)	–	–	(665)	–
As at 1 January 2026	**790,076**	**(665)**	**789,411**	**16,957**	**(501)**	**16,456**	**6,946**	**(3,199)**	**3,747**	**813,979**	**(4,365)**	**809,614**
Transfers to stage 1	**10,318**	**(357)**	**9,961**	**(10,317)**	**357**	**(9,960)**	**(1)**	**–**	**(1)**	**–**	**–**	**–**
Transfers to stage 2	**(26,656)**	**61**	**(26,595)**	**26,705**	**(72)**	**26,633**	**(49)**	**11**	**(38)**	**–**	**–**	**–**
Transfers to stage 3	**(84)**	**1**	**(83)**	**(1,189)**	**94**	**(1,095)**	**1,273**	**(95)**	**1,178**	**–**	**–**	**–**
Net change in exposures	**33,439**	**(77)**	**33,362**	**(8,096)**	**28**	**(8,068)**	**(987)**	**114**	**(873)**	**24,356**	**65**	**24,421**
Net remeasurement from stage changes	**–**	**27**	**27**	**–**	**(89)**	**(89)**	**–**	**(72)**	**(72)**	**–**	**(134)**	**(134)**
Changes in risk parameters	**–**	**22**	**22**	**–**	**(153)**	**(153)**	**–**	**(434)**	**(434)**	**–**	**(565)**	**(565)**
Write-offs	**–**	**–**	**–**	**–**	**–**	**–**	**(389)**	**389**	**–**	**(389)**	**389**	**–**
Interest due but unpaid	**–**	**–**	**–**	**–**	**–**	**–**	**(26)**	**26**	**–**	**(26)**	**26**	**–**
Discount unwind	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**60**	**60**	**–**	**60**	**60**
Exchange translation differences and other movements[1]	**(7,317)**	**274**	**(7,043)**	**(364)**	**(220)**	**(584)**	**(162)**	**(50)**	**(212)**	**(7,843)**	**4**	**(7,839)**
As at 30 June 2026[2]	**799,776**	**(714)**	**799,062**	**23,696**	**(556)**	**23,140**	**6,605**	**(3,250)**	**3,355**	**830,077**	**(4,520)**	**825,557**
Income statement ECL (charge)/ release[6]		**(28)**			**(214)**			**(392)**			**(634)**	
Recoveries of amounts previously written off		**–**			**–**			**180**			**180**	
Total credit impairment (charge)/ release[4]	**–**	**(28)**	**–**	**–**	**(214)**	**–**	**–**	**(212)**	**–**	**–**	**(454)**	**–**

1 Includes fair value adjustments and amortisation on debt securities
2 Excludes Cash and balances at central banks, Accrued income, Assets held for sale and Other assets gross balances of $142,558 million (31 December 2025: $118,232 million) and Total credit impairment of $29 million (31 December 2025: $43 million)
3 The gross balance includes the notional amount of off balance sheet instruments
4 Reported basis
5 Stage 3 gross includes $281 million (31 December 2025: $278 million) originated credit-impaired debt securities with impairment of $4million (31 December 2025: $5 million)
6 Does not include (charge)/release relating to Other assets of $8 million (31 December 2025: $(8) million)

Risk review

Corporate & Investment Banking (reviewed)

	Stage 1			Stage 2			Stage 3			Total		
	Gross balance[1]	Total credit impairment	Net	Gross balance[1]	Total credit impairment	Net	Gross balance[1]	Total credit impairment	Net	Gross balance[1]	Total credit impairment	Net
Amortised cost and FVOCI	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million
As at 1 January 2025	367,106	(133)	366,973	14,869	(362)	14,507	5,170	(3,312)	1,858	387,145	(3,807)	383,338
Transfers to stage 1	11,606	(387)	11,219	(11,606)	387	(11,219)	–	–	–	–	–	–
Transfers to stage 2	(30,544)	29	(30,515)	30,795	(48)	30,747	(251)	19	(232)	–	–	–
Transfers to stage 3	(111)	–	(111)	(1,567)	56	(1,511)	1,678	(56)	1,622	–	–	–
Net change in exposures	58,190	(119)	58,071	(17,214)	32	(17,182)	(883)	505	(378)	40,093	418	40,511
Net remeasurement from stage changes	–	4	4	(1)	(16)	(17)	–	(145)	(145)	(1)	(157)	(158)
Changes in risk parameters	–	55	55	–	(79)	(79)	–	(299)	(299)	–	(323)	(323)
Write-offs	–	–	–	–	–	–	(1,075)	1,075	–	(1,075)	1,075	–
Interest due but unpaid	–	–	–	–	–	–	(187)	187	–	(187)	187	–
Discount unwind	–	–	–	–	–	–	–	69	69	–	69	69
Exchange translation differences and other movements	6,343	357	6,700	(1,597)	(324)	(1,921)	431	(365)	66	5,177	(332)	4,845
As at 31 December 2025	412,590	(194)	412,396	13,679	(354)	13,325	4,883	(2,322)	2,561	431,152	(2,870)	428,282
Income statement ECL (charge)/release		(60)			(63)			61			(62)	
Recoveries of amounts previously written off		–			–			54			54	
Total credit impairment (charge)/release	–	(60)	–	–	(63)	–	–	115	–	–	(8)	–
As at 1 January 2026	**412,590**	**(194)**	**412,396**	**13,679**	**(354)**	**13,325**	**4,883**	**(2,322)**	**2,561**	**431,152**	**(2,870)**	**428,282**
Transfers to stage 1	**7,466**	**(231)**	**7,235**	**(7,466)**	**231**	**(7,235)**	**–**	**–**	**–**	**–**	**–**	**–**
Transfers to stage 2	**(19,415)**	**10**	**(19,405)**	**19,463**	**(15)**	**19,448**	**(48)**	**5**	**(43)**	**–**	**–**	**–**
Transfers to stage 3	**(54)**	**–**	**(54)**	**(174)**	**9**	**(165)**	**228**	**(9)**	**219**	**–**	**–**	**–**
Net change in exposures	**33,732**	**(41)**	**33,691**	**(6,938)**	**30**	**(6,908)**	**(380)**	**114**	**(266)**	**26,414**	**103**	**26,517**
Net remeasurement from stage changes	**–**	**4**	**4**	**–**	**(33)**	**(33)**	**–**	**(51)**	**(51)**	**–**	**(80)**	**(80)**
Changes in risk parameters	**–**	**(32)**	**(32)**	**–**	**(119)**	**(119)**	**–**	**(49)**	**(49)**	**–**	**(200)**	**(200)**
Write-offs	**–**	**–**	**–**	**–**	**–**	**–**	**(61)**	**61**	**–**	**(61)**	**61**	**–**
Interest due but unpaid	**–**	**–**	**–**	**–**	**–**	**–**	**(36)**	**36**	**–**	**(36)**	**36**	**–**
Discount unwind	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**44**	**44**	**–**	**44**	**44**
Exchange translation differences and other movements	**(3,170)**	**185**	**(2,985)**	**(188)**	**(168)**	**(356)**	**(137)**	**(79)**	**(216)**	**(3,495)**	**(62)**	**(3,557)**
As at 30 June 2026	**431,149**	**(299)**	**430,850**	**18,376**	**(419)**	**17,957**	**4,449**	**(2,250)**	**2,199**	**453,974**	**(2,968)**	**451,006**
Income statement ECL (charge)/release	**–**	**(69)**		**–**	**(122)**		**–**	**14**		**–**	**(177)**	
Recoveries of amounts previously written off	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**27**		**–**	**27**	
Total credit impairment (charge)/release	**–**	**(69)**	**–**	**–**	**(122)**	**–**	**–**	**41**	**–**	**–**	**(150)**	**–**

1 The gross balance includes the notional amount of off-balance sheet instruments

Risk review

Wealth & Retail Banking (reviewed)

Amortised cost and FVOCI	Stage 1			Stage 2			Stage 3			Total		
	Gross balance[1] $million	Total credit impairment $million	Net $million	Gross balance[1] $million	Total credit impairment $million	Net $million	Gross balance[1] $million	Total credit impairment $million	Net $million	Gross balance[1] $million	Total credit impairment $million	Net $million
As at 1 January 2025	189,855	(421)	189,434	2,084	(178)	1,906	1,635	(769)	866	193,574	(1,368)	192,206
Transfers to stage 1	5,279	(243)	5,036	(5,277)	243	(5,034)	(2)	–	(2)	–	–	–
Transfers to stage 2	(8,877)	95	(8,782)	8,956	(95)	8,861	(79)	–	(79)	–	–	–
Transfers to stage 3	(59)	1	(58)	(1,471)	200	(1,271)	1,530	(201)	1,329	–	–	–
Net change in exposures	7,706	(70)	7,636	(2,276)	(9)	(2,285)	(747)	–	(747)	4,683	(79)	4,604
Net remeasurement from stage changes	–	50	50	–	(161)	(161)	–	(42)	(42)	–	(153)	(153)
Changes in risk parameters	–	75	75	–	(37)	(37)	–	(742)	(742)	–	(704)	(704)
Write-offs	–	–	–	–	–	–	(666)	666	–	(666)	666	–
Interest due but unpaid	–	–	–	–	–	–	28	(28)	–	28	(28)	–
Discount unwind	–	–	–	–	–	–	–	32	32	–	32	32
Exchange translation differences and other movements	4,316	112	4,428	63	(105)	(42)	66	214	280	4,445	221	4,666
As at 31 December 2025[2]	198,220	(401)	197,819	2,079	(142)	1,937	1,765	(870)	895	202,064	(1,413)	200,651
Income statement ECL (charge)/release		55			(207)			(784)			(936)	
Recoveries of amounts previously written off		–			–			287			287	
Total credit impairment (charge)/release	–	55	–	–	(207)	–	–	(497)	–	–	(649)	–
As at 1 January 2026	**198,220**	**(401)**	**197,819**	**2,079**	**(142)**	**1,937**	**1,765**	**(870)**	**895**	**202,064**	**(1,413)**	**200,651**
Transfers to stage 1	**2,637**	**(124)**	**2,513**	**(2,636)**	**124**	**(2,512)**	**(1)**	**–**	**(1)**	**–**	**–**	**–**
Transfers to stage 2	**(4,470)**	**47**	**(4,423)**	**4,471**	**(53)**	**4,418**	**(1)**	**6**	**5**	**–**	**–**	**–**
Transfers to stage 3	**(30)**	**–**	**(30)**	**(1,015)**	**86**	**(929)**	**1,045**	**(86)**	**959**	**–**	**–**	**–**
Net change in exposures	**6,942**	**(1)**	**6,941**	**(1,108)**	**(3)**	**(1,111)**	**(610)**	**–**	**(610)**	**5,224**	**(4)**	**5,220**
Net remeasurement from stage changes	**–**	**22**	**22**	**–**	**(52)**	**(52)**	**–**	**(21)**	**(21)**	**–**	**(51)**	**(51)**
Changes in risk parameters	**–**	**21**	**21**	**–**	**(29)**	**(29)**	**–**	**(385)**	**(385)**	**–**	**(393)**	**(393)**
Write-offs	**–**	**–**	**–**	**–**	**–**	**–**	**(328)**	**328**	**–**	**(328)**	**328**	**–**
Interest due but unpaid	**–**	**–**	**–**	**–**	**–**	**–**	**10**	**(10)**	**–**	**10**	**(10)**	**–**
Discount unwind	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**16**	**16**	**–**	**16**	**16**
Exchange translation differences and other movements	**(2,999)**	**103**	**(2,896)**	**(75)**	**(59)**	**(134)**	**(25)**	**25**	**–**	**(3,099)**	**69**	**(3,030)**
As at 30 June 2026	**200,300**	**(333)**	**199,967**	**1,716**	**(128)**	**1,588**	**1,855**	**(997)**	**858**	**203,871**	**(1,458)**	**202,413**
Income statement ECL (charge)/release		**42**			**(84)**			**(406)**			**(448)**	
Recoveries of amounts previously written off		**–**			**–**			**152**			**152**	
Total credit impairment (charge)/release	**–**	**42**	**–**	**–**	**(84)**	**–**	**–**	**(254)**	**–**	**–**	**(296)**	**–**

1 The gross balance includes the notional amount of off-balance sheet instruments

2 Comparatives have been restated in accordance with RNS titled 'Re-presentation of Financial Information' issued on 25 March 2026, as set out in Note 1. Accounting policies, Changes in comparatives

Wealth & Retail Banking – Secured (reviewed)

Amortised cost and FVOCI	Stage 1 Gross balance[1] $million	Stage 1 Total credit impairment $million	Stage 1 Net $million	Stage 2 Gross balance[1] $million	Stage 2 Total credit impairment $million	Stage 2 Net $million	Stage 3 Gross balance[1] $million	Stage 3 Total credit impairment $million	Stage 3 Net $million	Total Gross balance[1] $million	Total Total credit impairment $million	Total Net $million
As at 1 January 2025	126,716	(48)	126,668	1,505	(31)	1,474	1,204	(556)	648	129,425	(635)	128,790
Transfers to stage 1	4,097	(17)	4,080	(4,095)	17	(4,078)	(2)	–	(2)	–	–	–
Transfers to stage 2	(6,064)	7	(6,057)	6,121	(7)	6,114	(57)	–	(57)	–	–	–
Transfers to stage 3	(3)	–	(3)	(634)	14	(620)	637	(14)	623	–	–	–
Net change in exposures	8,276	(11)	8,265	(1,687)	9	(1,678)	(447)	–	(447)	6,142	(2)	6,140
Net remeasurement from stage changes	–	4	4	–	(32)	(32)	–	(7)	(7)	–	(35)	(35)
Changes in risk parameters	–	(18)	(18)	–	41	41	–	(174)	(174)	–	(151)	(151)
Write-offs	–	–	–	–	–	–	(101)	101	–	(101)	101	–
Interest due but unpaid	–	–	–	–	–	–	53	(53)	–	53	(53)	–
Discount unwind	–	–	–	–	–	–	–	19	19	–	19	19
Exchange translation differences and other movements	3,767	18	3,785	63	(28)	35	10	64	74	3,840	54	3,894
As at 31 December 2025	136,789	(65)	136,724	1,273	(17)	1,256	1,297	(620)	677	139,359	(702)	138,657
Income statement ECL (charge)/release		(25)			18			(181)			(188)	
Recoveries of amounts previously written off		–			–			93			93	
Total credit impairment (charge)/release	–	(25)	–	–	18	–	–	(88)	–	–	(95)	–
As at 1 January 2026	**136,789**	**(65)**	**136,724**	**1,273**	**(17)**	**1,256**	**1,297**	**(620)**	**677**	**139,359**	**(702)**	**138,657**
Transfers to stage 1	**1,960**	**(10)**	**1,950**	**(1,959)**	**10**	**(1,949)**	**(1)**	**–**	**(1)**	**–**	**–**	**–**
Transfers to stage 2	**(3,242)**	**7**	**(3,235)**	**3,238**	**(9)**	**3,229**	**4**	**2**	**6**	**–**	**–**	**–**
Transfers to stage 3	**(11)**	**–**	**(11)**	**(491)**	**4**	**(487)**	**502**	**(4)**	**498**	**–**	**–**	**–**
Net change in exposures	**13,339**	**(7)**	**13,332**	**(884)**	**(1)**	**(885)**	**(353)**	**–**	**(353)**	**12,102**	**(8)**	**12,094**
Net remeasurement from stage changes	**–**	**7**	**7**	**–**	**(7)**	**(7)**	**–**	**(5)**	**(5)**	**–**	**(5)**	**(5)**
Changes in risk parameters	**–**	**1**	**1**	**–**	**(20)**	**(20)**	**–**	**(122)**	**(122)**	**–**	**(141)**	**(141)**
Write-offs	**–**	**–**	**–**	**–**	**–**	**–**	**(57)**	**57**	**–**	**(57)**	**57**	**–**
Interest due but unpaid	**–**	**–**	**–**	**–**	**–**	**–**	**13**	**(13)**	**–**	**13**	**(13)**	**–**
Discount unwind	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**7**	**7**	**–**	**7**	**7**
Exchange translation differences and other movements	**(2,293)**	**(1)**	**(2,294)**	**7**	**15**	**22**	**(24)**	**(39)**	**(63)**	**(2,310)**	**(25)**	**(2,335)**
As at 30 June 2026	**146,542**	**(68)**	**146,474**	**1,184**	**(25)**	**1,159**	**1,381**	**(737)**	**644**	**149,107**	**(830)**	**148,277**
Income statement ECL (charge)/release		**1**			**(28)**			**(127)**			**(154)**	
Recoveries of amounts previously written off		**–**			**–**			**43**			**43**	
Total credit impairment (charge)/release	**–**	**1**	**–**	**–**	**(28)**	**–**	**–**	**(84)**	**–**	**–**	**(111)**	**–**

1 The gross balance includes the notional amount of off-balance sheet instruments

Wealth & Retail Banking – Unsecured (reviewed)

Amortised cost and FVOCI	Stage 1 Gross balance[1] $million	Stage 1 Total credit impairment $million	Stage 1 Net $million	Stage 2 Gross balance[1] $million	Stage 2 Total credit impairment $million	Stage 2 Net $million	Stage 3 Gross balance[1] $million	Stage 3 Total credit impairment $million	Stage 3 Net $million	Total Gross balance[1] $million	Total Total credit impairment $million	Total Net $million
As at 1 January 2025	63,139	(373)	62,766	579	(147)	432	431	(213)	218	64,149	(733)	63,416
Transfers to stage 1	1,182	(226)	956	(1,182)	226	(956)	–	–	–	–	–	–
Transfers to stage 2	(2,813)	88	(2,725)	2,835	(88)	2,747	(22)	–	(22)	–	–	–
Transfers to stage 3	(56)	1	(55)	(837)	186	(651)	893	(187)	706	–	–	–
Net change in exposures	(570)	(59)	(629)	(589)	(18)	(607)	(300)	–	(300)	(1,459)	(77)	(1,536)
Net remeasurement from stage changes	–	46	46	–	(129)	(129)	–	(35)	(35)	–	(118)	(118)
Changes in risk parameters	–	93	93	–	(78)	(78)	–	(568)	(568)	–	(553)	(553)
Write-offs	–	–	–	–	–	–	(565)	565	–	(565)	565	–
Interest due but unpaid	–	–	–	–	–	–	(25)	25	–	(25)	25	–
Discount unwind	–	–	–	–	–	–	–	13	13	–	13	13
Exchange translation differences and other movements	549	94	643	–	(77)	(77)	56	150	206	605	167	772
As at 31 December 2025[2]	61,431	(336)	61,095	806	(125)	681	468	(250)	218	62,705	(711)	61,994
Income statement ECL (charge)/release		80			(225)			(603)			(748)	
Recoveries of amounts previously written off		–			–			194			194	
Total credit impairment (charge)/release	–	80	–	–	(225)	–	–	(409)	–	–	(554)	–
As at 1 January 2026	**61,431**	**(336)**	**61,095**	**806**	**(125)**	**681**	**468**	**(250)**	**218**	**62,705**	**(711)**	**61,994**
Transfers to stage 1	**677**	**(114)**	**563**	**(677)**	**114**	**(563)**	**–**	**–**	**–**	**–**	**–**	**–**
Transfers to stage 2	**(1,228)**	**40**	**(1,188)**	**1,233**	**(44)**	**1,189**	**(5)**	**4**	**(1)**	**–**	**–**	**–**
Transfers to stage 3	**(19)**	**–**	**(19)**	**(524)**	**82**	**(442)**	**543**	**(82)**	**461**	**–**	**–**	**–**
Net change in exposures	**(6,397)**	**6**	**(6,391)**	**(224)**	**(2)**	**(226)**	**(257)**	**–**	**(257)**	**(6,878)**	**4**	**(6,874)**
Net remeasurement from stage changes	**–**	**15**	**15**	**–**	**(45)**	**(45)**	**–**	**(16)**	**(16)**	**–**	**(46)**	**(46)**
Changes in risk parameters	**–**	**20**	**20**	**–**	**(9)**	**(9)**	**–**	**(263)**	**(263)**	**–**	**(252)**	**(252)**
Write-offs	**–**	**–**	**–**	**–**	**–**	**–**	**(271)**	**271**	**–**	**(271)**	**271**	**–**
Interest due but unpaid	**–**	**–**	**–**	**–**	**–**	**–**	**(3)**	**3**	**–**	**(3)**	**3**	**–**
Discount unwind	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**9**	**9**	**–**	**9**	**9**
Exchange translation differences and other movements	**(706)**	**104**	**(602)**	**(82)**	**(74)**	**(156)**	**(1)**	**64**	**63**	**(789)**	**94**	**(695)**
As at 30 June 2026	**53,758**	**(265)**	**53,493**	**532**	**(103)**	**429**	**474**	**(260)**	**214**	**54,764**	**(628)**	**54,136**
Income statement ECL (charge)/release		**41**			**(56)**			**(279)**			**(294)**	
Recoveries of amounts previously written off		**–**			**–**			**109**			**109**	
Total credit impairment (charge)/release	**–**	**41**	**–**	**–**	**(56)**	**–**	**–**	**(170)**	**–**	**–**	**(185)**	**–**

1 The gross balance includes the notional amount of off balance sheet instruments

2 Comparatives have been restated in accordance with RNS titled 'Re-presentation of Financial Information' issued on 25 March 2026, as set out in Note 1. Accounting policies, Changes in comparatives

Analysis of stage 2 balances

The table below analyses total stage 2 gross on-and off-balance sheet exposures and associated expected credit provisions by the key SICR driver that caused the exposures to be classified as stage 2 as at 30 June 2026 and 31 December 2025 for each segment.

Read more on our criteria for Significant Increase in Credit Risk on page 274 of the 2025 Annual Report

Where multiple drivers apply, the exposure is allocated based on the table order. For example, a loan may have breached the defined IFRS 9 PD thresholds, which is a quantitative trigger, and could also be on non-purely precautionary early alert, a qualitative trigger; in this instance, the exposure is reported under 'Quantitative'. Management overlay ECL is reported separately as the impact is spread across exposures with both quantitative and qualitative drivers.

Read more on Summary of Credit Risk Performance on page 27

	30.06.26											
	Corporate & Investment Banking			Wealth & Retail Banking			Central & other items[1]			Total		
	Gross $million	ECL $million	Coverage %	Gross $million	ECL $million	Coverage %	Gross $million	ECL $million	Coverage %	Gross $million	ECL $million	Coverage %
Quantitative	**5,970**	**163**	**2.7**	**1,224**	**95**	**7.8**	**213**	**8**	**3.8**	**7,407**	**266**	**3.6**
Qualitative	**12,446**	**100**	**0.8**	**325**	**6**	**1.8**	**3,801**	**–**	**–**	**16,572**	**106**	**0.6**
30 days past due	**–**	**–**	**–**	**167**	**17**	**10.2**	**–**	**–**	**–**	**167**	**17**	**10.2**
Management overlay	**–**	**163**	**–**	**–**	**10**	**–**	**–**	**–**	**–**	**–**	**173**	**–**
Total stage 2	**18,416**	**426**	**2.3**	**1,716**	**128**	**7.5**	**4,014**	**8**	**0.2**	**24,146**	**562**	**2.3**
	31.12.25[2]											
Quantitative	6,742	131	1.9	1,351	107	7.9	297	3	1.0	8,390	241	2.9
Qualitative	6,937	101	1.5	571	10	1.8	1,373	3	0.2	8,881	114	1.3
30 days past due	–	–	–	157	19	12.1	–	–	–	157	19	12.1
Management overlay	–	122	–	–	6	–	–	–	–	–	128	–
Total stage 2	13,679	354	2.6	2,079	142	6.8	1,670	6	0.4	17,428	502	2.9

1 Includes Gross and ECL for Cash and balances at central banks and Assets held for sale

2 Comparatives have been restated in accordance with RNS titled 'Re-presentation of Financial Information' issued on 25 March 2026, as set out in Note 1. Accounting policies, Changes in comparatives

Credit impairment charge (reviewed)

The table below analyses credit impairment charges or releases for the half year ended 30 June 2026.

Read more on Summary of Credit Risk Performance on page 27

	30.06.26			30.06.25[1]		
	Stage 1 & 2 $million	Stage 3 $million	Total $million	Stage 1 & 2 $million	Stage 3 $million	Total $million
Corporate & Investment Banking	191	(41)	150	87	(97)	(10)
Wealth & Retail Banking	42	254	296	97	256	353
Central & other items	1	(1)	–	(7)	–	(7)
Total credit impairment	234	212	446	177	159	336

1 Comparatives have been restated in accordance with RNS titled 'Re-presentation of Financial Information' issued on 25 March 2026, as set out in Note 1. Accounting policies, Changes in comparatives

Problem credit management and provisioning (reviewed)

Forborne and other modified loans by client segment

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

Net forborne loans increased by $161 million to $1,183 million (31 December 2025: $1,022 million), largely in CIB due to new loans classified as performing forborne. Non-performing forborne loans stock increased by $49 million to $783 million (31 December 2025: $734 million), mainly in CIB which was partially offset by repayments and write-offs.

	30.06.26			31.12.25		
Amortised cost	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Total $million	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Total $million
Gross stage 1 and 2 forborne loans	443	54	497	295	61	356
Modification of terms and conditions[1]	239	54	293	90	61	151
Refinancing[2]	204	–	204	205	–	205
Impairment provisions	(97)	–	(97)	(68)	–	(68)
Modification of terms and conditions[1]	(41)	–	(41)	(8)	–	(8)
Refinancing[2]	(56)	–	(56)	(60)	–	(60)
Net stage 1 and 2 forborne loans	346	54	400	227	61	288
Collateral	11	29	40	4	36	40
Gross stage 3 forborne loans	1,379	314	1,693	1,295	311	1,606
Modification of terms and conditions[1]	1,293	314	1,607	1,208	311	1,519
Refinancing[2]	86	–	86	87	–	87
Impairment provisions	(778)	(132)	(910)	(754)	(118)	(872)
Modification of terms and conditions[1]	(749)	(132)	(881)	(727)	(118)	(845)
Refinancing[2]	(29)	–	(29)	(27)	–	(27)
Net stage 3 forborne loans	601	182	783	541	193	734
Collateral	204	27	231	175	25	200
Net carrying value of forborne loans	947	236	1,183	768	254	1,022

1 Modification of terms is any contractual change apart from refinancing, as a result of credit stress of the counterparty, i.e. interest reductions, loan covenant waivers
2 Refinancing is a new contract to a borrower in credit stress, such that they are refinanced and can pay other debt contracts that they were unable to honour

Forborne and other modified loans by key geography

Net forborne loans increased by $161 million to $1,183 million (31 December 2025: $1,022 million), mainly due to performing forborne loans.

	30.06.26								31.12.25							
	Hong Kong	Korea	China	Singapore	UK	US	Other	Total	Hong Kong	Korea	China	Singapore	UK	US	Other	Total
Amortised cost	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million
Performing forborne loans	**165**	**10**	**33**	**3**	**48**	**–**	**141**	**400**	147	10	–	3	48	–	80	288
Stage 3 forborne loans	**221**	**58**	**27**	**32**	**96**	**–**	**349**	**783**	131	24	73	32	103	–	371	734
Net forborne loans	**386**	**68**	**60**	**35**	**144**	**–**	**490**	**1,183**	278	34	73	35	151	–	451	1,022

Credit Risk mitigation

Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, netting arrangements, credit insurance and credit derivatives, taking into account expected volatility and guarantees. The reliance that can be placed on these mitigants is carefully assessed in consideration of legal certainty and enforceability, market valuation correlation and counterparty risk of the guarantor.

Read more on Credit Risk Mitigation on page 226 of the 2025 Annual Report

Collateral held on loans and advances

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

	30.06.26								
	Net amount outstanding			Collateral			Net exposure		
	Total	Stage 2 financial assets	Credit impaired financial assets (S3)	Total[2]	Stage 2 financial assets	Credit impaired financial assets (S3)	Total[2]	Stage 2 financial assets	Credit impaired financial assets (S3)
Amortised cost	$million	$million	$million	$million	$million	$million	$million	$million	$million
Corporate & Investment Banking[1]	**196,454**	**11,856**	**1,790**	**33,223**	**2,292**	**289**	**163,231**	**9,564**	**1,501**
Wealth & Retail Banking	**131,878**	**1,482**	**856**	**99,785**	**792**	**688**	**32,093**	**690**	**168**
Central & other items	**16,909**	**567**	**–**	**4,145**	**–**	**–**	**12,764**	**567**	**–**
Total	**345,241**	**13,905**	**2,646**	**137,153**	**3,084**	**977**	**208,088**	**10,821**	**1,669**
	31.12.25[3]								
Corporate & Investment Banking[1]	186,081	7,765	2,070	34,122	2,292	314	151,959	5,473	1,756
Wealth & Retail Banking	129,636	1,828	890	99,641	916	678	29,995	912	212
Central & other items	14,972	–	–	4,214	–	–	10,758	–	–
Total	330,689	9,593	2,960	137,977	3,208	992	192,712	6,385	1,968

1 Includes loans and advances to banks
2 Adjusted for over-collateralisation based on the drawn and undrawn components of exposures
3 Comparatives have been restated in accordance with RNS titled 'Re-Presentation of Financial Information' issued on 25 March 2026, as set out in Note 1. Accounting policies, Changes in comparatives

Collateral – Corporate & Investment Banking (reviewed)

Our underwriting standards encourage taking specific charges on assets and we consistently seek high-quality, investment grade collateral.

Collateral taken for longer-term and sub-investment grade corporate loans decreased to 53 per cent (31 December 2025: 55 per cent).

For CIB, the unadjusted market value of collateral across all asset types, without adjusting for over collateralisation, increased to $428 billion (31 December 2025: $412 billion) predominantly due to an increase in reverse repos.

88 per cent (31 December 2025: 84 per cent) of tangible collateral excluding reverse repurchase agreements and financial guarantees held comprises of physical assets with the remainder held in cash. Overall collateral decreased by $0.9 billion to $33.2 billion (31 December 2025: $34.1 billion) due to a reduction in reverse repos.

Non-tangible collateral, such as guarantees and standby letters of credit, is also held against corporate exposures which are considered when determining the loss given default and other credit-related factors. Collateral is also held against off-balance sheet exposures, including undrawn commitments and trade-related instruments.

Corporate & Investment Banking

Amortised cost	30.06.26 $million	31.12.25 $million
Maximum exposure	**196,454**	186,081
Property	**8,323**	9,086
Plant, machinery and other stock	**851**	783
Cash	**2,159**	3,034
Reverse repos and securities	**6,924**	7,816
AAA	**574**	587
AA- to AA+	**484**	233
A- to A+	**1,937**	2,454
BBB- to BBB+	**1,416**	2,122
Lower than BBB-	**–**	–
Unrated	**2,513**	2,420
Financial guarantees and insurance	**8,913**	7,717
Commodities	**25**	11
Ships and aircraft	**6,028**	5,675
Total value of collateral[1,2]	**33,223**	34,122
Net exposure	**163,231**	151,959

1 Adjusted for over-collateralisation based on the drawn and undrawn components of exposures
2 The Group also has credit mitigation through Credit default swaps and Credit Linked Notes as set out on page 51

Risk review

Collateral – Wealth & Retail Banking (reviewed)

In WRB, fully secured products remained stable at 88 per cent of the total portfolio (31 December 2025: 86 per cent).

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

	30.06.26				31.12.25[4]			
Amortised cost	Fully secured[1] $million	Partially secured[1] $million	Unsecured $million	Total[2] $million	Fully secured[1] $million	Partially secured[1] $million	Unsecured $million	Total[2] $million
Maximum exposure	**115,750**	**452**	**15,676**	**131,878**	111,633	490	17,513	129,636
Loans to individuals								
Mortgages	**82,732**	**–**	**–**	**82,732**	82,128	–	–	82,128
CCPL[4]	**–**	**–**	**14,013**	**14,013**	–	–	16,031	16,031
Secured wealth products	**30,842**	**–**	**–**	**30,842**	27,055	–	–	27,055
Other	**2,176**	**452**	**1,663**	**4,291**	2,450	490	1,482	4,422
Total collateral[2]				**99,785**				99,641
Net exposure[3]				**32,093**				29,995
Percentage of total loans	**88%**	**–**	**12%**		86%	–	14%	

1 Secured loans are fully secured if the fair value of the collateral is equal to or greater than the loan at the time of origination. All other secured loans are considered to be partially secured
2 Collateral values are adjusted where appropriate in accordance with our risk mitigation policy and for the effect of over-collateralisation
3 Amounts net of ECL
4 Comparatives have been restated in accordance with RNS titled 'Re-presentation of Financial Information' issued on 25 March 2026, as set out in Note 1. Accounting policies, Changes in comparatives

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

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

For the majority of mortgage loans, the value of property held as security significantly exceeds the principal outstanding of the loan. The average LTV of the overall mortgage portfolio remains stable at 46.2 per cent (31 December 2025: 48 per cent). The Hong Kong mortgage portfolio represents 39.4 per cent of total WRB mortgage portfolio and the decrease in LTV to 50.7 per cent (31 December 2025: 55.9 per cent) was primarily driven by a general improvement in property prices, which improved collateral coverage and led to more mortgages being classified in lower LTV bands.

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

	30.06.26					31.12.25				
Amortised cost	Hong Kong % Gross	Singapore % Gross	Korea % Gross	Other % Gross	Total % Gross	Hong Kong % Gross	Singapore % Gross	Korea % Gross	Other Gross	Total % Gross
Less than 50 per cent	**51.4**	**50.5**	**64.8**	**45.5**	**53.6**	42.7	51.8	62.9	46.7	51.0
50 per cent to 59 per cent	**17.1**	**19.1**	**13.3**	**14.7**	**15.9**	17.3	19.4	13.3	14.8	16.0
60 per cent to 69 per cent	**10.4**	**16.7**	**13.1**	**17.0**	**13.7**	14.5	15.8	13.7	17.2	15.1
70 per cent to 79 per cent	**9.2**	**13.3**	**7.7**	**15.2**	**10.8**	5.3	12.7	8.9	14.2	9.5
80 per cent to 89 per cent	**7.6**	**0.1**	**0.9**	**6.2**	**4.1**	8.6	0.2	0.9	5.9	4.3
90 per cent to 99 per cent	**3.4**	**0.1**	**0.2**	**0.9**	**1.4**	6.7	–	0.2	0.7	2.4
100 per cent and greater	**0.8**	**0.2**	**0.1**	**0.5**	**0.4**	4.9	0.1	0.1	0.5	1.7
Average portfolio loan-to-value	**50.7**	**42.3**	**40.8**	**50.7**	**46.2**	55.9	42.7	41.8	49.9	48.0
Loans to individuals – mortgages ($million)	**32,593**	**16,714**	**14,766**	**18,659**	**82,732**	31,714	16,054	15,808	18,552	82,128

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

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

Certain equity securities acquired may be held by the Group for investment purposes and are classified as fair value through profit or loss, and the related loan written off. The Group did not hold any collateral possessed on the balance sheet as at 30 June 2026 and 31 December 2025.

Other Credit Risk mitigation (reviewed)

Other forms of credit risk mitigation are set out below.

Credit default swaps

The Group has entered into credit default swaps for portfolio management purposes, referencing loan assets with a notional value of $5.5 billion (31 December 2025: $3.5 billion). These credit default swaps are accounted for as financial guarantees as per IFRS 9 as they will only reimburse the holder for an incurred loss on an underlying debt instrument. The Group continues to hold the underlying assets referenced in the credit default swaps and it continues to be exposed to related Credit Risk and Foreign Exchange Rate Risk on these assets.

Credit linked notes

The Group has issued credit linked notes for portfolio management purposes, referencing loan assets with a notional value of $21.5 billion (31 December 2025: $22.4 billion). The Group continues to hold the underlying assets for which the credit linked notes provide mitigation. The credit linked notes of $1.8 billion (31 December 2025: $1.9 billion) are recognised as a financial liability at amortised cost on the balance sheet and are adjusted, where appropriate, for reductions in expected future cash flows with a corresponding credit impairment in the income statement.

Off-balance sheet exposures

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

Other portfolio analysis

This section provides analysis of credit quality by industry, and industry and retail products analysis of loans and advances by key geography.

Credit quality by industry

Loans and advances

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

Read more on Summary of Credit Risk Performance on page 27

	30.06.26											
	Stage 1			Stage 2			Stage 3			Total		
Amortised cost	Gross balance $million	Total credit impairment $million	Net carrying amount $million	Gross balance $million	Total credit impairment $million	Net carrying amount $million	Gross balance $million	Total credit impairment $million	Net carrying amount $million	Gross balance $million	Total credit impairment $million	Net carrying amount $million
Industry:												
Energy	13,742	(32)	13,710	1,386	(41)	1,345	437	(397)	40	15,565	(470)	15,095
Manufacturing	18,777	(28)	18,749	976	(43)	933	529	(299)	230	20,282	(370)	19,912
Financing, insurance and non-banking	37,524	(19)	37,505	816	(8)	808	256	(158)	98	38,596	(185)	38,411
Transport, telecom and utilities	19,795	(11)	19,784	2,699	(47)	2,652	315	(86)	229	22,809	(144)	22,665
Food and household products	9,156	(8)	9,148	325	(11)	314	332	(232)	100	9,813	(251)	9,562
Commercial real estate	12,994	(10)	12,984	2,928	(169)	2,759	591	(388)	203	16,513	(567)	15,946
Mining and quarrying	5,112	(6)	5,106	683	(8)	675	39	(38)	1	5,834	(52)	5,782
Consumer durables	6,114	(10)	6,104	509	(9)	500	285	(231)	54	6,908	(250)	6,658
Construction	2,342	(4)	2,338	500	(8)	492	110	(110)	–	2,952	(122)	2,830
Trading companies & distributors	829	–	829	27	–	27	66	(33)	33	922	(33)	889
Government	20,365	(23)	20,342	1,115	(20)	1,095	710	(49)	661	22,190	(92)	22,098
Other	7,340	(41)	7,299	187	–	187	182	(115)	67	7,709	(156)	7,553
Total[2]	154,090	(192)	153,898	12,151	(364)	11,787	3,852	(2,136)	1,716	170,093	(2,692)	167,401
Retail Products:												
Mortgage	81,330	(15)	81,315	953	(7)	946	671	(200)	471	82,954	(222)	82,732
Credit Cards	7,251	(108)	7,143	210	(61)	149	61	(50)	11	7,522	(219)	7,303
Personal Loan and other unsecured lending	6,561	(141)	6,420	160	(39)	121	337	(168)	169	7,058	(348)	6,710
Secured wealth products	30,570	(46)	30,524	160	(8)	152	598	(432)	166	31,328	(486)	30,842
Other	4,151	(13)	4,138	123	(10)	113	186	(146)	40	4,460	(169)	4,291
Total	129,863	(323)	129,540	1,606	(125)	1,481	1,853	(996)	857	133,322	(1,444)	131,878
Net carrying value (customers)[1]	283,953	(515)	283,438	13,757	(489)	13,268	5,705	(3,132)	2,573	303,415	(4,136)	299,279
Net carrying value (Banks)[1]	45,261	(9)	45,252	637	–	637	80	(7)	73	45,978	(16)	45,962

1 Includes reverse repurchase agreements and other similar secured lending held at amortised cost of $7,395 million for customers and $4,109 million for Banks

2 Includes Central & other items loans and advances to customers balance as set out in the Loans and advances by client segment table on page 33

Risk review

	31.12.25											
	Stage 1			Stage 2			Stage 3			Total		
	Gross balance	Total credit impairment	Net carrying amount	Gross balance	Total credit impairment	Net carrying amount	Gross balance	Total credit impairment	Net carrying amount	Gross balance	Total credit impairment	Net carrying amount
Amortised cost	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million
Industry:												
Energy	13,541	(34)	13,507	803	(37)	766	461	(412)	49	14,805	(483)	14,322
Manufacturing	20,599	(14)	20,585	744	(19)	725	598	(320)	278	21,941	(353)	21,588
Financing, insurance and non-banking	37,062	(13)	37,049	506	(10)	496	278	(181)	97	37,846	(204)	37,642
Transport, telecom and utilities	17,893	(11)	17,882	2,281	(43)	2,238	390	(108)	282	20,564	(162)	20,402
Food and household products	8,319	(9)	8,310	295	(17)	278	186	(177)	9	8,800	(203)	8,597
Commercial real estate	13,103	(12)	13,091	2,067	(161)	1,906	706	(418)	288	15,876	(591)	15,285
Mining and quarrying	4,881	(5)	4,876	244	(7)	237	33	(29)	4	5,158	(41)	5,117
Consumer durables	6,279	(7)	6,272	288	(15)	273	239	(230)	9	6,806	(252)	6,554
Construction	2,046	(9)	2,037	353	(1)	352	127	(127)	–	2,526	(137)	2,389
Trading companies & distributors	633	(1)	632	11	–	11	81	(47)	34	725	(48)	677
Government	17,915	(17)	17,898	119	–	119	950	(82)	868	18,984	(99)	18,885
Other	5,485	(8)	5,477	148	–	148	154	(85)	69	5,787	(93)	5,694
Total[2]	147,756	(140)	147,616	7,859	(310)	7,549	4,203	(2,216)	1,987	159,818	(2,666)	157,152
Retail Products:												
Mortgage	80,672	(11)	80,661	992	(5)	987	641	(161)	480	82,305	(177)	82,128
Credit Cards	8,077	(129)	7,948	289	(74)	215	64	(53)	11	8,430	(256)	8,174
Personal Loan and other unsecured lending	7,719	(186)	7,533	194	(44)	150	334	(160)	174	8,247	(390)	7,857
Secured wealth products	26,609	(43)	26,566	324	(6)	318	530	(359)	171	27,463	(408)	27,055
Other	4,229	(19)	4,210	165	(7)	158	192	(138)	54	4,586	(164)	4,422
Total	127,306	(388)	126,918	1,964	(136)	1,828	1,761	(871)	890	131,031	(1,395)	129,636
Net carrying value (customers)[1]	275,062	(528)	274,534	9,823	(446)	9,377	5,964	(3,087)	2,877	290,849	(4,061)	286,788
Net carrying value (Banks)[1]	43,608	(6)	43,602	217	(1)	216	90	(7)	83	43,915	(14)	43,901

1 Includes reverse repurchase agreements and other similar secured lending held at amortised cost of $8,242 million for customers and $3,724 million for Banks
2 Includes Central & other items loans and advances to customers balance as set out in the Loans and advances by client segment table on page 33

Industry and Retail Products analysis of loans and advances by key geography

This section provides an analysis of the Group's amortised cost loan portfolio, net of provisions, by industry and geography, by booking location.

As the Group operates a global booking model across CIB and Central and other items, the booking location does not necessarily reflect the country of risk (which is the country that can directly or indirectly put the counterparty at risk for the highest amount of potential financial losses) of the underlying counterparties, an analysis by country of risk is also presented for this portfolio. on page 55.

In addition to the key geographies presented, the Group has net loans and advances to customers of $10.5 billion (31 December 2025: $9.9 billion) booked in the Middle East[1], out of which $7.1 billion (31 December 2025: $6.7 billion) is in CIB and Central and other items, and $3.4 billion (31 December 2025: $3.2billion) is in WRB. On a country of risk basis, the Group has net loans and advances to customers in CIB and Central and other items of $16.4 billion (31 December 2025: $15.1 billion) in the Middle East.

The Manufacturing sector group is spread across a diverse range of industries, including automobiles and components, capital goods, pharmaceuticals, biotech and life sciences, technology hardware and equipment, chemicals, paper products and packaging, with lending spread over 3,189 clients.

Corporate & Investment Banking and Central & other items by Booking Location

	30.06.26							31.12.25						
	Hong Kong	China	Singapore	UK	US	Other	Total	Hong Kong	China	Singapore	UK	US	Other	Total
Amortised cost	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million
Energy	2,374	72	4,143	2,819	2,552	3,135	15,095	2,254	103	4,005	3,685	1,730	2,545	14,322
Manufacturing	4,047	3,178	1,732	987	2,706	7,262	19,912	4,653	3,311	2,775	848	2,553	7,448	21,588
Financing, insurance and non-banking	4,316	4,431	1,940	8,506	14,148	5,070	38,411	4,225	4,404	1,959	8,119	14,150	4,785	37,642
Transport, telecom and utilities	6,819	260	4,901	1,716	2,147	6,822	22,665	6,125	87	4,337	1,817	1,552	6,484	20,402
Food and household products	622	343	1,556	1,416	1,228	4,397	9,562	341	301	1,489	1,162	1,081	4,223	8,597
Commercial real estate	3,448	58	1,452	2,367	3,011	5,610	15,946	4,067	231	1,209	2,000	2,296	5,482	15,285
Mining and Quarrying	513	766	578	1,557	331	2,037	5,782	434	541	401	1,525	101	2,115	5,117
Consumer durables	2,929	564	443	192	264	2,266	6,658	2,416	503	359	308	414	2,554	6,554
Construction	186	148	372	297	185	1,642	2,830	179	119	354	198	247	1,292	2,389
Trading Companies & Distributors	50	154	103	199	38	345	889	47	143	126	31	36	294	677
Government	5,906	303	10,114	1,351	149	4,275	22,098	3,993	126	10,557	1,486	2	2,721	18,885
Other	1,922	737	985	815	866	2,228	7,553	1,594	472	956	720	445	1,507	5,694
Net Loans and advances to Customers	33,132	11,014	28,319	22,222	27,625	45,089	167,401	30,328	10,341	28,527	21,899	24,607	41,450	157,152
Net Loans and advances to Banks	16,349	5,189	7,007	3,491	1,089	12,837	45,962	13,258	3,731	8,356	4,606	1,044	12,906	43,901

1 Middle East comprises of Bahrain, Egypt, Iraq, Jordan, Oman, Qatar, Saudi Arabia and the UAE

Risk review

Corporate & Investment Banking and Central & other items by Country of Risk[1]

	30.06.26							31.12.25						
	Hong Kong	China	Singapore	UK	US	Other	Total	Hong Kong	China	Singapore	UK	US	Other	Total
Amortised cost	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million
Energy	**2**	**550**	**1,902**	**474**	**2,373**	**9,794**	**15,095**	10	488	1,705	453	1,939	9,727	14,322
Manufacturing	**1,665**	**4,656**	**1,069**	**698**	**1,883**	**9,941**	**19,912**	1,624	4,806	1,607	850	2,456	10,245	21,588
Financing, insurance and non-banking	**2,180**	**4,633**	**684**	**1,618**	**14,294**	**15,002**	**38,411**	2,060	4,554	457	1,670	14,246	14,655	37,642
Transport, telecom and utilities	**1,048**	**1,634**	**1,439**	**1,187**	**1,993**	**15,364**	**22,665**	935	1,318	1,420	1,093	1,542	14,094	20,402
Food and household products	**250**	**733**	**1,291**	**802**	**1,284**	**5,202**	**9,562**	153	382	1,393	784	926	4,959	8,597
Commercial real estate	**1,640**	**195**	**417**	**2,248**	**3,391**	**8,055**	**15,946**	1,575	315	377	2,679	2,747	7,592	15,285
Mining and Quarrying	**259**	**1,018**	**59**	**736**	**179**	**3,531**	**5,782**	271	716	27	729	110	3,264	5,117
Consumer durables	**769**	**1,186**	**107**	**193**	**499**	**3,904**	**6,658**	667	778	95	88	617	4,309	6,554
Construction	**120**	**165**	**22**	**109**	**207**	**2,207**	**2,830**	121	134	5	18	270	1,841	2,389
Trading Companies & Distributors	**32**	**131**	**108**	**160**	**76**	**382**	**889**	23	122	113	31	42	346	677
Government	**2,185**	**470**	**8,882**	**–**	**218**	**10,343**	**22,098**	849	308	9,190	1	58	8,479	18,885
Other	**403**	**1,007**	**461**	**1,243**	**1,351**	**3,088**	**7,553**	617	662	632	884	638	2,261	5,694
Net Loans and advances to Customers	**10,553**	**16,378**	**16,441**	**9,468**	**27,748**	**86,813**	**167,401**	8,905	14,583	17,021	9,280	25,591	81,772	157,152
Net Loans and advances to Banks	**1,921**	**7,098**	**862**	**954**	**313**	**34,814**	**45,962**	563	5,095	1,471	1,404	228	35,140	43,901

1 Amounts are based on Country of Risk. Country of risk is the country that can directly or indirectly put the counterparty at risk for the highest amount of potential financial losses

Wealth & Retail Banking by Booking Location[1]

	30.06.26					31.12.25				
	Hong Kong	Korea	Singapore	Other	Total	Hong Kong	Korea	Singapore	Other	Total
Amortised cost	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million
Mortgage	**32,593**	**14,766**	**16,714**	**18,659**	**82,732**	31,714	15,808	16,054	18,552	82,128
Credit Cards	**4,117**	**9**	**2,558**	**619**	**7,303**	4,424	17	2,529	1,204	8,174
Personal Loan and other unsecured lending	**855**	**2,157**	**310**	**3,388**	**6,710**	996	2,474	332	4,055	7,857
Secured wealth products	**7,883**	**20**	**17,144**	**5,795**	**30,842**	6,444	19	14,812	5,780	27,055
Other Retail	**652**	**1,761**	**115**	**1,763**	**4,291**	597	2,069	129	1,627	4,422
Net Loans and advances to Customers	**46,100**	**18,713**	**36,841**	**30,224**	**131,878**	44,175	20,387	33,856	31,218	129,636

1 Wealth & Retail Banking amounts by booking location are principally the same as by country of risk

High-carbon sectors

Sectors are identified and grouped as per the International Standard Industrial Classification (ISIC) system and exposure numbers have been updated to include all in-scope ISIC codes used for target setting among the high-carbon sectors. The exposure is a mixture of high-carbon loans, and lending tagged as sustainable finance such as green buildings in commercial real estate, renewable plants in power, and Carbon Capture, Utilisation and Storage in oil and gas.

The maximum exposures shown in the table include loans and advances to customers at amortised cost, Fair Value through profit or loss, and committed facilities available as per IFRS 9 – Financial Instruments.

Read more on Summary of Credit Risk Performance on page 27

Maximum exposure

	30.06.26						
	Maximum on Balance Sheet Exposure (net of credit impairment) $million	Collateral $million	Net On Balance Sheet Exposure $million	Undrawn Commitments (net of credit impairment) $million	Financial Guarantees (net of credit impairment) $million	Net Off Balance Sheet Exposure $million	Total On & Off Balance Sheet Net Exposure $million
Industry:							
Automotive manufacturers	**4,198**	**281**	**3,917**	**5,023**	**844**	**5,867**	**9,784**
Aviation	**2,694**	**1,410**	**1,284**	**1,389**	**737**	**2,126**	**3,410**
Steel	**1,523**	**372**	**1,151**	**1,032**	**463**	**1,495**	**2,646**
Coal mining	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Aluminium	**837**	**21**	**816**	**398**	**112**	**510**	**1,326**
Cement	**712**	**47**	**665**	**643**	**264**	**907**	**1,572**
Shipping	**7,147**	**4,475**	**2,672**	**3,152**	**192**	**3,344**	**6,016**
Commercial Real Estate	**11,109**	**4,705**	**6,404**	**3,790**	**178**	**3,968**	**10,372**
Oil & Gas	**9,325**	**1,197**	**8,128**	**12,841**	**8,005**	**20,846**	**28,974**
Power	**8,305**	**1,226**	**7,079**	**5,473**	**1,370**	**6,843**	**13,922**
Total[1]	**45,850**	**13,734**	**32,116**	**33,741**	**12,165**	**45,906**	**78,022**
Total Corporate & Investment Banking[2]	**216,485**	**26,531**	**189,954**	**130,878**	**107,028**	**237,906**	**427,860**
Total Group[3,4]	**452,341**	**137,153**	**315,188**	**204,481**	**120,586**	**325,067**	**640,255**
	31.12.25						
Industry:							
Automotive manufacturers	4,409	412	3,997	4,712	730	5,442	9,439
Aviation	2,010	1,176	834	1,206	820	2,026	2,860
Steel	1,767	296	1,471	834	237	1,071	2,542
Coal mining	2	1	1	–	8	8	9
Aluminium	875	39	836	371	93	464	1,300
Cement	781	52	729	693	264	957	1,686
Shipping	6,861	4,300	2,561	2,183	180	2,363	4,924
Commercial Real Estate	9,397	4,406	4,991	3,050	188	3,238	8,229
Oil & Gas	9,462	992	8,470	12,257	8,314	20,571	29,041
Power	7,585	1,180	6,405	6,138	1,548	7,686	14,091
Total[1,5]	43,149	12,854	30,295	31,444	12,382	43,826	74,121
Total Corporate & Investment Banking[2]	204,974	27,925	177,049	135,410	105,414	240,824	417,872
Total Group[3,4]	430,158	137,977	292,181	208,841	114,053	322,894	615,074

1 Maximum on Balance sheet exposure includes FVTPL amount of High Carbon sector is $2,120 million (31 December 2025: $2,202 million)
2 Include on balance sheet FVTPL amount of $65,993 million (31 December 2025: $62,794 million) for Corporate & Investment Banking loans to customers
3 Total Group includes net loans and advances to banks and net loans and advances to customers held at amortised cost of $45,962 million (31 December 2025: $43,901 million) and $299,279 million (31 December 2025: $286,788 million) respectively and loans to banks and loans and advances to customers held at FVTPL of $41,069 million (31 December 2025: $36,672 million) and $66,031 million (31 December 2025: $62,797 million) respectively. Refer to Loans and advances by client segment table on page 33
4 Agriculture is a further sector for which the Group set a net zero target in 2025. The value chain in scope for this sector incorporates from pre-farm production (fertiliser) to post-farm processing (food traders, processors and wholesales). The total outstanding loan exposure to this sector is $12,772 million (31 December 2025: $11,239 million) with financial guarantees of $2,088 million (31 December 2025: $1,908 million) and undrawn commitments of $10,843 million (31 December 2025: $10,977 million) Whilst there is a net zero target on this sector and transition risk is a consideration, the sector is not considered a traditional high-carbon sector as it is not linked to heavy industry and the consumption of energy
5 The ratio of total high-carbon sector lending to the Group's total assets is 5.9 per cent (31 December 2025: 5.9 per cent), which is the high-carbon sector and agriculture sector balances over the total Group balance sheet

Maturity and ECL for high-carbon sectors

Sector	30.06.26 Loans and advances (Drawn funding) $million	30.06.26 Maturity Buckets[1] Less than 1 year $million	30.06.26 Maturity Buckets[1] More than 1 to 5 years $million	30.06.26 Maturity Buckets[1] More than 5 years $million	30.06.26 Expected Credit Loss $million	31.12.25 Loans and advances (Drawn funding) $million	31.12.25 Maturity Buckets[1] Less than 1 year $million	31.12.25 Maturity Buckets[1] More than 1 to 5 years $million	31.12.25 Maturity Buckets[1] More than 5 years $million	31.12.25 Expected Credit Loss $million
Automotive Manufacturers	**4,200**	**3,072**	**896**	**232**	**2**	4,411	3,137	1,041	233	1
Aviation	**2,694**	**490**	**582**	**1,622**	**–**	2,013	329	201	1,483	3
Steel	**1,549**	**750**	**60**	**739**	**26**	1,790	863	167	760	23
Coal Mining	**12**	**12**	**–**	**–**	**12**	15	15	–	–	12
Aluminium	**844**	**606**	**238**	**–**	**7**	882	731	151	–	8
Cement	**749**	**599**	**150**	**–**	**37**	820	579	241	–	39
Shipping	**7,172**	**868**	**2,803**	**3,501**	**25**	6,884	737	2,413	3,734	23
Commercial Real Estate	**11,278**	**6,414**	**4,485**	**379**	**169**	9,552	5,264	4,081	207	155
Oil & Gas	**9,406**	**2,428**	**2,535**	**4,443**	**81**	9,525	3,483	1,739	4,303	64
Power	**8,367**	**2,270**	**2,128**	**3,969**	**62**	7,646	2,079	1,725	3,842	61
Total balance[1]	**46,271**	**17,509**	**13,877**	**14,885**	**421**	43,538	17,217	11,759	14,562	389

1 Gross of credit impairment

Sectors of interest

Commercial Real Estate

	Maximum on Balance Sheet Exposure (net of credit impairment)[1] $million	Collateral $million	Net On Balance Sheet Exposure $million	Undrawn Commitments (net of credit impairment) $million	Financial Guarantees (net of credit impairment) $million	Net Off Balance Sheet Exposure $million	Total On & Off Balance Sheet Net Exposure $million
30.06.26							
Commercial Real Estate	**17,468**	**6,401**	**11,067**	**7,266**	**391**	**7,657**	**18,724**
31.12.25							
Commercial Real Estate	16,230	6,848	9,382	7,662	244	7,906	17,288

1 Includes net loans and advances of $15,946 million (31 December 2025: $15,286 million) as detailed in the table on page 59

Analysis of credit quality of loans and advances of Commercial Real Estate

Amortised Costs	30.06.26 Gross $million	31.12.25 Gross $million
Strong	**9,106**	9,070
Satisfactory	**6,382**	5,728
Higher risk	**434**	372
Credit impaired (stage 3)	**591**	706
Total Gross Balance	**16,513**	15,876
Strong	**(5)**	(4)
Satisfactory	**(22)**	(95)
Higher risk	**(152)**	(73)
Credit impaired (stage 3)	**(388)**	(418)
Total Credit Impairment	**(567)**	(590)
Total Net of Credit Impairment	**15,946**	15,286
Strong	**0.1%**	–
Satisfactory	**0.3%**	1.6%
Higher risk	**35.0%**	19.6%
Credit impaired (stage 3)	**65.7%**	59.2%
Cover Ratio	**3.4%**	3.7%

An analysis of the net CRE loans and advances balance by key geography, is set out on page 54.

Debt securities and other eligible bills (reviewed)

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

The credit quality descriptions in the table below align to those used for CIB and Central and other items, as described on page 32. Debt securities held that have a short-term external rating are reported against the long-term rating of the issuer. For securities that are unrated, the Group applies an internal credit rating, as described under the 'Credit rating and measurement' section on page 226 of the 2025 Annual Report.

Total gross debt securities and other eligible bills decreased by $10.5 billion to $155.3 billion (31 December 2025: $165.8 billion).

Stage 1 gross balance decreased by $12.3 billion to $152 billion (31 December 2025: $164.3 billion), mainly due to liquidity management activities and a reallocation of funds into commercial assets.

Stage 2 gross balance increased by $1.8 billion to $3 billion (31 December 2025: $1.2 billion), mainly due to stage transfers of exposures impacted by the management overlays and an increase in exposures placed on non-purely precautionary early alert.

Stage 3 gross balances remained broadly stable at $0.3 billion (31 December 2025: $0.3 billion).

	30.06.26			31.12.25		
Amortised cost and FVOCI	Gross $million	ECL $million	Net[2] $million	Gross $million	ECL $million	Net[2] $million
Stage 1	**151,984**	**(63)**	**151,921**	164,283	(56)	164,227
• Strong	**147,587**	**(49)**	**147,538**	160,390	(49)	160,341
• Satisfactory	**4,397**	**(14)**	**4,383**	3,893	(7)	3,886
Stage 2	**3,038**	**(4)**	**3,034**	1,198	(5)	1,193
• Strong	**2,736**	**–**	**2,736**	68	–	68
• Satisfactory	**302**	**(4)**	**298**	1,130	(5)	1,125
• High Risk	**–**	**–**	**–**	–	–	–
Stage 3	**298**	**(4)**	**294**	296	(5)	291
Gross balance[1]	**155,320**	**(71)**	**155,249**	165,777	(66)	165,711

1 Stage 3 gross includes $281 million (31 December 2025: $278 million) originated credit-impaired debt securities with $4 million impairment (31 December 2025: $5 million). The Group also has credit insurance over $4 billion (31 December 2025: $4.2 billion) of other eligible bills

2 FVOCI instruments are not presented net of ECL on the balance sheet. While the presentation is on a net basis for the table, the total net on-balance sheet amount is $155,289 million (31 December 2025: $165,753 million). Refer to the Analysis of financial instrument by stage table

IFRS 9 ECL methodology (reviewed)

Refer to page 264 of the 2025 Annual Report for the 'Approach for determining ECL', 'Application of lifetime ECL' and pages 244 to 246 for 'SICR', 'Assessment of credit-impaired financial assets' and 'Governance of PMAs and application of expert credit judgement in respect of ECL'. There have been no changes to the Group's approach in determining SICR compared with 31 December 2025.

Composition of credit impairment provisions (reviewed)

The table below summarises the key components of the Group's credit impairment provision balances as at 30 June 2026 and 31 December 2025. Further details on the 'impact of multiple economic scenarios' are set out on page 65 and 'Judgemental management adjustments' on page 66. Judgemental post-model adjustments reflect temporary factors impacting modelled outputs and are not directly related to model performance and will be released when these factors normalise. Judgemental management overlays reflect specific risk events, such as sectoral or country risks, not captured in the ECL models.

	30.06.2026				31.12.25			
	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Central & other items[4] $million	Total $million	Corporate & Investment Banking $million	Wealth & Retail Banking[5] $million	Central & other items[4] $million	Total $million
Modelled ECL provisions (base forecast)	**386**	**494**	**49**	**929**	375	623	63	1,061
Impact of multiple economic scenarios[1]	**74**	**55**	**48**	**177**	56	34	23	113
Modelled ECL provisions before management judgements	**460**	**549**	**97**	**1,106**	431	657	86	1,174
Includes: Model performance post model adjustments	**–**	**(2)**	**–**	**(2)**	–	10	–	10
Judgemental post model adjustments[2]	**–**	**(5)**	**–**	**(5)**	–	(12)	–	(12)
Judgemental management overlays[3]	**278**	**70**	**15**	**363**	167	24	11	202
Total modelled provisions	**738**	**614**	**112**	**1,464**	598	669	97	1,364
Of which:								
• Stage 1	**299**	**333**	**97**	**729**	194	400	92	686
• Stage 2	**419**	**128**	**15**	**562**	354	144	5	503
• Stage 3	**20**	**153**	**–**	**173**	50	125	–	175
Stage 3 non-modelled provisions	**2,230**	**844**	**11**	**3,085**	2,272	745	27	3,044
Total credit impairment provisions	**2,968**	**1,458**	**123**	**4,549**	2,870	1,414	124	4,408

1 Includes upwards judgemental post-model adjustment of $149 million (31 December 2025: $90 million) relating to non-linearity
2 Excludes $149 million (31 December 2025: $90 million) upwards judgemental post-model adjustment relating to non-linearity which is included in 'Impact of multiple economic scenarios'
3 $138 million (31 December 2025: $61 million) is in stage 1, $173 million (31 December 2025: $128 million) in stage 2 and $52 million (31 December 2025: $14 million) in stage 3
4 Includes ECL on cash and balances at central banks, accrued income, assets held for sale and other assets
5 Amounts re-presented to include Ventures

Model performance post-model adjustments (PMA)

As part of model monitoring and independent validation processes, where a model's performance breaches the approved monitoring thresholds or validation standards, an assessment is performed to determine whether a model performance PMA is required to temporarily remediate the model issue. Read more on the process for the determination of PMAs in the 'Governance of PMAs and application of expert credit judgement in respect of ECL' section on page 275 of the 2025 Annual Report.

As at 30 June 2026, model performance PMAs have been applied for 2 models out of the total of 104 models. In aggregate, these PMAs reduce the Group's impairment provisions by $2 million (less than 1 per cent of modelled provisions) compared with a $10 million increase as at 31 December 2025. The change from 31 December 2025 was primarily due to the implementation of updated models in WRB.

In addition to these model performance PMAs, separate judgemental post-model and management adjustments have also been applied as set out on page 66.

	30.06.26 $million	31.12.25 $million
Model performance PMAs		
Corporate & Investment Banking	–	–
Wealth & Retail Banking	(2)	10
Total model performance PMAs	**(2)**	10

Key assumptions and judgements in determining ECL

Incorporation of forward-looking information

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

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

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

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

In the Base Forecast[1], management's view of the most likely outcome – the pace of growth of the world economy is expected to be 3.4 per cent in 2026 and 3.5 per cent in 2027. This compares to the average of 3.7 per cent growth for the 10 years prior to the COVID-19 pandemic (between 2010 and 2019). The global economy and financial markets demonstrated notable resilience during the first half of the year, despite ongoing geopolitical tensions and policy uncertainty. However, the outlook for the remainder of the year will depend on the ability of economies and markets to withstand a range of persistent geopolitical, trade and inflationary headwinds.

The outlook remains subject to several downside risks. Geopolitical uncertainty remains elevated, particularly in the Middle East, with the potential to disrupt energy markets, global supply chains and broader economic activity. Trade policy uncertainty, including the potential expansion of tariffs and other protectionist measures, may weigh on investment and international trade. In addition, persistent inflationary pressures could constrain monetary policy easing, dampening consumer and business activity. Finally, the concentration of recent growth in AI-related investment raises the risk that a moderation in technology spending or a correction in asset valuations could expose weaker underlying economic momentum.

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

1 Note: The GDP growth assumptions used in the Base Forecast were approved by the IFRS9 Impairment Committee on 28 May 2026 and do not incorporate subsequent updates from Global Research

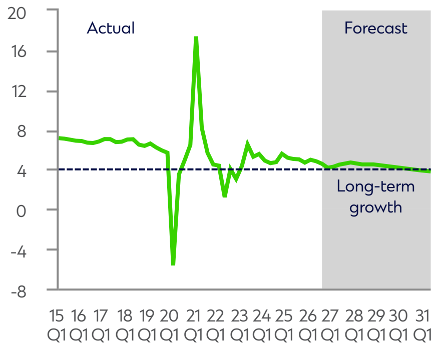
Risk review

To assess the range of possible outcomes the Group simulates a set of 50 scenarios around the Base Forecast, calculates the ECL under each of them and assigns an equal weight of 2 per cent to each scenario outcome. These scenarios are generated by a Monte Carlo simulation, which addresses the challenges of crafting many realistic alternative scenarios in the many countries in which the Group operates. The alternative scenarios are modelled while considering the degree of historical uncertainty (or volatility) observed from Q1 1990 to Q1 2026 around economic outcomes, the trends in each macroeconomic variable modelled and the correlation in the unexplained movements around these trends. Collectively, the 50 scenarios explore a range of hypothetical alternative outcomes for the global economy, including scenarios that turn out better than expected and scenarios that amplify anticipated stresses. Further details on the impact of multiple economic scenarios (including any PMAs) are set out on page 65.

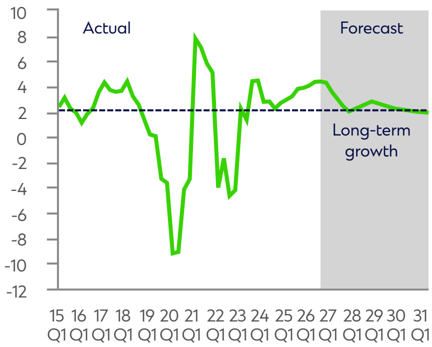
The GDP graphs below illustrate the shape of the Base Forecast for key footprint markets in relation to prior periods' actuals. The long-term growth rates are based on the pace of economic expansion expected for 2030. The tables below provide a summary of the Group's Base Forecast for these markets. The peak/trough amounts show the highest and lowest points within the Base Forecast.

Asia remained a key driver of global growth in 2026, although performance across the region is expected to diverge. The ongoing global AI investment cycle continues to be a significant influence, supporting semiconductor demand, technology exports and related investment across several economies. China is expected to grow by 4.6 per cent, down from 5 per cent in 2025, as weaker domestic consumption and investment offset the benefits of AI-driven export demand and industrial production. In contrast, economies more directly leveraged to the AI supply chain are expected to benefit, with Korea's growth accelerating to 2.6 per cent from 1 per cent in 2025, supported by strong semiconductor investment and improving domestic demand, while Hong Kong's growth is projected to strengthen to 4.3 per cent from 3.5 per cent in 2025, reflecting robust trade activity and financial market momentum. Singapore's growth is expected to moderate to 3.2 per cent from 5 per cent in 2025, as domestic-facing sectors remain subdued amid softer business and consumer sentiment; however, continued strength in AI-related manufacturing should provide ongoing support to the external sector. Meanwhile, India's growth is forecast to ease to 6.4 per cent from 7.3 per cent in 2025, as the effects of earlier policy stimulus fade and weaker consumption and investment temper domestic demand.

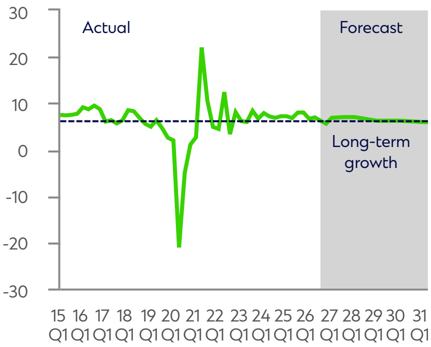
China GDP (YoY%)



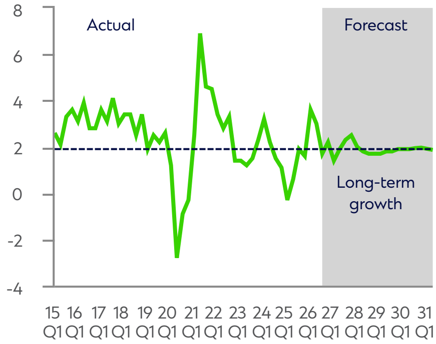
Hong Kong GDP (YoY%)



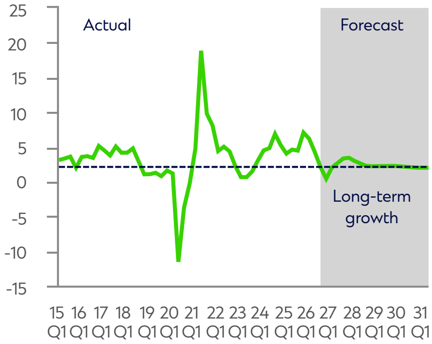
India GDP (YoY%)



Korea GDP (YoY%)



Singapore GDP (YoY%)



Long-term growth = GDP growth expected for 2030

Risk review

	30.06.26							
	China				Hong Kong			
	GDP growth (YoY%)	Unemployment[9] %	3-month interest rates %	House prices (YoY%)	GDP growth (YoY%)	Unemployment %	3-month interest rates %	House prices[8] (YoY%)
Base forecast[1]								
2026	4.6	3.4	1.5	(2.6)	4.3	3.6	2.8	4.8
2027	4.5	3.3	1.5	(1.2)	2.7	3.3	3.0	4.4
2028	4.5	3.3	1.5	(0.3)	2.5	3.2	3.0	4.0
2029	4.3	3.3	1.5	0.9	2.5	3.2	3.0	3.8
2030	4.0	3.3	1.5	2.0	2.1	3.2	3.0	3.6
5-year average[2]	4.3	3.3	1.5	0.3	2.6	3.2	3.0	4.0
Quarterly peak	4.7	3.4	1.5	2.7	4.4	3.5	3.0	5.4
Quarterly trough	3.8	3.3	1.5	(2.7)	1.9	3.2	3.0	3.2
Monte Carlo								
Low[3]	(8.2)	2.9	(0.5)	(16.0)	(4.3)	1.6	(0.9)	(21.0)
High[4]	16.8	3.8	3.4	17.7	9.2	5.0	7.3	31.2

	30.06.26							
	Singapore				Korea			
	GDP growth (YoY%)	Unemployment[6] %	3-month interest rates %	House prices (YoY%)	GDP growth (YoY%)	Unemployment %	3-month interest rates %	House prices (YoY%)
Base forecast[1]								
2026	3.2	3.0	1.1	3.0	2.6	3.2	2.9	1.1
2027	2.9	2.9	1.7	2.6	2.0	3.1	3.3	1.2
2028	2.5	2.9	2.7	2.7	1.8	3.1	3.3	1.4
2029	2.2	2.9	2.8	2.7	1.8	3.0	3.3	1.5
2030	2.1	2.9	2.8	2.8	1.9	3.0	3.3	1.4
5-year average[2]	2.3	2.9	2.4	2.7	1.9	3.1	3.2	1.4
Quarterly peak	3.4	3.1	2.8	3.0	2.5	3.2	3.3	1.5
Quarterly trough	0.4	2.9	1.1	2.5	1.4	3.0	3.0	1.1
Monte Carlo								
Low[3]	(4.7)	1.8	(0.7)	(18.0)	(3.0)	1.4	0.7	(6.6)
High[4]	8.9	4.3	6.6	21.1	6.4	5.5	5.9	8.7

Risk review

	30.06.26				
	India				
	GDP growth (YoY%)	Unemployment[7] %	3-month interest rates %	House prices (YoY%)	Brent Crude $pb
Base forecast[1]					
2026	6.4	NA	5.7	3.8	85.5
2027	7.0	NA	6.2	6.6	77.5
2028	6.5	NA	6.3	6.4	75.3
2029	6.2	NA	6.3	6.3	77.8
2030	6.0	NA	6.3	6.2	79.7
5-year average[2]	6.4	NA	6.2	6.0	78.5
Quarterly peak	7.0	NA	6.3	6.8	85.0
Quarterly trough	5.6	NA	5.6	3.0	74.0
Monte Carlo					
Low[3]	2.2	NA	1.7	(1.2)	25.5
High[4]	10.5	NA	10.0	11.5	151.9

Risk review

	31.12.25							
	China				Hong Kong			
	GDP growth (YoY%)	Unemployment %	3-month interest rates %	House prices[5] (YoY%)	GDP growth (YoY%)	Unemployment %	3-month interest rates %	House prices[8] (YoY%)
5-year average[2]	3.8	3.3	1.4	(0.1)	2.0	3.3	3.5	4.2
Quarterly peak	4.7	3.4	1.5	2.3	2.6	3.7	3.5	5.7
Quarterly trough	3.3	3.3	1.4	(2.5)	1.1	3.2	3.5	2.3
Monte Carlo								
Low[3]	(6.9)	2.9	(0.3)	(8.3)	(4.3)	1.7	(0.8)	(21.0)
High[4]	14.3	3.8	3.6	15.4	7.5	5.5	7.4	33.9

	31.12.25							
	Singapore				Korea			
	GDP growth (YoY%)	Unemployment[6] %	3-month interest rates %	House prices (YoY%)	GDP growth (YoY%)	Unemployment %	3-month interest rates %	House prices (YoY%)
5-year average[2]	2.7	2.8	2.4	2.8	2.0	3.1	2.3	1.3
Quarterly peak	4.3	3.0	3.0	3.7	2.6	3.2	2.4	1.7
Quarterly trough	0.5	2.8	1.0	2.6	1.5	3.0	2.3	0.4
Monte Carlo								
Low[3]	(5.5)	1.7	(0.4)	(16.8)	(3.4)	1.1	(1.0)	(6.4)
High[4]	9.8	4.3	6.4	22.5	6.6	5.2	6.3	8.6

	31.12.25				
	India				
	GDP growth (YoY%)	Unemployment %	3-month interest rates %	House prices (YoY%)	Brent Crude $pb
5-year average[2]	6.3	NA	6.3	6.3	69.5
Quarterly peak	6.5	NA	6.5	6.5	75.2
Quarterly trough	5.9	NA	5.8	6.1	62.0
Monte Carlo					
Low[3]	3.0	NA	1.0	2.0	30.0
High[4]	10.5	NA	13.7	10.6	146.5

1 Data presented are those used in the calculation of ECL and presented as average growth for the year. These may differ slightly to forecasts presented elsewhere in this Half Year Report as they are finalised before the period end. The annual averages are calendar year where 2026 = Q1 2026 to Q4 2026
2 5-year averages reported for 30.06.25 cover 20 quarters from Q3 2026 to Q2 2031. They cover Q1 2026 to Q4 2030 for the numbers reported for the 2025 Annual Report
3 Represents the 10th percentile in the range of economic scenarios used to determine non-linearity
4 Represents the 90th percentile in the range of economic scenarios used to determine non-linearity
5 A judgemental management adjustment is held in respect of the China commercial real estate sector, as discussed on page 67
6 Singapore unemployment rate covers the resident unemployment rate, which refers to citizens and permanent residents
7 India unemployment is not available due to insufficient data
8 A judgemental management adjustment is held for risks relating to the property sector in Hong Kong
9 China unemployment is based on the International Labour Organisation definition

Impact of multiple economic scenarios

The final probability weighted ECL reported by the Group is a simple average of the ECL for each of the 50 scenarios simulated using a Monte Carlo model. The Monte Carlo approach has the advantage that it generates many alternative scenarios that cover our global footprint. The range of scenarios is restricted through the use of ceilings and floors applied to the underlying macroeconomic variables.

Given continuing heightened levels of geopolitical uncertainty and the impact of the Middle East conflict in the first half of 2026, a $149 million (31 December 2025: $90 million) non-linearity judgemental PMA has been applied, $101 million (31 December 2025: $63 million) for CIB and Central and other items, and $48 million (31 December 2025: $27 million) for WRB.

The total amount of ECL non-linearity has primarily been estimated by assigning probability weights of 40 per cent, 30 per cent and 30 per cent respectively to the Base Forecast, 'Sustained Middle East Conflict' (SMEC) and 'Bank Capital Stress Test' (BCST) scenarios which are presented on page 67 and comparing this to the unweighted Base Forecast ECL. The probability weights reflect management's judgement given the continuing geopolitical uncertainty around the Middle East conflict, trade tariffs and other market risks. The increase in the BCST scenario weighting since 31 December 2025 is aligned with this assessment, as the scenario incorporates the effects of global supply-side disruptions (including tariffs) and materially elevated commodity prices, including an oil price peak of $150/bbl.

At 31 December 2025, the total amount of non-linearity was primarily estimated by assigning probability weights of 59 per cent, 26 per cent and 15 per cent respectively to the Base Forecast, 'Market Correction', and 'Bank Capital Stress Test' scenarios set out in the 2025 Annual Report.

The non-linearity judgemental PMA represents the difference between the probability weighted ECL calculated using the three scenarios and the probability weighted ECL calculated by the Monte Carlo model, together with an adjustment of $17 million (31 December 2025: $12 million) primarily to incorporate non-linearity for WRB portfolios under a loss rate approach.

The total amount of non-linearity including the judgemental PMA is $177 million (31 December 2025: $113 million). The CIB and Central and other items portfolio accounted for $122 million (31 December 2025: $79 million) of the calculated non-linearity, with the remaining $55 million (31 December 2025: $34 million) attributable to WRB portfolios.

The impact of multiple economic scenarios on total modelled ECL is set out in the table below, together with the management overlay and other judgemental adjustments.

	Base forecast	Multiple economic scenarios[1]	Management overlays and other judgemental adjustments	Total modelled ECL[2]
	$million	$million	$million	$million
Total modelled expected credit loss at 30 June 2026	**929**	**177**	**358**	**1,464**
Total modelled expected credit loss at 31 December 2025	1,061	113	190	1,364

1 Includes an upwards judgemental PMA of $149 million (31 December 2025: $90 million)
2 Total modelled ECL comprises stage 1 and stage 2 balances of $1,291 million (31 December 2025: $1,189 million) and $173 million (31 December 2025: $175 million) of modelled ECL on stage 3 loans

The average ECL under multiple scenarios is 19 per cent (31 December 2025: 11 per cent) higher than the ECL calculated using only the most likely scenario (the Base Forecast). Portfolios that are more sensitive to non-linearity include those with greater leverage and/or a longer tenor, such as Project and Shipping Finance portfolios. Sovereign exposures also contributed to increased non-linearity in 2026 as the BCST scenario included a significant decline in equity indices. Other portfolios display minimal non-linearity owing to limited responsiveness to macroeconomic impacts for structural reasons, such as significant collateralisation as with the WRB mortgage portfolios.

Stage 3 assets

Credit-impaired assets managed by Stressed Asset Group (SAG) incorporate forward-looking economic assumptions in respect of the recovery outcomes identified and are assigned individual probability weightings per IFRS 9. These assumptions are not based on a Monte Carlo simulation but are informed by the Base Forecast.

Judgemental management adjustments

As at 30 June 2026, the Group held judgemental adjustments for ECL as set out in the table below. All of the judgemental adjustments have been determined after taking account of the model performance PMAs reported on page 60. They are reassessed quarterly and are reviewed and approved by the IFRS 9 Impairment Committee (IIC) and will be released when no longer relevant.

	Corporate & Investment Banking	Wealth & Retail Banking				Central & other items	Total
		Mortgages	Credit Cards	Other	Total		
30 June 2026	$million	$million	$million	$million	$million	$million	$million
Judgemental post model adjustments	**57**	**9**	**15**	**19**	**43**	**44**	**144**
Judgemental management overlays	**278**	**9**	**4**	**57**	**70**	**15**	**363**
Total judgemental adjustments	**335**	**18**	**19**	**76**	**113**	**59**	**507**
Judgemental adjustments by stage:							
Stage 1	**122**	**5**	**8**	**8**	**21**	**35**	**178**
Stage 2	**213**	**3**	**10**	**22**	**35**	**24**	**272**
Stage 3	**–**	**10**	**1**	**46**	**57**	**–**	**57**
31 December 2025							
Judgemental post model adjustments	44	(6)	(3)	23	14	20	78
Judgemental management overlays:	167	–	5	19	24	11	202
Total judgemental adjustments	211	(6)	2	42	38	31	280
Judgemental adjustments by stage:							
Stage 1	61	–	(4)	15	11	31	103
Stage 2	150	(6)	4	14	12	–	162
Stage 3	–	–	2	13	15	–	15

1 Includes an upwards judgemental PMA of $149 million (31 December 2025: $90 million) relating to non-linearity. Excluding this, judgemental PMAs are $5 million release (31 December 2025: $12 million release)

Judgemental PMAs

As at 30 June 2026, judgemental PMAs have been applied that increase ECL by a net $144 million (31 December 2025: $78 million increase). $149 million (31 December 2025: $90 million) of the increase in ECL related to multiple economic scenarios (see 'Impact of multiple economic scenarios' section on page 65). This was partly offset by a reduction of ECL of $5 million (31 December 2025: $12 million) for certain WRB models, primarily to adjust for temporary factors impacting modelled outputs. These will be released when these factors normalise.

Judgemental management overlays

Impact of the Middle East conflict

In addition to the impact on non-linearity, overlays of $173 million (31 December 2025: $nil) are held at 30 June 2026 in connection with the uncertainties caused by the Middle East conflict during the first half of 2026.

This includes:

- an overlay in CIB of $100 million for potential deterioration in the petrochemical sector covering $1.6 billion exposure to clients placed on purely precautionary and non-purely precautionary early alert out of a total exposure of $7.6 billion;
- an overlay of $59 million in CIB and C&O relating to the estimated impact of a probability weighted 1- or 2- notch downgrade in sovereign ratings across a number of the Group's footprint markets that are considered to be higher risk; and
- an overlay of $14 million in WRB for specific risks identified in a small number of markets for unsecured and trade and working capital loans.

In CIB and Central and other items, other judgemental management overlays of $134 million (31 December 2025: $178 million) includes:

Hong Kong

The Group's loans and advances to Hong Kong CRE clients were $1.6 billion as at 30 June 2026 (31 December 2025: $1.5 billion).

The overlay of $47 million (31 December 2025: $47 million) in Hong Kong reflects subdued economic activity and heightened commercial property vacancy rates, which contributes to an uncertain outlook that may not yet be fully reflected in the credit grades and modelled ECL. During 2026, there has been increased pressure in property prices/valuations, interest serviceability and repayment capacity. The risk of further impairment remains as a result of subdued economic activity in the property sector and the related liquidity constraints faced by counterparties as a result. The overlay has been determined by estimating the impact of a deterioration to certain exposures.

China CRE

The overlay of $36 million previously held at 31 December 2025 has been released in full as at 30 June 2026 following repayments and risks captured in existing ECL provisions.

Other

In CIB and Central and other items, additional overlays of $87 million (31 December 2025: $95 million) have been taken in Bangladesh together with immaterial amounts for climate risks. The overlay in Bangladesh reflects the political situation that has contributed to an increasing level of uncertainty in the macroeconomic outlook as well as the impact of a recent change in the restructuring policy announced by the local regulator and has been determined by estimating the impact of a deterioration to certain exposures.

In WRB, other judgemental management overlays of $56 million (31 December 2025: $24 million) includes $22 million (31 December 2025: $12 million) in Korea to cover the risks relating to the failure of two e-commerce payment platforms in 2025, and immaterial amounts for climate risks and other items.

Read more on the adjustment for Climate Risk in Note 1 of the 'Notes to the financial statements' section in the 2025 Annual Report on page 332

Sensitivity of ECL calculation to macroeconomic variables

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

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

The Group faces downside risks in the operating environment related to the uncertainties surrounding the macroeconomic outlook. To explore this, a sensitivity analysis of ECL was undertaken to explore the effect of slower economic recoveries across the Group's footprint markets. Two downside scenarios were considered in particular to explore the current uncertainties over commodity prices. The 'Sustained Middle East Conflict' (SMEC) scenario explores a more prolonged period of heightened tensions across the region, leading to sustained oil price pressures from supply disruption. The second Bank of England's 'Bank Capital Stress Test' (BCST) scenario is characterised by a synchronised and severe downturn across all key markets, global supply side disruptions (including tariffs) and significantly higher commodity prices, inflation and interest rate environment.

	Base		Sustained Middle East Conflict (SMEC)		Bank Capital Stress Test Roll-Forward (BCST RF)	
	Five year average	Peak/Trough	Five year average	Peak/Trough	Five year average	Peak/Trough
China GDP	4.3	4.7/3.8	4.0	4.6/2.7	3.2	5.0/(1.2)
China unemployment	3.3	3.4/3.3	3.5	3.8/3.3	4.4	5.0/3.5
China property prices	0.3	2.7/(2.7)	(0.3)	2.9/(4.2)	(3.7)	11.2/(11.8)
Hong Kong GDP	2.6	4.4/1.9	2.1	3.7/0.6	0.8	3.5/(6.8)
Hong Kong unemployment	3.2	3.5/3.2	3.8	4.8/3.2	6.6	8.2/4.1
Hong Kong property prices	4.0	5.4/3.2	3.2	4.2/1.5	(3.3)	7.7/(10.2)
US GDP	2.0	2.2/1.9	1.7	2.0/0.3	0.2	1.5/(3.6)
Singapore GDP	2.3	3.4/0.4	1.6	3.1/(1.4)	0.6	3.3/(5.3)
Korea GDP	1.9	2.5/1.4	1.4	2.0/(0.6)	0.8	3.2/(4.0)
UAE GDP	3.1	7.7/(1.7)	2.5	6.3/(3.3)	2.0	3.8/(3.6)
India GDP	6.4	7.0/5.6	5.8	6.8/3.9	4.9	6.2/0.5
Crude oil	78.5	85.0/74.0	94.6	136.1/76.0	124.2	190.9/88.4

Risk review

Period covered from Q3 2026 to Q2 2031.

	Base (GDP, YoY%)					Sustained Middle East Conflict (SMEC) (GDP, YoY%)					Difference from Base				
	2026	2027	2028	2029	2030	2026	2027	2028	2029	2030	2026	2027	2028	2029	2030
China	4.4	4.6	4.4	4.2	3.9	3.3	4.0	4.4	4.2	3.9	(1.1)	(0.6)	0.0	0.0	0.0
Hong Kong	3.8	2.3	2.6	2.2	2.0	2.2	1.4	2.6	2.2	2.0	(1.6)	(0.8)	0.0	0.0	0.0
US	2.1	2.1	2.0	2.0	2.0	0.9	1.5	2.0	2.0	2.0	(1.2)	(0.6)	0.0	0.0	0.0
Singapore	1.8	3.1	2.2	2.2	2.0	(0.3)	2.0	2.2	2.2	2.0	(2.1)	(1.1)	0.0	0.0	0.0
India	6.4	6.9	6.3	6.2	6.0	4.5	6.0	6.3	6.2	6.0	(1.9)	(1.0)	0.0	0.0	0.0

Each year is from Q3 to Q2. For example 2026 is from Q3 2026 to Q2 2027.

	Base (GDP, YoY%)					Bank Capital Stress Testing Roll-Forward (BCST RF) (GDP, YoY%)					Difference from Base				
	2026	2027	2028	2029	2030	2026	2027	2028	2029	2030	2026	2027	2028	2029	2030
China	4.4	4.6	4.4	4.2	3.9	0.8	1.1	4.8	4.8	4.6	(3.6)	(3.5)	0.4	0.7	0.7
Hong Kong	3.8	2.3	2.6	2.2	2.0	(2.1)	(3.7)	3.1	3.3	3.4	(5.9)	(5.9)	0.4	1.1	1.4
US	2.1	2.1	2.0	2.0	2.0	(1.0)	(1.7)	1.3	1.2	1.2	(3.1)	(3.8)	(0.7)	(0.8)	(0.8)
Singapore	1.8	3.1	2.2	2.2	2.0	(0.3)	2.0	2.2	2.2	2.0	(2.1)	(1.1)	0.0	0.0	0.0
India	6.4	6.9	6.3	6.2	6.0	3.9	2.1	6.1	6.1	6.0	(2.5)	(4.8)	(0.2)	(0.1)	0.1

Each year is from Q3 to Q2. For example 2026 is from Q3 2026 to Q2 2027.

The total modelled stage 1 and 2 ECL provisions (including both on- and off-balance sheet instruments) would be approximately $83 million higher under the 'SMEC' scenario, and $450 million higher under the 'BCST' scenario than the baseline ECL provisions (which excluded the impact of multiple economic scenarios and judgemental management adjustments which may already capture some of the risks in these scenarios). Stage 2 exposures as a proportion of stage 1 and 2 exposures would increase from 1.9 per cent in the base case to 2.2 per cent and 3.7 per cent respectively under the 'SMEC' and 'BCST' scenarios. This includes the impact of exposures transferring to stage 2 from stage 1 but does not consider an increase in stage 3 defaults.

Under both scenarios, the majority of the increase in ECL in CIB came from the main CRE, Project Finance and Corporate portfolios. For the main corporate portfolios, ECL would increase by $2 million and $29 million in the 'SMEC' and 'BCST' scenarios respectively, and the proportion of stage 2 exposures would increase from 3.4 per cent in the base case to 3.7 per cent and 4.8 per cent respectively. Although the 'BCST' is a more severe scenario, the impact on the main corporate portfolio is moderated compared to the 'SMEC' scenario as the scenario includes an increase in commodity prices, which some of the models view positively.

For WRB, most of the increase in ECL came from the unsecured retail portfolios, particularly from the credit cards portfolios in Hong Kong and Singapore. Additionally under the BCST scenario, Korea and Malaysia mortgages are also impacted. Under the 'SMEC' and 'BCST' scenarios, credit card ECL would increase by $10 million and $39 million respectively and the proportion of stage 2 credit card exposures would increase from 2.3 per cent in the base scenario to 2.5 per cent and 3.9 per cent under 'SMEC' and 'BCST' respectively. Under the 'SMEC' and 'BCST' scenarios, mortgages ECL would increase by $2 million, and $32 million respectively. The proportion of stage 2 mortgages is 1.2 per cent in the base case and SMEC scenarios and would increase to 1.6 per cent under the 'BCST' scenario, with the Hong Kong, Singapore, and Korea portfolios most impacted.

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

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

Risk review

	Gross as reported[1] $million	ECL as reported[2] $million	ECL Base case[2] $million	ECL SMEC[2] $million	ECL BCST[2] $million
Stage 1 modelled					
Corporate & Investment Banking	431,149	184	171	184	198
Wealth & Retail Banking	200,300	336	308	325	334
• Mortgages	83,573	16	11	9	12
• Credit cards	44,242	119	112	117	121
• Other	72,485	201	185	199	201
Central & other items	168,326	66	43	64	99
Total stage 1 excluding management judgements[4]	799,775	586	522	573	631
Stage 2 modelled					
Corporate & Investment Banking	18,376	256	180	190	378
Wealth & Retail Banking	1,716	119	91	103	163
• Mortgages	961	9	2	2	32
• Credit cards	236	62	54	60	67
• Other	519	48	35	41	64
Central & other items	3,604	9	–	10	71
Total stage 2 excluding management judgements[4]	23,696	384	271	303	612
Total Stage 1 & 2 modelled					
Corporate & Investment Banking	449,525	440	351	374	576
Wealth & Retail Banking	202,016	455	399	428	497
• Mortgages	84,534	25	13	11	44
• Credit cards	44,478	181	166	177	188
• Other	73,004	249	220	240	265
Central & other items	171,930	75	43	74	170
Total excluding management judgements[4]	823,471	970	793	876	1,243
Stage 3 exposures excluding other assets	6,605	3,192			
Other financial assets[3]	142,559	29			
ECL from management judgements[4]	–	358			
Total financial assets reported as at 30 June 2026	972,635	4,549			

1 Gross balances includes both on- and off-balance sheet instruments; allocation between stage 1 and 2 will differ by scenario
2 Includes ECL for both on- and off-balance sheet instruments
3 Includes cash and balances at central banks, Accrued income, Other financial assets, and Assets held for sale
4 Management judgements are as disclosed on page 66 except for $149 million relating to non-linearity. The difference between total stage 1 and 2 ECL as reported and the total stage 1 and 2 ECL Base case reflect the total non-linearity of $177 million

Traded Risk

Counterparty Credit Risk

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

Derivative financial instruments Credit Risk mitigation

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

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

Market Risk (reviewed)

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

A summary of our current policies and practices regarding Market Risk management is provided in the 'Principal Risks' section of the 2025 Annual Report on page 227.

The primary categories of Market Risk for the Group are:

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

Market Risk movements

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

There have been a number of events in H1 2026 that led to increased market volatility. Q1 2026 was dominated by the escalation of conflict in the Middle East and concerns over disruption to energy flows through the Strait of Hormuz. Oil prices and gold rose sharply, while risk assets weakened amid heightened geopolitical uncertainty and inflation concerns. Government bond markets experienced significant volatility as investors reassessed the outlook for growth, inflation, and monetary policy. In Q2 2026, market sentiment improved as geopolitical tensions eased and energy supply concerns receded. Equity markets traded higher, supported by resilient corporate earnings, and continued AI-driven growth themes, while oil prices retraced part of their earlier gains. The US dollar weakened against several major currencies and gold remained elevated as investors continued to price geopolitical and macroeconomic uncertainty.

Trading VaR

The trading book exposures mostly arise from client activity covering hedging, investment, market making and bond underwriting. The provision of these services entails the Group taking moderate Market Risk positions.

All trading teams support client activity. There are no proprietary trading teams. Hence, income earned from Market Risk-related activities is primarily driven by the volume of client activity.

The average level of trading VaR in H1 2026 was $27.0 million, 18 per cent higher than H2 2025 ($22.9 million) and 3 per cent lower than H1 2025 ($27.9 million). The higher trading average VaR was driven by the increased market volatility following the Middle East conflict.

Risk review

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

Trading	6 months ended 30.06.26				6 months ended 31.12.25				6 months ended 30.06.25			
	Average $million	High $million	Low $million	Half Year $million	Average $million	High $million	Low $million	Half Year $million	Average $million	High $million	Low $million	Half Year $million
Interest Rate Risk	**11.4**	**17.0**	**7.1**	**12.0**	11.6	19.8	7.9	11.5	13.9	18.3	9.8	13.0
Credit Spread Risk	**13.7**	**17.7**	**8.7**	**15.8**	10.4	13.4	8.5	8.6	8.9	13.0	5.4	12.2
Foreign Exchange Risk	**7.0**	**11.8**	**3.5**	**8.3**	5.1	11.7	3.1	3.9	7.5	12.3	4.9	6.5
Commodity Risk	**13.5**	**22.8**	**5.7**	**8.7**	6.9	16.8	3.7	6.3	13.0	21.7	2.9	5.1
Diversification effect	**(18.6)**	**NA**	**NA**	**(17.2)**	(11.1)	NA	NA	(12.8)	(15.4)	NA	NA	(13.8)
Total[1]	**27.0**	**37.9**	**19.1**	**27.6**	22.9	31.8	15.5	17.5	27.9	34.9	18.9	23.0

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

Risks not in VaR

In H1 2026, the main market risks not reflected in VaR were:

- Deal contingent FX and IR derivatives where the risk of a specific condition not being met, typically the closing of a merger and acquisition transaction, and the derivative being unwound at a loss is not captured in VaR
- Potential depeg risk from currencies currently pegged or managed, where the historical one-year VaR observation period may not reflect the possibility of a change in the currency regime or a sudden depegging
- Basis risks for which the historical market price data is limited and is therefore proxied, giving rise to potential proxy basis risk that is not captured in VaR.

Additional capital is set aside to cover such 'risks not in VaR'.

Backtesting

In H1 2026, there were no regulatory backtesting negative exceptions at Group level. In the one-year period to 30 June 2026, there have been no Group level backtesting exceptions.

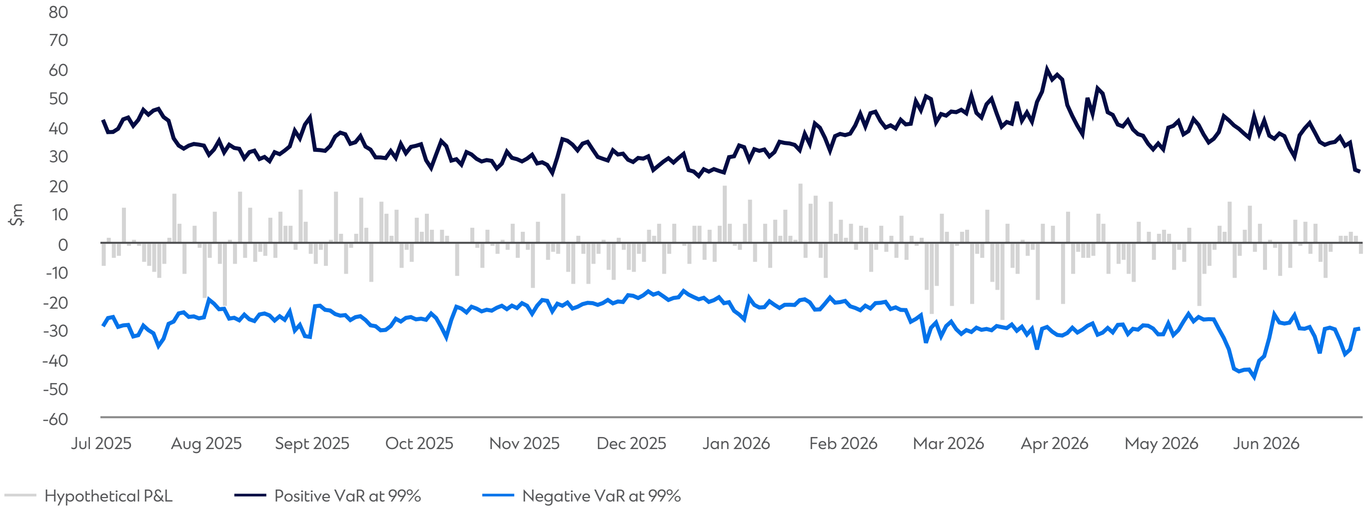
The graph below illustrates the performance of the VaR model used in capital calculations. It compares the 99 percentile profit and loss confidence level given by the VaR model with the hypothetical profit and loss of each day given the actual market movement ignoring any intra-day trading activity.

Half Year 2026 Backtesting chart

Internal model approach regulatory trading book at Group level

Hypothetical profit and loss (P&L) versus VaR (99 per cent, one day)

IMA – Hypo July 2025 to June 2026



Non-Trading VaR

The Non-trading book exposures arise from Treasury's liquid assets buffer, predominantly held in high-quality marketable debt securities, and from CIB's loan underwriting and investments in select investment grade debt securities with no trading intent.

The average level of non-trading VaR in H1 2026 was $35.4 million, 24 per cent lower than H2 2025 ($46.8 million) and 25 per cent lower than H1 2025 ($47.3 million). The decrease in non-trading average VaR was driven by a reduction in Treasury's interest rate positions.

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

	6 months ended 30.06.26				6 months ended 31.12.25				6 months ended 30.06.25			
	Average	High	Low	Half Year	Average	High	Low	Half Year	Average	High	Low	Half Year
Non-trading[1]	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million	$million
Interest Rate Risk	**30.0**	**39.7**	**23.1**	**30.2**	42.7	55.8	37.0	39.7	40.7	64.6	23.8	56.6
Credit Spread Risk	**12.1**	**16.5**	**7.5**	**7.5**	16.7	24.5	13.5	13.9	20.8	29.0	13.9	24.5
Commodity Risk	**1.2**	**1.8**	**0.6**	**1.0**	1.4	1.8	1.0	1.6	2.2	4.8	0.8	1.1
Diversification effect	**(7.9)**	**NA**	**NA**	**(6.4)**	(14.0)	NA	NA	(12.0)	(16.4)	NA	NA	(19.8)
Total[2]	**35.4**	**44.5**	**28.6**	**32.3**	46.8	61.1	41.3	43.2	47.3	66.6	32.3	62.4

1 The non-trading book VaR generally does not include fair value loans

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

Treasury Risk

Liquidity and Funding Risk

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

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

The Group achieves this through a combination of setting Risk Appetite and associated limits, policy formation, risk measurement and monitoring, prudential and internal stress testing, governance and review.

Throughout 2026, the Group retained a robust liquidity position across key metrics. The Group continues to focus on improving the quality and diversification of its funding mix and remains committed to supporting its clients.

Liquidity and Funding Risk metrics

The Group continually monitors key liquidity metrics, both on a country basis and consolidated across the Group.

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

Liquidity coverage ratio (LCR)

The LCR is a regulatory requirement set to ensure the Group has sufficient unencumbered high-quality liquid assets to meet its liquidity needs in a 30-calendar-day liquidity stress scenario.

The Group monitors and reports its liquidity positions under the Liquidity Coverage Ratio (CRR) Part of the PRA rulebook and has maintained its LCR above the prudential requirement. The Group maintained robust liquidity ratios throughout 2026.

At the reporting date, the Group LCR was 148 per cent (31 December 2025: 155 per cent), with a surplus to both Board-approved Risk Appetite and regulatory requirements.

Adequate liquidity was held across our footprint to meet all local prudential LCR requirements where applicable.

The Liquidity buffer reported below is after deductions made to reflect the impact of limitations in the transferability of liquidity held at an entity level across the Group. This resulted in an adjustment of $46 billion to LCR HQLA as at 30 June 2026.

	30.06.26 $million	31.12.25 $million
Liquidity buffer	**199,255**	194,827
Total net cash outflows	**134,229**	125,383
Liquidity coverage ratio	**148%**	155%

Stressed coverage

The Group intends to maintain a prudent and sustainable funding and liquidity position, in all countries and currencies, such that it can withstand a severe but plausible liquidity stress.

Our approach to managing liquidity and funding is reflected in the Board-level Risk Appetite Statement which includes the following:

"The Group should have sufficient stable and diverse sources of funding to meet its contractual and contingent obligations as they fall due."

The Group's Internal Liquidity Adequacy Assessment Process (ILAAP) stress testing framework covers the following stress scenarios:

- Standard Chartered-specific – captures the liquidity impact from an idiosyncratic event affecting Standard Chartered only with the rest of the market assumed to be operating normally.
- Market-wide – captures the liquidity impact from a market-wide crisis affecting all participants in a country, region or globally.
- Combined – assumes both Standard Chartered-specific and market-wide events affect the Group simultaneously and hence is the most severe scenario.
- More severe and longer horizon scenarios are also used as part of recovery and resolution planning to ensure that the Group can mobilise and monetise collateral through a variety of contingent actions.

All scenarios include, but are not limited to, modelled outflows for retail and wholesale funding, off-balance sheet funding risk, cross-currency funding risk, intraday risk, franchise risk and risks associated with a deterioration of a firm's credit rating. Concentration risk approach captures single name and industry concentration. Internal stress testing results show that, as at 30 June 2026, Group and all countries were able to survive for a period of time with positive surpluses as defined under each scenario. The results take into account currency convertibility and portability constraints while calculating the liquidity surplus at Group level. Standard Chartered Bank's credit ratings as at 30 June 2026 were AA- with stable outlook (Fitch), A+ with stable outlook (S&P) and A1 with stable outlook (Moody's). As of 30 June 2026, the estimated contractual outflow of a three-notch long-term ratings downgrade is $1.5 billion.

Advances-to-deposits ratio

This is defined as the ratio of total loans and advances to customers relative to total customer deposits. An advances-to-deposits ratio below 100 per cent demonstrates that customer deposits exceed customer loans as a result of the emphasis placed on generating a high level of funding from customers. The Group's advances-to-deposits ratio has improved by 0.5 per cent as customer deposit growth exceeds growth in customer loans and advances. Deposits from customers as at 30 June 2026 are $578,583 million (31 December 2025: $549,575 million).

	30.06.26 $million	31.12.25 $million
Total loans and advances to customers[1,2]	**294,289**	282,427
Total customer accounts[3]	**578,583**	549,575
Advances-to-deposits ratio	**50.9%**	51.4%

1 Excludes reverse repurchase agreement and other similar secured lending of $7,395 million (31 December 2025: $8,242 million) and includes loans and advances to customers held at fair value through profit and loss of $11,054 million (31 December 2025: $12,355 million)

2 Loans and advances to customers for the purpose of the advances-to-deposits ratio excludes $8,649 million (31 December 2025: $8,474 million) of approved balances held with central banks, confirmed as repayable at the point of stress

3 Includes customer accounts held at fair value through profit or loss of $25,939 million (31 December 2025: $19,414 million)

Net stable funding ratio (NSFR)

The NSFR is a PRA regulatory requirement that stipulates institutions to maintain a stable funding profile in relation to an assumed duration of their assets and off-balance sheet activities over a one-year horizon. It is the ratio between the amount of available stable funding (ASF) and the amount of required stable funding (RSF). ASF factors are applied to balance sheet liabilities and capital, based on their perceived stability and the amount of stable funding they provide. Likewise, RSF factors are applied to assets and off-balance sheet exposures according to the amount of stable funding they require. The regulatory requirements for NSFR are to maintain a ratio of at least 100 per cent. The average ratio for the past four quarters is 137 per cent.

Risk review

Liquidity pool

The liquidity value of the Group's LCR eligible liquidity pool at the reporting date was $199 billion. The figures in the table below account for haircuts, currency convertibility and portability constraints per PRA rules for transfer restrictions (amounting to $46 billion as at 30 June 2026), and therefore are not directly comparable with the consolidated balance sheet. A liquidity pool is held to offset stress outflows as defined in the LCR (CRR) Part of the PRA rulebook.

	30.06.26 $million	31.12.25 $million
Level 1 securities		
Cash and balances at central banks	**85,906**	78,290
Central banks, governments/public sector entities	**91,347**	101,122
Multilateral development banks and international organisations	**14,447**	10,623
Other	**2,829**	396
Total Level 1 securities	**194,529**	190,431
Level 2 A securities	**4,021**	3,643
Level 2 B securities	**705**	753
Total LCR eligible assets	**199,255**	194,827

Liquidity analysis of the Group's balance sheet

Contractual maturity of assets and liabilities

The following table presents assets and liabilities by maturity groupings based on the remaining period to the contractual maturity date as at the balance sheet date on a discounted basis. Contractual maturities do not necessarily reflect actual repayments or cashflows. Within the tables below, cash and balances with central banks, interbank placements and investment securities that are fair valued through other comprehensive income are used by the Group principally for liquidity management purposes. As at the reporting date, assets remain predominantly short-dated, with 59 per cent maturing in less than one year.

	30.06.26								
	One month or less $million	Between one month and three months $million	Between three months and six months $million	Between six months and nine months $million	Between nine months and one year $million	Between one year and two years $million	Between two years and five years $million	More than five years and undated $million	Total $million
Assets									
Cash and balances at central banks	**71,461**	**–**	**–**	**–**	**–**	**–**	**–**	**13,080**	**84,541**
Derivative financial instruments	**18,083**	**14,625**	**13,527**	**8,155**	**5,285**	**7,277**	**10,364**	**4,909**	**82,225**
Loans and advances to banks[1,2]	**30,529**	**17,865**	**11,331**	**5,326**	**6,183**	**8,277**	**5,607**	**1,913**	**87,031**
Loans and advances to customers[1,2]	**92,829**	**36,659**	**20,190**	**16,630**	**15,072**	**41,022**	**39,381**	**103,527**	**365,310**
Investment securities[1]	**21,733**	**30,344**	**24,588**	**18,283**	**15,362**	**30,829**	**50,821**	**82,672**	**274,632**
Other assets	**31,556**	**52,631**	**2,083**	**573**	**1,863**	**93**	**28**	**10,840**	**99,667**
Total assets	**266,191**	**152,124**	**71,719**	**48,967**	**43,765**	**87,498**	**106,201**	**216,941**	**993,406**
Liabilities									
Deposits by banks[1,3]	**32,420**	**986**	**1,306**	**483**	**573**	**4,911**	**2,699**	**247**	**43,625**
Customer accounts[1,4]	**439,705**	**65,843**	**46,134**	**19,252**	**18,720**	**11,326**	**4,348**	**3,883**	**609,211**
Derivative financial instruments	**18,440**	**16,167**	**11,926**	**8,306**	**5,293**	**7,214**	**11,226**	**4,888**	**83,460**
Senior debt[5]	**347**	**2,046**	**2,008**	**1,287**	**988**	**11,749**	**21,568**	**22,896**	**62,889**
Other debt securities in issue[1]	**1,340**	**6,531**	**9,386**	**7,103**	**5,446**	**1,320**	**1,895**	**621**	**33,642**
Other liabilities	**35,243**	**43,171**	**1,665**	**1,653**	**1,317**	**2,464**	**4,015**	**6,386**	**95,914**
Subordinated liabilities and other borrowed funds	**16**	**63**	**13**	**1,338**	**44**	**269**	**934**	**6,095**	**8,772**
Total liabilities	**527,511**	**134,807**	**72,438**	**39,422**	**32,381**	**39,253**	**46,685**	**45,016**	**937,513**
Net liquidity gap	**(261,320)**	**17,317**	**(719)**	**9,545**	**11,384**	**48,245**	**59,516**	**171,925**	**55,893**

Risk review

	31.12.25								
	One month or less $million	Between one month and three months $million	Between three months and six months $million	Between six months and nine months $million	Between nine months and one year $million	Between one year and two years $million	Between two years and five years $million	More than five years and undated $million	Total $million
Assets									
Cash and balances at central banks	66,116	–	–	–	–	–	–	11,630	77,746
Derivative financial instruments	15,827	11,627	10,412	5,333	3,983	5,451	8,309	4,840	65,782
Loans and advances to banks[1,2]	21,323	21,142	12,878	6,884	5,379	7,437	3,672	1,858	80,573
Loans and advances to customers[1,2]	78,546	42,487	20,359	15,298	14,309	41,579	34,064	102,943	349,585
Investment securities[1]	20,439	36,061	19,632	17,255	15,152	33,157	49,952	71,096	262,744
Other assets	18,173	50,528	1,406	994	1,474	388	31	10,531	83,525
Total assets	220,424	161,845	64,687	45,764	40,297	88,012	96,028	202,898	919,955
Liabilities									
Deposits by banks[1,3]	32,466	2,001	1,370	690	644	2,105	2,359	4	41,639
Customer accounts[1,4]	415,483	42,912	29,297	12,974	13,881	8,931	58,405	3,291	585,174
Derivative financial instruments	16,630	14,829	9,795	5,701	3,534	5,145	8,392	4,178	68,204
Senior debt[5]	879	1,513	2,665	1,948	1,500	9,190	19,390	22,503	59,588
Other debt securities in issue[1]	2,885	3,412	9,108	5,880	3,725	2,188	1,384	697	29,279
Other liabilities	17,665	40,951	3,453	1,054	1,413	1,485	1,892	4,738	72,651
Subordinated liabilities and other borrowed funds	16	60	25	154	14	1,442	741	6,382	8,834
Total liabilities	486,024	105,678	55,713	28,401	24,711	30,486	92,563	41,793	865,369
Net liquidity gap	(265,600)	56,167	8,974	17,363	15,586	57,526	3,465	161,105	54,586

1 Loans and advances, investment securities, deposits by banks, customer accounts and debt securities in issue include financial instruments held at fair value through profit or loss, see Note 13 Financial instruments
2 Loans and advances include reverse repurchase agreements and other similar secured lending of $105.7 billion (31 December 2025: $96.1 billion)
3 Deposits by banks include repurchase agreements and other similar secured borrowing of $9.6 billion (31 December 2025: $8.5 billion)
4 Customer accounts include repurchase agreements and other similar secured borrowing of $30.6 billion (31 December 2025: $35.6 billion)
5 Senior debt maturity profiles are based upon contractual maturity, which may be later than call options over the debt held by the Group

Behavioural maturity of financial assets and liabilities

The cashflows presented in the previous section reflect the cashflows that will be contractually payable over the residual maturity of the instruments. However, contractual maturities do not necessarily reflect the timing of actual repayments or cashflow. In practice, certain assets and liabilities behave differently from their contractual terms, especially for short-term customer accounts, credit card balances and overdrafts, which extend to a longer period than their contractual maturity.

On the other hand, mortgage balances tend to have a shorter repayment period than their contractual maturity date. Expected customer behaviour is assessed and managed on a country basis using qualitative and quantitative techniques, including analysis of observed customer behaviour over time.

Risk review

Maturity of financial liabilities on an undiscounted basis

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

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

	30.06.26								
	One month or less $million	Between one month and three months $million	Between three months and six months $million	Between six months and nine months $million	Between nine months and one year $million	Between one year and two years $million	Between two years and five years $million	More than five years and undated $million	Total $million
Deposits by banks	**32,459**	**1,058**	**1,341**	**503**	**599**	**4,980**	**2,780**	**322**	**44,042**
Customer accounts	**440,552**	**66,182**	**46,645**	**19,628**	**19,188**	**11,656**	**4,742**	**4,790**	**613,383**
Derivative financial instruments	**81,680**	**1**	**82**	**68**	**83**	**136**	**1,153**	**496**	**83,699**
Debt securities in issue	**2,015**	**8,736**	**11,734**	**9,028**	**6,921**	**15,001**	**27,636**	**27,513**	**108,584**
Subordinated liabilities and other borrowed funds	**35**	**130**	**13**	**1,378**	**50**	**299**	**1,267**	**11,335**	**14,507**
Other liabilities	**35,243**	**43,205**	**1,735**	**1,653**	**1,349**	**2,464**	**4,015**	**7,806**	**97,470**
Total liabilities	**591,984**	**119,312**	**61,550**	**32,258**	**28,190**	**34,536**	**41,593**	**52,262**	**961,685**

	31.12.25								
Deposits by banks	32,536	2,012	1,381	704	658	2,137	2,395	4	41,827
Customer accounts	416,850	43,261	29,727	13,247	14,222	9,090	58,627	4,033	589,057
Derivative financial instruments	67,101	13	35	34	51	110	492	512	68,348
Debt securities in issue	4,081	5,139	12,176	8,290	5,590	13,118	24,492	26,510	99,396
Subordinated liabilities and other borrowed funds	35	116	50	164	15	1,529	978	11,934	14,821
Other liabilities	16,179	41,722	3,276	1,044	1,410	1,485	1,892	6,171	73,179
Total liabilities	536,782	92,263	46,645	23,483	21,946	27,469	88,876	49,164	886,628

Interest Rate Risk in the Banking Book

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

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

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

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

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

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

Net interest income sensitivity (reviewed)

Estimated one-year impact to earnings from a parallel shift in yield curves at the beginning of the period of:	USD bloc[1] $million	HKD bloc $million	SGD bloc $million	GBP bloc $million	CNY bloc[2] $million	JPY bloc $million	EUR bloc $million	Other currency bloc[3] $million	Total $million
30.06.26									
+ 50 basis points	**40**	**20**	**20**	**20**	**30**	**10**	**20**	**60**	**220**
- 50 basis points	**(70)**	**(30)**	**(20)**	**(20)**	**(40)**	**(10)**	**(20)**	**(80)**	**(290)**
+ 100 basis points	**80**	**30**	**50**	**40**	**60**	**20**	**30**	**120**	**430**
- 100 basis points	**(180)**	**(50)**	**(50)**	**(40)**	**(80)**	**(30)**	**(50)**	**(150)**	**(630)**
31.12.25									
+ 50 basis points	50	60	20	20	–	10	20	80	260
- 50 basis points	(90)	(30)	(20)	(20)	(10)	(10)	(20)	(90)	(290)
+ 100 basis points	90	120	30	50	–	20	30	160	500
- 100 basis points	(170)	(80)	(30)	(50)	(30)	(30)	(40)	(190)	(620)

1 The USD bloc includes the USD pegged currencies (AED, BHD, JOD, OMR and QAR)
2 The CNY bloc includes CNH
3 The largest exposures within the Other currency bloc are INR, KRW and TWD

As at 30 June 2026, the Group estimates the one-year impact of an instantaneous, parallel increase across all yield curves of 50 basis points to increase projected NII by $220 million. The equivalent impact from a parallel decrease of 50 basis points would result in a reduction in projected NII of $290 million. The Group estimates the one-year impact of an instantaneous, parallel increase across all yield curves of 100 basis points to increase projected NII by $430 million. The equivalent impact from a parallel decrease of 100 basis points would result in a reduction in projected NII of $630 million.

The benefit from rising interest rates is primarily from reinvesting at higher yields and from assets re-pricing faster and to a greater extent than deposits. NII sensitivity in the falling rate scenarios has remained broadly stable versus 31 December 2025, as the increase in balance sheet size, with assets repricing faster than liabilities, has been offset by an increase in structural hedging.

Over the course of H1 2026, the notional of interest rate swaps, Hold to Collect (HTC)-accounted bond portfolios and fixed rate commercial assets used to reduce NII sensitivity through the cycle increased from $109 billion to $119 billion. As at 30 June 2026, the portfolios had a weighted average maturity of 2.7 years, which reflects the behaviouralised lives of the rate-insensitive deposit and equity balances that they hedge, and a yield of 3.4 per cent.

Operational and Technology Risk

Operational and Technology Risk profile

Operational and Technology risks remain focused in areas such as Operational Resilience, Technology Risk, Third-Party Risk Management, and Change Mismanagement Risk which are being addressed by ongoing processes and system enhancement programmes.

The Group continues to monitor and manage Operational and Technology risks associated with external factors such as geopolitical issues, Nth-Party Risk and risk arising from the adoption and use of Artificial Intelligence. This enables the Group to keep pace with new business developments, while ensuring that its risk and control frameworks evolve accordingly. The Group continues to enhance its risk management capabilities to understand the full spectrum of risks in the operating environment, strengthen its defences and improve its overall resilience.

Other principal risks

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

Capital review

The Capital review provides an analysis of the Group's capital and leverage position, and requirements.

Capital summary

The Group's capital, leverage and minimum requirements for own funds and eligible liabilities (MREL) position is managed within the Board-approved risk appetite. The Group is well capitalised with low leverage and high levels of loss-absorbing capacity.

Capital ratios

	30.06.26	31.12.25
CET1 (%)	**14.2**	14.1
Tier 1 capital (%)	**17.6**	17.0
Total capital (%)	**21.1**	20.6
Leverage ratio (%)	**4.7**	4.7
MREL ratio (%)	**35.2**	33.5
Risk-weighted assets (RWA) $million	**261,451**	258,031

The Group's capital, leverage and MREL positions remained above current requirements and Board-approved risk appetite. The Group's CET1 ratio increased by 3 basis points to 14.2 per cent of RWA compared with FY'25 reflecting the positive contribution from profits and lower regulatory deductions partly offset by adverse movements in FVOCI and FX translation reserves, RWA growth and distributions, including $1.5 billion of ordinary share buybacks during the period.

As at 30 June 2026 the Group's Pillar 2A was 3.3 per cent of RWA, of which at least 1.9 per cent must be held in CET1 capital. The Group's minimum CET1 capital requirement was 10.3 per cent at 30 June 2026.

The Group CET1 capital ratio at 30 June 2026 reflects the share buybacks of $1.5 billion announced during the period. The Board has recommended an interim dividend of $448 million or 20.4 cents per share, for H1 2026. This represents one-third of the total 2025 dividend and has been reflected in the Group's H1 2026 CET1 capital ratio. In addition, the Board has announced a further share buyback of $1.0 billion, the impact of this will reduce the Group's CET1 capital by around 38 basis points in the third quarter of 2026.

The Group expects to manage CET1 capital dynamically within our 13-14 per cent target range, in support of our aim of delivering future sustainable shareholder distributions.

The Group's MREL leverage requirement as at H1 2026 was equivalent to 28.3 per cent of RWA. This is composed of a minimum requirement of 25.3 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 35.2 per cent of RWA and 9.4 per cent of leverage exposure at H1 2026.

During the period, the Group successfully raised $9.0 billion of MREL eligible securities from its holding company, Standard Chartered PLC. Issuance include $1.6 billion of Additional Tier 1 and $7.4 billion of callable senior debt.

The Group is a G-SII, with a 1.0 per cent G-SII CET1 capital buffer. The Standard Chartered PLC G-SII disclosure is published at **sc.com/financial-results**.

Capital review

Capital base[1] (reviewed)

	30.06.26 $million	31.12.25 $million
CET1 capital instruments and reserves		
Capital instruments and the related share premium accounts	**5,084**	5,120
Of which: share premium accounts	**3,989**	3,989
Retained earnings	**26,601**	24,528
Accumulated other comprehensive income (and other reserves)	**9,458**	10,406
Non-controlling interests (amount allowed in consolidated CET1)	**257**	262
Independently reviewed interim and year-end profits	**3,658**	5,100
Foreseeable dividends	**(780)**	(1,377)
CET1 capital before regulatory adjustments	**44,278**	44,039
CET1 regulatory adjustments		
Additional value adjustments (prudential valuation adjustments)	**(746)**	(693)
Intangible assets (net of related tax liability)	**(6,328)**	(6,145)
Deferred tax assets that rely on future profitability (excludes those arising from temporary differences)	**(19)**	(15)
Fair value reserves related to net losses on cash flow hedges	**303**	(315)
Deduction of amounts resulting from the calculation of excess expected loss	**(538)**	(599)
Net gains on liabilities at fair value resulting from changes in own credit risk	**395**	412
Defined-benefit pension fund assets	**(224)**	(149)
Fair value gains arising from the institution's own credit risk related to derivative liabilities	**(76)**	(70)
Exposure amounts which could qualify for risk weighting of 1250%	**(42)**	(25)
Total regulatory adjustments to CET1	**(7,275)**	(7,599)
CET1 capital	**37,003**	36,440
Additional Tier 1 capital (AT1) instruments	**9,105**	7,529
AT1 regulatory adjustments	**(20)**	(20)
Tier 1 capital	**46,088**	43,949
Tier 2 capital instruments	**9,106**	9,308
Tier 2 regulatory adjustments	**(30)**	(30)
Tier 2 capital	**9,076**	9,278
Total capital	**55,164**	53,227
Total risk-weighted assets (unreviewed)	**261,451**	258,031

1 Capital base is prepared on the regulatory scope of consolidation

Movement in total capital

	6 months ended 30.06.26 $million	6 months ended 31.12.25 $million
CET1 at 1 January/1 July	**36,440**	37,260
Ordinary shares issued in the period and share premium	**–**	–
Share buyback	**(1,500)**	(1,300)
Profit for the period	**3,658**	1,759
Foreseeable dividends deducted from CET1	**(780)**	(807)
Difference between dividends paid and foreseeable dividends	**(13)**	(566)
Movement in goodwill and other intangible assets	**(183)**	(150)
Foreign currency translation differences	**(259)**	178
Non-controlling interests	**(5)**	27
Movement in eligible other comprehensive income	**(262)**	(24)
Deferred tax assets that rely on future profitability	**(4)**	3
Decrease/(Increase) in excess expected loss	**61**	16
Additional value adjustments (prudential valuation adjustment)	**(53)**	(33)
Exposure amounts which could qualify for risk weighting	**(16)**	9
Fair value gains arising from the institution's own Credit Risk related to derivative liabilities	**(6)**	33
Others	**(75)**	35
CET1 at 30 June/31 December	**37,003**	36,440
AT1 at 1 January/1 July	**7,509**	6,517
Net issuances	**1,582**	996
Foreign currency translation difference	**(6)**	(4)
AT1 at 30 June/31 December	**9,085**	7,509
Tier 2 capital at 1 January/1 July	**9,278**	9,504
Regulatory amortisation	**(135)**	(103)
Foreign currency translation and fair value differences	**(65)**	(114)
Tier 2 ineligible minority interest	**(5)**	(1)
Others	**3**	(8)
Tier 2 capital at 30 June/31 December	**9,076**	9,278
Total capital at 30 June/31 December	**55,164**	53,227

The main movements in capital in the period were:

- CET1 capital increased by $0.6 billion as retained profits of $3.7 billion, offsetting with negative movement in FVOCI of $0.1 billion, foreign currency translation impact of $0.3 billion, share buybacks of $1.5 billion, foreseeable of $0.8 billion and regulatory deductions and other movements of $0.4 billion.
- AT1 capital has increased by $1.6 billion due to new issuance of securities.
- Tier 2 capital decreased by $0.2 billion due to regulatory amortisation and foreign currency translation impact.

Capital review

Risk-weighted assets by business

	30.06.26			
	Credit risk $million	Operational risk $million	Market risk $million	Total risk $million
Corporate & Investment Banking	**132,322**	**23,826**	**29,164**	**185,312**
Wealth & Retail Banking	**45,517**	**11,884**	**–**	**57,401**
Central & other items	**16,243**	**(599)**	**3,094**	**18,738**
Total risk-weighted assets	**194,082**	**35,111**	**32,258**	**261,451**
	31.12.25[1]			
Corporate & Investment Banking	125,188	23,883	26,713	175,784
Wealth & Retail Banking	47,349	11,958	–	59,307
Central & other items	19,608	(618)	3,950	22,940
Total risk-weighted assets	192,145	35,223	30,663	258,031

1 Comparatives have been re-presented in accordance with the RNS titled 'Re-presentation of Financial Information' issued on 25 March 2026

Movement in risk-weighted assets

	Credit risk[1]						
	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Central & other items $million	Total $million	Operational risk $million	Market risk $million	Total risk $million
At 1 January 2025	124,378	48,714	16,211	189,303	29,479	28,283	247,065
Assets growth & mix[2]	458	(2,159)	(2,165)	(3,866)	–	–	(3,866)
Asset quality[2]	2,194	(303)	525	2,416	–	–	2,416
Model Updates	(1,655)	232	–	(1,423)	–	51	(1,372)
Methodology and policy changes	–	–	–	–	–	–	–
Acquisitions and disposals	(14)	(92)	(12)	(118)	–	–	(118)
Foreign currency translation	3,016	1,643	377	5,036	–	–	5,036
Other, Including non-credit risk movements	–	–	–	–	3,099	7,424	10,523
At 30 June 2025	128,377	48,035	14,936	191,348	32,578	35,758	259,684
Assets growth & mix[2]	(2,818)	232	4,863	2,277	–	–	2,277
Asset quality[2]	(124)	(290)	(31)	(445)	–	–	(445)
Model Updates	390	(34)	–	356	–	12	368
Methodology and policy changes	–	–	–	–	–	–	–
Acquisitions and disposals	(279)	–	(7)	(286)	–	–	(286)
Foreign currency translation	(358)	(594)	(153)	(1,105)	–	–	(1,105)
Other, Including non-credit risk movements	–	–	–	–	2,645	(5,107)	(2,462)
At 31 December 2025	**125,188**	**47,349**	**19,608**	**192,145**	**35,223**	**30,663**	**258,031**
Assets growth & mix	**7,446**	**(767)**	**(3,133)**	**3,546**	**–**	**–**	**3,546**
Asset quality	**321**	**36**	**75**	**432**	**–**	**–**	**432**
Model Updates	**358**	**(349)**	**–**	**9**	**–**	**(565)**	**(556)**
Methodology and policy changes	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Acquisitions and disposals	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Foreign currency translation	**(991)**	**(752)**	**(307)**	**(2,050)**	**–**	**–**	**(2,050)**
Other, Including non-credit risk movements	**–**	**–**	**–**	**–**	**(112)**	**2,160**	**2,048**
At 30 June 2026	**132,322**	**45,517**	**16,243**	**194,082**	**35,111**	**32,258**	**261,451**

1 Comparatives have been re-presented in accordance with the RNS titled 'Re-presentation of Financial Information' issued on 25 March 2026
2 Prior period comparatives have been represented to reflect movements in asset growth & mix previously reflected within asset quality

Movements in risk-weighted assets

RWA increased by $3.4 billion, or 1.3 per cent from 31 December 2025 to $261.5 billion. This was due to the increase in Credit Risk RWA of $1.9 billion and Market Risk RWA of $1.6 billion.

Corporate & Investment Banking

Credit Risk RWA increased by $7.1 billion, or 5.7 per cent from 31 December 2025 to $132.3 billion mainly due to:

- $7.4 billion increase from changes in asset growth and mix, of which:
  - $9.8 billion increase from asset growth
  - $2.4 billion decrease from optimisation actions
- $0.3 billion increase mainly due to deterioration in asset quality from sovereign downgrades and other client grade moves
- $0.4 billion increase driven by Post Model adjustments and IRB model changes
- $1.0 billion decrease from foreign currency translation.

Wealth & Retail Banking

Credit Risk RWA decreased by $1.8 billion, or 3.9 per cent from 31 December 2025 to $45.5 billion mainly due to:

- $0.8 billion decrease from changes in asset growth & mix
- $0.8 billion decrease from foreign currency translation
- $0.3 billion decrease driven by Post Model adjustments and IRB model changes.

Central & other items

Central & other items RWA mainly relate to SC Ventures and Treasury Market's liquidity portfolio, equity investments and current and deferred tax assets. Credit Risk RWA decreased by $3.4 billion, or 17.2 per cent from 31 December 2025 to $16.2 billion mainly due to:

- $3.1 billion decrease from changes in asset growth and mix
- $0.3 billion decrease from foreign currency translation
- $0.1 billion increase due to deterioration in asset quality, mainly from sovereign downgrades and other client grade moves.

Market Risk

Total Market Risk RWA increased by $1.6 billion, or 5.2 per cent from 31 December 2025 to $32.3 billion due to:

- $1.3 billion increase driven by Specific Interest Rate Risk primarily from an increase in positions in the Credit ($0.7 billion) and Rates ($0.5 billion)
- $1.2 billion increase driven by higher Value-at-Risk reflecting elevated market volatility during the period
- $0.9 billion decrease from Structural FX position due to increased hedging activity.

Operational Risk

Operational risk RWA remain broadly unchanged as the Group is now performing the annual operational risk RWA computation in the fourth quarter of the year.

Leverage ratio

The Group's leverage ratio, which excludes qualifying claims on central banks, was 4.7 per cent at H1 2026, which was above the current minimum requirement of 3.7 per cent. The leverage ratio was 1 basis point higher compared to FY 2025. Leverage exposure increased by $42.6 billion, primarily driven by increases in Derivatives (including cash collateral) of $ 8.1 billion and a $ 55.7 billion increase in Other Assets including Loans & Advances and securities financing transactions, together with, other add-ons of $0.2 billion. These increases were partly offset by a $10 billion increase in claims on central banks, $4.2 billion of unsettled regular-way trades, and reduction in off-balance sheet items of $7 billion. Tier 1 capital increased by $2.1 billion as CET1 capital increased by $0.5 billion and AT1 issuance of $1.6 billion during the period.

Leverage ratio

	30.06.26 $million	31.12.25 $million
Tier 1 capital	**46,088**	43,949
Derivative financial instruments	**82,225**	65,782
Derivative cash collateral	**14,394**	12,868
Securities financing transactions (SFTs)	**105,739**	96,096
Loans and advances and other assets	**791,048**	745,209
Total on-balance sheet assets	**993,406**	919,955
Regulatory adjustments[1]	**(110,750)**	(96,565)
Derivatives adjustments		
Derivatives netting	**(63,439)**	(51,827)
Adjustments to cash collateral	**(10,785)**	(10,011)
Net written credit protection	**2,568**	2,604
Potential future exposure on derivatives	**60,640**	58,062
Total derivatives adjustments	**(11,016)**	(1,172)
Counterparty risk leverage exposure measure for SFTs	**6,828**	6,715
Off-balance sheet items	**110,336**	117,341
Regulatory deductions from Tier 1 capital	**(8,039)**	(8,084)
Total exposure measure excluding claims on central banks	**980,765**	938,190
Leverage ratio excluding claims on central banks (%)	**4.7**	4.7
Average leverage exposure measure excluding claims on central banks	**977,419**	949,214
Average leverage ratio excluding claims on central banks (%)	**4.6**	4.6
Countercyclical leverage ratio buffer (%)	**0.1**	0.1
G-SII additional leverage ratio buffer (%)	**0.4**	0.4

1 Includes adjustment for qualifying central bank claims and unsettled regular way trades

Statement of directors' responsibilities

We confirm that to the best of our knowledge:

- The condensed consolidated interim financial statements have been prepared in accordance with UK-adopted IAS 34 Interim Financial Reporting and IAS 34 as adopted by the EU.
- The interim management report includes a fair review of the information required by:
  a. DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the six months ended 30 June 2026 and their impact on the condensed consolidated interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year.
  b. DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place during the six months ended 30 June 2026 that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could have materially affected the financial position or performance of the entity during that period.

By order of the Board

Manus Costello
Group Chief Financial Officer

29 July 2026

Standard Chartered PLC Board of Directors

Group Chair	Executive Directors	Non-Executive Directors
Maria Ramos	Bill Winters	Shirish Apte
	Manus Costello	Jackie Hunt
		Diane Jurgens
		Robin Lawther
		Lincoln Leong
		Phil Rivett
		David Tang
		Linda Yueh
		Tanate Phutrakul

Independent review report to Standard Chartered PLC

Conclusion

We have been engaged by Standard Chartered PLC (the 'Company' or, together with its subsidiaries, the 'Group') to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2026 which comprises the condensed consolidated interim income statement, the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim balance sheet, the condensed consolidated interim statement of changes in equity, the condensed consolidated interim cash flow statement, the related notes 1 to 30, and the risk and capital disclosures marked as 'reviewed' from page 26 to 84 (together the 'condensed consolidated interim financial statements'). We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements in the half-yearly financial report for the six months ended 30 June 2026 are not prepared, in all material respects, in accordance with United Kingdom (UK) adopted International Accounting Standard 34 (IAS 34), IAS 34 as adopted by the European Union (EU), and the Disclosure Guidance and Transparency Rules (DTR) of the UK's Financial Conduct Authority (FCA).

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' (ISRE) issued by the Financial Reporting Council (FRC). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with UK adopted International Accounting Standards and International Financial Reporting Standards as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted IAS 34 and IAS 34 as adopted by the EU, and the DTR of the UK's FCA.

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with UK adopted IAS 34 and IAS 34 as adopted by the EU, and the DTR of the UK's FCA.

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

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the Company in accordance with guidance contained in ISRE (UK) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the FRC. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP

London

29 July 2026

Condensed consolidated interim income statement

For the six months ended 30 June 2026

	Notes	6 months ended 30.06.26 $million	6 months ended 30.06.25 $million
Interest income		**11,559**	12,485
Interest expense		**(8,558)**	(9,441)
Net interest income	3	**3,001**	3,044
Fees and commission income		**3,334**	2,627
Fees and commission expense		**(634)**	(495)
Net fee and commission income	4	**2,700**	2,132
Net trading income	5	**5,819**	5,438
Other operating income	6	**84**	292
Operating income		**11,604**	10,906
Staff costs		**(4,768)**	(4,393)
Premises costs		**(170)**	(175)
General administrative expenses		**(832)**	(1,135)
Depreciation and amortisation		**(566)**	(544)
Operating expenses	7	**(6,336)**	(6,247)
Operating profit before impairment losses and taxation		**5,268**	4,659
Credit impairment	8	**(446)**	(336)
Goodwill, property, plant and equipment and other impairment	9	**(21)**	(19)
(Loss)/Profit from associates and joint ventures	19	**(17)**	79
Profit before taxation		**4,784**	4,383
Taxation	10	**(1,113)**	(1,057)
Profit for the period		**3,671**	3,326
Profit attributable to:			
Non-controlling interests		**18**	17
Parent company shareholders		**3,653**	3,309
Profit for the period		**3,671**	3,326
		cents	cents
Earnings per share:			
Basic earnings per ordinary share	12	**151.6**	129.1
Diluted earnings per ordinary share	12	**147.3**	125.5

The notes on pages 94 to 138 form an integral part of these financial statements.

Condensed consolidated interim statement of comprehensive income

For the six months ended 30 June 2026

	6 months ended 30.06.26 $million	6 months ended 30.06.25 $million
Profit for the period	**3,671**	3,326
Other comprehensive (loss)/income		
Items that will not be reclassified to income statement:	**62**	124
Own credit gains/(losses) on financial liabilities designated at fair value through profit or loss	**24**	(7)
Equity instruments at fair value through other comprehensive (loss)/income	**(22)**	122
Actuarial gains on retirement benefit obligations	**86**	5
Revaluation deficit	**(1)**	(3)
Taxation relating to components of other comprehensive (loss)/income	**(25)**	7
Items that may be reclassified subsequently to income statement:	**(972)**	1,293
Exchange differences on translation of foreign operations:		
Net (losses)/gains taken to equity	**(689)**	824
Net gains/(losses) on net investment hedges	**421**	(76)
Share of other comprehensive income/(loss) from associates and joint ventures	**47**	(30)
Debt instruments at fair value through other comprehensive income:		
Net valuation (losses)/gains taken to equity	**(145)**	245
Reclassified to income statement	**(20)**	(9)
Net impact of expected credit (losses)/gains	**(2)**	9
Cash flow hedges:		
Net movements in cash flow hedge reserve	**(737)**	451
Taxation relating to components of other comprehensive income/(loss)	**153**	(121)
Other comprehensive (loss)/income for the period, net of taxation	**(910)**	1,417
Total comprehensive income for the period	**2,761**	4,743
Total comprehensive income attributable to:		
Non-controlling interests	**12**	42
Parent company shareholders	**2,749**	4,701
Total comprehensive income for the period	**2,761**	4,743

Condensed consolidated interim balance sheet

As at 30 June 2026

	Notes	30.06.26 $million	31.12.25 $million
Assets			
Cash and balances at central banks	13	**84,541**	77,746
Financial assets held at fair value through profit or loss	13	**225,286**	195,257
Derivative financial instruments	13,14	**82,225**	65,782
Loans and advances to banks	13	**45,962**	43,901
Loans and advances to customers	13	**299,279**	286,788
Investment securities	13	**156,446**	166,956
Other assets	18	**84,024**	67,931
Current tax assets		**422**	574
Prepayments and accrued income		**2,900**	3,058
Interests in associates and joint ventures	19	**1,532**	1,426
Goodwill and intangible assets	16	**6,394**	6,231
Property, plant and equipment	17	**2,439**	2,559
Deferred tax assets	10	**570**	493
Retirement benefit schemes in surplus		**228**	154
Assets classified as held for sale	20	**1,158**	1,099
Total assets		**993,406**	919,955
Liabilities			
Deposits by banks	13	**29,800**	30,846
Customer accounts	13	**552,644**	530,161
Repurchase agreements and other similar secured borrowing	13,15	**4,624**	7,757
Financial liabilities held at fair value through profit or loss	13	**99,900**	89,597
Derivative financial instruments	13,14	**83,460**	68,204
Debt securities in issue	13	**79,377**	72,858
Other liabilities	21	**69,865**	46,655
Current tax liabilities		**838**	709
Accruals and deferred income		**6,161**	7,358
Subordinated liabilities and other borrowed funds	13,24	**8,772**	8,834
Deferred tax liabilities	10	**746**	752
Provisions for liabilities and charges		**373**	401
Retirement benefit schemes in deficit		**291**	323
Liabilities included in disposal groups held for sale	20	**662**	914
Total liabilities		**937,513**	865,369
Equity			
Share capital and share premium account	25	**6,578**	6,614
Other reserves		**9,458**	10,406
Retained earnings		**30,272**	29,573
Total parent company shareholders' equity		**46,308**	46,593
Other equity instruments	25	**9,105**	7,528
Total equity excluding non-controlling interests		**55,413**	54,121
Non-controlling interests		**480**	465
Total equity		**55,893**	54,586
Total equity and liabilities		**993,406**	919,955

The notes on pages 94 to 138 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 29 July 2026 and signed on its behalf by:

Manus Costello
Group Chief Financial Officer

Condensed consolidated interim statement of changes in equity

For the six months ended 30 June 2026

	Ordinary share capital and share premium account $million	Preference share capital and share premium account $million	Capital and merger reserves[1] $million	Own credit adjustment reserve $million	Fair value through other comprehensive income reserve debt $million	Fair value through other comprehensive income reserve equity $million	Cash flow hedge reserve $million	Translation reserve $million	Retained earnings $million	Parent company shareholders' equity $million	Other equity instruments $million	Non-controlling interests $million	Total $million
As at 1 January 2025	5,201	1,494	17,573	(278)	(241)	304	4	(8,638)	28,969	44,388	6,502	394	51,284
Profit for the period	–	–	–	–	–	–	–	–	3,309	3,309	–	17	3,326
Other comprehensive income[7]	–	–	–	3	171	52[5]	374	718	74[2,6]	1,392	–	25	1,417
Distributions	–	–	–	–	–	–	–	–	–	–	–	(35)	(35)
Other equity instruments issued, net of expenses	–	–	–	–	–	–	–	–	–	–	994	–	994
Treasury shares net movement	–	–	–	–	–	–	–	–	(76)	(76)	–	–	(76)
Share option expense, net of taxation	–	–	–	–	–	–	–	–	139	139	–	–	139
Dividends on ordinary shares	–	–	–	–	–	–	–	–	(670)	(670)	–	–	(670)
Dividends on preference shares and AT1 securities	–	–	–	–	–	–	–	–	(244)	(244)	–	–	(244)
Share buyback[3]	(47)	–	47	–	–	–	–	–	(1,500)	(1,500)	–	–	(1,500)
Other movements	–	–	–	–	(25)	–	–	35	(18)	(8)	4	39[4]	35
As at 30 June 2025	5,154	1,494	17,620	(275)	(95)	356	378	(7,885)	29,983	46,730	7,500	440	54,670
Profit for the period	–	–	–	–	–	–	–	–	1,776	1,776	–	(5)	1,771
Other comprehensive (loss)/income[7]	–	–	–	(137)	113	184[5]	(63)	167	29[2,6]	293	–	8	301
Distributions	–	–	–	–	–	–	–	–	–	–	–	(15)	(15)
Other equity instruments issued, net of expenses	–	–	–	–	–	–	–	–	–	–	995	–	995
Redemption of other equity instruments	–	–	–	–	–	–	–	–	–	–	(1,000)	–	(1,000)
Treasury shares net movement	–	–	–	–	–	–	–	–	(376)	(376)	–	–	(376)
Share option expense, net of taxation	–	–	–	–	–	–	–	–	81	81	–	–	81
Dividends on ordinary shares	–	–	–	–	–	–	–	–	(284)	(284)	–	–	(284)
Dividends on preference shares and AT1 securities	–	–	–	–	–	–	–	–	(283)	(283)	–	–	(283)
Share buyback[3]	(34)	–	34	–	–	–	–	–	(1,300)	(1,300)	–	–	(1,300)
Other movements	–	–	–	–	(2)	–	–	11	(53)	(44)	33	37[4]	26
As at 31 December 2025	5,120	1,494	17,654	(412)	16	540	315	(7,707)	29,573	46,593	7,528	465	54,586

1 First half year ended 30 June 2025 includes capital reserve of $5 million, capital redemption reserve of $504 million and merger reserve of $17,111 million. Further movement of $34 million in capital redemption reserve during half year ended 31 December 2025
2 Comprises actuarial gain, net of taxation on Group defined benefit schemes
3 During 2025, the Group announced the following share buybacks: a share buyback of up to $1,500 million in February 2025, which was completed in July 2025; and a share buyback of up to $1,300 million in July 2025, which was completed in January 2026
4 Movements during first half year ended 30 June 2025 primarily includes non-controlling interest related to Mox Bank Limited ($12 million), Standard Chartered Research and Technology India Private Limited ($12 million), Trust Bank Singapore Limited ($7 million), Anchorpoint Financial Limited ($6 million), and Furaha Holding Ltd ($3 million) offset by Standard Chartered Bank Gambia Limited ($1 million). Movements during half year ended 31 December 2025 are primarily from non-controlling interest from Mox Bank Limited ($14 million), Zodia Markets Holdings Limited ($15 million), Trust Bank Singapore Limited ($1 million) and Financial Inclusion Tech ($6 million)
5 Includes $348 million mark-to-market gain on equity instruments (net of tax), $103 million relating to transfer of gain on sale of equity investment to retained earnings and reversal of deferred tax liability $9 million
6 Includes $103 million gain on sale of equity investment in other comprehensive income reserve transferred to retained earnings partly offset by $9 million capital gain tax
7 All the amounts are net of tax

Condensed consolidated interim statement of changes in equity

For the six months ended 30 June 2026 continued

	Ordinary share capital and share premium account $million	Preference share capital and share premium account $million	Capital and merger reserves[8] $million	Own credit adjustment reserve $million	Fair value through other comprehensive income reserve debt $million	Fair value through other comprehensive income reserve equity $million	Cash flow hedge reserve $million	Translation reserve $million	Retained earnings $million	Parent company shareholders' equity $million	Other equity instruments $million	Non-controlling interests $million	Total $million
As at 1 January 2026	5,120	1,494	17,654	(412)	16	540	315	(7,707)	29,573	46,593	7,528	465	54,586
Profit for the period	–	–	–	–	–	–	–	–	3,653	3,653	–	18	3,671
Other comprehensive income/(loss)[7]	–	–	–	17	(84)	(40)[10]	(618)	(259)	80[2,10]	(904)	–	(6)	(910)
Distributions	–	–	–	–	–	–	–	–	–	–	–	(18)	(18)
Other equity instruments issued	–	–	–	–	–	–	–	–	–	–	1,582	–	1,582
Treasury shares net movement	–	–	–	–	–	–	–	–	(301)	(301)	–	–	(301)
Share option expense, net of taxation	–	–	–	–	–	–	–	–	168	168	–	–	168
Dividends on ordinary shares	–	–	–	–	–	–	–	–	(1,105)	(1,105)	–	–	(1,105)
Dividends on preference shares and AT1 securities	–	–	–	–	–	–	–	–	(285)	(285)	–	–	(285)
Share buyback[3,9]	(36)	–	36	–	–	–	–	–	(1,500)	(1,500)	–	–	(1,500)
Other movements	–	–	–	–	–	–	–	–	(11)	(11)	(5)	21[11]	5
As at 30 June 2026	5,084	1,494	17,690	(395)	(68)	500	(303)	(7,966)	30,272	46,308	9,105	480	55,893

8 Includes capital reserve of $5 million, capital redemption reserve of $574 million and merger reserve of $17,111 million

9 During 2026, the Group announced the following share buybacks: a share buyback of up to $1,500 million in February 2026, which was completed in June 2026

10 Includes $25 million mark-to-market loss on equity instruments (net of tax), $15 million gain on sale of equity investment in other comprehensive income reserve transferred to retained earnings

11 Movements primarily includes non-controlling interest related to Trust Bank Singapore Limited ($12 million) and Libeara Pte. Ltd ($11 million) offset by Anchorpoint Financial Limited ($2 million)

Note 25 includes a description of each reserve.

The notes on page 94 to 138 form an integral part of these financial statements.

Condensed consolidated interim cash flow statement

For the six months ended 30 June 2026

	Notes	6 months ended 30.06.26 $million	6 months ended 30.06.25 $million
Cash flows from operating activities:			
Profit before taxation		**4,784**	4,383
Adjustments for non-cash items and other adjustments included within income statement	30	**1,299**	689
Change in operating assets	30	**(79,865)**	(28,293)
Change in operating liabilities	30	**77,961**	50,180
Contributions to defined benefit schemes		**(35)**	(28)
UK and overseas taxes paid		**(807)**	(700)
Net cash from operating activities		**3,337**	26,231
Cash flows from investing activities:			
Internally generated capitalised software	16	**(540)**	(451)
Disposal of internally generated capitalised software	16	**–**	11
Purchase of property, plant and equipment		**(67)**	(125)
Disposal of property, plant and equipment		**–**	9
Disposal of held for sale property, plant and equipment		**22**	–
Acquisition of investment in associates, and joint ventures accounted for using the equity method		**(27)**	(97)
Disposal of investment in associates, and joint ventures accounted for using the equity method		**–**	15
Dividends received from associates and joint ventures	19	**1**	45
Purchase of investment securities		**(112,268)**	(106,044)
Disposal and maturity of investment securities		**121,085**	97,706
Net cash from/(used in) investing activities		**8,206**	(8,931)
Cash flows from financing activities:			
Purchase of own shares		**(375)**	(123)
Exercise of share options		**74**	47
Cancellation of shares including share buyback		**(1,737)**	(1,150)
Premises and equipment lease liability principal payment		**(122)**	(107)
Issue of Additional Tier 1 capital, net of expenses		**1,577**	994
Interest paid on subordinated liabilities	30	**(208)**	(247)
Repayment of subordinated liabilities	30	**–**	(2,175)
Proceeds from issue of senior debts	30	**8,321**	7,953
Repayment of senior debts	30	**(6,119)**	(7,040)
Interest paid on senior debts	30	**(1,443)**	(1,678)
Net cash inflow from non-controlling interest		**21**	24
Distributions and dividends paid to non-controlling interests, preference shareholders and AT1 securities		**(304)**	(279)
Dividends paid to ordinary shareholders		**(1,105)**	(670)
Net cash used in financing activities		**(1,420)**	(4,451)
Net increase in cash and cash equivalents		**10,123**	12,849
Cash and cash equivalents at beginning of the period		**104,922**	89,928
Effect of exchange rate movements on cash and cash equivalents		**(923)**	2,474
Cash and cash equivalents at end of the period[1]		**114,122**	105,251

1 Comprises cash and balances at central banks $84,541 million (30 June 2025: $80,165 million), treasury bills and other eligible bills $8,958 million (30 June 2025: $9,005 million), loans and advances to banks $14,080 million (30 June 2025: $8,518 million), loans and advances to customers $15,843 million (30 June 2025: $15,447 million) investments $3,780 million (30 June 2025: $3,028 million) less restricted balances $13,080 million (30 June 2025: $10,912 million)

Interest received was $13,036 million (30 June 2025: $12,082 million), interest paid was $8,760 million (30 June 2025: $9,574 million).

Notes to the financial statements

Notes to the financial statements

1. Accounting policies

Statement of compliance

The Group's condensed consolidated interim financial statements consolidate those of Standard Chartered PLC (the Company) and its subsidiaries (together referred to as the Group) and equity account the Group's interests in associates and jointly controlled entities.

These interim financial statements have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority (FCA) and with UK-adopted International Accounting Standard 34 (IAS 34 Interim Financial Reporting) and IAS 34 as adopted by the European Union (EU), as there are no applicable differences for the periods presented. They should be read in conjunction with the 2025 Annual Report, which was prepared in accordance with the requirements of the Companies Act 2006, UK-adopted international accounting standards, and International Financial Reporting Standards (IFRS) (Accounting Standards) as adopted by the European Union (EU IFRS).The Group's Annual Report 2026 will continue to be prepared in accordance with these frameworks.

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

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

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

There was one new amendment effective from 1 January 2026 that resulted in additional disclosures in these Condensed Consolidated Interim financial statements. The amendment to IFRS 7 Financial Instruments: Disclosures requires new disclosures related to equity instruments designated at FVOCI including the fair value of such holdings at the reporting date and fair value gains or losses presented in OCI are shown separately for investments derecognised during the period and investments held at the period end. These disclosures are included in Note 13.

Basis of preparation

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

The condensed consolidated financial statements are presented in United States dollars ($), being the presentation and functional currency of the Group, and all values are rounded to the nearest million dollars, except when otherwise indicated. The accounting policies that we applied for these interim condensed consolidated financial statements are consistent with those described on pages 330 to 334 of the 2025 Annual Report, as are the methods of computation, with the exception of the changes in policies made as result of the introduction of the IFRS 9 Classification and measurement amendments, which had no material impact in the period.

Changes in comparatives

Prior year amounts for certain Credit risk tables (required by IFRS 7 – Financial Instruments: Disclosures) within the Risk review on pages 25 to 78, Note 2. Segmental information (required by IFRS 8 Operating Segments), and Note 4. Net fees and commission were restated following the Group's change in organisational structure effective 1 January 2026. As such, the Group's Ventures segment has been removed and disclosures changed by reclassifying Digital Banks to the Wealth & Retail Banking (WRB) segment and Standard Chartered Ventures to the Central & other items (C&O) segment. In addition, the Group's Principal Finance business has been reclassified from the Corporate & Investment Banking (CIB) segment to C&O. The changes associated with the removal of Ventures impact the following notes and tables:

- Note 2 Segmental information
- Note 4 Net Fees and Commissions
- Loans and advances by client segment
- Wealth and Retail Banking
- Wealth and Retail Banking – Unsecured
- Analysis of stage 2 balances
- Credit impairment charge
- Collateral held on loans and advances
- Collateral – Wealth and retail banking
- IFRS 9 ECL Methodology – Composition of credit impairment provision

1. Accounting policies

Changes in comparatives (continued)

The most significant impact of this change was in the Note 2 segmental information - performance by client segment table in which WRB related asset balances increased by $6.1 billion for the impact of the reclassification of Digital Banks. There has been no impact to Earnings Per Share or Diluted Earnings per Share from this change.

The changes associated with the reclassification of the Group's Principal Finance from CIB to C&O impact the following notes and tables:

- Note 2 Segmental information
- Note 4 Fees and commissions

The most significant impact of this change was in the Note 2 segmental information – performance by client segment table in which CIB related asset balances decreased by $192 million for the impact of the reclassification of Principal Finance. There has been no impact to Earnings Per Share or Diluted Earnings per Share from this change.

The Group changed the measure of segment performance and income reviewed by the Chief Operating Decision Maker from an underlying view to a reported view in Note 2 Segmental information and Note 12 Earnings per ordinary share. Comparative segment information has been restated to present client segment performance and operating income on a reported basis. The change results in items previously excluded on the basis they were not underlying in nature, now being included within reported performance and operating income.

Significant accounting estimates and judgements

In determining the carrying amounts of certain assets and liabilities, the Group makes assumptions of the effects of uncertain future events on those assets and liabilities at the balance sheet date. The Group's estimates and assumptions are based on historical experience and expectation of future events and are reviewed periodically. The significant judgements made by management in applying the Group's accounting policies and key sources of uncertainty were the same as those applied to the consolidated financial statements as at, and for, the year ended 31 December 2025.

IFRS and Hong Kong accounting requirements

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

Going concern

These financial statements were approved by the Board of Directors on 29 July 2026. The directors have made an assessment of the Group's ability to continue as a going concern. This assessment has been made having considered the current macroeconomic and geopolitical headwinds, including:

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

Based on the analysis performed, the directors confirm they are satisfied that the Group has adequate resources to continue in business for a period of at least 12 months from 29 July 2026.

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

Notes to the financial statements

2. Segmental information

Basis of preparation

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

Client segments

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

Performance by client segment

	H1'26				H1'25[1]			
	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Central & other items $million	Total $million	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Central & other items $million	Total $million
Operating income	6,901	4,925	(222)	11,604	6,592	4,236	78	10,906
External	6,737	2,515	2,352	11,604	6,326	1,908	2,672	10,906
Inter-segment	164	2,410	(2,574)	–	266	2,328	(2,594)	–
Operating expenses	(3,511)	(2,632)	(193)	(6,336)	(3,306)	(2,651)	(290)	(6,247)
Operating profit/(loss) before impairment losses and taxation	3,390	2,293	(415)	5,268	3,286	1,585	(212)	4,659
Credit impairment	(150)	(296)	–	(446)	10	(353)	7	(336)
Other impairment	(3)	(8)	(10)	(21)	–	(10)	(9)	(19)
(Loss)/Profit from associates and joint ventures	–	–	(17)	(17)	–	–	79	79
Profit/(loss) before taxation	3,237	1,989	(442)	4,784	3,296	1,222	(135)	4,383
Total assets	588,444	139,041	265,921	993,406	512,736	135,740	265,460	913,936
Loans and advances to customers (incl FVTPL)[2]	216,485	131,880	16,945	365,310	204,812	128,267	17,539	350,618
Loans and advances to customers (excl FVTPL)[2]	150,492	131,878	16,909	299,279	140,930	128,262	17,539	286,731
Total liabilities	546,415	271,800	119,298	937,513	507,546	250,464	101,256	859,266
Customer accounts (incl FVTPL)	334,715	267,507	6,988	609,210	332,952	246,330	2,851	582,133

1 Comparatives have been restated in accordance with the RNS titled 'Re-presentation of Financial Information' issued on 25 March 2026, as set out in Note 1. Accounting policies, Changes in comparatives

2 FVTPL includes reverse repurchase agreements of H1'26: $54,977 million and H1'25: $55,768 million

Operating income by client segment

	6 months ended 30.06.26				6 months ended 30.06.25			
	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Central & other items $million	Total $million	Corporate & Investment Banking[1] $million	Wealth & Retail Banking[1] $million	Central & other items[1] $million	Total $million
Additional income by account:								
Net interest income	695	2,600	(294)	3,001	709	2,588	(253)	3,044
Net fees and commission income	1,221	1,523	(44)	2,700	1,088	1,086	(42)	2,132
Net trading and other income	4,985	802	116	5,903	4,795	562	373	5,730
Reported operating income	6,901	4,925	(222)	11,604	6,592	4,236	78	10,906

1 Comparatives have been restated in accordance with the RNS titled 'Re-presentation of Financial Information,' issued on 25 March 2026, as set out in Note 1. Accounting policies, Changes in comparatives

Notes to the financial statements

3. Net interest income

	6 months ended 30.06.26 $million	6 months ended 30.06.25 $million
Balances at central banks	**899**	1,036
Loans and advances to banks	**1,098**	1,109
Loans and advances to customers	**6,675**	7,221
Debt securities	**2,269**	2,443
Other eligible bills	**558**	621
Accrued on impaired assets (discount unwind)	**60**	55
Interest income	**11,559**	12,485
Of which: financial instruments held at fair value through other comprehensive income	**1,623**	1,825
Deposits by banks	**353**	326
Customer accounts	**6,194**	7,053
Debt securities in issue	**1,738**	1,727
Subordinated liabilities and other borrowed funds	**243**	302
Interest expense on IFRS 16 lease liabilities	**30**	33
Interest expense	**8,558**	9,441
Net interest income	**3,001**	3,044

4. Net fees and commission

	6 months ended 30.06.26 $million	6 months ended 30.06.25 $million
Fees and commissions income	**3,334**	2,627
Of which:		
Financial instruments that are not fair valued through profit or loss	**780**	763
Trust and other fiduciary activities	**569**	358
Fees and commissions expense	**(634)**	(495)
Of which:		
Financial instruments that are not fair valued through profit or loss	**(153)**	(171)
Trust and other fiduciary activities	**(44)**	(31)
Net fees and commission	**2,700**	2,132

4. Net fees and commission

	6 months ended 30.06.26				6 months ended 30.06.25			
	Corporate & Investment Banking $million	Wealth & Retail Banking $million	Central & other items $million	Total $million	Corporate & Investment Banking $million	Wealth & Retail Banking[1] $million	Central & other items[1] $million	Total $million
Transaction Services	**856**	**–**	**–**	**856**	781	–	–	781
Payments & Liquidity	**324**	**–**	**–**	**324**	315	–	–	315
Securities & Prime Services	**205**	**–**	**–**	**205**	166	–	–	166
Trade & Working Capital	**327**	**–**	**–**	**327**	300	–	–	300
Global Banking	**702**	**–**	**–**	**702**	551	–	–	551
Lending & Financial Solutions	**379**	**–**	**–**	**379**	323	–	–	323
Capital Market & Advisory	**323**	**–**	**–**	**323**	228	–	–	228
Global Markets	**53**	**–**	**–**	**53**	23	–	–	23
Wealth Solutions	**–**	**1,433**	**–**	**1,433**	–	967	–	967
Investment Products	**–**	**944**	**–**	**944**	–	547	–	547
Bancassurance	**–**	**489**	**–**	**489**	–	420	–	420
Deposits & Mortgages	**–**	**98**	**–**	**98**	–	105	–	105
CCPL & Other Unsecured Lending	**–**	**175**	**–**	**175**	–	178	–	178
Treasury & Other	**–**	**12**	**5**	**17**	–	9	13	22
Fees and commission income	**1,611**	**1,718**	**5**	**3,334**	1,355	1,259	13	2,627
Fees and commission expense	**(390)**	**(195)**	**(49)**	**(634)**	(267)	(173)	(55)	(495)
Net fees and commission	**1,221**	**1,523**	**(44)**	**2,700**	1,088	1,086	(42)	2,132

1 Comparatives have been restated in accordance with the RNS titled 'Re-presentation of Financial Information' issued on 25 March 2026, as set out in Note 1. Accounting policies, Changes in comparatives

Upfront Bancassurance consideration amounts are amortised on a straight-line basis over the contractual period to which the consideration relates. Deferred income on the balance sheet in respect of these activities is $335 million (30 June 2025: $392 million), which will be earned evenly over the remaining life of the contract until June 2032. For the six months ended 30 June 2026, $28 million of fee income was released from deferred income (30 June 2025: $28 million).

For the Bancassurance contract with the annual performance bonus, based on progress so far and expectation of meeting the performance targets by year-end with a high probability, a pro-rata portion of the total performance fee, equal to $131 million (30 June 2025: $119 million) of the fee has been recognised as fee income in the period.

5. Net trading income

	6 months ended 30.06.26 $million	6 months ended 30.06.25 $million
Net trading income	**5,819**	5,438
Significant items within net trading income include:		
Gains on instruments held for trading[1]	**4,817**	4,353
Gains on financial assets mandatorily at fair value through profit or loss	**2,750**	2,710
Losses on financial liabilities designated at fair value through profit or loss	**(1,728)**	(1,626)

1 Includes $6 million loss (30 June 2025: $207 million loss) from the translation of foreign currency monetary assets and liabilities

6. Other operating income

	6 months ended 30.06.26 $million	6 months ended 30.06.25 $million
Other operating income includes:		
Rental income from operating lease assets	15	16
Net gains on disposal of debt instruments held at fair value through other comprehensive income	20	9
Net gains/(losses) on disposal of amortised cost financial assets	3	(7)
Net gains on sale of businesses[1]	2	242
Dividend income	9	6
Other[2]	35	26
Other operating income	84	292

1 Net gains on sale of businesses $242 million in 30 June 2025 includes gain of $238 million from disposal of Standard Chartered Research and Technology India Private Limited of which $3 million relates to currency translation adjustment loss, and gain of $9 million from the sale of the WRB business in Tanzania, partly offset by loss of $5 million from the sale of Standard Chartered Bank Gambia Limited of which $8 million relates to currency translation adjustment loss

2 Other in 30 June 2026 majorly includes $21 million on account of fair value adjustment of life insurance fund and $9 million gain on sale of property, plant and equipment

7. Operating expenses

	6 months ended 30.06.26 $million	6 months ended 30.06.25 $million
Staff costs:		
Wages and salaries	3,638	3,367
Social security costs	153	143
Other pension costs	206	215
Share-based payment costs	216	206
Other staff costs	555	462
	4,768	4,393
Premises and equipment expenses	170	175
General administrative expenses	832	1,135
Depreciation and amortisation		
Property, plant and equipment:		
Premises	166	153
Equipment	70	66
Intangibles:		
Software	330	325
	566	544
Total operating expenses	6,336	6,247

Other staff costs include redundancy expenses of $80 million (30 June 2025: $62 million). Further costs in this category majorly includes training and travel costs.

Operating expenses include research expenditure of $572 million (30 June 2025: $500 million), which was recognised as an expense during the period.

8. Credit impairment

	6 months ended 30.06.26 $million	6 months ended 30.06.25 $million
Net credit impairment on loans and advances to banks and customers	373	332
Net credit impairment on debt securities[1]	6	12
Net credit impairment relating to financial guarantees and loan commitments	75	(16)
Net credit impairment relating to other financial assets	(8)	8
Credit impairment charge[1]	**446**	336

1 Includes impairment release of $2 million (30 June 2025: Charge $6 million) on originated credit-impaired debt securities

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

	6 months ended 30.06.26 $million	6 months ended 30.06.25 $million
Impairment of other intangible assets (Note 16)	10	18
Other	11	1
Goodwill, property, plant and equipment and other impairment	**21**	19

10. Taxation

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

	6 months ended 30.06.26 $million	6 months ended 30.06.25 $million
The charge for taxation based upon the profit for the period comprises:		
Current tax:		
United Kingdom corporation tax at 25 per cent (2025: 25 per cent):		
Current tax charge on income for the period	3	5
Adjustments in respect of prior periods (including double tax relief)	(3)	8
Foreign tax:		
Current tax charge on income for the period	1,118	1,000
Adjustments in respect of prior periods	(41)	(9)
	1,077	1,004
Deferred tax:		
Origination/reversal of temporary differences	49	109
Adjustments in respect of prior periods	(13)	(56)
	36	53
Tax on profits on ordinary activities	**1,113**	1,057
Effective tax rate	**23.3%**	24.1%

The tax charge for the period has been calculated by applying the effective rate of tax which is expected to apply for the year ending 31 December 2026 using rates substantively enacted at 30 June 2026. The rate has been calculated by estimating and applying an average annual effective income tax rate to each tax jurisdiction individually.

The tax charge for the period of $1,113 million (30 June 2025: $1,057 million) on a profit before tax of $4,784 million (30 June 2025: $4,383 million) reflects the impact of non-creditable withholding taxes and other taxes, non-deductible expenses, offset by countries with tax rates lower than the UK, the most significant of which includes Hong Kong and Singapore, prior period adjustments and tax exempt income.

Foreign tax includes current tax of $191 million (30 June 2025: $196 million) on the profits assessable in Hong Kong. Deferred tax includes origination or reversal of temporary differences of $25 million (30 June 2025: $9 million) provided at a rate of 16.5 per cent (30 June 2025: 16.5 per cent) on the profits assessable in Hong Kong.

10. Taxation

The Group falls within the Pillar Two global minimum tax rules which apply in the UK from 1 January 2024. The IAS 12 exception to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes has been applied. The current tax charge for the period ended 30 June 2026 includes $2 million in respect of Pillar Two income taxes (30 June 2025: $10 million) and a $3 million credit in respect of the prior period (30 June 2025: $nil).

Deferred tax comprises assets and liabilities as follows:

	30.06.26			31.12.25		
	Total $million	Asset $million	Liability $million	Total $million	Asset $million	Liability $million
Deferred tax comprises:						
Accelerated tax depreciation	**(400)**	**43**	**(443)**	(392)	44	(436)
Impairment provisions on loans and advances	**209**	**232**	**(23)**	177	207	(30)
Tax losses carried forward	**63**	**18**	**45**	55	14	41
Equity Instruments at Fair value through other comprehensive income	**(107)**	**(3)**	**(104)**	(103)	(3)	(100)
Debt Instruments at Fair value through other comprehensive income	**2**	**6**	**(4)**	(27)	(7)	(20)
Cash flow hedges	**54**	**20**	**34**	(70)	(11)	(59)
Own credit adjustment	**16**	**3**	**13**	24	1	23
Retirement benefit obligations	**(23)**	**25**	**(48)**	9	33	(24)
Share-based payments	**59**	**15**	**44**	71	21	50
Other temporary differences	**(49)**	**211**	**(260)**	(3)	194	(197)
	(176)	**570**	**(746)**	(259)	493	(752)

11. Dividends

Ordinary equity shares

	6 months ended 30.06.26		6 months ended 30.06.25	
	Cents per share	$million	Cents per share	$million
2024 final dividend declared and paid during the period			28	670
2025 final dividend declared and paid during the period	**49**	**1,105**		

The 2025 final dividend per share of 49 cents per ordinary share ($1,105 million) was paid to eligible shareholders on 14 May 2026, and is recognised in these interim accounts.

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

2026 recommended interim ordinary share dividend

The 2026 interim dividend of 20.4 cents per ordinary share will be paid in pounds sterling, Hong Kong dollars or US dollars on 29 September 2026 to shareholders on the UK register of members at the close of business in the UK on 7 August 2026.

Preference shares and Additional Tier 1 (AT1) securities

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

	6 months ended 30.06.26 $million	6 months ended 30.06.25 $million
Non-cumulative redeemable preference shares:		
7.014 per cent preference shares of $5 each	**26**	26
Floating rate preference shares of $5 each[1]	**21**	24
	47	50
AT1 securities: fixed rate resetting perpetual subordinated contingent convertible securities	**238**	194
	285	244

1 Floating rate is based on Secured Overnight Financing Rate (SOFR), average rate paid for floating preference shares is 5.48 per cent (30 June 2025: 6.28 per cent)

12. Earnings per ordinary share

	6 months ended 30.06.26 $million	6 months ended 30.06.25[1] $million
Profit for the period attributable to equity holders	**3,671**	3,326
Non-controlling interest	**(18)**	(17)
Dividend payable on preference shares and AT1 classified as equity	**(285)**	(244)
Profit for the period attributable to ordinary shareholders	**3,368**	3,065
Basic – weighted average number of shares (millions)	**2,222**	2,375
Diluted – weighted average number of shares (millions)	**2,287**	2,443
Basic earnings per ordinary share (cents)	**151.6**	129.1
Diluted earnings per ordinary share (cents)	**147.3**	125.5

1 Comparatives have been restated in accordance with the RNS titled 'Re presentation of Financial Information' issued on 25 March 2026, as set out in Note 1. Accounting policies, Changes in comparatives

The calculation of basic earnings per share is based on the profit attributable to equity holders of the parent and the basic weighted average number of shares excluding treasury shares held in employees benefit trust. When calculating diluted earnings per share, the weighted average number of shares in issue is adjusted for the effects of all expected dilutive potential ordinary shares held in respect of Standard Chartered PLC totalling 52 million (30 June 2025: 58 million). The total number of share options outstanding, under schemes considered to be potentially dilutive, was 12 million (30 June 2025: 10 million). These options have strike prices ranging from $5.61 to $14.73. Of the total number of employee share options and share awards at 30 June 2026, there were nil share options and awards which were anti-dilutive.

The 153 million decrease (30 June 2025: 230 million decrease) in the basic weighted average number of shares is primarily due to the impact of the share buyback programmes completed during the period.

Notes to the financial statements

13. Financial instruments

Classification and measurement

Assets	Notes	Trading (Assets at fair value) $million	Derivatives held for hedging (Assets at fair value) $million	Non-trading mandatorily at fair value through profit or loss (Assets at fair value) $million	Designated at fair value through profit or loss (Assets at fair value) $million	Fair value through other comprehensive income (Assets at fair value) $million	Total financial assets at fair value (Assets at fair value) $million	Assets held at amortised cost $million	Total $million
Cash and balances at central banks[1]		–	–	–	–	–	–	84,541	84,541
Financial assets held at fair value through profit or loss									
Loans and advances to banks[2]		1,811	–	–	–	–	1,811	–	1,811
Loans and advances to customers[2]		10,579	–	475	–	–	11,054	–	11,054
Reverse repurchase agreements and other similar secured lending	15	–	–	94,235	–	–	94,235	–	94,235
Debt securities, alternative tier one and other eligible bills		106,763	–	197	40	–	107,000	–	107,000
Equity shares		11,044	–	142	–	–	11,186	–	11,186
		130,197	–	95,049	40	–	225,286	–	225,286
Derivative financial instruments	14	80,871	1,354	–	–	–	82,225	–	82,225
Loans and advances to banks[2,3]		–	–	–	–	–	–	45,962	45,962
of which – reverse repurchase agreements and other similar secured lending	15	–	–	–	–	–	–	4,109	4,109
Loans and advances to customers[2]		–	–	–	–	–	–	299,279	299,279
of which – reverse repurchase agreements and other similar secured lending	15	–	–	–	–	–	–	7,395	7,395
Investment securities									
Debt securities, alternative tier one and other eligible bills		–	–	–	–	92,244	92,244	63,045	155,289
Equity shares		–	–	–	–	1,157	1,157	–	1,157
		–	–	–	–	93,401	93,401	63,045	156,446
Other assets	18	–	–	–	–	–	–	54,414	54,414
Assets held for sale	20	31	–	–	–	–	31	1,102	1,133
Total at 30 June 2026		211,099	1,354	95,049	40	93,401	400,943	548,343	949,286

1 Comprises cash held at central banks in restricted accounts of $13,080 million, or on demand, or placements which are contractually due to mature overnight only. Other placements with central banks are reported as part of Loans and advances to customers

2 Further analysed in the Risk review and Capital review on pages 26 to 84

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

13. Financial instruments

Assets	Notes	Trading $million	Derivatives held for hedging $million	Non-trading mandatorily at fair value through profit or loss $million	Designated at fair value through profit or loss $million	Fair value through other comprehensive income $million	Total financial assets at fair value $million	Assets held at amortised cost $million	Total $million
		Assets at fair value							
Cash and balances at central banks[1]		–	–	–	–	–	–	77,746	77,746
Financial assets held at fair value through profit or loss									
Loans and advances to banks[2]		2,984	–	–	–	–	2,984	–	2,984
Loans and advances to customers[2]		12,152	–	203	–	–	12,355	–	12,355
Reverse repurchase agreements and other similar secured lending	15	–	–	84,130	–	–	84,130	–	84,130
Debt securities, alternative tier one and other eligible bills		86,531	–	130	43	–	86,704	–	86,704
Equity shares		8,946	–	138	–	–	9,084	–	9,084
		110,613	–	84,601	43	–	195,257	–	195,257
Derivative financial instruments	14	64,023	1,759	–	–	–	65,782	–	65,782
Loans and advances to banks[2,3]		–	–	–	–	–	–	43,901	43,901
of which – reverse repurchase agreements and other similar secured lending	15	–	–	–	–	–	–	3,724	3,724
Loans and advances to customers[2]		–	–	–	–	–	–	286,788	286,788
of which – reverse repurchase agreements and other similar secured lending	15	–	–	–	–	–	–	8,242	8,242
Investment securities									
Debt securities, alternative tier one and other eligible bills		–	–	–	–	108,503	108,503	57,250	165,753
Equity shares		–	–	–	–	1,203	1,203	–	1,203
		–	–	–	–	109,706	109,706	57,250	166,956
Other assets	18	–	–	–	–	–	–	36,770	36,770
Assets held for sale	20	–	–	–	–	–	–	1,042	1,042
Total at 31 December 2025		174,636	1,759	84,601	43	109,706	370,745	503,497	874,242

1 Comprises cash held at central banks in restricted accounts of $11,630 million, or on demand, or placements which are contractually due to mature overnight only. Other placements with central banks are reported as part of Loans and advances to customers
2 Further analysed in the Risk review and Capital review on pages 26 to 84
3 Loans and advances to banks includes amounts due on demand from banks and other central banks

Notes to the financial statements

13. Financial instruments

Liabilities	Notes	Liabilities at fair value: Trading $million	Liabilities at fair value: Derivatives held for hedging $million	Liabilities at fair value: Designated at fair value through profit or loss $million	Liabilities at fair value: Total financial liabilities at fair value $million	Amortised cost $million	Total $million
Financial liabilities held at fair value through profit or loss							
Deposits by banks		–	–	4,213	4,213	–	4,213
Customer accounts		–	–	25,939	25,939	–	25,939
Repurchase agreements and other similar secured borrowing	15	–	–	35,616	35,616	–	35,616
Debt securities in issue		–	–	17,154	17,154	–	17,154
Short positions		16,978	–	–	16,978	–	16,978
		16,978	–	82,922	99,900	–	99,900
Derivative financial instruments	14	81,603	1,857	–	83,460	–	83,460
Deposits by banks		–	–	–	–	29,800	29,800
Customer accounts		–	–	–	–	552,644	552,644
Repurchase agreements and other similar secured borrowing	15	–	–	–	–	4,624	4,624
Debt securities in issue		–	–	–	–	79,377	79,377
Other liabilities	21	–	–	–	–	68,912	68,912
Subordinated liabilities and other borrowed funds	24	–	–	–	–	8,772	8,772
Liabilities included in disposal groups held for sale	20	–	–	–	–	657	657
Total at 30 June 2026		98,581	1,857	82,922	183,360	744,786	928,146
Financial liabilities held at fair value through profit or loss							
Deposits by banks		–	–	2,328	2,328	–	2,328
Customer accounts		–	–	19,414	19,414	–	19,414
Repurchase agreements and other similar secured borrowing	15	–	–	36,307	36,307	–	36,307
Debt securities in issue		–	–	16,009	16,009	–	16,009
Short positions		15,539	–	–	15,539	–	15,539
		15,539	–	74,058	89,597	–	89,597
Derivative financial instruments	14	67,046	1,158	–	68,204	–	68,204
Deposits by banks		–	–	–	–	30,846	30,846
Customer accounts		–	–	–	–	530,161	530,161
Repurchase agreements and other similar secured borrowing	15	–	–	–	–	7,757	7,757
Debt securities in issue		–	–	–	–	72,858	72,858
Other liabilities	21	–	–	–	–	45,788	45,788
Subordinated liabilities and other borrowed funds	24	–	–	–	–	8,834	8,834
Liabilities included in disposal groups held for sale	20	–	–	–	–	908	908
Total at 31 December 2025		82,585	1,158	74,058	157,801	697,152	854,953

13. Financial instruments

Financial liabilities designated at fair value through profit or loss

	30.06.26 $million	31.12.25 $million
Carrying balance aggregate fair value	**82,922**	74,058
Amount contractually obliged to repay at maturity	**83,035**	73,843
Difference between aggregate fair value and contractually obliged to repay at maturity	**(113)**	215
Cumulative change in Fair Value accredited to Credit Risk difference	**(409)**	(433)

The net fair value loss on financial liabilities designated at fair value through profit or loss was $1,728 million for the period (31 December 2025: net loss of $3,476 million).

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

Valuation of financial instruments

The Valuation Methodology function is responsible for independent price verification, oversight of fair value and appropriate value adjustments and escalation of valuation issues. Independent price verification is the process of determining that the valuations incorporated into the financial statements are validated independent of the business area responsible for the product. The Valuation Methodology function has oversight of the fair value adjustments to ensure the financial instruments are priced to exit.

These are key controls in ensuring the material accuracy of the valuations incorporated in the financial statements.The market data used for price verification (PV) may include data sourced from recent trade data involving external counterparties or third parties such as Bloomberg, Reuters, brokers and consensus pricing providers. The Valuation Methodology function performs an ongoing review of the market data sources that are used as part of the PV and fair value processes which are formally documented on a semi-annual basis detailing the suitability of the market data used for price testing.

Price verification uses independently sourced data that is deemed most representative of the market the instruments trade in. To determine the quality of the market data inputs, factors such as independence, relevance, reliability, availability of multiple data sources and methodology employed by the pricing provider are taken into consideration.

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

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

Significant accounting estimates

The significant accounting estimates include:

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

Significant accounting judgements

The significant accounting judgements include:

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

13. Financial instruments

Valuation techniques

Refer to the fair value hierarchy explanation – Level 1, 2 and 3 on page 110.

- **Financial instruments held at fair value**
  - **Debt securities – asset-backed securities:** Asset-backed securities are valued based on external prices obtained from consensus pricing providers, broker quotes, recent trades, arrangers' quotes, etc. Where an observable price is available for a given security, it is classified as Level 2. In instances where third-party prices are not available or reliable, the security is classified as Level 3. The fair value of Level 3 securities is estimated using market standard cash flow models with input parameter assumptions which include prepayment speeds, default rates, discount margins derived from comparable securities with similar vintage, collateral type, and credit ratings.
  - **Debt securities in issue:** These debt securities relate to structured notes issued by the Group. Where independent market data is available through pricing vendors and broker sources, these positions are classified as Level 2. Where liquid external data is not available and valuation of the underlying derivative of these structure issuance is based on proxies, these are classified as L3.
  - **Derivatives:** Derivative products are classified as Level 2 if the valuation of the product is based upon input parameters which are observable from independent and reliable market data sources. Derivative products are classified as Level 3 if there are significant valuation input parameters which are unobservable in the market, such as products where the performance is linked to more than one underlying variable. Examples are commodity crack swaption, equity options based on the performance of two or more underlying indices and interest rate products with quanto payouts. In most cases these unobservable correlation parameters cannot be implied from the market, and methods such as historical analysis and comparison with historical levels or other benchmark data must be employed.
  - **Equity shares – private equity investments:** Valuation of private equity instruments is determined using commonly accepted valuation techniques considered most appropriate to the investment, which may include the market approach, income approach or asset-based approach, depending on the underlying fact patterns and circumstances. All private equity instruments are classified as Level 3, except for those where observable inputs are available (e.g. over-the-counter prices), as the valuation techniques applied generally involve unobservable inputs that require significant judgment, which include valuation multiples, discount rates, forecasted cash flows, etc.
  - **Loans and advances:** These primarily include loans in Trading and Syndication business which were not fully syndicated as of the balance sheet date and other financing transactions. Where available, their loan valuation is based on observable clean sales transactions prices or market observable spreads. If observable credit spreads are not available, proxy spreads based on comparables with similar credit grade, sector and region are used. Where observable transaction prices, credit spreads and market standard proxy methods are available, these loans are classified as Level 2. Where there are no recent transactions or comparables, these loans are classified as Level 3.
  - **Reverse repurchase agreements:** Reverse repos are the secured lending transactions whose fair value reflects the cash advanced, accrued interest and collateral terms under the relevant master repurchase agreement. Where repo rates are observable, valuation is generally classified as Level 2. Where significant inputs are unobservable or the transaction is more bespoke, it may be classified as Level 3.
  - **Customer accounts and deposit by banks:** These relate to the structured deposits transactions with customers or other banks. Where independent market data is available through pricing vendors and broker sources to value the derivative in the structure, these positions are classified as Level 2. Where such liquid external prices are not available, and the valuation of the structure is based on unobservable input parameters, such positions are classified as Level 3.
  - **Other debt securities:** These debt securities include convertible bonds, corporate bonds, credit and structured notes. Where quoted prices are available through pricing vendors, brokers or observable trading activities from liquid markets, these are classified as Level 2 and valued using such quotes. Where there are significant valuation inputs which are unobservable in the market, due to illiquid trading or the complexity of the product, these are classified as Level 3.The valuations of these debt securities are implied using input parameters such as bond spreads and credit spreads. These input parameters are determined with reference to the same issuer (if available) or proxied from comparable issuers or assets.

Notes to the financial statements

13. Financial instruments

- **Financial instruments held at amortised cost**

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

  - **Cash and balances at central banks:** The fair value of cash and balances at central banks is their carrying amounts.
  - **Debt securities in issue, subordinated liabilities and other borrowed funds**: The aggregate fair values are calculated based on quoted market prices. For those notes where quoted market prices are not available, a discounted cash flow model is used based on a current market-related yield curve appropriate for the remaining term to maturity.
  - **Deposits and borrowings:** The estimated fair value of deposits with no stated maturity is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits and other borrowings without quoted market prices is based on discounted cash flows using the prevailing market rates for debts with a similar Credit Risk and remaining maturity.
  - **Investment securities:** For investment securities that do not have directly observable market values, the Group utilises a number of valuation techniques to determine fair value. Where available, securities are valued using input proxies from the same or closely related underlying (for example, bond spreads from the same or closely related issuer) or input proxies from a different underlying (for example, a similar bond but using spreads for a particular sector and rating). Certain instruments cannot be proxies as set out above, and in such cases the positions are valued using non-market observable inputs. This includes those instruments held at amortised cost and predominantly relates to asset-backed securities.The fair value for such instruments is usually proxies from internal assessments of the underlying cash flows.
  - **Loans and advances to banks and customers:** For loans and advances to banks, the fair value of floating rate placements and overnight deposits is their carrying amounts. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using the prevailing money market rates for debts with a similar Credit Risk and remaining maturity. The Group's loans and advances to customers' portfolio is well diversified by geography and industry. Approximately a quarter of the portfolio reprices within one month, and approximately half reprices within 12 months. Loans and advances are presented net of provisions for impairment. The fair value of loans and advances to customers with a residual maturity of less than one year generally approximates the carrying value. The estimated fair value of loans and advances with a residual maturity of more than one year represents the discounted amount of future cash flows expected to be received, including assumptions relating to prepayment rates and Credit Risk. Expected cash flows are discounted at current market rates to determine fair value. The Group has a wide range of individual instruments within its loans and advances portfolio and, as a result, providing quantification of the key assumptions used to value such instruments is impractical.
  - **Other assets:** Other assets comprise primarily of cash collateral and trades pending settlement. The carrying amount of these financial instruments is considered to be a reasonable approximation of fair value as they are either short-term in nature or reprice to current market rates frequently.

Fair value adjustments

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

	01.01.26 $million	Movement during the year $million	30.06.26 $million	01.01.25 $million	Movement during the year $million	31.12.25 $million
Bid-offer valuation adjustment	**123**	**6**	**129**	117	6	123
Credit valuation adjustment	**114**	**7**	**121**	134	(20)	114
Debit valuation adjustment	**(75)**	**(7)**	**(82)**	(105)	30	(75)
Model valuation adjustment	**3**	**2**	**5**	5	(2)	3
Funding valuation adjustment	**32**	**(25)**	**7**	41	(9)	32
Other fair value adjustments	**48**	**(6)**	**42**	26	22	48
Total	**245**	**(23)**	**222**	218	27	245
Income deferrals						
Day 1 and other deferrals	**147**	**82**	**229**	138	9	147
Total	**147**	**82**	**229**	138	9	147

Note: Amounts shown in brackets represent an asset and credit to the income statement

13. Financial instruments

- **Bid-offer valuation adjustment:** Generally, market parameters are marked on a mid-market basis in the revaluation systems, and a bid-offer valuation adjustment is required to quantify the expected cost of neutralising the business' positions through dealing away in the market, thereby bringing long positions to bid and short positions to offer. The methodology to calculate the bid-offer adjustment for a derivative portfolio involves netting between long and short positions and the grouping of risk by strike and tenor based on the hedging strategy where long positions are marked to bid and short positions marked to offer in the systems.
- **Credit valuation adjustment (CVA):** The Group accounts for CVA against the fair value of derivative products. CVA is an adjustment to the fair value of the transactions to reflect the possibility that our counterparties may default and we may not receive the full market value of the outstanding transactions. It represents an estimate of the adjustment a market participant would include when deriving a purchase price to acquire our exposures. CVA is calculated for each subsidiary, and within each entity for each counterparty to which the entity has exposure and takes account of any collateral we may hold. The Group calculates the CVA by using estimates of future positive exposure, market-implied probability of default (PD) and recovery rates. Where market-implied data is not readily available, we use market-based proxies to estimate the PD. Wrong-way risk occurs when the exposure to a counterparty is adversely correlated with the credit quality of that counterparty, and the Group has implemented a model to capture this impact for key wrong-way exposures. The Group also captures the uncertainties associated with wrong-way risk in the Group's Prudential Valuation Adjustments framework.
- **Debit valuation adjustment (DVA):** The Group calculates DVA adjustments on its derivative liabilities to reflect changes in its own credit standing. The Group's DVA adjustments will increase if its credit standing worsens and conversely, decrease if its credit standing improves. For derivative liabilities, a DVA adjustment is determined by applying the Group's probability of default to the Group's negative expected exposure against the counterparty. The Group's probability of default and loss expected in the event of default is derived based on bond and CDS spreads associated with the Group's issuances and market standard recovery levels. The expected exposure is modelled based on the simulation of the underlying risk factors over the expected life of the deal. This simulation methodology incorporates the collateral posted by the Group and the effects of master netting agreements.
- **Model valuation adjustment:** Valuation models may have pricing deficiencies or limitations that require a valuation adjustment. These pricing deficiencies or limitations arise due to the choice, implementation and calibration of the pricing model.
- **Funding valuation adjustment (FVA):** The Group makes FVA adjustments against derivative products, including embedded derivatives. FVA reflects an estimate of the adjustment to its fair value that a market participant would make to incorporate funding costs or benefits that could arise in relation to the exposure. FVA is calculated by determining the net expected exposure at a counterparty level and then applying a funding rate to those exposures that reflect the market cost of funding. The FVA for uncollateralised (including partially collateralised) derivatives incorporates the estimated present value of the market funding cost or benefit associated with funding these transactions.
- **Other fair value adjustments:** For certain products, the prices cannot be replicated by usual models or the choice of model inputs can be more subjective. In these circumstances, an adjustment may be necessary to reflect the prices available in the market. In general, where there is a high degree of uncertainty in the valuation (e.g. due to the nature of the trade, model inputs, model selection etc.), an adjustment can be taken to adopt a more conservative value to better reflect the expected exit price.
- **Day one and other deferrals:** In certain circumstances the initial fair value is based on a valuation technique which differs to the transaction price at the time of initial recognition. However, these gains can only be recognised when the valuation technique used is based primarily on observable market data. In those cases where the initially recognised fair value is based on a valuation model that uses inputs which are not observable in the market, the difference between the transaction price and the valuation model is not recognised immediately in the income statement. The difference is amortised to the income statement until the inputs become observable, or the transaction matures or is terminated. Other deferrals primarily represent adjustments taken to reflect the specific terms and conditions of certain derivative contracts which affect the termination value at the measurement date.

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

13. Financial instruments

Fair value hierarchy – financial instruments held at fair value

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

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

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

13. Financial instruments

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

	30.06.26				31.12.25			
Assets	Level 1 $million	Level 2 $million	Level 3 $million	Total $million	Level 1 $million	Level 2 $million	Level 3 $million	Total $million
Financial instruments held at fair value through profit or loss								
Loans and advances to banks	–	1,208	603	1,811	–	2,685	299	2,984
Loans and advances to customers	–	7,936	3,118	11,054	–	8,891	3,464	12,355
Reverse repurchase agreements and other similar secured lending	–	89,741	4,494	94,235	–	80,446	3,684	84,130
Debt securities and other eligible bills	43,682	61,764	1,554	107,000	38,015	45,365	3,324	86,704
Of which:								
Issued by central banks and governments	39,033	32,187	–	71,220	35,078	21,875	–	56,953
Issued by corporates other than financial institutions[1]	39	6,262	238	6,539	71	5,531	232	5,834
Issued by financial institutions[1]	4,610	23,315	1,316	29,241	2,866	17,959	3,092	23,917
Equity shares	10,764	8	414	11,186	6,319	2,455	310	9,084
Derivative financial instruments	835	81,243	147	82,225	766	64,926	90	65,782
Of which:								
Foreign exchange	237	69,106	62	69,405	132	55,776	35	55,943
Interest rate	36	8,454	69	8,559	39	6,143	46	6,228
Credit	–	383	7	390	–	488	5	493
Equity and stock index options	–	1,033	7	1,040	–	332	4	336
Commodity	562	2,267	2	2,831	595	2,187	–	2,782
Investment securities								
Debt securities and other eligible bills	51,010	41,234	–	92,244	67,058	41,445	–	108,503
Of which:								
Issued by central banks and governments	38,722	29,828	–	68,550	53,830	22,336	–	76,166
Issued by corporates other than financial institutions[1]	–	1,092	–	1,092	–	438	–	438
Issued by financial institutions[1]	12,288	10,314	–	22,602	13,228	18,671	–	31,899
Equity shares	27	2	1,128	1,157	34	2	1,167	1,203
Total assets[2]	106,318	283,136	11,458	400,912	112,192	246,215	12,338	370,745
Liabilities								
Financial instruments held at fair value through profit or loss								
Deposits by banks	–	3,811	402	4,213	–	2,059	269	2,328
Customer accounts	–	23,316	2,623	25,939	–	15,936	3,478	19,414
Repurchase agreements and other similar secured borrowing	–	35,616	–	35,616	–	36,307	–	36,307
Debt securities in issue	–	15,769	1,385	17,154	–	14,925	1,084	16,009
Short positions	9,559	7,362	57	16,978	8,674	6,789	76	15,539
Derivative financial instruments	718	82,496	246	83,460	380	67,598	226	68,204
Of which:								
Foreign exchange	251	66,958	28	67,237	155	56,427	21	56,603
Interest rate	45	8,149	25	8,219	83	6,464	22	6,569
Credit	–	1,621	64	1,685	–	1,958	128	2,086
Equity and stock index options	–	1,721	129	1,850	–	428	54	482
Commodity	422	4,047	–	4,469	142	2,321	1	2,464
Total liabilities	10,277	168,370	4,713	183,360	9,054	143,614	5,133	157,801

1 Includes covered bonds of $4,535 million (31 December 2025: $3,045 million), securities issued by Multilateral Development Banks/International Organisations of $15,377 million (31 December 2025: $16,039 million), and State-owned agencies and development banks of $29,546 million (31 December 2025: $27,449 million)

2 The table above does not include held for sale assets of $31 million (31 December 2025: Nil). These are reported in Note 20 together with their fair value hierarchy

13. Financial instruments

The fair value of financial assets and financial liabilities classified as Level 2 in the fair value hierarchy that are subject to complex modelling techniques is $1,231 million (31 December 2025: $327 million) and $1,181 million (31 December 2025: $314 million) respectively.

There were no significant changes to valuation or levelling approaches during the period ending 30 June 2026.

There were no significant transfers of financial assets and liabilities measured at fair value between Level 1 and Level 2 during the period ended 30 June 2026.

Fair value hierarchy – financial instruments measured at amortised cost

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

	30.06.26					31.12.25				
		Fair value					Fair value			
	Carrying value $million	Level 1 $million	Level 2 $million	Level 3 $million	Total $million	Carrying value $million	Level 1 $million	Level 2 $million	Level 3 $million	Total $million
Assets										
Cash and balances at central banks[1]	**84,541**	**–**	**84,541**	**–**	**84,541**	77,746	–	77,746	–	77,746
Loans and advances to banks	**45,962**	**–**	**46,061**	**73**	**46,134**	43,901	–	43,834	83	43,917
of which – reverse repurchase agreements and other similar secured lending	**4,109**	**–**	**4,121**	**–**	**4,121**	3,724	–	3,733	–	3,733
Loans and advances to customers	**299,279**	**–**	**29,142**	**268,533**	**297,675**	286,788	–	28,759	257,093	285,852
of which – reverse repurchase agreements and other similar secured lending	**7,395**	**–**	**6,904**	**491**	**7,395**	8,242	–	8,242	–	8,242
Investment securities[2]	**63,045**	**–**	**61,659**	**–**	**61,659**	57,250	–	56,427	–	56,427
Other assets[1]	**54,414**	**–**	**54,414**	**–**	**54,414**	36,770	–	36,770	–	36,770
Assets held for sale	**1,102**	**–**	**297**	**805**	**1,102**	1,042	74	178	790	1,042
Total assets	**548,343**	**–**	**276,114**	**269,411**	**545,525**	503,497	74	243,714	257,966	501,754
Liabilities										
Deposits by banks	**29,800**	**–**	**29,801**	**–**	**29,801**	30,846	–	30,846	–	30,846
Customer accounts	**552,644**	**–**	**552,576**	**–**	**552,576**	530,161	–	526,569	–	526,569
Repurchase agreements and other similar secured borrowing	**4,624**	**–**	**4,624**	**–**	**4,624**	7,757	–	7,757	–	7,757
Debt securities in issue	**79,377**	**39,017**	**40,350**	**–**	**79,367**	72,858	36,578	36,392	–	72,970
Subordinated liabilities and other borrowed funds	**8,772**	**7,909**	**603**	**–**	**8,512**	8,834	8,045	607	–	8,652
Other liabilities[1]	**68,912**	**–**	**68,912**	**–**	**68,912**	45,788	–	45,788	–	45,788
Liabilities held for sale	**657**	**–**	**657**	**–**	**657**	908	147	761	–	908
Total liabilities	**744,786**	**46,926**	**697,523**	**–**	**744,449**	697,152	44,770	648,720	–	693,490

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

2 Includes Government bonds and treasury bills of $33,983 million at 30 June 2026 (31 December 2025: $27,813 million)

13. Financial instruments

Fair value of financial instruments

Level 3 Summary and significant unobservable inputs

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

	Value as at 30 June 2026					
	Assets	Liabilities				
Instrument	$million	$million	Principal valuation technique	Significant unobservable inputs	Range[1]	Weighted average[2]
Loans and advances to banks	603	–	Discounted cash flows	Price/yield	1.0% – 7.6%	5.4%
Loans and advances to customers	3,118	–	Discounted cash flows	Price/yield	1.7% – 43.2%	9.32%
				Recovery rate	95.1% – 96.2%	95.9%
			Comparable pricing/yield	Price/yield	29.6% – 100%	95.7%
Reverse repurchase agreements and other similar secured lending			Discounted cash flows	Repo curve	0.5% – 8.5%	6.0%
	4,494	–		Price/yield	4.4% – 9.4%	5.8%
Debt securities, alternative tier one and other eligible securities	1,554	–	Discounted cash flows	Price/yield	2.3% – 30.6%	6.3%
			Comparable pricing/yield	Price/yield	100% – 100%	100%
Equity shares (includes private equity investments)	1,542	–	Comparable pricing/yield[3]	Price	N/A	N/A
			Discounted cash flows	Discount rates	7.5% – 24.4%	10.6%
			Option pricing model	Equity value based on EV/Revenue multiples	4.9x – 23.1x	9.9x
Derivative financial instruments of which:						
Foreign exchange	62	28	Option pricing model	Foreign exchange option implied volatility	5.1% – 42.4%	29.4%
			Discounted cash flows	Interest rate curves	1.1% – 46.4%	7.9%
Commodity			Discounted cash flows	Commodity prices	$0.23 – $107.79	$29.0
	2	–	Option pricing model	CM-CM correlation	53.1% – 96.5%	81.6%
Interest rate			Discounted cash flows	Interest rate curves	3.6% – 13.8%	6.1%
	69	25	Option pricing model	Bond option implied volatility	0.08% – 0.98%	0.7%
Credit	7	64	Discounted cash flows	Credit spreads	0.1% – 1.8%	0.8%
				Price/yield	2.3% – 99.9%	21.8%
			Option pricing model	Bond option implied volatility	5.0% – 15.0%	10.7%
			Comparable pricing/yield	Price/yield	88.0% – 99.9%	94.1%
Equity and stock index	7	129	Internal pricing model	Equity-Equity correlation	30.0% – 99.96%	71.3%
				Equity-FX correlation	(33.7)% – 42.6%	17.4%
Deposits by banks	–	402	Discounted cash flows	Price/yield	4.4% – 6.3%	6.3%
Customer accounts	–	2,623	Internal pricing model	Equity-Equity correlation	30.0% – 99.96%	71.3%
				Equity-FX correlation	(33.7)% – 42.6%	17.4%
			Discounted cash flows	Price/yield	5.1% – 25.7%	14.2%
Debt securities in issue	–	1,385	Discounted cash flows	Price/yield	2.7% – 25.7%	18.4%
				Interest rate curves	3.7% – 14.7%	10.1%
			Internal pricing model	Equity-Equity correlation	30.0% – 99.96%	71.3%
				Equity-FX correlation	(33.7)% – 42.6%	17.4%
			Option pricing model	Bond option implied volatility	0.08% – 0.98%	0.8%
Short positions	–	57	Discounted cash flows	Price/yield	5.4% – 5.4%	5.4%
Total	**11,458**	**4,713**				

1 The ranges of values shown in the above table represent the highest and lowest levels used in the valuation of the Group's Level 3 financial instruments at 30 June 2026. The ranges of values used are reflective of the underlying characteristics of these Level 3 financial instruments, based on the market conditions at the balance sheet date. However, these ranges of values may not represent the uncertainty in fair value measurements of the Group's Level 3 financial instruments

2 Weighted average for non-derivative financial instruments has been calculated by weighting inputs by the relative fair value. Weighted average for derivatives has been provided by weighting inputs by the risk relevant to that variable. N/A has been entered for the cases where weighted average is not a meaningful indicator

3 The inputs for equity shares under "price" is not disclosed as it is not a meaningful indicator due to bespoke nature of the investments

13. Financial instruments

Instrument	Value as at 31 December 2025 Assets $million	Liabilities $million	Principal valuation technique	Significant unobservable inputs	Range[1]	Weighted average[2]
Loans and advances to banks	299	–	Discounted cash flows	Price/yield	4.4% – 4.9%	4.6%
Loans and advances to customers[3]	3,464	–	Discounted cash flows	Price/yield	2.1% – 61.3%	8.9%
				Recovery rate	99.98% – 99.99%	99.99%
			Comparable pricing/yield	Price	29.4% – 100%	93.2%
Reverse repurchase agreements and other similar secured lending	3,684	–	Discounted cash flows	Repo curve	0.7% – 8.1%	5.4%
				Price/yield	4.1% – 25.1%	9.6%
Debt securities, alternative tier one and other eligible securities	3,324	–	Discounted cash flows	Price/yield	2.6% – 53.8%	7.7%
Equity shares (includes private equity investments)	1,477	–	Comparable pricing/yield[4]	Price	N/A	N/A
			Discounted cash flows	Discount rates	8.2% – 25.9%	10.5%
			Option pricing model	Equity value based on EV/Revenue multiples	5.4x – 23.0x	11.54x
				Equity value based on EV/EBITDA multiples	3.2x – 3.2x	3.2x
				Equity value based on volatility	40.0% – 40.0%	40.0%
Derivative financial instruments of which:						
Foreign exchange	35	21	Option pricing model	Foreign exchange option implied volatility	0.4% – 44.6%	33.0%
			Discounted cash flows	Interest rate curves	0.3% – 36.0%	14.3%
				Foreign exchange curves	1.3% – 3.9%	1.7%
Commodity	–	1	Discounted cash flows	Commodity prices	$0.2 – $341.2	$62.4
			Internal pricing model	CM-CM correlation	59.7% – 97.4%	78.6%
Interest rate	46	22	Discounted cash flows	Interest rate curves	3.5% – 36.0%	9.8%
Credit	5	128	Discounted cash flows	Credit spreads	0.9% – 1.0%	0.9%
				Price/yield	2.7% – 25.1%	7.3%
			Internal pricing model	Bond option implied volatility	5.0% – 13.0%	10.8%
Equity and stock index	4	54	Internal pricing model	Equity-Equity correlation	50.8% – 100%	77.6%
				Equity-FX correlation	(26.9)% – 46.8%	6.7%
Deposits by banks	–	269	Discounted cash flows	Price/Yield	4.3% – 6.1%	5.7%
Customer accounts	–	3,478	Internal pricing model	Equity-Equity correlation	50.8% – 100%	77.6%
				Equity-FX correlation	(26.9)% – 46.8%	6.7%
				Price/yield	2.6% – 20.8%	8.7%
Debt securities in issue	–	1,084	Discounted cash flows	Price/yield	7.4% – 19.0%	17.1%
				Interest rate curves	3.6% – 36.0%	15.1%
			Internal pricing model	Equity-Equity correlation	50.8% – 100%	77.6%
				Equity-FX correlation	(26.9)% – 46.8%	6.7%
			Option pricing model	Bond option implied volatility	5.0% – 13.0%	10.8%
Short positions	–	76	Discounted cash flows	Price/yield	7.13% – 7.13%	7.1%
Total	12,338	5,133				

1 The ranges of values shown in the above table represent the highest and lowest levels used in the valuation of the Group's Level 3 financial instruments at 31 December 2025. The ranges of values used are reflective of the underlying characteristics of these Level 3 financial instruments based on the market conditions at the balance sheet date. However, these ranges of values may not represent the uncertainty in fair value measurements of the Group's Level 3 financial instruments

2 Weighted average for non-derivative financial instruments has been calculated by weighting inputs by the relative fair value. Weighted average for derivatives has been provided by weighting inputs by the risk relevant to that variable. N/A has been entered for the cases where weighted average is not a meaningful indicator

3 The inputs for Loans and advances to customers under Discounted Cash flow technique have been split to show as a separate line under Comparable pricing/yield for better representation of material inputs

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

13. Financial instruments

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

- **Comparable price/yield** is a valuation methodology in which the price of a comparable instrument is used to estimate the fair value where there are no direct observable prices. Yield is the interest rate that is used to discount the future cash flows in a discounted cash flow model. Valuation using comparable instruments can be done by calculating an implied yield (or spread over a liquid benchmark) from the price of a comparable instrument, then adjusting that yield (or spread) to derive a value for the instrument. The adjustment should account for relevant differences in the financial instruments such as maturity and/or credit quality. Alternatively, a price-to-price basis can be assumed between the comparable instrument and the instrument being valued in order to establish the value of the instrument (for example, deriving a fair value for a junior unsecured bond from the price of a senior secured bond). An increase in price, in isolation, would result in a favourable movement in the fair value of the asset. An increase in yield, in isolation, would result in an unfavourable movement in the fair value of the asset.
- **Correlation** is the measure of how movement in one variable influences the movement in another variable. An equity correlation is the correlation between two equity instruments, while an interest rate correlation refers to the correlation between two swap rates, and commodity correlation is correlation between two commodity underlying prices.
- **Commodity price** curves is the term structure for forward rates over a specified period.
- **Credit spread** represents the additional yield that a market participant would demand for taking exposure to the Credit Risk of an instrument.
- **Discount rate** refers to the rate of return used to convert expected cash flows into present value.
- **Equity-FX correlation** is the correlation between equity instrument and foreign exchange instrument.
- **EV/EBITDA multiple** is the ratio of Enterprise Value (EV) to Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA). EV is the aggregate market capitalisation and debt minus the cash and cash equivalents. An increase in EV/EBITDA multiple will result in a favourable movement in the fair value of the unlisted firm.
- **EV/Revenue multiple** is the ratio of Enterprise Value (EV) to Revenue. An increase in EV/Revenue multiple will result in a favourable movement in the fair value of the unlisted firm.
- **Foreign exchange curves** is the term structure for forward rates and swap rates between currency pairs over a specified period.
- **Interest rate curves** is the term structure of interest rates and measures of future interest rates at a particular point in time.
- **Liquidity discounts** in the valuation of unlisted investments are primarily applied to the valuation of unlisted firms' investments to reflect the fact that these stocks are not actively traded. An increase in liquidity discount will result in an unfavourable movement in the fair value of the unlisted firm.
- **Recovery rate** is the expectation of the rate of return resulting from the liquidation of a particular loan. As the probability of default increases for a given instrument, the valuation of that instrument will increasingly reflect its expected recovery level assuming default. An increase in the recovery rate, in isolation, would result in a favourable movement in the fair value of the loan.
- **Repo curve** is the term structure of repo rates on repos and reverse repos at a particular point in time.
- **Volatility** represents an estimate of how much a particular instrument, parameter or index will change in value over time. Generally, the higher the volatility, the more expensive the option will be.

Notes to the financial statements

13. Financial instruments

Level 3 movement tables – financial assets

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

	Held at fair value through profit or loss						Investment securities	
Assets	Loans and advances to banks $million	Loans and advances to customers $million	Reverse repurchase agreements and other similar secured lending $million	Debt securities, alternative tier one and other eligible bills $million	Equity shares $million	Derivative financial instruments $million	Equity shares $million	Total $million
At 1 January 2026	**299**	**3,464**	**3,684**	**3,324**	**310**	**90**	**1,167**	**12,338**
Total losses recognised in income statement	**(3)**	**(27)**	**(14)**	**(49)**	**28**	**(1)**	**–**	**(66)**
Net trading income	**(3)**	**(27)**	**(14)**	**(49)**	**28**	**(1)**	**–**	**(66)**
Other operating income	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total losses recognised in other comprehensive income (OCI)	**–**	**–**	**–**	**–**	**–**	**–**	**(32)**	**(32)**
Fair value through OCI reserve	**–**	**–**	**–**	**–**	**–**	**–**	**(21)**	**(21)**
Exchange difference	**–**	**–**	**–**	**–**	**–**	**–**	**(11)**	**(11)**
Purchases	**377**	**888**	**7,779**	**913**	**112**	**126**	**19**	**10,214**
Sales	**(247)**	**(1,490)**	**(6,372)**	**(1,738)**	**(47)**	**(34)**	**(26)**	**(9,954)**
Settlements	**–**	**(52)**	**(833)**	**(7)**	**–**	**(25)**	**–**	**(917)**
Transfers out[1]	**(70)**	**(578)**	**–**	**(1,243)**	**–**	**(13)**	**–**	**(1,904)**
Transfers in[2]	**247**	**913**	**250**	**354**	**11**	**4**	**–**	**1,779**
At 30 June 2026	**603**	**3,118**	**4,494**	**1,554**	**414**	**147**	**1,128**	**11,458**
Recognised in the income statement[3]	**–**	**3**	**3**	**(34)**	**2**	**7**	**2**	**(17)**
At 1 January 2025	–	1,937	3,239	1,593	191	128	965	8,053
Total (losses)/gains recognised in income statement	(2)	24	(66)	(3)	(18)	(9)	–	(74)
Net trading income	(2)	24	(66)	53	(18)	(9)	–	(18)
Other operating income	–	–	–	(56)	–	–	–	(56)
Total (losses)/gains recognised in other comprehensive income (OCI)	–	–	–	–	–	–	107	107
Fair value through OCI reserve	–	–	–	–	–	–	91	91
Exchange difference	–	–	–	–	–	–	16	16
Purchases	278	1,069	5,476	747	164	59	11	7,804
Sales	–	(668)	(5,172)	(651)	(12)	(33)	(151)	(6,687)
Settlements	(5)	(78)	(85)	(6)	–	(24)	–	(198)
Transfers out[1]	–	(269)	–	(32)	(7)	(17)	(4)	(329)
Transfers in[2]	–	323	–	234	–	–	6	563
At 30 June 2025	271	2,338	3,392	1,882	318	104	934	9,239
Recognised in the income statement[3]	–	(8)	(8)	1	(18)	3	–	(30)

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

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

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

Notes to the financial statements

13. Financial instruments

Level 3 movement tables – financial liabilities

	Deposits by banks $million	Customer accounts $million	Debt securities in issue $million	Derivative financial instruments $million	Short positions $million	Total $million
At 1 January 2026	**269**	**3,478**	**1,084**	**226**	**76**	**5,133**
Total (gains)/losses recognised in income statement – net trading income	**(6)**	**80**	**(37)**	**80**	**(1)**	**116**
Issues	**478**	**2,728**	**1,097**	**198**	**–**	**4,501**
Settlements	**(377)**	**(3,709)**	**(754)**	**(236)**	**(18)**	**(5,094)**
Transfers out[1]	**(13)**	**(576)**	**(56)**	**(43)**	**–**	**(688)**
Transfers in[2]	**51**	**622**	**51**	**21**	**–**	**745**
At 30 June 2026	**402**	**2,623**	**1,385**	**246**	**57**	**4,713**
Recognised in the income statement[3]	**(6)**	**–**	**–**	**40**	**–**	**34**
At 1 January 2025	371	2,714	1,414	258	180	4,937
Total losses/(gains) recognised in income statement – net trading income	65	10	56	8	(2)	137
Issues	157	3,067	1,022	350	–	4,596
Settlements	(263)	(1,316)	(1,109)	(387)	(90)	(3,165)
Transfers out[1]	–	(230)	(39)	(10)	–	(279)
Transfers in[2]	–	41	4	5	–	50
At 30 June 2025	330	4,286	1,348	224	88	6,276
Recognised in the income statement[3]	1	3	5	2	–	11

1 Transfers out during the period primarily relate to customer accounts, debt securities in issue and derivative financial instruments where the valuation parameters became observable during the period and were transferred to Level 2 financial liabilities

2 Transfers in during the period primarily relate to customer accounts, debt securities in issue and deposits by bank where the valuation parameters become unobservable during the period

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

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

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

13. Financial instruments

	Held at fair value through profit or loss			Fair value through other comprehensive income		
	Net exposure $million	Favourable changes $million	Unfavourable changes $million	Net exposure $million	Favourable changes $million	Unfavourable changes $million
Financial instruments held at fair value						
Loans and advances	**3,721**	**3,817**	**3,562**	**–**	**–**	**–**
Reverse repurchase agreements and other similar secured lending	**4,494**	**4,665**	**4,369**	**–**	**–**	**–**
Debt securities, alternative tier one and other eligible bills	**1,554**	**1,586**	**1,516**	**–**	**–**	**–**
Equity shares	**414**	**456**	**373**	**1,128**	**1,242**	**1,016**
Derivative financial instruments	**(99)**	**(60)**	**(131)**	**–**	**–**	**–**
Customer accounts	**(2,623)**	**(2,585)**	**(2,665)**	**–**	**–**	**–**
Deposits by banks	**(402)**	**(385)**	**(419)**	**–**	**–**	**–**
Short positions	**(57)**	**(57)**	**(58)**	**–**	**–**	**–**
Debt securities in issue	**(1,385)**	**(1,297)**	**(1,473)**	**–**	**–**	**–**
At 30 June 2026	**5,617**	**6,140**	**5,074**	**1,128**	**1,242**	**1,016**
Financial instruments held at fair value						
Loans and advances	3,763	3,854	3,650	–	–	–
Reverse repurchase agreements and other similar secured lending	3,684	3,782	3,598	–	–	–
Debt securities, alternative tier one and other eligible bills	3,324	3,384	3,267	–	–	–
Equity shares	310	343	277	1,167	1,284	1,050
Derivative financial instruments	(136)	(111)	(161)	–	–	–
Customer accounts	(3,478)	(3,395)	(3,566)	–	–	–
Deposits by banks	(269)	(257)	(282)	–	–	–
Short positions	(76)	(75)	(77)	–	–	–
Debt securities in issue	(1,084)	(1,007)	(1,161)	–	–	–
At 31 December 2025	6,038	6,518	5,545	1,167	1,284	1,050

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

	Fair value changes			
	Possible increase		Possible decrease	
Financial instruments	30.06.26 $million	31.12.25 $million	30.06.26 $million	31.12.25 $million
Held at fair value through profit or loss	**523**	480	**(543)**	(493)
Fair value through other comprehensive income	**114**	117	**(112)**	(117)

13. Financial instruments

Investments in equity instruments designated at FVOCI

The Group has reported new disclosure as part of Amendments to IFRS 7 Financial Instruments: Disclosures. These amendments introduce new disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income under IFRS 9. The application of these amendments affects disclosures only.

The following table shows the Group's equity investments in non-listed entities. The Group holds these investments for strategic purposes on a medium to long-term basis; the Group typically holds less than 5 per cent interest in each entity and does not have a controlling interest in these entities. The investments are not held for trading. The Group has elected to present subsequent changes in the fair value of these investments in other comprehensive income. Accumulated gains or losses are transferred to retained earnings only when an investment is disposed of.

	30.06.26		31.12.25	
	Carrying amount $million	Other comprehensive income $million	Carrying amount $million	Other comprehensive income $million
1 January 2026 / 1 January 2025	**1,203**	**540**	994	304
Investments acquired	**17**	**–**	44	–
Fair value (losses)/gains for:				
Investments held at period end	**(42)**	**(33)**	316	285
Investments disposed of	**8**	**7**	51	43
Investments disposed of	**(29)**	**–**	(202)	–
Transfers within equity following disposal	**–**	**(14)**	–	(92)
Balance as at 30 June 2026 / 31 December 2025	**1,157**	**500**	1,203	540

During the period, the Group acquired $17 million (31 December 2025: $44 million) in non-controlling interests in certain non-listed entities. During the period, the Group disposed of $29 million (31 December 2025: $202 million) in certain investments because holding them was no longer aligned with the Group's investment strategy.

The Group transferred a cumulative gain of $14 million, relating to the disposal of its investments in certain entities, from other comprehensive income to retained earnings during the period to 30 June 2026 (31 December 2025: $92 million gain).

All amounts presented within Other comprehensive income are net of taxation.

14. Derivative financial instruments

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

	30.06.26			31.12.25		
Derivatives	Notional principal amounts $million	Assets $million	Liabilities $million	Notional principal amounts $million	Assets $million	Liabilities $million
Foreign exchange derivative contracts[1]:						
Forward foreign exchange contracts	**6,584,028**	**51,758**	**48,270**	5,793,024	42,581	42,554
Currency swaps and options	**1,988,972**	**18,180**	**19,499**	1,592,764	13,323	13,965
	8,573,000	**69,938**	**67,769**	7,385,788	55,904	56,519
Interest rate derivative contracts:						
Swaps	**8,983,932**	**19,645**	**20,821**	9,371,325	17,290	18,294
Forward rate agreements and options	**343,368**	**2,547**	**974**	325,419	1,674	994
	9,327,300	**22,192**	**21,795**	9,696,744	18,964	19,288
Exchange traded futures and options	**751,741**	**599**	**467**	640,718	39	84
Credit derivative contracts	**91,859**	**390**	**1,685**	81,800	493	2,086
Equity and stock index options	**29,026**	**1,040**	**1,850**	22,078	336	482
Commodity derivative contracts	**67,700**	**2,269**	**4,049**	185,432	2,782	2,464
Gross total derivatives	**18,840,626**	**96,428**	**97,615**	18,012,560	78,518	80,923
Offset	**–**	**(14,203)**	**(14,155)**	–	(12,736)	(12,719)
Total derivatives	**18,840,626**	**82,225**	**83,460**	18,012,560	65,782	68,204

1 Foreign exchange derivative contracts include precious metals derivatives

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

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

The Group may enter into economic hedges that do not qualify for IAS 39 hedge accounting treatment, including derivatives such as interest rate swaps, interest rate futures and cross-currency swaps to manage interest rate and currency risks of the Group. These derivatives are measured at fair value, with fair value changes recognised in net trading income: refer to Market Risk on page 70.

14. Derivative financial instruments

Derivatives held for hedging

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

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

	30.06.26			31.12.25		
	Notional principal amounts $million	Assets $million	Liabilities $million	Notional principal amounts $million	Assets $million	Liabilities $million
Derivatives designated as fair value hedges:						
Interest rate swaps	**68,780**	**504**	**1,103**	62,630	717	1,001
Currency swaps	**1,905**	**43**	**5**	1,954	92	–
	70,685	**547**	**1,108**	64,584	809	1,001
Derivatives designated as cash flow hedges:						
Interest rate swaps	**72,368**	**101**	**560**	63,247	300	78
Forward foreign exchange contracts	**3,060**	**164**	**100**	10,268	124	34
Currency swaps	**3,551**	**154**	**36**	3,904	86	22
	78,979	**419**	**696**	77,419	510	134
Derivatives designated as net investment hedges:						
Forward foreign exchange contracts	**20,945**	**388**	**53**	17,155	440	23
Total derivatives held for hedging	**170,609**	**1,354**	**1,857**	159,158	1,759	1,158

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

Reverse repurchase agreements and other similar secured lending

	30.06.26 $million	31.12.25 $million
Banks	**43,367**	37,412
Customers	**62,372**	58,684
	105,739	96,096
Of which:		
Fair value through profit or loss	**94,235**	84,130
Banks	**39,258**	33,688
Customers	**54,977**	50,442
Held at amortised cost	**11,504**	11,966
Banks	**4,109**	3,724
Customers	**7,395**	8,242

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

	30.06.26 $million	31.12.25 $million
Securities and collateral received (at fair value)	**107,891**	101,260
Securities and collateral which can be repledged or sold (at fair value)	**107,177**	98,384
Amounts repledged/transferred to others for financing activities, to satisfy liabilities under sale and repurchase agreements (at fair value)	**19,296**	18,173

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

Repurchase agreements and other similar secured borrowing

	30.06.26 $million	31.12.25 $million
Banks	**9,612**	8,465
Customers	**30,628**	35,599
	40,240	44,064
Of which:		
Fair value through profit or loss	**35,616**	36,307
Banks	**8,185**	6,560
Customers	**27,431**	29,747
Held at amortised cost	**4,624**	7,757
Banks	**1,427**	1,905
Customers	**3,197**	5,852

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

Collateral pledged against repurchase agreements	Fair value through profit or loss $million	Fair value through other comprehensive income $million	Amortised cost $million	Off-balance sheet $million	Total $million
On-balance sheet					
Debt securities and other eligible bills	**5,628**	**8,364**	**8,501**	**–**	**22,493**
Off-balance sheet					
Repledged collateral received	**–**	**–**	**–**	**19,296**	**19,296**
At 30 June 2026	**5,628**	**8,364**	**8,501**	**19,296**	**41,789**
On-balance sheet					
Debt securities and other eligible bills	6,345	11,272	10,046	–	27,663
Off-balance sheet					
Repledged collateral received	–	–	–	18,173	18,173
At 31 December 2025	6,345	11,272	10,046	18,173	45,836

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

16. Goodwill and intangible assets

	30.06.26 Goodwill $million	30.06.26 Acquired intangibles $million	30.06.26 Computer software[1,3] $million	30.06.26 Total $million	31.12.25 Goodwill $million	31.12.25 Acquired intangibles $million	31.12.25 Computer software[2] $million	31.12.25 Total $million
Cost								
At 1 January	**2,423**	**259**	**7,403**	**10,085**	2,387	252	6,301	8,940
Exchange translation differences	**(15)**	**(10)**	**(53)**	**(78)**	32	6	225	263
Additions	**–**	**–**	**540**	**540**	4	1	1,032	1,037
Disposals	**–**	**–**	**–**	**–**	–	–	(13)	(13)
Impairment[1,2]	**–**	**–**	**(15)**	**(15)**	–	–	(121)	(121)
Amounts written off	**–**	**(3)**	**(20)**	**(23)**	–	–	(21)	(21)
At 30 June/31 December	**2,408**	**246**	**7,855**	**10,509**	2,423	259	7,403	10,085
Provision for amortisation								
At 1 January	**–**	**255**	**3,599**	**3,854**	–	249	2,900	3,149
Exchange translation differences	**–**	**(10)**	**(32)**	**(42)**	–	4	115	119
Amortisation[3]	**–**	**–**	**330**	**330**	–	2	687	689
Impairment charge[1,2]	**–**	**–**	**(5)**	**(5)**	–	–	(76)	(76)
Disposals	**–**	**–**	**–**	**–**	–	–	(6)	(6)
Amounts written off	**–**	**(3)**	**(19)**	**(22)**	–	–	(21)	(21)
At 30 June/31 December	**–**	**242**	**3,873**	**4,115**	–	255	3,599	3,854
Net book value	**2,408**	**4**	**3,982**	**6,394**	2,423	4	3,804	6,231

1 H1 2026 includes $10 million impairment of computer software
2 During 2025, the Group performed its annual review of computer software intangibles to determine instances when carrying value is greater than its recoverable amount and impaired $45 million
3 The Group performed the annual review of the estimated useful lives for the capitalised software balance on 31 December 2025 and the impact of the revised estimate of amortisation for the capitalised software balance is a reduction in H1 2026 of $88 million

At 30 June 2026, accumulated goodwill impairment losses incurred from 1 January 2005 amounted to $3,331 million (31 December 2025: $3,331 million), of which $nil was recognised on 30 June 2026 (31 December 2025: $nil).

The Group assessed the goodwill assigned to each of the Group's cash-generating units (CGUs) and determined that there are no indicators of impairment for material CGUs at 30 June 2026.

17. Property, plant and equipment

	30.06.26					31.12.25				
	Premises $million	Equipment $million	Leased premises assets $million	Leased equipment assets $million	Total $million	Premises $million	Equipment $million	Leased premises assets $million	Leased equipment assets $million	Total $million
Cost or valuation										
At 1 January	**1,804**	**1,102**	**2,264**	**217**	**5,387**	1,726	936	2,026	163	4,851
Exchange translation differences	**(34)**	**(23)**	**(10)**	**(2)**	**(69)**	26	33	39	(1)	97
Additions	**23**	**44**	**90**	**–**	**157**	133	187	253	56	629
Disposals and fully depreciated assets written off	**(12)**	**(16)**	**(31)**	**–**	**(59)**	(29)	(54)	(54)	(1)	(138)
Transfers from/(to) assets held for sale	**1**	**1**	**(15)**	**–**	**(13)**	(43)	–	–	–	(43)
Other movements[1]	**–**	**–**	**116**	**(116)**	**–**	(9)	–	–	–	(9)
At 30 June/31 December	**1,782**	**1,108**	**2,414**	**99**	**5,403**	1,804	1,102	2,264	217	5,387
Depreciation										
Accumulated at 1 January	**781**	**666**	**1,294**	**87**	**2,828**	716	575	1,096	39	2,426
Exchange translation differences	**(9)**	**(14)**	**(13)**	**–**	**(36)**	13	30	3	(3)	43
Charge for the year	**43**	**60**	**123**	**10**	**236**	87	114	228	52	481
Impairment charge	**–**	**–**	**(1)**	**–**	**(1)**	(1)	–	1	–	–
Attributable to assets sold, transferred or written off	**(12)**	**(15)**	**(30)**	**–**	**(57)**	(19)	(53)	(34)	(1)	(107)
Transfers from/(to) assets held for sale	**1**	**1**	**(8)**	**–**	**(6)**	(15)	–	–	–	(15)
Other movements[1]	**–**	**–**	**48**	**(48)**	**–**	–	–	–	–	–
At 30 June/31 December	**804**	**698**	**1,413**	**49**	**2,964**	781	666	1,294	87	2,828
Net book amount at 30 June/31 December	**978**	**410**	**1,001**	**50**	**2,439**	1,023	436	970	130	2,559

1 Data Centre leases have been reclassified from leased equipment to leased Premises to reflect the nature of the underlying leased assets

Notes to the financial statements

18. Other assets

Other assets include:

	30.06.26 $million	31.12.25 $million
Financial assets held at amortised cost (Note 13):		
Hong Kong SAR Government certificates of indebtedness (Note 21)[1]	**6,503**	6,448
Cash collateral[2]	**14,394**	12,868
Acceptances and endorsements	**7,005**	6,561
Unsettled trades and other financial assets	**26,512**	10,893
	54,414	36,770
Non-financial assets:		
Commodities and emissions certificates[3]	**29,041**	30,619
Other assets	**569**	542
	84,024	67,931

1 The Hong Kong SAR Government certificates of indebtedness are subordinated to the claims of other parties in respect of bank notes issued
2 Cash collateral are margins placed to collateralise net derivative mark-to-market positions
3 Comprises precious metals and emission certificates, being inventory that is carried at fair value less costs to sell. $24.1 billion is precious metals which are classified as Level 1, the fair value of which being derived from observable spot or short-term futures prices from relevant exchanges (31 December 2025: $25.1 billion). $4.9 billion is emissions certificates and other commodity related balances classified as Level 2 (31 December 2025: $5.5 billion)

19. Investments in associates and joint ventures

Share of (loss)/profit from investment in associates and joint ventures comprises:

	6 months ended 30.06.26 $million	6 months ended 30.06.25 $million
Loss from investment in joint ventures	**(7)**	(7)
(Loss)/profit from investment in associates	**(10)**	86
Total	**(17)**	79

Interests in associates and joint ventures	30.06.26 $million	31.12.25 $million
At 1 January	**1,426**	1,020
Exchange translation difference	**59**	64
Additions[1]	**27**	370
Share of profits	**75**	88
Dividend received[2]	**(1)**	(47)
Impairment[3]	**(101)**	(41)
Share of fair value through other comprehensive income (FVOCI) and Other reserves	**47**	(28)
At 30 June/31 December	**1,532**	1,426

1 Primarily includes investment in Jumbotail Technologies Private Limited
2 Includes capital distribution from Ascenta IV
3 Includes $92 million relating to group's share of profits from Bohai and $9 million impairment of investment in Jumbotail Technologies Private Limited for period ended 30 June 2026 (31 December 2025: $15 million impairment of SBI Zodia Custody Company Limited, $26 million relating to Group's share of profits from Bohai recognised in Q4 2025)

19. Investments in associates and joint ventures

Material associates

Summarised below are those associates considered material to the Group:

Jumbotail Technologies Private Ltd (JTPL)

JTPL is incorporated in India and undertakes e-commerce activity. The Group's share of ownership is 47.51 per cent (31 December 2025: 46.55 per cent).

The Group has significant influence over the investee through its shareholding and accounts for its interest based on the application of the equity method. The Group's share of the associate's results since acquisition are immaterial.

During the period, the Group recognised an impairment in its carrying amount of JTPL of $9 million. This has been reported in the income statement within other impairment.

China Bohai Bank

China Bohai Bank is incorporated in China and undertakes Commercial Banking activity. The Group's share of ownership is 16.26 per cent.

Although the Group's investment in China Bohai Bank is less than 20 per cent, it is an associate because of the significant influence the Group can exercise over its management and financial and operating policies. This influence is exercised through Board representation and the provision of technical expertise to Bohai. The Group applies the equity method of accounting for investments in associates.

If the Group did not have significant influence over Bohai, the investment would be measured at fair value rather than the current carrying value, which is based on the application of the equity method as described in the accounting policy note.

Bohai publishes their results after the Group. As it is impracticable for Bohai to prepare financial statements sooner, the Group recognises its share of Bohai's earnings on a three-month lag basis. Therefore, the Group recognised its share of Bohai's profits and movements in other comprehensive income from 1 October 2025 through 31 March 2026 (six months of earnings) in the Group's consolidated statement of income and consolidated statement of comprehensive income for the period ended 30 June 2026, also considering any known changes or events in the subsequent period from 1 April 2026 to 30 June 2026 that would have materially affected Bohai's results.

Impairment testing

On 30 June 2026, the listed equity value of Bohai is below the carrying amount of the Group's investment in associate. The Group has assessed that the investment in Bohai remains impaired until there is greater clarity around the macroeconomic outlook in China and the resumption of dividends by Bohai. The Group also assessed the carrying value of its investment in Bohai for impairment and, considering that the investment cannot be recognised at a carrying amount higher than its recoverable amount at the reporting date, has not recognised the Group's share of Bohai's profit for the six months of 2026 of $92 million and the $26 million share of profit for the last quarter of 2025. Accumulated impairment is $1,577 million as at 30 June 2026 ($92 million and $26 million impairment charge for the six months ended 30 June 2026 and the year ended 31 December 2025, respectively; $1,485 million of accumulated impairment as at 31 December 2025). The financial forecasts used to estimate the recoverable amount, a VIU calculation, reflects Group management's best estimate of Bohai's future earnings, in line with current economic conditions and Bohai's latest reported results.

The $135 million increase to the carrying amount during the six-month period to 30 June 2026 reflects the Group's share of other comprehensive income of $48 million, in addition to foreign exchange gains of $87 million.

The Group's impairment during the six-month period to 30 June 2026 is included in 'Profit from associates and joint ventures' on the Consolidated Income Statement

Bohai	30.06.26 $million	31.12.25 $million
VIU	**1,018**	883
Carrying amount[1]	**1,018**	883
Market capitalisation[2]	**265**	360

1 The Group's 16.26 per cent share in the net assets less other equity instruments which the Group does not hold
2 Number of shares held by the Group multiplied by the quoted share price at period end

19. Investments in associates and joint ventures

Basis of recoverable amount

The impairment test was performed by comparing the recoverable amount of Bohai, determined as the higher of VIU and fair value less costs to dispose, with its carrying amount.

The VIU is calculated using a dividend discount model (DDM), which estimates the distributable future cashflows to the equity holders, after adjusting for regulatory capital requirements, for a 5-year period, after which a terminal value (TV) is calculated based on the Price to Earnings (P/E) exit multiple. The key assumptions in the VIU are as follows:

- Short- to medium- term projections are based on Group management's best estimates of future profits available to ordinary shareholders and have been determined with reference to the latest published financial results, the historical performance of Bohai and forward-looking macroeconomic variables for China.
- The projections use available information and include normalised performance over the forecast period, inclusive of: (i) balance sheet growth assumptions based on the short- to medium- term GDP growth rates for China; (ii) Net Interest Income (NII) projecting interest income (primarily the 1-year Loan Prime Rate, 1-year LPR, as basis) and interest expense (Shanghai Interbank Offered Rate, 3m SHIBOR, as basis) which reference forecasted third-party market interest rates, adjusted for the observed historic spread against the benchmark rate; (iii) Non-interest income estimated according to the latest available performance of Bohai, with consideration of the contribution of the constituent parts of the non-interest income; (iv) Operating expense based on historical performance of Bohai and growth consistent with the short- to medium-term GDP growth rates applied to balance sheet projections; (v) ECL assumptions using Bohai's historical reported ECL, based on the proportion of ECL from loans and advances to customers and financial investments measured at amortised cost and FVOCI; and (vi) Statutory tax rate of 25% was applied to the taxable profit of Bohai, after consideration of taxable and non-taxable elements, consistent with historical reported results;
- The distributable reserves under the DDM are calculated as the difference between the capital resources and the capital requirements in each of the forecast periods. The calculation assumes a target CET1 capital ratio and risk weighted asset (RWA) growth consistent with total assets;
- The discount rate applied to these cash flows was estimated with reference to a capital asset pricing model (CAPM), which includes a long-term risk-free rate, beta, and company risk premium assumptions for Bohai; and
- A long-term average P/E multiple of comparable companies is used to derive a TV after the five-year forecast period.

The key assumptions used for the VIU calculation:

	30.06.26	31.12.25
Post-tax discount rate[1]	**10.50%**	10.00%
Total balance sheet (and risk-weighted assets) growth rate	**3.76% – 4.62%**	3.33% – 4.59%
P/E multiple used to calculate TV	**5.2x**	5.7x
Interest income[2]	**3.10% – 3.23%**	3.12% – 3.20%
Interest expense[2]	**1.70% – 1.78%**	1.78% – 1.85%
Non-interest income – financial investments return	**1.98% – 2.29%**	2.24% – 3.55%
Other non-interest income growth rate	**3.76% – 4.62%**	3.33% – 4.59%
Operating expense	**3.76% – 4.62%**	3.33% – 4.59%
Expected credit losses as a percentage of customer loans[3]	**1.05%**	0.77%
Expected credit losses as a percentage of financial investments measured at amortised cost and FVOCI[3]	**0.15%**	0.57%
Effective tax rate[4]	**9.59% – 11.93%**	12.77% – 12.96%
Capital maintenance ratio	**8.00%**	8.00%

1 Pre-tax discount rate of 13.70 per cent was used in H1 2026 (2025: 15.87 per cent). The difference in pre-tax discount rates relates to changes in effective tax rate

2 One-year LPR and three-month SHIBOR rate forecasts were sourced from an external third-party provider, and with a spread derived from long-term historical averages, are used to produce the interest income and interest expense forecasts

3 The ECL assumption is based on historical loss rates with an adjustment for incremental judgemental management overlays, applied over the five-year forecast period

4 The tax rates disclosed are the implied effective tax rates (per cent) over the five-year forecast period. The 30 June 2026 tax expense forecasts, calculated from the taxable profit, considered the long-term historical average of non-taxable income of 18.90 per cent (2025: 17.18 per cent) and non-deductible expenses of 14.20 per cent (2025: 14.56 per cent). A statutory tax rate of 25 per cent was applied to the taxable profit of Bohai, after consideration of taxable and non-taxable elements

19. Investments in associates and joint ventures

The table below discloses sensitivities to the key assumptions of Bohai, according to management's judgement of reasonably possible changes. Changes were applied to every cash flow year on an individual basis. The percentage change to the assumptions reflects the level at which management assesses the reasonableness of the assumptions used and their impact on the VIU.

Sensitivities[1]	basis points	Key assumption increase Increase/ (decrease) in VIU $million	Key assumption decrease Increase/ (decrease) in VIU $million
Discount rate	100	(31)	33
Total balance sheet (and risk-weighted asset) growth rate[2]	100	(30)	28
P/E multiple used to calculate TV	1.0x	138	(138)
Net interest income – Scenario 1[3]	10	(22)	22
Net interest income – Scenario 2[4]	Various[4]	385	(238)
Non-interest income – financial investments return	100	301	(301)
Other non-interest income growth rate	100	56	(55)
Operating expense	100	(76)	73
Expected credit losses as a percentage of customer loans	10	(145)	145
Expected credit losses as a percentage of financial investments measured at amortised cost and FVOCI	10	(86)	87
Tax expense[5]	300	29	(29)
Capital maintenance ratio	50	(99)	99

1 For comparative information as at 31 December 2025, refer to page 413 of the Group's Annual Report 2025
2 The sensitivity reflects the net impact of changing this assumption in the VIU, which links to various elements in forecast profit and regulatory capital adjustment
3 This scenario assumes that one-year LPR and three-month SHIBOR increase or decrease by the same amount, to demonstrate the impact on the carrying amount of a similar scenario
4 An alternative scenario is that Bohai's asset yield and liability cost move in the same direction, albeit by different amounts, through the five-year forecast period including the terminal value. The key assumption increase sensitivity assumes that asset yields increase by 25 basis points and liability costs increase by 10 basis points in each period. The key assumption decrease sensitivity assumes that asset yields decrease by 25 basis points and liability costs decrease by 15 basis points in each period
5 Changes in tax expense applied only to both average percentages of non-taxable income (18.90 per cent) and non-deductible expenses (14.20 per cent). Refer to footnote 4 of the key assumptions table for more details

The following table sets out the summarised financial statements of China Bohai Bank prior to the Group's share of the associate's profit being applied:

	31.03.26 $million	31.03.25 $million
Total assets	301,344	249,471
Total liabilities	282,317	233,876
Operating income[1]	2,153	1,865
Net profit[1]	572	496
Other comprehensive income[1]	299	(189)

1 This represents six months of earnings (1 October to 31 March)

20. Assets held for sale and associated liabilities

Assets held for sale

The financial assets reported below are classified under Level 1 Nil (31 December 2025: $74 million), Level 2 $328 million (31 December 2025: $178 million) and Level 3 $805 million (31 December 2025: $790 million).

	30.06.26 $million	31.12.25 $million
Financial assets held at fair value through profit or loss	**31**	–
Loans and advances to customers	**31**	–
Financial assets held at amortised cost	**1,080**	1,042
Loans and advances to banks	**65**	–
Loans and advances to customers	**1,015**	1,042
Property, plant and equipment[1]	**22**	32
Other assets[2]	**25**	25
	1,158	1,099

1 Consideration on disposal of Property, plant and equipment classified under assets held for sale was $22 million (31 December 2025: $128 million)

2 Other assets in June 2026 comprises $22 million of financial assets and $3 million of non-financial assets

Liabilities held for sale

The financial liabilities reported below are classified under Level 1 Nil (31 December 2025: $147 million) and Level 2 $657 million (31 December 2025: $761 million).

	30.06.26 $million	31.12.25 $million
Financial liabilities held at amortised cost	**646**	908
Customer accounts	**646**	908
Other liabilities[1]	**16**	6
	662	914

1 Other liabilities in June 2026 comprises $11 million of financial liabilities and $5 million of non-financial liabilities

21. Other liabilities

	30.06.26 $million	31.12.25 $million
Financial liabilities held at amortised cost (Note 13)		
Notes in circulation[1]	**6,503**	6,448
Acceptances and endorsements	**8,194**	6,567
Cash collateral[2]	**18,605**	14,168
Property leases	**1,065**	1,097
Equipment leases	**107**	121
Unsettled trades and other financial liabilities	**34,438**	17,387
	68,912	45,788
Non-financial liabilities		
Cash-settled share-based payments	**237**	247
Other liabilities	**716**	620
	69,865	46,655

1 Hong Kong currency notes in circulation of $6,503 million (31 December 2025: $6,448 million) that are secured by the Government of Hong Kong SAR certificates of indebtedness of the same amount included in other assets (Note 18)

2 Cash collateral includes margins received against collateralise net derivative mark-to-market positions

22. Contingent liabilities and commitments

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

	30.06.26 $million	31.12.25 $million
Financial guarantees and other contingent liabilities		
Financial guarantees, trade and irrevocable letters of credit	**120,748**	114,193
	120,748	114,193
Commitments		
Undrawn formal standby facilities, credit lines and other commitments to lend		
One year and over	**93,539**	89,147
Less than one year	**31,890**	31,922
Unconditionally cancellable	**79,187**	78,176
	204,616	199,245

As set out in Note 23, the Group has contingent liabilities in respect of certain legal and regulatory matters. Note 23 also describes a matter relating to equity-linked securities sold by Standard Chartered Bank Korea, for which the Group has recognised a provision.

23. Legal and regulatory matters

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

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

In January 2020, a shareholder derivative complaint was filed by the City of Philadelphia in New York State Court against 45 current and former directors and senior officers of the Group. It is alleged that the individuals breached their duties to the Group and caused a waste of corporate assets by permitting the conduct that gave rise to the costs and losses to the Group related to legacy conduct and control issues. In February 2022, the New York State Court ruled in favour of Standard Chartered PLC's motion to dismiss the complaint. In May 2026, the Appellate Division of the New York State Court affirmed the dismissal of the complaint. The plaintiffs are seeking to pursue an appeal.

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

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

23. Legal and regulatory matters

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

The Group wishes to provide an update on the following legal and regulatory matters which have previously been included in this Note on account of being treated as contingent liabilities but are no longer treated as such, due to either the Group recognising a provision (in the case of (a)) or the matter concluding (in the case of (b)):

(a) A number of Korean banks sold equity-linked securities (ELS) to customers, the redemption values of which are determined by the performance of various stock indices. From January 2021 to May 2023, Standard Chartered Bank Korea sold relevant ELS to its customers. Due to the performance of the Hang Seng China Enterprise Index, many customers of Korean banks experienced loss on their ELS investments. Standard Chartered Bank Korea has paid or offered compensation to its impacted customers. In June 2026, the Financial Services Commission issued a notice of a proposed regulatory penalty relating to the ELS matter, reducing the proposed regulatory penalty amount from that previously advised by the Financial Supervisory Service in November 2025. The provision amounts that were previously recognised have been adjusted to reflect the reduced proposed penalty amount and outstanding compensation claims.

(b) As previously reported, the Group was one of a number of financial institutions defending a lawsuit brought in the courts of Victoria, Australia, by two companies in liquidation, Jabiru Satellite Limited and NewSat Limited. The claimants alleged that the defendants had breached implied obligations under loan agreements entered into in 2013 and had acted unconscionably by declining to waive breaches and events of default and by refusing to continue funding their satellite project, ultimately resulting in the claimants entering receivership. The claimants had asserted loss and damage of up to $4.81 billion from the defendants. The defendants denied any and all liability and contested the claimants' alleged losses. The trial of the claim started in Q2 2026 during which the parties agreed to settle the lawsuit on a non-admission of liability basis. No settlement payment was made by the Group or the other financial institutions. The matter has concluded.

24. Subordinated liabilities and other borrowed funds

	30.06.26					31.12.25				
	USD $million	EUR $million	GBP $million	NPR $million	Total $million	USD $million	EUR $million	GBP $million	NPR $million	Total $million
Fixed rate subordinated debt	**6,723**	**1,136**	**897**	**16**	**8,772**	6,744	1,153	920	17	8,834

Redemptions and repurchases during the period 2026

There was no redemption and repurchase during the period.

Redemptions and repurchases during the year 2025

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

Issuance during the period 2026

There was no issuance during the period.

Issuance during the year 2025

There was no issuance during the period.

Notes to the financial statements

25. Share capital, other equity instruments and reserves

	Number of ordinary shares million	Ordinary share capital[1] $million	Ordinary share premium $million	Preference share capital and share premium[2] $million	Total share capital and share premium $million	Other equity instruments $million
At 1 January 2025	2,425	1,212	3,989	1,494	6,695	6,502
Cancellation of shares including share buyback	(93)	(47)	–	–	(47)	–
Additional Tier 1 equity issuance[5]	–	–	–	–	–	994
Other movements[4]	–	–	–	–	–	4
At 30 June 2025	2,332	1,165	3,989	1,494	6,648	7,500
Cancellation of shares including share buyback	(69)	(34)	–	–	(34)	–
Additional Tier 1 equity issuance[5]	–	–	–	–	–	995
Additional Tier 1 redemption[6]	–	–	–	–	–	(1,000)
Other movements[3,4]	–	–	–	–	–	33
At 31 December 2025	**2,263**	**1,131**	**3,989**	**1,494**	**6,614**	**7,528**
Cancellation of shares including share buyback	**(72)**	**(36)**	**–**	**–**	**(36)**	**–**
Additional Tier 1 equity issuance[5]	**–**	**–**	**–**	**–**	**–**	**1,582**
Other movements[4]	**–**	**–**	**–**	**–**	**–**	**(5)**
At 30 June 2026	**2,191**	**1,095**	**3,989**	**1,494**	**6,578**	**9,105**

1 Issued and fully paid ordinary shares of 50 cents each
2 Includes preference share capital of $75,000
3 Includes transfer of realised translation loss on redemption of AT1 securities of SGD 750 million to retained earnings
4 Includes issuance cost
5 Movement during half year ended 30 June 2026 include $582 million and $1,000 million fixed rate resetting perpetual subordinated contingent convertible AT1 securities issued by Standard Chartered PLC. Movement during first half year ended 30 June 2025 include $994 million and further movement of $995 million during half year ended 31 December 2025 fixed rate resetting perpetual subordinated contingent convertible AT1 securities issued by Standard Chartered PLC
6 Movement during half year ended 30 June 2025 include redemption of $1,000 million fixed rate resetting perpetual contingent convertible AT1 securities on its first optional redemption date of 26 July 2025

Share buybacks

On 31 July 2025, the Group announced the buyback programme for a $1,300 million share buyback of its ordinary shares of $0.50 each. As at 31 December 2025, nominal value of share purchases was $27 million, the total consideration paid was $1,073 million and the total number of shares purchased was 53,061,718, representing 2.29 per cent of the ordinary shares in issue at the beginning of the programme. The buyback was completed on 26 January 2026 with a further $227 million consideration paid and the total number of shares purchased was 9,160,647. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account.

On 24 February 2026, the Group announced the buyback programme for a $1,500 million share buyback of its ordinary shares of $0.50 each. As at 30 June 2026, the total number of shares purchased of 62,797,188 representing 2.79 per cent of the ordinary shares in issue at the beginning of the programme, for total consideration of $1,500 million. The nominal value of the shares was transferred from the share capital to the capital redemption reserve account.

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

	Number of ordinary shares	Highest price paid £	Lowest price paid £	Average price paid per share £	Aggregate price paid £	Aggregate price paid $
January 2026	**9,160,647**	**18.7850**	**17.6300**	**18.3749**	**168,308,998**	**226,643,895**
February 2026	**2,110,595**	**18.6950**	**17.8700**	**18.2660**	**38,636,851**	**52,093,591**
March 2026	**19,553,914**	**17.6500**	**14.7200**	**16.0634**	**313,595,244**	**418,558,512**
April 2026	**15,275,540**	**18.5500**	**15.5900**	**17.4098**	**265,269,179**	**357,512,535**
May 2026	**14,555,466**	**20.1100**	**17.9480**	**19.0688**	**277,572,656**	**374,451,577**
June 2026	**11,301,673**	**20.9900**	**17.6700**	**19.7652**	**222,920,881**	**297,383,761**

Ordinary share capital

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

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

25. Share capital, other equity instruments and reserves

Preference share capital

At 30 June 2026, the Company has 15,000 $5 non-cumulative redeemable preference shares in issue, with a premium of $99,995 making a paid-up amount per preference share of $100,000. The preference shares are redeemable at the option of the Company and are classified in equity.

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

Other equity instruments

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

Issuance date	Nominal value million	Proceeds net of issue costs $million	Interest rate[1] (%)	Coupon payment dates[2] each year	First reset dates[3]	Conversion price per ordinary share[4]
14 January 2021	$1,250	1,239	4.75	14 January, 14 July	14 July 2031	$6.353
19 August 2021	$1,500	1,489	4.30	19 February, 19 August	19 August 2028	$6.382
15 August 2022	$1,250	1,239	7.75	15 February, 15 August	15 February 2028	$7.333
8 March 2024	$1,000	993	7.875	8 March, 8 September	8 September 2030	$8.216
19 September 2024	SGD750	579	5.300	19 March, 19 September	19 March 2030	SGD12.929
16 January 2025	$1,000	994	7.625	16 January, 16 July	16 July 2032	$12.330
14 November 2025	$1,000	995	7.000	14 May, 14 November	14 May 2036	$20.760
15 January 2026	SGD750	582	4.30	15 January, 15 July	15 January 2032	SGD32.043
8 June 2026	$1,000	995	7.00	8 June, 8 December	08 December 2033	$26.379
	Total	9,105				

1 Interest rates for the period from (and including) the issue date to (but excluding) the first reset date
2 Interest payable semi-annually in arrears
3 Securities are resettable each date falling five years, or an integral multiple of five years, after the first reset date
4 Conversion price set at the time of pricing with reference to closing share price and any applicable discount

The AT1 issuances above are primarily purchased by institutional investors.

The principal terms of the AT1 securities are described below:

- The securities are perpetual and redeemable, at the option of Standard Chartered PLC in whole but not in part, on the first interest reset date and each date falling five years after the first reset date.
- The securities are also redeemable for certain regulatory or tax reasons on any date at 100 per cent of their principal amount together with any accrued but unpaid interest up to (but excluding) the date fixed for redemption. Any redemption is subject to Standard Chartered PLC giving notice to the relevant regulator and the regulator granting permission to redeem.
- Interest payments on these securities will be accounted for as a dividend.
- Interest on the securities is due and payable only at the sole and absolute discretion of Standard Chartered PLC, subject to certain additional restrictions set out in the terms and conditions. Accordingly, Standard Chartered PLC may at any time elect to cancel any interest payment (or part thereof) which would otherwise be payable on any interest payment date.
- The securities convert into ordinary shares of Standard Chartered PLC, at a predetermined price detailed in the table above, should the fully loaded Common Equity Tier 1 ratio of the Group fall below 7.0 per cent. Approximately 973 million ordinary shares would be required to satisfy the conversion of all the securities mentioned above.

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

25. Share capital, other equity instruments and reserves

Reserves

The constituents of the reserves are summarised as follows:

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

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

As at 30 June 2026, the distributable reserves of Standard Chartered PLC (the Company) were $13.3 billion (31 December 2025: $14.1 billion). Distributable reserves are derived from the merger reserve and retained earnings, reduced by ordinary dividend payments, distributions on AT1 instruments, share buybacks, restricted items in line with section 830 and 831 of the Companies Act 2006. They are increased by realised profits.

25. Share capital, other equity instruments and reserves

Own shares

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

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

	2004 Trust		
	30.06.26	31.12.25	30.06.25
Shares purchased during the period	**14,058,100**	24,477,541	8,765,965
Market price of shares purchased ($million)	**314**	508	137
Shares held at the end of the period	**1,866,986**	16,474,859	1,799,177
Maximum number of shares held during the period	**19,013,244**	25,082,882	25,082,882

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

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

Dividend waivers

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

26. Related party transactions

Directors and officers

As at 30 June 2026, Standard Chartered Bank had in place a charge over $66 million (31 December 2025: $69 million) of cash assets in favour of the independent trustee of its employer financed retirement benefit scheme.

There were no changes in the related party transactions described in the Annual Report 2025 that could have or have had a material effect on the financial position or performance of the Group in the period ended 30 June 2026. All related party transactions that have taken place in the period were similar in nature to those disclosed in the Annual Report 2025.

Associate and joint ventures

The following transactions with related parties are on an arm's length basis:

	30.06.26 $million	31.12.25 $million
Assets		
Loans and advances	**50**	–
Financial Assets held at FVTPL	**43**	10
Derivative assets	**5**	5
Other assets	**1**	–
Total assets	**99**	15
Liabilities		
Deposits	**408**	416
Derivative liabilities	**1**	3
Total liabilities	**409**	419
Loan commitments and other guarantees[1]	**5**	107

1 The maximum loan commitments and other guarantees during the period were $5 million (31 December 2025: $107 million)

27. Post balance sheet events

Standard Chartered PLC redeemed EUR0.5 billion senior debt on 2 July 2026 and $1.0 billion and $0.5 billion senior debts on 6 July 2026.

A share buyback for up to a maximum consideration of $1.0 billion has been declared by the directors after 30 June 2026. This will reduce the number of ordinary shares in issue by cancelling the repurchased shares.

The Board has recommended an interim ordinary dividend for the half year 2026 of 20.4 cents a share or $448 million.

28. Corporate governance

The directors confirm that, throughout the period, the Company has complied with the code provisions set out in the Corporate Governance Code contained in Appendix C1 of the Hong Kong Listing Rules. The directors also confirm that the announcement of these results has been reviewed by the Company's Audit Committee. The Company confirms that it has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix C3 of the Hong Kong Listing Rules and that, having made specific enquiry of all directors, the directors of the Company have complied with the required standards of the adopted code of conduct throughout the period. Details of the Group's corporate governance arrangements are set out in the Directors' Report within the 2025 Annual Report.

As previously announced, the following changes to the composition of the Board have taken place since 31 December 2025.

On 1 January 2026, Phil Rivett was appointed as a member of the Remuneration Committee and on 10 February 2026, Diego De Giorgi stepped down as an Executive Director and Group Chief Financial Officer. Tanate Phutrakul was appointed to the Board as an independent non-executive director and a member of the Board Risk Committee and the Audit Committee on 1 July 2026.

On 17 May 2026, Manus Costello was appointed as Interim Group Chief Financial Officer with immediate effect. Following receipt of regulatory approval, Manus was appointed as Group Chief Financial Officer and Executive Director on 15 July 2026. Manus's remuneration arrangements were set in accordance with the Directors' remuneration policy approved by shareholders at the 2025 AGM on 8 May 2025. Manus will receive a base salary of £1,100,000 per annum to be paid in cash, and a pension allowance of £110,000, equivalent to 10% of his base salary. He will continue to receive core benefits in line with the approach for UK employees. Manus will be eligible for discretionary variable pay in line with the Directors' remuneration policy. The first long-term incentive plan (LTIP) award will be granted in 2026.

In compliance with Rule 13.51B(1) of the Hong Kong Listing Rules, the Company confirms that on 22 April 2026, Diane Jurgens was appointed as an independent non-executive director of Infosys Limited, which is listed on the National Stock Exchange of India Limited, BSE Limited and the New York Stock Exchange. On 7 May 2026, Linda Yueh, CBE, retired from Rentokil Initial Plc, which is listed on the London Stock Exchange.

Biographies for each of the directors and a list of the committees' membership can be found at **www.sc.com/ourpeople**.

29. Statutory accounts

The information in this Half Year Report is unaudited and does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. This document was approved by the Board on 29 July 2026. The statutory accounts for the year ended 31 December 2025 have been audited and delivered to the Registrar of Companies in England and Wales. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under sections 498(2) and 498(3) of the Companies Act 2006.

30. Cash flow statement

Adjustment for non-cash items and other adjustments included within income statement

	30.06.26 $million	30.06.25 $million
Amortisation of discounts and premiums of investment securities	**(466)**	(700)
Interest expense on subordinated liabilities	**243**	302
Interest expense on senior debt securities in issue	**1,228**	1,216
Pension costs for defined benefit schemes	**4**	30
Share-based payment costs	**216**	206
Impairment losses on loans and advances and other credit risk provisions	**446**	336
Other impairment	**21**	19
Gain on disposal of property, plant and equipment	**–**	(6)
Gains on disposal of FVOCI and AMCST financial assets	**(23)**	(2)
Gain on disposal of business	**(2)**	(242)
Depreciation and amortisation	**566**	544
Fair value changes taken to income statement	**(1,003)**	(1,085)
Foreign currency revaluation	**6**	207
Loss/(profit) from associates and joint ventures	**17**	(79)
Other non-cash items	**46**	(57)
Total	**1,299**	689

Change in operating assets

	30.06.26 $million	30.06.25 $million
Net (increase)/decrease in derivative financial instruments	**(17,116)**	18,128
Net increase in debt securities, treasury bills and equity shares held at fair value through profit or loss	**(26,454)**	(13,673)
Net increase in loans and advances to banks and customers	**(18,884)**	(6,856)
Net decrease in prepayments and accrued income	**135**	189
Net increase in other assets	**(17,546)**	(26,081)
Total	**(79,865)**	(28,293)

Change in operating liabilities

	30.06.26 $million	30.06.25 $million
Net increase/(decrease) in derivative financial instruments	**15,926**	(13,117)
Net increase in deposits from banks, customer accounts, debt securities in issue, Hong Kong notes in circulation and short positions	**40,130**	62,397
Net decrease in accruals and deferred income	**(1,139)**	(751)
Net increase in other liabilities	**23,044**	1,651
Total	**77,961**	50,180

30. Cash flow statement

Changes in financing activities – subordinated and senior debts

	30.06.26 $million	30.06.25 $million
Subordinated debt (including accrued interest):		
Opening balance	**8,971**	10,536
Interest paid	**(208)**	(247)
Repayment	**–**	(2,175)
Foreign exchange movements	**(46)**	365
Fair value changes, including from hedge accounting	**(19)**	202
Accrued interest and others	**197**	221
Closing balance	**8,895**	8,902
Senior debt (including accrued interest):		
Opening balance	**43,999**	40,576
Proceeds from the issue	**8,321**	7,953
Interest paid	**(1,443)**	(1,678)
Repayment	**(6,119)**	(7,040)
Foreign exchange movements	**(222)**	914
Fair value changes, including from hedge accounting	**(194)**	275
Accrued interest and others	**1,349**	1,617
Closing balance	**45,691**	42,617

Senior debt is presented as part of debt securities in issue in the condensed consolidated interim balance sheet.

Other supplementary information
Supplementary financial information

Insured and uninsured deposits

SCB operates and provides services to customers across many countries and insured deposit is determined on the basis of limits enacted within local regulations.

	30.06.26					31.12.25				
	Insured deposits		Uninsured deposits			Insured deposits		Uninsured deposits		
	Bank deposits $million	Customer accounts $million	Bank deposits $million	Customer accounts $million	Total $million	Bank deposits $million	Customer accounts $million	Bank deposits $million	Customer accounts $million	Total $million
Current accounts	8	19,498	26,452	185,574	231,532	10	18,704	25,144	167,530	211,388
Savings deposits	–	34,311	–	96,533	130,844	–	34,046	–	94,855	128,901
Time deposits	16	34,118	6,984	207,448	248,566	28	32,740	7,513	200,463	240,744
Other deposits	–	128	10,165	31,601	41,894	–	51	8,944	36,785	45,780
Total	24	88,055	43,601	521,156	652,836	38	85,541	41,601	499,633	626,813

UK and non-UK deposits

The following table summarises the split of Bank and Customer deposits into UK and non-UK deposits for respective account lines based on the domicile or residence of the clients.

	30.06.26					31.12.25				
	UK deposits		Non-UK deposits			UK deposits		Non-UK deposits		
	Bank deposits $million	Customer accounts $million	Bank deposits $million	Customer accounts $million	Total $million	Bank deposits $million	Customer accounts $million	Bank deposits $million	Customer accounts $million	Total $million
Current accounts	946	8,087	25,514	196,985	231,532	448	8,001	24,706	178,233	211,388
Savings deposits	–	840	–	130,004	130,844	–	318	–	128,583	128,901
Time deposits	498	8,587	6,501	232,980	248,566	566	7,554	6,975	225,649	240,744
Other deposits	1,727	12,120	8,439	19,608	41,894	950	11,994	7,994	24,842	45,780
Total	3,171	29,634	40,454	579,577	652,836	1,964	27,867	39,675	557,307	626,813

Contractual maturity of loans, investment securities and deposits

	30.06.26						
	Loans and advances to banks $million	Loans and advances to customers $million	Investment securities – treasury and other eligible bills $million	Investment securities – Debt securities $million	Investment securities – Equity shares $million	Bank deposits $million	Customer accounts $million
One year or less	71,234	181,380	61,839	48,471	–	35,768	589,654
Between one and five years	13,884	80,403	50	81,600	–	7,610	15,674
Between five and ten years	1,524	22,839	–	25,008	–	102	1,870
Between ten years and fifteen years	298	13,809	–	8,305	–	16	1,336
More than fifteen years and undated	91	66,879	–	37,017	12,342	129	677
Total	87,031	365,310	61,889	200,401	12,342	43,625	609,211
Total amortised cost and FVOCI exposures	45,962	299,279					
Of which: Fixed interest rate exposures	38,491	157,360					
Of which: Floating interest rate exposures	7,471	141,919					

Other supplementary information
Supplementary financial information

	31.12.25						
	Loans and advances to banks $million	Loans and advances to customers $million	Investment securities – treasury and other eligible bills $million	Investment securities – Debt securities $million	Investment securities – Equity shares $million	Bank deposits $million	Customer accounts $million
One year or less	67,606	170,999	69,082	39,457	–	37,171	514,547
Between one and five years	11,109	75,643	85	83,024	–	4,464	67,336
Between five and ten years	1,572	23,308	–	22,287	–	4	1,211
Between ten years and fifteen years	164	13,841	–	5,659	–	–	1,528
More than fifteen years and undated	122	65,794	–	32,863	10,287	–	552
Total	80,573	349,585	69,167	183,290	10,287	41,639	585,174
Total amortised cost and FVOCI exposures	43,901	286,788					
Of which: Fixed interest rate exposures	36,651	150,052					
Of which: Floating interest rate exposures	7,250	136,736					

Maturity and yield of debt securities, alternative tier one and other eligible bills held at amortised cost

	One year or less		Between one and five years		Between five and ten years		More than ten years		Total	
	$million	Yield %	$million	Yield %	$million	Yield %	$million	Yield %	$million	Yield %
Central and other government agencies										
• US	**3,909**	**1.92**	**11,493**	**1.89**	**3,873**	**3.28**	**7,601**	**4.06**	**26,876**	**2.71**
• UK	**116**	**1.41**	**270**	**3.50**	**45**	**0.88**	**–**	**–**	**431**	**2.67**
• Other	**4,783**	**2.91**	**9,393**	**3.13**	**3,257**	**3.95**	**9**	**4.58**	**17,442**	**3.22**
Other debt securities	**1,666**	**5.19**	**4,056**	**4.78**	**4,369**	**4.15**	**8,205**	**4.55**	**18,296**	**4.56**
At 30 June 2026	**10,474**	**2.89**	**25,212**	**2.84**	**11,544**	**3.79**	**15,815**	**4.31**	**63,045**	**3.39**

	One year or less		Between one and five years		Between five and ten years		More than ten years		Total	
	$million	Yield %	$million	Yield %	$million	Yield %	$million	Yield %	$million	Yield %
Central and other government agencies										
• US	3,234	1.22	10,495	1.76	4,038	2.35	4,197	4.61	21,964	2.33
• UK	129	0.80	331	2.90	49	0.88	–	–	509	2.17
• Other	4,916	2.07	9,243	3.38	3,799	3.85	19	6.90	17,977	3.13
Other debt securities	1,770	6.39	3,403	6.05	5,514	4.69	6,113	5.32	16,800	5.37
At 31 December 2025	10,049	2.54	23,472	3.04	13,400	3.73	10,329	5.03	57,250	3.47

The maturity distributions are presented in the above table on the basis of contractual maturity dates. The weighted average yield for each range of maturities is calculated by dividing the annualised interest income for the year by the book amount of debt securities at that date.

Net charge-off ratio

	30.06.26			30.06.25		
	Credit impairment (charge)/release for the year/period $million	Net average exposure $million	Net charge-off ratio %	Credit impairment (charge)/ release for the year/ period $million	Net average exposure $million	Net charge-off ratio %
Stage 1	**17**	**323,676**	**(0.01)**	(18)	313,387	0.01
Stage 2	**(201)**	**11,418**	**1.76**	(158)	11,570	1.37
Stage 3	**(189)**	**2,812**	**6.72**	(156)	2,176	7.17
Total exposure	**(373)**	**337,906**	**0.11**	(332)	327,133	0.10

Other supplementary information
Supplementary financial information

Average balance sheets and yields

Average balance sheets and yields

For the purposes of calculating net interest margin, the following adjustments are made:

- Net interest income is adjusted to remove interest expense on amortised cost liabilities used to provide funding to the global markets business.
- Financial instruments measured at fair value through profit or loss are classified as non-interest earning.
- Premiums on financial guarantees purchased to manage interest-earning assets are treated as interest expense. In the Group's view, this results in a net interest margin that is more reflective of banking book performance.

The following tables set out the average balances and yields for the Group's assets and liabilities for the periods ended 30 June 2026 and 30 June 2025 under the revised definition of Adjusted net interest margin. For the purpose of these tables, average balances have been determined on the basis of daily balances, except for certain categories, for which balances have been determined less frequently. The Group does not believe that the information presented in these tables would be significantly different had such balances been determined on a daily basis.

Average assets

	6 months ended 30.06.26				
	Average non-interest-earning balance $million	Average interest-earning balance $million	Interest income $million	Gross yield interest-earning balance %	Gross yield total balance %
Cash and balances at central banks	**12,971**	**62,395**	**899**	**2.91**	**2.41**
Gross loans and advances to banks	**44,417**	**49,378**	**1,098**	**4.48**	**2.36**
Gross loans and advances to customers	**65,897**	**300,101**	**6,735**	**4.53**	**3.71**
Impairment provisions against loans and advances to banks and customers	**–**	**(4,419)**	**–**	**–**	**–**
Investment securities – Treasury and other eligible bills	**31,503**	**33,374**	**558**	**3.37**	**1.73**
Investment securities – Debt securities	**65,901**	**126,188**	**2,269**	**3.63**	**2.38**
Investment securities – Equity shares	**11,197**	**–**	**–**	**–**	**–**
Property, plant and equipment and intangible assets	**6,737**	**–**	**–**	**–**	**–**
Prepayments, accrued income and other assets	**170,215**	**–**	**–**	**–**	**–**
Investment associates and joint ventures	**1,539**	**–**	**–**	**–**	**–**
Total	**410,377**	**567,017**	**11,559**	**4.11**	**2.38**
Adjustment for trading book funding cost and others			**459**		
Total	**410,377**	**567,017**	**12,018**	**4.27**	**2.48**

	6 months ended 30.06.25				
	Average non-interest-earning balance $million	Average interest-earning balance $million	Interest income $million	Gross yield interest-earning balance %	Gross yield total balance %
Cash and balances at central banks	10,239	57,677	1,036	3.62	3.08
Gross loans and advances to banks	44,580	46,672	1,109	4.79	2.45
Gross loans and advances to customers	70,108	288,614	7,276	5.08	4.09
Impairment provisions against loans and advances to banks and customers	–	(5,300)	–	–	–
Investment securities – Treasury and other eligible bills	22,343	27,494	621	4.55	2.51
Investment securities – Debt securities	70,219	126,228	2,443	3.90	2.51
Investment securities – Equity shares	6,817	–	–	–	–
Property, plant and equipment and intangible assets	6,239	–	–	–	–
Prepayments, accrued income and other assets	140,721	–	–	–	–
Investment associates and joint ventures	1,065	–	–	–	–
Total	372,331	541,385	12,485	4.65	2.76
Adjustment for trading book funding cost and others			256		
Total	372,331	541,385	12,741	4.75	2.81

Other supplementary information
Supplementary financial information

Average liabilities

	6 months ended 30.06.26				
	Average non-interest-bearing balance $million	Average interest-bearing balance $million	Interest expense $million	Rate paid interest-bearing balance %	Rate paid total balance %
Deposits by banks	17,258	27,308	353	2.61	1.60
Customer accounts:					
Current accounts	47,204	152,894	1,703	2.25	1.72
Savings deposits	–	134,271	700	1.05	1.05
Time deposits	27,186	209,300	3,718	3.58	3.17
Other deposits	28,986	4,592	73	3.21	0.44
Debt securities in issue	15,750	77,239	1,738	4.54	3.77
Accruals, deferred income and other liabilities	177,562	1,587	30	3.80	0.03
Subordinated liabilities and other borrowed funds	–	9,011	243	5.44	5.44
Non-controlling interests	436	–	–	–	–
Shareholders' funds	52,897	–	–	–	–
Total	367,279	616,202	8,558	2.80	1.75
Adjustment for trading book funding cost and others			(2,280)		
Total	367,279	616,202	6,278	2.05	1.29

	6 months ended 30.06.25				
	Average non-interest-bearing balance $million	Average interest-bearing balance $million	Interest expense $million	Rate paid interest-bearing balance %	Rate paid total balance %
Deposits by banks	17,730	22,344	326	2.94	1.64
Customer accounts:					
Current accounts	42,054	137,384	1,945	2.85	2.19
Savings deposits	–	122,554	875	1.44	1.44
Time deposits	20,779	191,578	4,083	4.30	3.88
Other deposits	39,189	7,154	150	4.23	0.65
Debt securities in issue	12,153	71,832	1,727	4.85	4.15
Accruals, deferred income and other liabilities	166,756	1,303	33	5.11	0.04
Subordinated liabilities and other borrowed funds	–	9,907	302	6.15	6.15
Non-controlling interests	389	–	–	–	–
Shareholders' funds	50,610	–	–	–	–
Total	349,660	564,056	9,441	3.38	2.08
Adjustment for trading book funding cost and others			(2,199)		
Total	349,660	564,056	7,242	2.59	1.60

Other supplementary information
Supplementary financial information

Net interest margin

	6 months ended 30.06.26 $million	6 months ended 30.06.25 $million
Interest income	**11,559**	12,485
Adjustment for trading book funding cost and others	**459**	256
Adjusted interest income	**12,018**	12,741
Average interest-earning assets[1]	**567,017**	541,385
Gross yield (%)	**4.27**	4.75
Interest expense	**8,558**	9,441
Adjustment for trading book funding cost and others	**(2,280)**	(2,199)
Adjusted interest expense	**6,278**	7,242
Average interest–bearing liabilities[1]	**616,202**	564,056
Rate paid (%)	**2.05**	2.59
Net yield (%)	**2.22**	2.16
Adjusted net interest income	**5,740**	5,499
Net interest margin (%)	**2.04**	2.05

1 Average interest-earning assets and interest-bearing liabilities are adjusted for cash collateral balances in other assets and other liabilities that are related to the Global Markets trading book

Other supplementary information
Additional items

A. Our Fair Pay Charter

Our Fair Pay Charter brings all People Leaders and colleagues to a shared understanding of our fundamental principles around reward which are key considerations in our decision-making. The four focus areas in the Charter are: Equal pay, Purpose-led, Competitive opportunities, and Performance-driven. These drive our remuneration policies and processes, ensure equity and transparency are at the forefront of decision-making, and that sustainable high performance, delivered in line with our valued behaviours, is recognised and rewarded appropriately. Our 2025 Diversity, Equality and Inclusion Impact Report gives further detail on our Fair Pay Charter and is available on our Group website.

B. Group share plans

Discretionary share plans

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

Award type	Description and performance measures	Valuation
Long-Term Incentive Plan (LTIP) awards	The vesting of awards granted in 2026, 2025 and 2024 are subject to the following performance measures: • relative total shareholder return (TSR); • return on tangible equity (RoTE) (with a Common Equity Tier 1 (CET1) underpin); and • strategic measures (including targets set for sustainability linked to business strategy). Each measure is assessed independently over a three-year period. LTIP awards have an individual conduct gateway requirement that results in the award lapsing if not met, and the outcome of LTIP awards granted from 2025 onwards are subject to a risk and control modifier. Vested awards are delivered in ordinary Standard Chartered PLC shares.	The fair value of the relative TSR component is calculated using the probability of meeting the measures over a three-year performance period, using a Monte Carlo simulation model. The value of the remaining components is based on the expected performance against the RoTE and strategic measures in the scorecard and the resulting estimated number of shares expected to vest at each reporting date. These combined values are used to determine the accounting charge. No dividend equivalents accrue for the LTIP awards made in 2025, 2024, 2023 or 2022 and the fair value takes this into account, calculated by reference to market consensus dividend yield. Following the updated PRA remuneration regulations in October 2025, awards granted from 2026 onwards will accrue notional dividends.
Deferred shares	Used to deliver: • the deferred portion of year-end variable remuneration, in line with both market practice and regulatory requirements. These awards vest in instalments on anniversaries of the award date specified at the time of grant. This enables the Group to meet regulatory requirements relating to deferral levels, and is in line with market practice. • replacement buy-out awards to new joiners who forfeit awards on leaving their previous employers. These vest in the quarter most closely following the date when the award would have vested at the previous employer. This enables the Group to meet regulatory requirements relating to buy-outs, and is in line with market practice. Deferred share awards are not subject to any performance measures. Vested awards are delivered in ordinary Standard Chartered PLC shares.	The fair value for deferred shares, which are granted to employees who are not categorised as material risk takers, is based on 100% of the face value of the shares at the date of grant as the share price will reflect expectations of all future dividends. For awards granted to material risk takers before 2026, the fair value of awards took into account the lack of dividend equivalents, calculated by reference to market consensus dividend yield. Following the updated PRA remuneration regulations in October 2025, awards granted from 2026 onwards will accrue notional dividends.

Under the 2021 Plan and 2011 Plan, no grant price is payable to receive an award and there is no exercise period for awards. The remaining life of the 2021 Plan during which new awards can be made is five years. The 2011 Plan has expired and no further awards can be granted under this plan.

Other supplementary information
Additional items

All employee share plans

The Standard Chartered 2023 Sharesave Plan was approved by shareholders in May 2023, replacing the Standard Chartered 2013 Sharesave Plan. Under the 2023 Sharesave Plan, employees may open a savings contract. Within a maturity period of six months after the third anniversary, employees may purchase ordinary shares in the Company at a discount of up to 20 per cent on the share price at the date of invitation. The vesting period of the Sharesave options is three years. There are no performance measures attached to options granted under the 2023 Sharesave Plan and no grant price is payable to receive an option.

In some countries in which the Group operates, it is not possible to deliver shares under the 2023 Sharesave Plan, typically due to securities laws and regulatory restrictions. In these countries, where possible, the Group offers an equivalent cash-based plan to its employees.

Valuation of share awards

Details of the valuation models used in determining the fair values of share awards granted under the Group's share plans are detailed in the Group's 2025 Annual Report.

Limits

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

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

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

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

As at 1 January 2026 and 30 June 2026, the share awards outstanding under our discretionary and Sharesave plans adopted by Standard Chartered PLC and its subsidiaries represented 5.1 per cent and 5.8 per cent of the issued ordinary share capital of Standard Chartered PLC respectively. Accordingly, the number of Standard Chartered PLC shares available to be granted under all discretionary and Sharesave plans at the beginning and the end of the period were 115,091,962 and 126,717,662 respectively.

The maximum number of Standard Chartered PLC shares that may be issued in respect of share options and awards granted under the discretionary and Sharesave plans during the period divided by the weighted average number of Standard Chartered PLC shares in issue at the end of the period is 0.8 per cent.

See pages 406 to 407 of our 2025 Annual Report for details of plan limits

Other supplementary information
Additional items

Reconciliation of share award movements for the year to 30 June 2026

	LTIP[1]	Deferred/Buy-out awards[1]	Sharesave[6]	Weighted average Sharesave exercise price (£)
Outstanding on 1 January 2026	**10,203,939**	**46,606,159**	**23,088,189**	**6.72**
Granted[2,3,4]	**1,820,643**	**17,052,204**	**–**	**–**
Lapsed	**(267,714)**	**(197,863)**	**(663,748)**	**7.04**
Vested/Exercised[5]	**(3,684,776)**	**(23,538,684)**	**(4,429,805)**	**4.29**
Outstanding on 30 June 2026[7]	**8,072,092**	**39,921,816**	**17,994,636**	**7.31**
Total number of securities available for issue under the plan	**8,072,092**	**39,921,816**	**17,994,636**	
Percentage of the issued shares this represents as at 30 June 2026	**0.37**	**1.82**	**0.82**	**7.31**
Exercisable as at 30 June 2026	**1,561,173**	**15,445,635**	**278,457**	**4.43**
Range of exercise prices (£)	**–**	**–**	**4.23 - 11.10**	
Intrinsic value of vested but not exercised options ($ million)	**42.29**	**418.36**	**5.90**	
Weighted average contractual remaining life (years)	**8.01**	**8.66**	**1.90**	
Weighted average share price for awards exercised during the period (£)	**15.63**	**16.02**	**17.90**	

1 Granted under the 2021 Plan and 2011 Plan. Employees do not contribute to the cost of these awards
2 1,577,740 (LTIP) granted on 9 March 2026. The closing price of the shares immediately before the date on which the options or awards were granted was £16.400. 31,804 (LTIP) granted as a notional dividend on 12 May 2026. 211,099 (LTIP) granted on 15 June 2026. The closing price of the shares immediately before the date on which the options or awards were granted was £19.280
3 16,303,304 (Deferred/Restricted shares) granted on 9 March 2026. The closing price of the shares immediately before the date on which the options or awards were granted was £16.400. 375,889 (Deferred shares) granted as a notional dividend on 12 May 2026. 373,011 (Deferred/Restricted shares) granted on 15 June 2026. The closing price of the shares immediately before the date on which the options or awards were granted was £19.280
4 No discretionary awards (LTIP or deferred/buy-out awards) have been granted in the form of options since June 2015
5 The weighted average closing price of the shares immediately before the dates on which the options or awards were exercised or vested is £15.980
6 All Sharesave awards are in the form of options. The exercise price of Sharesave options exercised was £11.10 for options granted in 2025, £6.10 for options granted in 2024, £5.88 for options granted in 2023, £4.23 for options granted in 2022
7 No options were cancelled in the period (i.e. no malus or clawback has been applied to awards in this period)

C. Group Chair and independent non-executive directors' interests in ordinary shares at 30 June 2026[1,2]

	Shares beneficially held as of 31 December 2025	Shares beneficially held as of 30 June 2026
Chair		
M Ramos	2,000	**2,000**
Independent non-executive directors		
S M Apte	2,000	**2,000**
J Hunt	2,000	**2,000**
D E Jurgens	8,888	**8,888**
R A Lawther, CBE	2,000	**2,000**
L Leong	13,369	**13,369**
P G Rivett	2,128	**2,128**
D Tang	2,000	**2,000**
L Y Yueh, CBE	2,000	**2,000**

1 Independent non-executive directors are required to hold shares with a nominal value of $1,000. All the directors have met this requirement
2 The beneficial interests of directors and their related parties in the ordinary shares of the Company are set out above. The directors do not have any non-beneficial interests in the Company's shares. None of the directors used ordinary shares as collateral for any loans. No director had either i) an interest in the Company's preference shares or loan stocks of any subsidiary or associated undertaking of the Group or ii) any corporate interests in the Company's ordinary shares. All figures as at 30 June 2026

Other supplementary information
Additional items

D. Executive directors' interests in ordinary shares at 30 June 2026

Scheme interests awarded, exercised and lapsed during the period

Employees, including executive directors, are not permitted to engage in any personal investment strategies with regards to their Company shares, including hedging against the share price of Company shares. The following table shows the changes in share interests.

	Changes in interests from 1 January to 30 June 2026								
	Date of grant	Share award price (£)	At 1 January	Awarded[1,2]	Vested[3]	Lapsed	At 30 June[7]	Performance period end	Vesting date
Bill Winters[1,6]									
2019–21 LTIP	11 March 2019	6.105	30,605	–	30,605	–	–	11 March 2022	11 March 2026
2020–22 LTIP	9 March 2020	5.196	59,282	–	59,282	–	–	9 March 2023	9 March 2026
			59,282	–	–	–	59,282		9 March 2027
2021–23 LTIP	15 March 2021	4.901	85,853	–	85,853	–	–	15 March 2024	15 March 2026
			85,853	–	–	–	85,853		15 March 2027
			85,853	–	–	–	85,853		15 March 2028
2022–24 LTIP	14 March 2022	4.876	133,219	–	133,219	–	–	14 March 2025	14 March 2026
			133,219	–	–	–	133,219		14 March 2027
			133,219	–	–	–	133,219		14 March 2028
			133,221	–	–	–	133,221		14 March 2029
2023–25 LTIP	13 March 2023	7.398	101,209	–	86,027	15,182	–	13 March 2026	13 March 2026
			101,209	–	–	15,182	86,027		13 March 2027
			101,209	–	–	15,182	86,027		13 March 2028
			101,209	–	–	15,182	86,027		13 March 2029
			101,209	–	–	15,182	86,027		13 March 2030
2024–26 LTIP	12 March 2024	6.600	123,275	–	–	–	123,275	12 March 2027	12 March 2027
			123,275	–	–	–	123,275		12 March 2028
			123,275	–	–	–	123,275		12 March 2029
			123,275	–	–	–	123,275		12 March 2030
			123,278	–	–	–	123,278		12 March 2031
2025–27 LTIP	12 May 2025	10.675	163,242	–	–	–	163,242	31 Dec 2027	12 May 2028
			163,242	–	–	–	163,242		12 May 2029
			163,242	–	–	–	163,242		12 May 2030
			163,242	–	–	–	163,242		12 May 2031
			163,245	–	–	–	163,245		12 May 2032
2026–28 LTIP	9 March 2026	16.400	–	336,127	–	–	336,127	31 Dec 2028	9 March 2029
			–	112,043	–	–	112,043		9 March 2030
2026 Deferred Shares[4]	9 March 2026	16.400	–	10,371	–	–	10,371	n/a	9 March 2027
			–	10,372	–	–	10,372		9 March 2028
			–	10,372	–	–	10,372		9 March 2029
Diego De Giorgi[5]									
2024–26 LTIP	12 March 2024	6.600	80,812	–	–	80,812	–	12 March 2027	12 March 2027
			80,812	–	–	80,812	–		12 March 2028
			80,812	–	–	80,812	–		12 March 2029
			80,812	–	–	80,812	–		12 March 2030
			80,814	–	–	80,814	–		12 March 2031
2025–27 LTIP	12 May 2025	10.675	90,394	–	–	90,394	–	31 Dec 2027	12 May 2028
			90,394	–	–	90,394	–		12 May 2029
			90,394	–	–	90,394	–		12 May 2030
			90,394	–	–	90,394	–		12 May 2031
			90,395	–	–	90,395	–		12 May 2032

1 The unvested LTIP awards held by Bill are conditional rights. He does not have to pay towards these awards. Under these awards, shares are delivered on vesting or as soon as practicable thereafter

2 For the 2026–2028 LTIP award granted to Bill on 9 March 2026, the value granted was £7.4 million. Performance measures apply to this award. The closing price on the day before grant was £16.400. Following the updated PRA remuneration regulations in October 2025, share awards granted from 2026 onwards will accrue notional dividends

3 Shares (before tax) were delivered to Bill from the vesting element of LTIP awards. The closing share price on the day before the shares were delivered was as follows:
- 9 March 2026: Shares in respect of the 2020–22 LTIP. Previous day closing share price: £16.400
- 11 March 2026: Shares in respect of the 2019–21 LTIP. Previous day closing share price: £16.850
- 17 March 2026: Shares in respect of the 2021–23 and 2022–24 LTIPs. Previous day closing share price: £15.500
- 19 March 2026: Shares in respect of the 2023–25 LTIP. Previous day closing share price: £16.305

4 As detailed in our 2025 Annual Report and Accounts, from 2025 part of executive directors' annual incentives are delivered in deferred shares

5 Following the announcement of Diego's resignation on 10 February 2026, his awards have been forfeited, and have therefore lapsed

6 The weighted average closing price for Bill's awards that vested during the period was £15.613

7 No shares were cancelled in the period (i.e. no malus or clawback has been applied to awards in this period)

Other supplementary information
Additional items

At 30 June 2026, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

Shareholdings and share interests

The following table summarises the executive directors' shareholdings and share interests.

	Share held beneficially[1,2]	Unvested share awards not subject to performance measures (net of tax)[3,4]	Total shares counting towards shareholding requirement[5]	Shareholding requirement as a percentage of salary	Salary	Value of shares counting towards shareholding requirement as a % of salary	Unvested share awards subject to performance measures
Bill Winters	**3,431,752**	**533,109**	**3,964,861**	**500%**	**£1,530,000**	**5,289%**	**1,717,519**
Diego De Giorgi	**103,449**	**–**	**103,449**	**400%**	**£1,100,000**	**192%**	**–**

1 All figures are as at 30 June 2026 unless stated otherwise. The closing share price on 30 June 2026 was £20.41. No director had either: (i) an interest in Standard Chartered PLC's preference shares or loan stocks of any subsidiary or associated undertaking of the Group; or (ii) any corporate interests in Standard Chartered PLC's ordinary shares

2 The beneficial interests of directors and connected persons in the ordinary shares of the Company are set out above. The executive directors do not have any non-beneficial interest in the Company's shares. Neither of the executive directors used ordinary shares as collateral for any loans

3 In March 2026, the final assessment of the 2023–25 LTIP award resulted in an 85 per cent outcome due to achievement against RoTE, relative TSR and strategic measures. The award is no longer subject to performance measures and is included here. The remaining 15 per cent of the award lapsed

4 As Bill is a UK taxpayer, 47 per cent tax is assumed to apply to other unvested share awards (marginal combined PAYE rate of income tax at 45 per cent and employee National Insurance contributions at 2 per cent) – rates may change

5 Following Diego's resignation on 10 February 2026, he is required to maintain this shareholding for two years

E. Free float percentage

At 30 June 2026, the free float percentage of voting rights attached to all of the Company's listed ordinary and preference shares in issue was approximately 99.99 per cent.

For information on the outstanding Fixed Rate Resetting Perpetual Subordinated Contingent Convertible AT1 securities issued by Standard Chartered PLC and the rights attached to them, see page 133 and further information on our website at **sc.com/capitalsecurities**.

F. Substantial shareholders

The Company and its Directors, Chief Executives and its shareholders have been granted partial exemption from the disclosure requirements under Part XV of the Securities and Futures Ordinance (SFO). As a result of this exemption, Directors, Chief Executives and shareholders no longer have an obligation under Part XV of the SFO (other than Divisions 5, 11 and 12 thereof) to notify the Company of substantial shareholding interests, and the Company is no longer required to maintain a register of Directors' and Chief Executives' interests under section 352 of the SFO, nor a register of interests of substantial shareholders under section 336 of the SFO. The Company is, however, required to file with The Stock Exchange of Hong Kong Limited any disclosure of interests made in the UK.

G. Code for Financial Reporting Disclosures

The UK Finance Code for Financial Reporting Disclosure (the Code) sets out five disclosure principles together with supporting guidance. The principles are that UK banks will: provide high-quality, meaningful and decision-useful disclosures; review and enhance their financial instrument disclosures for key areas of interest; keep under review and commit to ongoing re-evaluation and enhancement of financial instrument disclosures for key areas of interest, acknowledging the importance of good practice recommendations and similar guidance issued from time to time by relevant regulators and standard-setters and assessing the applicability and relevance of such guidance to disclosures; seek to enhance the comparability of financial statement disclosures across the UK banking sector; and clearly differentiate in their annual reports between information that is audited and information that is unaudited.

The Group's interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with the Code's principles.

Other supplementary information
Additional items

H. Employees

The details regarding our remuneration policies, bonus schemes and training schemes have not materially changed from our 2025 Annual Report and we will be updating these in the 2026 Annual Report.

Employee headcount

The following table summarises the number of employees within the Group:

	Business[1]	Support services[2]	Total[3,4]
At 30 June 2026[5]	**31,198**	**50,475**	**81,673**
At 31 December 2025	29,621	52,271	81,892

1 Business is defined as employees directly under the remit of the businesses
2 Support services include employees who support businesses' operations or investments where costs are fully recharged to the businesses
3 Excludes 509 employees (headcount) from Digital Ventures entities (Appro, Audax, Cashenable/Labamu, Furaha, Letsbloom, Libeara, MyZoi, Qatalyst, Solv Kenya, TASConnect, Zodia Custody, Zodia Markets)
4 Includes employees operating in discontinued/restructured businesses
5 30 June 2026 numbers include ~1.2k headcount transfers from support services to businesses reflecting organisational change since 31 December 2025

Shareholder information

Dividend and interest payment dates

Ordinary shares	2026 interim dividend (cash only)
Results and dividend announced	29 July 2026
Ex-dividend date	6 (UK) 5 (HK) August 2026
Record date	7 August 2026
Last date to amend currency election instructions for cash dividend*	4 September 2026
Dividend payment date	29 September 2026

* In either US dollars, sterling, or Hong Kong dollars

	2026 final dividend (provisional only)
Results and dividend announcement date	19 February 2027

Preference shares	Second half-yearly dividend
7 ⅜ per cent non-cumulative irredeemable preference shares of £1 each	1 October 2026
8 ¼ per cent non-cumulative irredeemable preference shares of £1 each	1 October 2026
6.409 per cent non-cumulative preference shares of $5 each	30 July 2026 and 30 October 2026
7.014 per cent non-cumulative preference shares of $5 each	30 July 2026

Further details regarding dividends can be found on our website at **sc.com/shareholders**.

ShareCare

ShareCare is available to shareholders on the Company's UK register who have a UK address and bank account. It allows you to hold your Standard Chartered PLC shares in a nominee account. Your shares will be held in electronic form so you will no longer have to worry about keeping your share certificates safe. If you join ShareCare, you will still be invited to attend the Company's AGM and you will receive any dividend paid at the same time as everyone else. ShareCare is free to join and there are no annual fees to pay. If you would like to receive more information, please visit our registrar's website at **www.computershare.com/sharecare** or contact the shareholder helpline on 0370 702 0138.

Donating shares to ShareGift

Shareholders who have a small number of shares often find it uneconomical to sell them. An alternative is to consider donating them to the charity ShareGift (registered charity 1052686), which collects donations of unwanted shares until there are enough to sell and uses the proceeds to support UK charities. There is no implication for capital gains tax (no gain or loss) when you donate shares to charity, and UK taxpayers may be able to claim income tax relief on the value of their donation. Further information can be obtained from the Company's registrars or from ShareGift on 020 7930 3737 or from **www.sharegift.org**.

Bankers' Automated Clearing System (BACS)

Dividends can be paid straight into your bank or building society account. Please register online at **www.computershare.com/investors** or contact our registrar for a mandate form.

Shareholder information

Registrars and shareholder enquiries

If you have any enquiries relating to your shareholding and you hold your shares on the UK register, please contact our registrar at **www.computershare.com/contactus**. Alternatively, please contact Computershare Investor Services PLC,The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ or call the shareholder helpline number on 0370 702 0138.

If you hold your shares on the Hong Kong branch register and you have enquiries, please contact Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. You can check your shareholding at **www.computershare.com/hk/investors**.

Chinese translation

If you would like a Chinese version of this Half Year Report, please contact: Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

本半年報告之中文譯本可向香港中央證券登記有限公司索取,地址:香港灣仔皇后大道東183號合和中心17M樓。

Shareholders on the Hong Kong branch register who have asked to receive corporate communications in either Chinese or English can change this election by contacting Computershare. If there is a dispute between any translation and the English version of this Half Year Report, the English text shall prevail.

Electronic communications

If you hold your shares on the UK register and in future you would like to receive the Half Year Report electronically rather than by post, please register online at **www.computershare.com/investors**. Click on 'register now' and follow the instructions. You will need to have your shareholder or ShareCare reference number to hand. You can find this on your share certificate or ShareCare statement. Once you have registered and confirmed your email communication preference, you will receive future notifications via email enabling you to submit your proxy vote online. In addition, as a member of Investor Centre, you will be able to manage your shareholding online and change your bank mandate or address information.

Important notices

Forward-looking statements

The information included in this document may contain 'forward-looking statements' based upon current expectations or beliefs as well as statements formulated with assumptions about future events. Forward-looking statements include, without limitation, projections, estimates, commitments, plans, approaches, ambitions and targets (including, without limitation, ESG commitments, ambitions and targets). Forward-looking statements often use words such as 'may', 'could', 'will', 'expect', 'intend', 'estimate', 'anticipate', 'believe', 'plan', 'seek', 'aim', 'continue' or other words of similar meaning to any of the foregoing. Forward-looking statements may also (or additionally) be identified by the fact that they do not relate only to historical or current facts.

By their very nature, forward-looking statements are subject to known and unknown risks and uncertainties and other factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. Readers should not place reliance on, and are cautioned about relying on, any forward-looking statements.

There are several factors which could cause the Group's actual results and its plans and objectives to differ materially from those expressed or implied in forward-looking statements. The factors include (but are not limited to): changes in global, political, economic, business, competitive and market forces or conditions, or in future exchange and interest rates; changes in environmental, geopolitical, social or physical risks; legal, regulatory and policy developments, including regulatory measures addressing climate change and broader sustainability-related issues; the development of standards and interpretations, including evolving requirements and practices in ESG reporting; the ability of the Group, together with governments and other stakeholders to measure, manage, and mitigate the impacts of climate change and broader sustainability-related issues effectively; risks arising out of health crises and pandemics; risks of cyber attacks, data, information or security breaches or technology failures involving the Group; changes in tax rates or policy; future business combinations or dispositions; and other factors specific to the Group, including those identified in 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.

Non-IFRS performance measures and alternative performance measures

This document may contain: (a) financial measures and ratios not specifically defined under: (i) International Financial Reporting Standards (IFRS) (Accounting Standards) as adopted by the European Union; or (ii) UK-adopted International Accounting Standards (IAS); and/or (b) alternative performance measures as defined in the European Securities and Market Authority guidelines. Such measures may exclude certain items which management believes are not representative of the underlying performance of the business and which distort period-on-period comparison.

These measures are not a substitute for IAS or IFRS measures and are based on a number of assumptions that are subject to uncertainties and change. Please refer to Standard Chartered PLC's Annual Report and the financial statements of the Group for further information, and, specifically in relation to adjusted net interest income and adjusted non-interest income, please refer to the footnote beneath the 'Net interest income and non-interest income' section on page 5 of this document.

Financial instruments

Nothing in this document shall constitute, in any jurisdiction, an offer or solicitation to sell or purchase any securities or other financial instruments, nor shall it constitute a recommendation or advice in respect of any securities or other financial instruments or any other matter.

Caution regarding climate and environment-related information

Some of the climate and environment-related information in this document is subject to certain limitations, and therefore the reader should treat the information provided, as well as conclusions, projections and assumptions drawn from such information, with caution. The information may be limited due to a number of factors, which include (but are not limited to): a lack of reliable data; a lack of standardisation of data; and future uncertainty. The information includes externally sourced data that may not have been verified. Furthermore, some of the data, models and methodologies used to create the information is subject to adjustment which is beyond our control, and the information is subject to change without notice.

General

You are advised to exercise your own independent judgement (with the advice of your professional advisers as necessary) with respect to the risks and consequences of any matter contained in this document. The Group, its affiliates, directors, officers, employees or agents expressly disclaim any liability and responsibility for any decisions or actions which you may take and for any damage or losses you may suffer from your use of or reliance on the information contained in this document.

Glossary

Additional Tier 1 capital (AT1)
Refers to instruments other than Common Equity Tier 1 that comply with the Capital Requirements Regulation (as it is implemented under UK law) for inclusion in Tier 1 capital.

Additional value adjustment (AVA)
See 'Prudent valuation adjustment'.

Advanced Internal Rating Based (AIRB) approach
This method, used within the Basel framework, calculates credit risk capital based on the Group's own prudential parameter estimates.

Alternative performance measures (APM)
Financial measures that represent historical or future performance, position, or cash flows, and are not defined or specified by the applicable financial reporting framework.

Assets under management (AUM)
The total market value of assets such as deposits, securities, and funds that the Group holds for its clients.

Association of Southeast Asian Nations (ASEAN)
A political and economic union comprising ten Southeast Asian countries, including the Group's operations in Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam.

Basel III
Global regulatory standards for capital adequacy and liquidity set by the Basel Committee on Banking Supervision (BCBS) in response to the 2007–2009 financial crisis. Originally issued in December 2010 and finalised in December 2017, these standards have been gradually incorporated into UK policy since 2022.

Basel Committee on Banking Supervision (BCBS)
An international forum that sets global supervisory standards for the banking industry, comprising officials from 45 central banks or prudential supervisors across 28 countries and territories.

Basic earnings per share (EPS)
A metric representing earnings divided by the basic weighted average number of shares.

Basis point (bps)
Equivalent to one hundredth of a per cent (0.01%).

Capital-lite income
Income arising from products that consume low amounts of risk-weighted assets or are non-funding in nature.

Capital Requirements Directive (CRD)
A legislative package on capital adequacy adopted by the Prudential Regulation Authority. It includes both the Capital Requirements Directive and the UK-adapted Capital Requirements Regulation (CRR), which together implement the Basel III framework and transitional arrangements. CRD IV became effective on 1 January 2014, while EU CRR II and CRD V came into force in June 2019, with most changes starting from 28 June 2021. Only EU CRR II parts applicable up to 31 December 2020 have been implemented, and the PRA finalised the UK's version of CRR II for implementation on 1 January 2022.

Capital resources
The combined sum of Tier 1 and Tier 2 capital after regulatory adjustments.

Cash-generating unit (CGU)
The smallest group of assets identifiable that generates cash inflows mainly independent of other asset groups.

Cash shortfall
The gap between the cash flows expected under contractual terms and the cash flows the Group expects to receive over the instrument's contractual life.

Capital Requirements Regulation (CRR)
A regulation that aims to decrease the likelihood that banks become insolvent.

Clawback
An amount that an individual must repay to the Group under certain circumstances.

Commercial real estate (CRE)
Encompasses office buildings, industrial properties, medical centres, hotels, malls, retail stores, shopping centres, farmland, multi-family housing units, warehouses, garages, and industrial properties. Loans for commercial real estate are backed by a package of commercial real estate assets.

Common Equity Tier 1 capital (CET1)
Includes the Group's common shares, share premium, retained earnings, accumulated other comprehensive income, disclosed reserves, eligible non-controlling interests, and regulatory adjustments required for CET1 calculation.

Glossary

CET1 ratio/CET1 capital ratio
The ratio of the Group's CET1 capital to risk-weighted assets.

Climate Risk Assessment (CRA)
An internal assessment for eligible corporate clients to evaluate their exposure to climate risks, including physical and transition risks, and their ability to manage and mitigate these risks. These considerations are incorporated into credit risk analysis and portfolio management.

Contractual maturity
The final payment date of a loan or financial instrument, after which all remaining principal and interest must be paid.

Countercyclical capital buffer (CCyB)
A macroprudential tool designed to counteract procyclicality in the financial system. As specified in Basel III, it requires an additional capital of up to 2.5 per cent of risk-weighted assets in a given jurisdiction. The Bank of England's Financial Policy Committee sets the CCyB rate for the UK; each bank calculates its institution-specific CCyB rate, which is the weighted average of rates across jurisdictions where it has credit exposures. This rate is then applied to the bank's total risk-weighted assets.

Counterparty credit risk
The risk that a counterparty defaults before satisfying its obligations under a derivative, a securities financing transaction, or a similar contract.

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

Credit conversion factor (CCF)
An estimate of the amount the Group expects a customer to have drawn further on a facility limit at the point of default. This is either prescribed by the Capital Requirements Regulation or modelled by the Group.

Credit default swaps (CDS)
A credit derivative arrangement where the credit risk of an asset (the reference asset) is transferred from the buyer to the seller of protection. A credit default swap is a contract in which the protection seller receives premium or interest-related payments in return for agreeing to make payments to the protection buyer upon a defined credit event. Credit events normally include bankruptcy, payment default on a reference asset or assets, or downgrades by a rating agency.

Credit institutions
An institution whose business is to receive deposits or other repayable funds from the public and to grant credits for its own account.

Credit risk mitigation
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.

Credible Transition Plan (CTP)
A credible climate transition plan is a time-bound, action plan that clearly outlines how a company will invest in or pivot existing assets, operations, and entire business model towards a trajectory that aligns with the most ambitious climate science.

Credit grade 12 (CG12)
An account which exhibits well-defined major weaknesses in areas such as management, cash flow, financial position, market conditions and/or performance of the client that would likely affect repayment on existing terms. The client is experiencing financial difficulties but there is no current expectation of a loss of principal or interest at this stage and there is no indication of unlikeliness to repay (it is still a performing asset).

Credit grade 13 (CG13)
Any account which exhibits one or more of the symptoms of unlikeliness to pay and/or instances when an obligor is more than 90 days past due is classified as CG13.

Credit grade 14 (CG14)
Any account where the expected gross cash flows are less than the net outstanding exposure in the Likely scenario is classified as CG14.

Credit valuation adjustments (CVA)
An adjustment to the fair value of derivative contracts that reflects the possibility that the counterparty may default, such that the Group would not receive the full market value of the contracts.

Glossary

Customer accounts
Money deposited by all individuals and companies which are not credit institutions, including securities sold under repurchase agreement (see repo/reverse repo). Such funds are recorded as liabilities in the Group's balance sheet under customer accounts.

Days past due (DPD)
One or more days that interest and/or principal payments are overdue based on the contractual terms of the transaction.

Debit valuation adjustment (DVA)
An adjustment to the fair value of derivative contracts that reflects the possibility that the Group may default and not pay the full market value of contracts.

Debt securities
Assets on the Group's balance sheet that represent certificates of indebtedness of credit institutions, public bodies or other undertakings, excluding those issued by central banks.

Debt securities in issue
Transferable certificates of indebtedness of the Group to the bearer of the certificate. These are liabilities of the Group and include certificates of deposits.

Default
Financial assets in default, which includes CG13 and CG14, are at least 90 days past due in respect of principal or interest and/or where the assets are otherwise considered to be unlikely to pay, including those that are credit impaired.

Deferred tax asset (DTA)
Income taxes recoverable in future periods in respect of deductible temporary differences between the accounting and tax base of an asset or liability that will result in tax deductible amounts in future periods, the carry forward of tax losses, or the carry forward of unused tax credits.

Deferred tax liability (DTL)
Income taxes payable in future periods in respect of taxable temporary differences between the accounting and tax base of an asset or liability that will result in taxable amounts in future periods.

Defined benefit obligation
The present value of expected future payments required to settle the obligations of a defined benefit scheme resulting from employee service.

Defined benefit scheme
Retirement benefit plans under which amounts to be paid as retirement benefits are determined by reference to a formula usually based on employees' earnings and/or years of service.

Defined contribution scheme
A pension or other post-retirement benefit scheme where the employer's obligation is limited to its contributions to the fund.

Delinquency
A debt or other financial obligation is in a state of delinquency when payments are overdue. Loans and advances are delinquent when consecutive payments are missed. Also known as arrears.

Deposits by banks
Deposits by banks comprise amounts owed to other domestic or foreign credit institutions by the Group including securities sold under repo. Refer to 'Repurchase agreement (repo)/reverse repurchase agreement (reverse repo)'.

Diluted earnings per share
Represents earnings divided by the weighted average number of shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Dividend per share
Represents the entitlement of each shareholder of the profits of the Company. Calculated in the lowest unit of currency in which the shares are quoted.

Early alert, purely precautionary (EA-PP)
An account that exhibits characteristics which present credit concerns over customer's capacity to repay its debt obligations, but where the problem is expected to be short-term, and the default risk remains low.

Early alert non-purely precautionary (EA-NPP)
Accounts that present material credit concerns which may result in a default by the client if left unaddressed. EA-PP accounts should be reviewed on an ongoing basis and can be re-categorised to NPP, where the situation has further deteriorated and cause material credit concerns over customer's debt servicing capability. Account can be placed on EA-NPP directly, without being placed as PP, if the deterioration is rapid and material and causes imminent credit concerns.

Glossary

Effective tax rate
The tax on profit or losses on ordinary activities as a percentage of profit or loss on ordinary activities before taxation.

Encumbered assets
On balance sheet assets pledged or used as collateral in respect of certain of the Group's liabilities.

Eurozone
Represents the 19 EU countries that have adopted the euro as their common currency.

Expected credit loss (ECL)
Represents the present value of expected cash shortfalls over the residual term of a financial asset, undrawn commitment or financial guarantee. This comprises ECL generated by the models, management judgements and individually assessed credit impairment provisions.

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, loss given default and exposure at default, with a one-year time horizon.

Exposures
Credit exposures represent the amount lent to a customer including any undrawn commitments.

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 Institution (ECAI)
External credit ratings are used to assign risk-weights under the standardised approach for sovereigns, corporates and institutions. The external ratings are from credit rating agencies registered or certified in accordance with the credit rating agencies regulation or from a central bank issuing credit ratings, which is exempt from the application of this regulation.

Facilitated Emissions
Refers to the greenhouse gas emissions that result from the facilitation of financial transactions by financial institutions.

Financed Emissions
Emissions attributed to a financial institution when financing a client.

Financial Conduct Authority (FCA)
The governing body that regulates the conduct of financial firms and, for certain firms, prudential standards in the UK. It has a strategic objective to ensure that the relevant markets function well.

Forbearance
Takes place when a concession is made to the contractual terms of a loan in response to an obligor's financial difficulties. The Group classifies such modified loans as either 'Forborne – not impaired loans' or 'Loans subject to forbearance – impaired'. Once a loan is categorised as either of these, it will remain in one of these two categories until the loan matures or satisfies the 'curing' conditions described in Note 8 to the financial statements.

Forborne – not impaired loans
Loans where the contractual terms have been modified due to financial difficulties of the borrower, but the loan is not considered to be impaired. See Forbearance.

Funded/unfunded exposures
Exposures where the notional amount of the transaction is funded or unfunded. Represents exposures where a commitment to provide future funding is made but funds have been released/not released.

Funding valuation Adjustment (FVA)
An adjustment to fair value in respect of derivative contracts that reflects the funding costs that the market participant would incorporate when determining an exit price.

Funds Transfer Pricing (FTP)
FTP sets the funding rate for internal pricing, representing the internal marginal cost of funding of the Group and is used to determine the transfer pricing of the interest rate and liquidity risks between businesses and Treasury.

G-SIB buffer/G-SII 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, depending on the allocation to one of five buckets based on the annual scoring. In the UK, the G-SIB buffer is implemented via the CRD as Global Systemically Important Institutions (G-SII) buffer requirement.

Glossary

Global Systemically Important Banks (G-SIBs)/Globally Systemically Important Institutions (G-SIIs)
Global banking 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 list of G-SIBs is assessed under a framework established by the Financial Stability Board and the Basel Committee on Banking Supervision. In the UK, the G-SIB framework is implemented via the CRD, and G-SIBs are referred to as Global Systemically Important Institutions (G-SIIs).

Green and Sustainable Product Framework
Sets out qualifying themes and activities that may be considered eligible as 'green', 'social' or 'sustainable'. This has been externally reviewed by Morningstar Sustainalytics and has been informed by industry and supervisory principles and standards such as the ICMA Green Bond Principles and EU Taxonomy for sustainable activities.

Gulf Cooperation Council (GCC)
The Gulf Cooperation Council is a regional organisation consisting of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

Interest rate risk
The risk of an adverse impact on the Group's income statement due to changes in interest rates.

Internal model approach (IMA)
The approach used to calculate market risk capital and risk-weighted assets with an internal market risk model approved by the Prudential Regulation Authority under the terms of CRD/CRR.

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.

International Accounting Standard (IAS)
A standard that forms part of the International Financial Reporting Standards framework.

International Accounting Standards Board (IASB)
An independent standard-setting body responsible for the development and publication of IFRS and approving interpretations of standards recommended by the IFRS Interpretations Committee (IFRIC).

International Financial Reporting Standards (IFRS)
A set of international accounting standards developed and issued by the International Accounting Standards Board, consisting of principles-based guidance contained within IFRS and IAS. All companies that have issued publicly traded securities in the EU are required to prepare annual and interim reports under IFRS and IAS endorsed by the EU.

IFRS Interpretations Committee (IFRIC)
Supports the IASB in providing authoritative guidance on the accounting treatment of issues not specifically dealt with by existing IFRS and IAS.

Investment grade
A debt security, treasury bill or similar instrument with a credit rating measured by external agencies of AAA to BBB.

Leverage ratio
A ratio introduced under 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.

Liquidation portfolio
A portfolio of assets beyond our current risk appetite metrics held for liquidation.

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.

Loan exposure
Loans and advances to customers reported on the balance sheet held at amortised cost or Fair Value through Other Comprehensive Income, non-cancellable credit commitments and cancellable credit commitments for credit cards and overdraft facilities.

Loans and advances to banks
Drawn amounts loaned to credit institutions including securities bought under reverse repo.

Loans and advances to customers
This represents drawn lending made under bilateral agreements with customers entered in the normal course of business and is based on the legal form of the instrument.

Loans past due
Loans on which payments have been due for up to a maximum of 90 days including those on which partial payments are being made.

Glossary

Loans subject to forbearance – impaired
Loans where the terms have been renegotiated on terms not consistent with current market levels due to financial difficulties of the borrower. Loans in this category are necessarily impaired. See 'forbearance'.

Loan-to-value ratio (LTV)
A calculation that expresses the amount of a first mortgage lien as a percentage of the total appraised value of real property. The loan-to-value ratio is used to determine the appropriate level of risk for the loan and, therefore, the correct price of the loan to the borrower.

Loss given default (LGD)
The percentage of an exposure that a lender expects to lose in the event of obligor default.

Loss rate
Uses an adjusted gross charge-off rate, developed using monthly write-offs and recoveries over the preceding 12 months and total outstanding balances.

Malus
An arrangement that permits the Group to prevent vesting of all or part of the amount of an unvested variable remuneration award, due to a specific crystallised risk, behaviour, conduct, or adverse performance outcome.

Master netting agreement
An agreement between two counterparties that have multiple derivative contracts with each other, providing for the net settlement of all contracts through a single payment, in a single currency, in the event of default on, or termination of, any one contract.

Mezzanine capital
Financing that combines debt and equity characteristics. For example, a loan that also confers some profit participation to the lender.

Minimum requirement for own funds and eligible liabilities (MREL)
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 Financial Stability Board's Total Loss Absorbing Capacity (TLAC) standard. 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, avoiding exposure of taxpayers to loss.

Net asset value (NAV) per share
Ratio of net assets (total assets less total liabilities) to the number of ordinary shares outstanding at the end of a reporting period.

Net exposure
The aggregate of loans and advances to customers or banks after impairment provisions, restricted balances with central banks, derivatives (net of master netting agreements), investment debt and equity securities, and letters of credit and guarantees.

Net interest income (NII)
The difference between interest received on assets and interest paid on liabilities.

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 year.

Net zero
Net zero refers to a condition in which human-caused residual greenhouse gas emissions are balanced by human-led removals over a specified period and within specified boundaries.

Net zero roadmap
Our net zero Roadmap refers to the short- and medium-term objectives and quantifiable targets the Group has set to achieve net zero carbon emissions in operations by 2025 and in financed emissions by 2050.

Non-linearity
Non-linearity of expected credit loss occurs when the average expected credit loss for a portfolio is higher than the base case (median) because a bad economic environment could have a larger impact on ECL calculation than a good economic environment.

Non-performing loans (NPLs)
Any loan that is more than 90 days past due or is otherwise individually impaired. All NPLs are reported as part of Stage 3 classification of loans (see 'Stage 3').

Nth-Party Risk
The indirect risk exposure the Group is exposed to by a fourth, or subsequent party which has been used in a Third-Party arrangement to perform service activities either entirely or to a substantial extent.

Operating expenses
Staff and premises costs, general and administrative expenses, depreciation and amortisation.

Glossary

Operating income or operating profit
Net interest, net fee and net trading income, as well as other operating income.

Over-the-counter (OTC) derivatives
A bilateral transaction (e.g. derivatives) not exchange traded and valued using valuation models.

Own credit adjustment (OCA)
An adjustment to the Group's issued debt designated at fair value through profit or loss that reflects the possibility that the Group may default and not pay the full market value of the contracts.

Physical risks
Risks arising from increasing severity and frequency of climate and weather-related events, which can damage property and other infrastructure, disrupt supply chains, and impact food production. This could lead to declining asset valuations and challenges with insurance claims, resulting in greater financial losses. Indirect effects on the macroeconomic environment, such as lower output and productivity, may exacerbate these direct impacts.

Pillar 1
The first pillar of the Basel framework provides the approach to 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 Basel framework 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 Basel framework aims to provide a consistent and comprehensive disclosure framework that enhances comparability between banks and further promotes improvements in risk practices.

Priority Banking
Priority Banking customers are individuals who have met certain criteria for deposits, assets under management, mortgage loans or monthly payroll. Criteria varies by country.

Private equity investments
Equity securities in operating companies are generally not quoted on a public exchange. Investment in private equity often involves the investment of capital in private companies. Capital for private equity investment is raised by retail or institutional investors and used to fund investment strategies such as leveraged buyouts, venture capital, growth capital, distressed investments and mezzanine capital.

Probability of default (PD)
An internal estimate for each borrower grade of the likelihood that an obligor will default on an obligation over a given time horizon.

Probability weighted
Obtained by considering the values the metric can assume, weighted by the probability of each value occurring.

Profit/(Loss) attributable to ordinary shareholders
Profit (loss) for the year after non-controlling interests and dividends declared in respect of preference shares classified as equity.

Prudent Valuation Adjustment (PVA)
An adjustment to CET1 capital to reflect the difference between fair value and prudent value positions, where the application of prudence results in a lower absolute carrying value than recognised in the financial statements.

Prudential Regulation Authority (PRA)
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.

Regulatory consolidation
The regulatory consolidation of Standard Chartered PLC are consolidated results that differ from the statutory consolidation in that it includes certain subsidiaries on a proportionate consolidation basis. These entities are equity consolidated for statutory accounting purposes. The regulatory consolidation excludes certain entities, which are consolidated for statutory accounting purposes.

Repurchase agreement (Repo)/Reverse repurchase agreement (Reverse Repo)
A repo is a short-term funding agreement, which allows a borrower to sell a financial asset, such as asset-backed securities 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.

Residential mortgage
A loan to purchase a residential property which is then used as collateral to guarantee repayment of the loan. The borrower gives the lender a lien against the property, and the lender can foreclose on the property if the borrower does not repay the loan per the agreed terms. Also known as a home loan.

Glossary

Return on Risk-Weighted Assets (RoRWA)
Profit before tax for year as a percentage of RWA.

Revenue-based carbon intensity
A measurement of the quantity of greenhouse gases emitted by our clients per USD of their revenue.

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.

Risks Not in VaR (RNIV)
A framework for identifying and quantifying marginal types of market risk that are not captured in the value at risk (VaR) measure for any reason, such as being a far-tail risk, or the necessary historical market data not being available.

Roll rate
A model used to estimate loan losses using a matrix that gives average loan migration rate from delinquency states from period to period. A matrix multiplication is then performed to generate the final PDs by delinquency bucket over different time horizons.

Scope 1 emissions
Arise from the consumption of energy from direct sources during the use of properties occupied by the Group. On-site combustion of fuels including diesel, liquefied petroleum gas and natural gas is recorded using meters or, where metering is not available, collated from fuel vendor invoices.

Scope 2 emissions
These arise from the consumption of energy from indirect sources – primarily electricity – within the space occupied by the Group, whether leased or owned. This can include base building services under landlord control but over which we typically hold a reasonable degree of influence.

Scope 3 emissions
Occur in the value chain of the Group, including both upstream and downstream emissions, but arise from sources not controlled by the Group.

Secured (fully and partially)
The borrower pledges an asset as collateral for a loan which, in the event that the borrower defaults, the Group is able to take possession of. All secured loans are considered fully secured if the fair value of the collateral is equal to or greater than the loan at the time of origination. All other secured loans are considered to be partially secured.

Securitisation
The 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 structured entity which then issues new securities to investors at different levels 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 using credit derivatives or guarantees, and the exposures being securitised remain exposures of the originating institution.

Senior debt
Debt that takes priority over other unsecured or otherwise more junior debt owed by the issuer. Senior debt has greater seniority in the issuer's capital structure than subordinated debt. In the event the issuer goes bankrupt, senior debt, theoretically, must be repaid before other creditors receive any payment.

Significant increase in credit risk (SICR)
Assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination (after considering the passage of time).

Solo
A consolidated group of Standard Chartered Bank Group companies as defined by the Prudential Regulation Authority and differs from Standard Chartered Bank Company in that it includes the full consolidation of certain subsidiaries.

Sovereign exposures
Exposures to central governments and central government departments, central banks and entities owned or guaranteed by the aforementioned. Sovereign exposures, as defined by the European Banking Authority, include only exposures to central governments.

Stage 1
Financial assets within the scope of IFRS 9 ECL that have not experienced a significant increase in credit risk since origination and impairment recognised on the basis of 12 months expected credit losses.

Glossary

Stage 2
Financial assets within the scope of IFRS 9 ECL that have experienced a significant increase in credit risk since origination and impairment is recognised on the basis of lifetime expected credit losses.

Stage 3
Financial assets within the scope of IFRS 9 ECL that are in default and considered credit-impaired (non-performing loans).

Standardised approach
In relation to credit risk, a method for calculating credit risk capital requirements using External Credit Assessment Institution (ECAI) ratings and supervisory risk weights. In relation to operational risk, a method of calculating the operational capital requirement by the application of a supervisory defined percentage charge to the gross income of eight specified business lines.

Structured note
An investment tool which pays a return linked to the value or level of a specified asset or index and sometimes offers capital protection if the value declines. Structured notes can be linked to equities, interest rates, funds, commodities and foreign currency.

Subordinated liabilities
Liabilities which, in the event of insolvency or liquidation of the issuer, are subordinated to the claims of depositors and other creditors of the issuer.

Sustainability aspirations
A series of targets and metrics that guide our efforts to promote social and economic development and deliver sustainable outcomes. These aspirations focus on the areas we can make the most material contribution to the delivery of the UN Sustainable Development Goals (SDGs). The SDGs are 17 interconnected global goals adopted in 2015 that serve as a blueprint for a more sustainable future by 2030, aiming to end poverty and inequality, protect the planet, and ensure peace, health, and prosperity worldwide.

Sustainable Finance assets
Assets from clients whose activities are aligned with the Sustainability Bond Framework and/or from transactions for which the use of proceeds will be utilised directly to contribute towards eligible themes and activities set out within the Sustainability Bond Framework.

Sustainable Finance income
Our sustainable finance income is prepared on an underlying basis, which includes client income generated from our sustainable finance product suite net of funding costs, as well as from clients recognised as green, social, sustainable or transition pureplays.

Sustainability-Linked Loan
Any type of loan instrument for which the economic characteristics can vary depending on whether the counterparty achieves ambitious, material and quantifiable predetermined sustainability performance targets.

Tier 1 capital
The sum of CET1 capital and Additional Tier 1 capital.

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.

Transition risks
Risks arising from the adjustment towards a carbon-neutral economy, which will require significant structural changes to the economy. These changes will prompt a reassessment of a wide range of asset values, a change in energy prices, and a fall in income and creditworthiness of some borrowers. In turn, this could lead to credit losses for lenders and market losses for investors.

UK bank levy
A levy that applies to certain UK banks and the UK operations of foreign banks. The levy is payable each year based on a percentage of the chargeable equities and liabilities on the Group's UK tax resident entities' balance sheets. Key exclusions from chargeable equities and liabilities include Tier 1 capital, insured or guaranteed retail deposits, repos secured on certain sovereign debt and liabilities subject to netting.

Unbiased
Not overly optimistic or pessimistic, represents information that is not slanted, weighted, emphasised, de-emphasised or otherwise manipulated to increase the probability that the financial information will be received favourably or unfavourably by users.

Glossary

Unlikely to pay
Indications of unlikeliness to pay include: placing the credit obligation on non-accrued status; the recognition of a specific credit adjustment resulting from a significant perceived decline in credit quality subsequent to the Group taking on the exposure; selling the credit obligation at a material credit-related economic loss; the Group consenting to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness, or postponement, of principal, interest or, where relevant fees; filing for the obligor's bankruptcy or a similar order in respect of an obligor's credit obligation to the Group; the obligor has sought or has been placed in bankruptcy or similar protection where this would avoid or delay repayment of a credit obligation to the Group.

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.

Value in Use (VIU)
The present value of the future expected cash flows expected to be derived from an asset or CGU.

Write-downs
After an advance has been identified as impaired and is subject to an impairment provision, 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.

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