



standard  
chartered

# Standard Chartered PLC

## Pillar 3 Disclosures

### 30 June 2024

Incorporated in England and Wales with registered number 966425  
Registered Office: 1 Basinghall Avenue, London, EC2V 5DD, UK

# Contents

<b>1. Introduction</b>	1
1.1. Purpose and basis of preparation	1
1.2. Highlights	1
1.3. Key prudential metrics	2
<b>2. Capital</b>	4
2.1. Capital management	4
2.2. Capital resources	4
2.3. Minimum requirement for own funds and eligible liabilities	8
2.4. Countercyclical capital buffer	15
2.5. Capital requirements	18
2.6. Leverage ratio	22
<b>3. Credit risk</b>	25
3.1. Credit risk quality	25
3.2. Risk grade profile	34
3.3. Credit risk mitigation	48
3.4. Standardised risk weight profile	50
3.5. Securitisation	51
<b>4. Traded risk</b>	56
4.1. Market risk	56
4.2. Counterparty credit risk	60
<b>5. Liquidity Risk</b>	70
<b>6. Interest rate risk in the banking book</b>	74
<b>7. Forward-looking statements</b>	76
<b>Annex 1 Key metrics – Standard Chartered – Solo Consolidation</b>	77
<b>Acronyms</b>	78
<b>Glossary</b>	79

# Tables

1. Key metrics template (UK KM1)	2	34. IRB approach – Credit risk exposures by exposure class and PD range for Corporates (UK CR6)	38
2. Key metrics – TLAC requirements (KM2)	3	35. IRB approach – Credit risk exposures by exposure class and PD range for Corporates – Other (UK CR6)	39
3. Reconciliation between financial total equity and regulatory CET1 before regulatory adjustments	4	36. IRB approach – Credit risk exposures by exposure class and PD range for corporates – specialised lending (UK CR6)	40
4. Composition of regulatory own funds (UK CC1)	5	37. IRB credit risk exposure by internal PD grade for corporates SME (CR6)	41
5. Reconciliation of regulatory own funds to balance sheet in the audited financial statements (UK CC2)	7	38. IRB approach – Credit risk exposures by exposure class and PD range for retail (UK CR6)	42
6. TLAC composition for G-SIBs (TLAC1)	9	39. IRB approach – Credit risk exposures by exposure class and PD range for retail – secured by real estate property – SME (UK CR6)	43
7. Resolution entity – creditor ranking at legal entity level (TLAC3)	10	40. IRB approach – Credit risk exposures by exposure class and PD range for retail – secured by real estate property Non SME (UK CR6)	44
8. Standard Chartered Bank – creditor ranking (TLAC2)	11	41. IRB approach – Credit risk exposures by exposure class and PD range for retail – qualifying revolving (UK CR6)	45
9. Standard Chartered Bank (Hong Kong) Limited – creditor ranking (TLAC2)	12	42. IRB approach – Credit risk exposures by exposure class and PD range for other retail – SME (UK CR6)	46
10. Standard Chartered Bank Korea Limited – creditor ranking (TLAC2)	13	43. IRB approach – Credit risk exposures by exposure class and PD range for other retail – Non SME (UK CR6)	47
11. Standard Chartered Bank (Singapore) Limited – creditor ranking (TLAC2)	14	44. CRM techniques overview: Disclosure of the use of credit risk mitigation techniques (UK CR3)	48
12. Standard Chartered Bank (China) Limited – creditor ranking (TLAC2)	15	45. Standardised approach – Credit risk exposure and CRM effects (UK CR4)	49
13. Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (UK CCyB1)	16	46. Standardised approach (UK CR5)	50
14. Amount of institution-specific countercyclical capital buffer (UK CCyB2)	17	47. Securitisation exposures in the non-trading book (UK-SEC1)	51
15. Overview of risk weighted exposure amounts (UK OV1)	18	48. Securitisation exposures in the trading book (UK-SEC2)	52
16. Movement analysis for RWA	19	49. Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as originator or as sponsor (UK-SEC3)	53
17. RWEA flow statements of credit risk exposures under the IRB approach (UK CR8)	20	50. Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as investor (UK-SEC4)	54
18. RWEA flow statements of CCR exposures under the IMM (UK CCR7)	20	51. Exposures securitised by the institution – Exposures in default and specific credit risk adjustments (UK-SEC5)	55
19. RWA flow statements of market risk exposures under the IMA (UK MR2-B)	21	52. Market risk regulatory capital requirements	57
20. Leverage Ratio	22	53. Market risk under standardised approach (UK MR1)	57
21. LRSum: Summary reconciliation of accounting assets and leverage ratio exposures (UK LR1)	22	54. IMA values for trading portfolios (UK MR3)	58
22. LRCom: Leverage ratio common disclosure (UK LR2)	23	55. Market risk under the internal Model Approach (IMA) (UK MR2-A)	58
23. LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) (UK LR3)	24	56. June 2024 Comparison of VaR estimates with gains/losses at Group level with hypothetical profit and loss (P&L) versus VaR (99 per cent, one day) (UK MR4))	59
24. Performing and non-performing exposures and related provisions (UK CR1)	25	57. June 2024 Comparison of VaR estimates with gains/losses at Group level with actual profit and loss (P&L) versus VaR (99 per cent, one day) (UK MR4)	59
25. Maturity of exposures (UK CR1-A)	27	58. Composition of collateral for CCR exposures (UK CCR5)	60
26. Changes in the stock of non-performing loans and advances (UK CR2)	27	59. Analysis of CCR exposure by approach (UK CCR1)	61
27. Credit quality of forborne exposures (UK CQ1)	28	60. Exposures to CCPs (UK CCR8)	62
28. Credit quality of performing and non-performing exposures by past due days (UK CQ3)	29	61. Credit derivatives exposures (UK CCR6)	62
29. Quality of non-performing exposures by geography (UK CQ4)	31	62. Transactions subject to own funds requirements for CVA risk (UK CCR2)	62
30. Credit quality of loans and advances to non-financial corporations by industry (UK CQ5)	32		
31. IRB – Credit risk exposures by exposure class	34		
32. IRB approach – Credit risk exposures by exposure class and PD range for central governments or central banks (UK CR6)	36		
33. IRB approach – Credit risk exposures by exposure class and PD range for institutions (UK CR6)	37		

## Tables continued

63. Standardised approach – CCR exposures by regulatory exposure class and risk weights (UK CCR3)	63
64. IRB – CCR exposures by exposure class	64
65. IRB approach – CCR exposures by exposure class and PD scale for central governments or central banks (UK CCR4)	65
66. IRB approach – CCR exposures by exposure class and PD scale for institutions (UK CCR4)	66
67. IRB approach – CCR exposures by exposure class and PD scale for corporates (UK CCR4)	67
68. IRB approach – CCR exposures by exposure class and PD scale for corporates – specialised lending (UK CCR4)	68
69. IRB approach – CCR exposures by exposure class and PD scale for corporates – SME (UK CCR4)	69
70. Liquidity Coverage Ratio (LCR) (UK LIQ1)	70
71. Net Stable Funding Ratio (UK LIQ2)	72
72. Quantitative information on IRRBB (UK IRRBB1)	75
Annex 1. Key metrics – Standard Chartered Solo Consolidated	
Standard Chartered Solo Consolidated – Leverage ratio	77

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

# 1. Introduction

## 1.1 Purpose and basis of preparation

The Pillar 3 disclosures comprise information on the underlying drivers of risk-weighted assets (RWA), capital, leverage and liquidity ratios as at 30 June 2024 in accordance with the United Kingdom's (UK) onshored Capital Requirements Regulation (CRR) and the Prudential Regulation Authority's (PRA) Rulebook.

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

This report presents the Pillar 3 Disclosures of Standard Chartered PLC (the Group) as at 30 June 2024 and should be read in conjunction with the Group's Half Year Report 2024.

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

## 1.2 Highlights

- The Group's capital and leverage position is managed within the Board-approved risk appetite. The Group is well capitalised with low leverage and high levels of loss-absorbing capacity
- The Group is well capitalised with a Common Equity Tier 1 (CET1) ratio of 14.6 per cent, well ahead of the current requirement of 10.6 per cent
- The Group is not highly leveraged and its leverage ratio of 4.8 per cent is well ahead of the current leverage requirement of 3.8 per cent
- The Group continues to manage its balance sheet proactively, with a particular focus on the efficient management of RWA

### 1.3 Key prudential metrics

Table 1: Key metrics template (UK KM1)

		30.06.24 \$million	31.03.24 \$million	31.12.23 \$million	30.09.23 \$million	30.06.23 \$million
<b>Available own funds</b>						
1	Common Equity Tier 1 (CET1) capital	35,418	34,279	34,314	33,569	34,896
	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	35,418	34,279	34,314	33,569	34,896
2	Tier 1 capital	41,902	40,765	39,806	39,061	40,388
	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	41,902	40,765	39,806	39,061	40,388
3	Total capital	53,569	52,538	51,741	51,112	52,669
	Total capital as IFRS 9 or analogous ECLs transitional arrangements had not been applied	53,569	52,538	51,741	51,112	52,669
<b>Risk-weighted exposure amounts</b>						
4	Total risk-weighted exposure amount	241,926	252,116	244,151	241,506	249,117
	Total risk-weighted exposure amount if IFRS 9 or analogous ECLs transitional arrangements had not been applied	241,926	252,119	244,151	241,506	249,117
<b>Risk-based capital ratios as a percentage of RWA</b>						
5	Common Equity Tier 1 ratio	14.6%	13.6%	14.1%	13.9%	14.0%
	Common Equity Tier 1 ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.6%	13.6%	14.1%	13.9%	14.0%
6	Tier 1 ratio	17.3%	16.2%	16.3%	16.2%	16.2%
	Tier 1 ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	17.3%	16.2%	16.3%	16.2%	16.2%
7	Total capital ratio	22.1%	20.8%	21.2%	21.2%	21.1%
	Total capital ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	22.1%	20.8%	21.2%	21.2%	21.1%
<b>Additional CET1 buffer requirements as a percentage of RWA</b>						
8	Capital conservation buffer	2.50%	2.50%	2.50%	2.50%	2.50%
9	Institution specific countercyclical capital buffer	0.43%	0.38%	0.39%	0.37%	0.29%
10	Global Systemically Important Institution buffer	1.00%	1.00%	1.00%	1.00%	1.00%
11	Combined buffer requirement	3.93%	3.88%	3.89%	3.87%	3.79%
UK 11a	Overall capital requirements	10.56%	10.50%	10.51%	10.48%	10.39%
12	CET1 available after meeting the total SREP own funds requirements	8.02%	6.97%	7.43%	7.29%	7.40%
<b>UK leverage ratio</b>						
13	Leverage ratio total exposure measure	877,773	854,711	847,142	823,546	844,979
14	Leverage ratio	4.8%	4.8%	4.7%	4.7%	4.8%
<b>Additional leverage ratio disclosure requirements</b>						
14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	4.8%	4.8%	4.7%	4.7%	4.8%
14b	Leverage ratio including claims on central banks (%)	4.4%	4.4%	4.2%	4.2%	4.3%
14c	Average leverage ratio excluding claims on central banks (%)	4.7%	4.6%	4.6%	4.7%	4.7%
14d	Average leverage ratio including claims on central banks (%)	4.3%	4.1%	4.1%	4.2%	4.2%
14e	Countercyclical leverage ratio buffer (%)	0.2%	0.1%	0.1%	0.1%	0.1%
<b>Liquidity Coverage Ratio</b>						
15	Total high-quality liquid assets (HQLA) (Weighted value – average)	184,937	187,777	185,986	181,663	177,767
UK 16a	Cash outflows – Total weighted value	183,559	183,826	182,716	181,470	180,200
UK 16b	Cash inflows – Total weighted value	65,674	66,037	66,652	66,418	66,341
16	Total net cash outflows (adjusted value)	117,885	117,790	116,064	115,052	113,859
17	Liquidity coverage ratio	157.1%	159.7%	160.4%	158.0%	156.2%
<b>Net Stable Funding Ratio</b>						
18	Total available stable funding	407,885	404,275	403,238	400,424	396,309
19	Total required stable funding	300,630	297,556	296,467	296,235	296,814
20	NSFR ratio (%)	135.7%	135.9%	136.0%	135.2%	133.5%

### 1.3 Key prudential metrics continued

Standard Chartered applies regulatory transitional arrangements to accounting provisions recognised from 1 January 2018 under IFRS 9, as permitted by paragraph 4 of article 473a of the Capital Requirements Regulation, introduced by Regulation (EU) 2017/2395 and amended by Regulation (EU) 2020/873 of the European Parliament and of the Council.

Under this approach, the balance of expected credit loss (ECL) provisions in excess of the regulatory defined expected loss (EL) and additional ECL on standardised portfolios, net of related tax, are phased into the CET1 capital base over five years. The proportion phased in for the increase in the

balance on day one of IFRS 9 adoption, and any subsequent increase to 31 December 2019 is 2020, 30 per cent; 2021, 50 per cent; and 2022, 75 per cent. From 2023 onwards there is no transitional relief on these components. The proportion phased in for any increase in the balance from 1 January 2020 at each reporting date is 2020, 0 per cent; 2021, 0 per cent; 2022, 25 per cent; 2023, 50 per cent; 2024, 75 per cent. From 2025 there is no transitional relief.

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

**Table 2: Key metrics – TLAC requirements (KM2)**

	30.06.24 \$million	31.03.24 \$million	31.12.23 \$million	30.09.23 \$million	30.06.23 \$million
<b>Resolution group</b>					
Total loss-absorbing capacity (TLAC) available	<b>85,746</b>	84,417	81,310	80,460	79,847
Fully loaded ECL accounting model TLAC available	<b>85,746</b>	84,417	81,310	80,460	79,847
Total RWA at the level of the resolution group	<b>241,926</b>	252,116	244,151	241,506	249,117
TLAC as a percentage of RWA	<b>35.4%</b>	33.5%	33.3%	33.3%	32.1%
Fully loaded ECL accounting model TLAC as a percentage of fully loaded ECL accounting model RWA (%)	<b>35.4%</b>	33.5%	33.3%	33.3%	32.1%
UK Leverage ratio exposure measure at the level of the resolution group	<b>877,773</b>	854,711	847,142	823,546	844,979
TLAC as a percentage of UK Leverage exposure measure	<b>9.8%</b>	9.9%	9.6%	9.8%	9.4%
Fully loaded ECL accounting model TLAC as a percentage of fully loaded ECL accounting model UK Leverage exposure measure	<b>9.8%</b>	9.9%	9.6%	9.8%	9.4%
Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	<b>Yes</b>	Yes	Yes	Yes	Yes
Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	<b>No</b>	No	No	No	No
If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with Excluded Liabilities and that is recognised as external TLAC, divided by funding issued that ranks pari passu with Excluded Liabilities and that would be recognised as external TLAC if no cap was applied (%)	<b>N/A</b>	N/A	N/A	N/A	N/A

## 2. Capital

### 2.1 Capital management

The Group's capital and leverage positions are managed within the Board-approved risk appetite. The Group is well capitalised with low leverage and high levels of loss-absorbing capacity.

### 2.2 Capital resources

Table 3 summarises the consolidated capital position of the Group.

**Table 3: Reconciliation between financial total equity and regulatory CET1 before regulatory adjustments**

	30.06.24 \$million	31.12.23 \$million
Total equity per balance sheet (financial view)	51,327	50,353
Consolidation and regulatory adjustments	43	12
<b>Total equity per balance sheet (regulatory view)</b>	<b>51,370</b>	<b>50,365</b>
Foreseeable dividend	(478)	(768)
Other equity instruments (included in AT1)	(7,998)	(7,006)
Non-controlling interests	(172)	(178)
<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>42,722</b>	<b>42,413</b>



## 2.2 Capital resources continued

**Table 4: Composition of regulatory own funds (UK CC1)**

		30.06.24 \$million	31.12.23 \$million
	<b>Common Equity Tier 1 (CET1) capital: instruments and reserves</b>		
1	Capital instruments and the related share premium accounts	5,264	5,321
	Of which: Share premium accounts	3,989	3,989
2	Retained earnings <sup>1</sup>	27,017	24,930
3	Accumulated other comprehensive income (and other reserves)	8,274	9,171
5	Minority interests (amount allowed in consolidated CET1)	236	217
5a	Independently reviewed interim and year-end profits/(loss) <sup>2</sup>	2,409	3,542
	Foreseeable dividends <sup>3</sup>	(478)	(768)
<b>6</b>	<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>42,722</b>	<b>42,413</b>
	<b>Common Equity Tier 1 capital: regulatory adjustments</b>		
7	Additional value adjustments	(678)	(730)
8	Intangible assets (net of related tax liability)	(6,006)	(6,128)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met)	(44)	(41)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	56	(91)
12	Negative amounts resulting from the calculation of expected loss amounts	(653)	(754)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	260	(100)
15	Defined-benefit pension fund assets	(110)	(95)
	Fair value gains and losses from own credit risk related to derivative liabilities	(90)	(116)
UK-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	(39)	(44)
UK-20c	of which: securitisation positions	(7)	(33)
UK-20d	of which: free deliveries	(32)	(11)
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	-	-
<b>28</b>	<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>(7,304)</b>	<b>(8,099)</b>
<b>29</b>	<b>Common Equity Tier 1 (CET1) capital</b>	<b>35,418</b>	<b>34,314</b>
	<b>Additional Tier 1 (AT1) capital: instruments</b>		
30	Capital instruments and the related share premium accounts	6,504	5,512
31	of which: classified as equity under applicable accounting standards	6,504	5,512
32	of which: classified as liabilities under applicable accounting standards	-	-
<b>36</b>	<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	<b>6,504</b>	<b>5,512</b>
	<b>Additional Tier 1 capital: regulatory adjustments</b>		
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	(20)	(20)
<b>43</b>	<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>	<b>(20)</b>	<b>(20)</b>
<b>44</b>	<b>Additional Tier 1 (AT1) capital</b>	<b>6,484</b>	<b>5,492</b>
<b>45</b>	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>41,902</b>	<b>39,806</b>
	<b>Tier 2 (T2) capital: instruments and provisions</b>		
46	Capital instruments and the related share premium accounts	11,477	11,744
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	220	221
<b>51</b>	<b>Tier 2 (T2) capital before regulatory adjustments</b>	<b>11,697</b>	<b>11,965</b>
	<b>Tier 2 capital: regulatory adjustments</b>		
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans	(30)	(30)
<b>57</b>	<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	<b>(30)</b>	<b>(30)</b>
<b>58</b>	<b>Tier 2 (T2) capital</b>	<b>11,667</b>	<b>11,935</b>
<b>59</b>	<b>Total capital (TC = T1 + T2)</b>	<b>53,569</b>	<b>51,741</b>
<b>60</b>	<b>Total Risk exposure amount</b>	<b>241,926</b>	<b>244,151</b>

## 2.2 Capital resources continued

Table 4: Composition of regulatory own funds (UK CC1) continued

		30.06.24 \$million	31.12.23 \$million
<b>Capital ratios and buffers</b>			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	14.6%	14.1%
62	Tier 1 (as a percentage of total risk exposure amount)	17.3%	16.3%
63	Total capital (as a percentage of total risk exposure amount)	22.1%	21.2%
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	10.6%	10.5%
65	of which: capital conservation buffer requirement	2.50%	2.50%
66	of which: countercyclical buffer requirement <sup>4</sup>	0.43%	0.39%
67	of which: systemic risk buffer requirement	–	–
UK-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	1.0%	1.0%
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	8.0%	7.5%
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	2,313	2,035
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	897	973
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	639	750
<b>Applicable caps on the inclusion of provisions in Tier 2</b>			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	–	–
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	496	517
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	–	–
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	821	852

1. Retained earnings include the effect of regulatory consolidation adjustments

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

3. Foreseeable dividends as at HY 2024 represent ordinary dividends and preference dividends

4. See Table 14 Amount of institution-specific countercyclical capital buffer (UK CCyB2)

## 2.2 Capital resources continued

The main movements in capital in the period were:

- CET1 capital increased by \$1.1 billion as retained profits of \$2.4 billion, movement in FVOCI of \$0.2 billion and decrease in regulatory deductions and other movements of \$0.5 billion were partly offset by share buy-backs of \$1.0 billion, distributions paid and foreseeable of \$0.5 billion and foreign currency translation impact of \$0.5 billion.
  - AT1 capital increased by \$1.0 billion following the issuance of \$1.0 billion of 7.875 per cent securities.
  - Tier 2 capital decreased by \$0.3 billion due to the redemption of \$1.0 billion of Tier 2 during the year partly offset by the reversal of regulatory amortisation and foreign currency translation impact.
- The Group's current CET1 requirement is 10.6 per cent, comprising:
- A minimum Pillar 1 CET1 requirement of 4.5 per cent
  - A Pillar 2A CET1 requirement of 2.1 per cent being 56 per cent of the total Pillar 2A requirement of 3.8 per cent
  - A capital conservation buffer of 2.5 per cent
  - A G-SII buffer of 1.0 per cent
  - A countercyclical capital buffer of 0.4 per cent

**Table 5: Reconciliation of regulatory own funds to balance sheet in the audited financial statements (UK CC2)**

	30.06.24		31.12.23	
	Balance sheet as in published financial statements \$million	Under regulatory scope of consolidation \$million	Balance sheet as in published financial statements \$million	Under regulatory scope of consolidation \$million
<b>Assets</b>				
Cash and balances at central banks	64,086	64,143	69,905	69,957
Financial assets held at fair value through profit or loss	181,725	181,709	147,222	147,356
Derivative financial instruments	48,647	48,647	50,434	50,434
Loans and advances to banks	45,231	45,231	44,977	44,977
Loans and advances to customers	275,896	275,896	286,975	286,975
Investment securities	152,403	152,551	161,255	161,254
Other assets	53,016	53,540	47,594	48,028
Current tax assets	491	491	484	484
Prepayments and accrued income	3,224	3,220	3,033	3,031
Interests in associates and joint ventures	1,088	844	966	772
Goodwill and intangible assets	6,103	6,120	6,214	6,244
Of which: goodwill	6,097	6,112	6,202	6,223
Of which: other intangibles (excluding MSRs)	6	8	12	21
Of which: MSRs	-	-	-	-
Property, plant and equipment	2,202	2,201	2,274	2,273
Deferred tax assets	593	593	702	702
Retirement benefit schemes in surplus	111	111	-	-
Assets classified as held for sale	611	611	809	809
<b>Total assets</b>	<b>835,427</b>	<b>835,908</b>	<b>822,844</b>	<b>823,296</b>
<b>Liabilities</b>				
Deposits by banks	28,087	28,087	28,030	28,030
Customer accounts	468,157	468,157	469,418	469,421
Repurchase agreements and other similar secured borrowing	7,539	7,539	12,258	12,258
Financial liabilities held at fair value through profit or loss	96,882	96,882	83,096	83,094
Derivative financial instruments	50,584	50,584	56,061	56,061
Debt securities in issue	65,199	65,199	62,546	62,413
Other liabilities	47,440	47,733	39,221	39,905
Due to parent companies, subsidiary undertakings & other related parties	-	334	-	-
Current tax liabilities	1,061	1,061	811	812
Accruals and deferred income	6,491	6,304	6,975	6,859
Subordinated liabilities and other borrowed funds	10,856	10,856	12,036	12,036
of which: considered as Additional Tier 1 capital	-	-	-	-
of which: considered as Tier 2 capital	10,856	10,856	12,036	12,036
Deferred tax liabilities	558	560	770	770
Of which: DTLs related to goodwill	558	560	770	770
Of which: DTLs related to intangible assets (excluding MSRs)	-	-	-	-
Of which: DTLs related to MSRs	-	-	-	-

## 2.2 Capital resources continued

**Table 5: Reconciliation of regulatory own funds to balance sheet in the audited financial statements (UK CC2) continued**

	30.06.24		31.12.23	
	Balance sheet as in published financial statements \$million	Under regulatory scope of consolidation \$million	Balance sheet as in published financial statements \$million	Under regulatory scope of consolidation \$million
Provisions for liabilities and charges	401	400	299	302
Retirement benefit obligations	268	268	183	183
Liabilities included in disposal groups held for sale	577	577	787	787
<b>Total liabilities</b>	<b>784,100</b>	<b>784,541</b>	<b>772,491</b>	<b>772,931</b>
<b>Shareholders' Equity</b>				
Share capital and share premium account	6,758	6,758	6,815	6,815
Of which: amount eligible for CET1	5,512	5,512	5,321	5,321
Of which: amount eligible for AT1	992	992	1,494	1,494
Other reserves & Retained earnings	37,655	37,696	37,630	37,643
<b>Total parent company shareholders' equity</b>	<b>44,413</b>	<b>44,454</b>	<b>44,445</b>	<b>44,458</b>
Other equity instruments	6,504	6,504	5,512	5,512
<b>Total equity excluding non-controlling interests</b>	<b>50,917</b>	<b>50,958</b>	<b>49,957</b>	<b>49,970</b>
<b>Non-controlling interest</b>	<b>410</b>	<b>409</b>	<b>396</b>	<b>395</b>
<b>Total equity</b>	<b>51,327</b>	<b>51,367</b>	<b>50,353</b>	<b>50,365</b>
<b>Total equity and liabilities</b>	<b>835,427</b>	<b>835,908</b>	<b>822,844</b>	<b>823,296</b>

## 2.3 Minimum requirement for own funds and eligible liabilities

Total loss-absorbing capacity (TLAC) as defined in the final standards adopted by the Financial Stability Board (FSB) and a new framework on minimum requirement for own funds and eligible liabilities (MREL) are intended to ensure that there is sufficient equity and specific types of liabilities to facilitate an orderly resolution that minimises any impact on financial stability and ensures the continuity of critical functions and avoids exposing taxpayers to loss. The framework is complemented with disclosure requirements, the disclosures are based on the formats provided in the Basel Committee Standards for Pillar 3 Phase 2 disclosures requirements.

The Group's MREL leverage requirement as at H1 2024 was equivalent to 28.4 per cent of RWA. This is composed of a minimum requirement of 24.5 per cent of RWA and the Group's combined buffer (comprising the capital conservation buffer, the G-SII buffer and the countercyclical buffer). The Group's MREL ratio was 35.4 per cent of RWA and 9.7 per cent of leverage exposure at H1 2024.

During the period, the Group successfully raised \$7.0 billion of MREL eligible securities from its holding company, Standard Chartered PLC. Issuance include \$1.0 billion of Additional Tier1 and \$6.0 billion of callable senior debt.

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

## 2.3 Minimum requirement for own funds and eligible liabilities continued

Table 6 shows details of the composition of the Groups MREL.

**Table 6: TLAC composition for G-SIBs (TLAC1)**

	30.06.24 \$million	31.12.23 \$million
<b>Regulatory capital elements of TLAC and adjustments</b>		
Common Equity Tier 1 capital (CET1)	35,418	34,314
Additional Tier 1 capital (AT1) before TLAC adjustments	6,484	5,492
AT1 ineligible as TLAC as issued out of subsidiaries to third parties	–	–
Other adjustments	–	–
AT1 instruments eligible under the TLAC framework	6,484	5,492
Tier 2 capital (T2) before TLAC adjustments	11,667	11,935
Amortised portion of T2 instruments where remaining maturity > 1 year	588	464
T2 capital ineligible as TLAC as issued out of subsidiaries to third parties	(226)	(217)
Other adjustments	(42)	(112)
T2 instruments eligible under the TLAC framework	11,988	12,070
TLAC arising from regulatory capital	53,890	51,877
<b>Non-regulatory capital elements of TLAC</b>		
External TLAC instruments issued directly by the bank and subordinated to excluded liabilities	–	–
External TLAC instruments issued directly by the bank which are not subordinated to excluded liabilities but meet all other TLAC term sheet requirements	31,856	29,448
Of which: amount eligible as TLAC after application of the caps	31,856	29,448
External TLAC instruments issued by funding vehicles prior to 1 January 2022	–	–
Eligible ex ante commitments to recapitalise a G-SIB in resolution	–	–
TLAC arising from non-regulatory capital instruments before adjustments	31,856	29,448
<b>Non-regulatory capital elements of TLAC: adjustments</b>		
TLAC before deductions	85,746	81,324
Deductions of exposures between MPE resolution groups that correspond to items eligible for TLAC (not applicable to SPE G-SIBs)	–	–
Deduction of investments in own other TLAC liabilities	–	(14)
Other adjustments to TLAC	–	–
TLAC after deductions	85,746	81,310
<b>Risk-weighted assets and leverage exposure measure for TLAC purposes</b>		
Total risk-weighted assets adjusted as permitted under the TLAC regime	241,926	244,151
UK Leverage exposure measure	877,773	847,142
<b>TLAC ratios and buffers</b>		
TLAC (as a percentage of risk-weighted assets adjusted as permitted under the TLAC regime)	35.4%	33.3%
TLAC (as a percentage of leverage exposure)	9.8%	9.6%
CET1 (as a percentage of risk-weighted assets) available after meeting the resolution group's minimum capital and TLAC requirements	8.0%	7.4%
Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	3.9%	3.9%
Of which: capital conservation buffer requirement	2.5%	2.5%
Of which: bank specific countercyclical buffer requirement	0.4%	0.4%
Of which: higher loss absorbency requirement	1.0%	1.0%

## 2.3 Minimum requirement for own funds and eligible liabilities continued

Table 7 shows information regarding the ranking of the Group's liabilities at the resolution group level.

**Table 7: Resolution entity – creditor ranking at legal entity level (TLAC3)**

Description of creditor ranking	30.06.24			
	Creditor ranking			
	1 \$million	2 \$million	3 \$million	Total \$million
	Tertiary non- preferential debt <sup>2</sup>	Tertiary non- preferential debt – Tier 2 securities	Ordinary non- preferential debt <sup>3</sup>	
Total capital and liabilities net of credit risk mitigation <sup>1</sup>	6,553	12,056	35,118	53,727
Of which: are excluded liabilities	–	–	(1,961)	(1,961)
Total capital and liabilities less excluded liabilities	6,553	12,056	33,156	51,766
Of which: are potentially eligible as TLAC	6,553	12,056	33,156	51,766
Of which: with 1 year ≤ residual maturity < 2 years	–	–	7,533	7,533
Of which: with 2 years ≤ residual maturity < 5 years	–	1,250	12,416	13,666
Of which: with 5 years ≤ residual maturity < 10 years	–	5,059	8,175	13,235
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	–	4,000	5,033	9,033
Of which: perpetual securities	6,553	1,747	–	8,300

Description of creditor ranking	31.12.23			
	Creditor ranking			
	1 \$million	2 \$million	3 \$million	Total \$million
	Tertiary non- preferential debt <sup>2</sup>	Tertiary non- preferential debt – Tier 2 securities	Ordinary non- preferential debt <sup>3</sup>	
Total capital and liabilities net of credit risk mitigation <sup>1</sup>	5,553	12,504	34,136	52,193
Of which: are excluded liabilities	–	–	(1,754)	(1,754)
Total capital and liabilities less excluded liabilities	5,553	12,504	32,382	50,439
Of which: are potentially eligible as TLAC	5,553	12,504	32,382	50,439
Of which: with 1 year ≤ residual maturity < 2 years	–	–	7,380	7,380
Of which: with 2 years ≤ residual maturity < 5 years	–	1,250	14,417	15,667
Of which: with 5 years ≤ residual maturity < 10 years	–	4,575	8,447	13,022
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	–	4,883	2,136	7,020
Of which: perpetual securities	5,553	1,796	–	7,349

1. Excludes CET1 and is based on accounting values

2. AT1 Preference shares and Contingent Convertible Capital Instruments

3. Senior bonds, derivative liabilities, tax claims etc

4. The FY 2023 values have been restated to reflect final regulatory submissions

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

## 2.3 Minimum requirement for own funds and eligible liabilities continued

**Table 8: Standard Chartered Bank – creditor ranking (TLAC2)**

	30.06.24					
	Creditor ranking					Total \$million
	1 \$million	2 \$million	2 \$million	3 \$million	4 \$million	
Is the resolution entity the creditor/investor?	No <sup>1</sup>	Yes	No	Yes	Yes	
Description of creditor ranking	Tertiary non-preferential debt – common shares	Tertiary non-preferential debt – AT1 cocos	Tertiary non-preferential debt – Tier 2 securities	Tertiary non-preferential debt – Tier 2 securities	Secondary non-preferential debt	
Total capital and liabilities net of credit risk mitigation <sup>2</sup>	20,597	5,142	291	10,875	10,209	47,114
Of which: are excluded liabilities	–	–	–	–	–	–
Total capital and liabilities less excluded liabilities	20,597	5,142	291	10,875	10,209	47,114
Of which: are potentially eligible as TLAC	20,597	5,142	291	10,875	10,209	47,114
Of which: with 1 year ≤ residual maturity < 2 years	–	–	–	–	2,279	2,279
Of which: with 2 years ≤ residual maturity < 5 years	–	–	–	–	5,054	5,054
Of which: with 5 years ≤ residual maturity < 10 years	–	–	291	4,071	1,377	5,739
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	–	–	–	6,054	1,500	7,554
Of which: is perpetual securities	20,597	5,142	–	750	–	26,489

	31.12.23					
	Creditor ranking					Total \$million
	1 \$million	2 \$million	2 \$million	3 \$million	4 \$million	
Is the resolution entity the creditor/investor?	No <sup>1</sup>	Yes	No	Yes	Yes	
Description of creditor ranking	Tertiary non-preferential debt – common shares	Tertiary non-preferential debt – AT1 cocos	Tertiary non-preferential debt – Tier 2 securities	Tertiary non-preferential debt – Tier 2 securities	Secondary non-preferential debt	
Total capital and liabilities net of credit risk mitigation <sup>2</sup>	20,597	4,742	291	11,974	9,831	47,434
<b>Of which: are excluded liabilities</b>	–	–	–	–	–	–
Total capital and liabilities less excluded liabilities	20,597	4,742	291	11,974	9,831	47,434
Of which: are potentially eligible as TLAC	20,597	4,742	291	11,974	9,831	47,434
Of which: with 1 year ≤ residual maturity < 2 years	–	–	–	–	3,989	3,989
Of which: with 2 years ≤ residual maturity < 5 years	–	–	–	–	2,929	2,929
Of which: with 5 years ≤ residual maturity < 10 years	–	–	291	5,134	2,913	8,338
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	–	–	–	6,090	–	6,090
Of which: is perpetual securities	20,597	4,742	–	750	–	26,089

1. Held by Standard Chartered Holdings Limited

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

## 2.3 Minimum requirement for own funds and eligible liabilities continued

Table 9: Standard Chartered Bank (Hong Kong) Limited – creditor ranking (TLAC2)

	30.06.24				
	Creditor ranking				
	1 \$million	2 \$million	3 \$million	4 \$million	Total \$million
Is the resolution entity the creditor/investor?	Yes	Yes	Yes	Yes	
Description of creditor ranking	Common Shares	Securities and preference shares qualifying as AT1	Dated subordinated notes qualifying as Tier 2	Loss absorbing non- preferred notes	
Total capital and liabilities net of credit risk mitigation <sup>1</sup>	8,328	2,650	1,769	2,750	15,497
Of which: are excluded liabilities	–	–	–	–	–
Total capital and liabilities less excluded liabilities	8,328	2,650	1,769	2,750	15,497
Of which: are potentially eligible as TLAC	8,328	2,650	1,769	2,750	15,497
Of which: with 1 year ≤ residual maturity < 2 years	–	–	–	–	–
Of which: with 2 years ≤ residual maturity < 5 years	–	–	–	2,750	2,750
Of which: with 5 years ≤ residual maturity < 10 years	–	–	1,769	–	1,769
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	–	–	–	–	–
Of which: is perpetual securities	8,328	2,650	–	–	10,978

	31.12.23				
	Creditor ranking				
	1 \$million	2 \$million	3 \$million	4 \$million	Total \$million
Is the resolution entity the creditor/investor?	Yes	Yes	Yes	Yes	
Description of creditor ranking	Common Shares	Securities and preference shares qualifying as AT1	Dated subordinated notes qualifying as Tier 2	Loss absorbing non- preferred notes	
Total capital and liabilities net of credit risk mitigation <sup>1</sup>	8,329	2,650	1,808	2,750	15,537
Of which: are excluded liabilities	–	–	–	–	–
Total capital and liabilities less excluded liabilities	8,329	2,650	1,808	2,750	15,537
Of which: are potentially eligible as TLAC	8,329	2,650	1,808	2,750	15,537
Of which: with 1 year ≤ residual maturity < 2 years	–	–	–	–	–
Of which: with 2 years ≤ residual maturity < 5 years	–	–	–	2,750	2,750
Of which: with 5 years ≤ residual maturity < 10 years	–	–	1,808	–	1,808
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	–	–	–	–	–
Of which: is perpetual securities	8,329	2,650	–	–	10,979

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



## 2.3 Minimum requirement for own funds and eligible liabilities continued

**Table 10: Standard Chartered Bank Korea Limited – creditor ranking (TLAC2)**

	30.06.24			
	Creditor ranking			
	1 \$million	2 \$million	3 \$million	Total \$million
Is the resolution entity the creditor/investor?	No <sup>1</sup>	No <sup>2</sup>	No <sup>3</sup>	
Description of creditor ranking	Common Shares	Additional Tier 1 securities	Tier 2 securities <sup>5</sup>	
Total capital and liabilities net of credit risk mitigation <sup>4</sup>	1,302	266	726	2,294
Of which: are excluded liabilities	–	–	–	–
Total capital and liabilities less excluded liabilities	1,302	266	726	2,294
Of which: are potentially eligible as TLAC	1,302	266	726	2,294
Of which: with 1 year ≤ residual maturity < 2 years	–	–	–	–
Of which: with 2 years ≤ residual maturity < 5 years	–	–	726	726
Of which: with 5 years ≤ residual maturity < 10 years	–	–	–	–
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	–	–	–	–
Of which: is perpetual securities	1,302	266	–	1,568

	31.12.23			
	Creditor ranking			
	1 \$million	2 \$million	3 \$million	Total \$million
Is the resolution entity the creditor/investor?	No <sup>1</sup>	No <sup>2</sup>	No <sup>3</sup>	
Description of creditor ranking	Common Shares	Additional Tier 1 securities	Tier 2 securities <sup>5</sup>	
Total capital and liabilities net of credit risk mitigation <sup>4</sup>	1,302	233	776	2,311
Of which: are excluded liabilities	–	–	–	–
Total capital and liabilities less excluded liabilities	1,302	233	776	2,311
Of which: are potentially eligible as TLAC	1,302	233	776	2,311
Of which: with 1 year ≤ residual maturity < 2 years	–	–	–	–
Of which: with 2 years ≤ residual maturity < 5 years	–	–	311	311
Of which: with 5 years ≤ residual maturity < 10 years	–	–	466	466
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	–	–	–	–
Of which: is perpetual securities	1,302	233	–	1,535

1. Held by Standard Chartered NEA Limited

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

3. Held by Standard Chartered Bank

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

5. TLAC2 reflects accounting values. \$203mil in Tier 2 securities is amortised in regulatory values as of 30.06.24

## 2.3 Minimum requirement for own funds and eligible liabilities continued

**Table 11: Standard Chartered Bank (Singapore) Limited – creditor ranking (TLAC2)**

	30.06.24					
	Creditor ranking					Total \$million
	1 \$million	2 \$million	2 \$million	3 \$million	3 \$million	
Is the resolution entity the creditor/investor?	No <sup>1</sup>	Yes	No <sup>2</sup>	Yes	No <sup>2</sup>	
Description of creditor ranking	Common Shares	AT1 Non-cumulative Preference Shares	AT1 Non-cumulative Preference Shares	Tier 2 Subordinated Notes	Tier 2 Subordinated Notes	
Total capital and liabilities net of credit risk mitigation <sup>3</sup>	5,680	1,053	298	540	2,097	9,667
Of which: are excluded liabilities	–	–	–	–	–	–
Total capital and liabilities less excluded liabilities	5,680	1,053	298	540	2,097	9,667
Of which: are potentially eligible as TLAC	5,680	1,053	298	540	2,097	9,667
Of which: with 1 year ≤ residual maturity < 2 years	–	–	–	–	–	–
Of which: with 2 years ≤ residual maturity < 5 years	–	–	–	–	–	–
Of which: with 5 years ≤ residual maturity < 10 years	–	–	–	540	2,097	2,637
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	–	–	–	–	–	–
Of which: is perpetual securities	5,680	1,053	298	–	–	7,031

	31.12.23					
	Creditor ranking					Total \$million
	1 \$million	2 \$million	2 \$million	3 \$million	3 \$million	
Is the resolution entity the creditor/investor?	No <sup>1</sup>	Yes	No <sup>2</sup>	Yes	No <sup>2</sup>	
Description of creditor ranking	Common Shares	AT1 Non-cumulative Preference Shares	AT1 Non-cumulative Preference Shares	Tier 2 Subordinated Notes	Tier 2 Subordinated Notes	
Total capital and liabilities net of credit risk mitigation <sup>3</sup>	5,680	1,068	303	540	1,850	9,441
Of which: are excluded liabilities	–	–	–	–	–	–
Total capital and liabilities less excluded liabilities	5,680	1,068	303	540	1,850	9,441
Of which: are potentially eligible as TLAC	5,680	1,068	303	540	1,850	9,441
Of which: with 1 year ≤ residual maturity < 2 years	–	–	–	–	–	–
Of which: with 2 years ≤ residual maturity < 5 years	–	–	–	–	–	–
Of which: with 5 years ≤ residual maturity < 10 years	–	–	–	540	1,850	2,390
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	–	–	–	–	–	–
Of which: is perpetual securities	5,680	1,068	303	–	–	7,051

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

2. Held by Standard Chartered Bank

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

## 2.3 Minimum requirement for own funds and eligible liabilities continued

**Table 12: Standard Chartered Bank (China) Limited – creditor ranking (TLAC2)**

	30.06.24		
	Creditor ranking		
	1 \$million	2 \$million	Total \$million
Is the resolution entity the creditor/investor?	No <sup>1</sup>	Yes	
Description of creditor ranking	Common Shares	Tier- 2 capital	
Total capital and liabilities net of credit risk mitigation <sup>2</sup>	1,446	561	2,007
Of which: are excluded liabilities	–	–	–
Total capital and liabilities less excluded liabilities	1,446	561	2,007
Of which: are potentially eligible as TLAC	1,446	561	2,007
Of which: with 1 year ≤ residual maturity < 2 years	–	–	–
Of which: with 2 years ≤ residual maturity < 5 years	–	–	–
Of which: with 5 years ≤ residual maturity < 10 years	–	561	561
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	–	–	–
Of which: is perpetual securities	1,446	–	1,446

	31.12.23		
	Creditor ranking		
	1 \$million	2 \$million	Total \$million
Is the resolution entity the creditor/investor?	No <sup>1</sup>	Yes	
Description of creditor ranking	Common Shares	Tier-2 capital	
Total capital and liabilities net of credit risk mitigation <sup>2</sup>	1,446	565	2,011
Of which: are excluded liabilities	–	–	–
Total capital and liabilities less excluded liabilities	1,446	565	2,011
Of which: are potentially eligible as TLAC	1,446	565	2,011
Of which: with 1 year ≤ residual maturity < 2 years	–	–	–
Of which: with 2 years ≤ residual maturity < 5 years	–	–	–
Of which: with 5 years ≤ residual maturity < 10 years	–	565	565
Of which: with residual maturity ≥ 10 years, but excluding perpetual securities	–	–	–
Of which: is perpetual securities	1,446	–	1,446

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

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

## 2.4 Countercyclical capital buffer

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

The Group's current CCyB requirement is 43 basis points. The Korea countercyclical buffer increased to 1.0 per cent in the second quarter which impacts the Group's CET1 minimum requirement by approximately 4 basis points from December 2023.

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

## 2.4 Countercyclical capital buffer continued

Table 13: Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (UK CCyB1)

Breakdown by country	30.06.24												
	General credit exposures		Relevant credit exposures – Market risk		Own funds requirements								
										Relevant credit exposures – Securitisation			
	Exposure value under the standard- ised approach \$million	Exposure value under the IRB approach \$million	Sum of long and short positions of trading book exposures for SA \$million	Value of trading book exposures for internal models \$million	Securiti- sation exposures Exposure value for non- trading book \$million	Total exposure value \$million	Relevant credit risk exposures – Credit risk \$million	Relevant credit exposures – Market risk \$million	Relevant credit exposures – Securitisation positions in the non- trading book \$million	Total \$million	Risk- weighted exposure amounts \$million	Own fund requirements weights (%) %	Counter- cyclical buffer rate (%) %
Australia	82	2,200	305	–	13	2,599	63	27	–	90	1,125	0.7%	1.0%
Austria	5	144	–	–	–	150	2	–	–	2	30	0.0%	0.0%
Bangladesh	1,006	3,887	93	–	–	4,986	206	7	–	213	2,665	1.7%	0.0%
Belgium	–	1,113	10	–	–	1,124	6	1	–	7	89	0.1%	0.5%
Bulgaria	–	–	–	–	–	–	–	–	–	–	–	0.0%	2.0%
Chile	–	125	9	–	–	134	4	4	–	8	99	0.1%	0.5%
China	5,789	22,424	5,527	–	3,097	36,837	1,023	184	48	1,255	15,684	10.0%	0.0%
Croatia	–	8	–	–	–	8	–	–	–	–	5	0.0%	1.5%
Cyprus	2	67	–	–	–	69	3	–	–	3	39	0.0%	1.0%
Czech Republic	–	–	8	–	–	8	–	1	–	1	13	0.0%	2.0%
Denmark	2	549	1	–	–	551	13	–	–	13	163	0.1%	2.5%
Estonia	–	–	–	–	–	–	–	–	–	–	–	0.0%	1.5%
France	132	2,600	179	–	–	2,910	67	15	–	82	1,026	0.7%	1.0%
Germany	27	5,623	498	–	–	6,148	76	10	–	86	1,070	0.7%	0.8%
Hong Kong	5,529	72,556	268	–	3,847	82,200	1,882	10	59	1,951	24,387	15.6%	1.0%
Hungary	–	1,133	195	–	–	1,328	11	1	–	12	149	0.1%	0.0%
Iceland	–	–	–	–	–	–	–	–	–	–	–	0.0%	2.5%
India	5,619	17,764	1,697	–	–	25,080	1,081	37	–	1,118	13,975	8.9%	0.0%
Ireland	65	2,550	402	–	80	3,098	34	33	1	69	861	0.5%	1.5%
Korea	1,005	34,113	441	–	–	35,559	783	2	–	785	9,815	6.3%	1.0%
Lithuania	–	–	–	–	–	–	–	–	–	–	–	0.0%	1.0%
Luxembourg	104	8,940	20	–	283	9,347	130	2	3	135	1,693	1.1%	0.5%
Malaysia	753	8,843	232	–	–	9,828	363	6	–	368	4,601	2.9%	0.0%
Netherlands	17	2,044	89	–	–	2,150	87	7	–	93	1,166	0.7%	2.0%
Nigeria	530	2,579	128	–	–	3,237	106	21	–	128	1,594	1.0%	0.0%
Norway	1	174	7	–	–	181	5	1	–	6	73	0.0%	2.5%
Pakistan	370	2,434	1,102	–	–	3,906	257	134	–	390	4,880	3.1%	0.0%
Romania	–	–	–	–	–	–	–	–	–	–	–	0.0%	1.0%
Singapore	8,769	34,962	4,160	–	–	47,890	1,114	9	–	1,124	14,046	9.0%	0.0%
Slovakia	–	–	–	–	–	–	–	–	–	–	–	0.0%	1.5%
Slovenia	–	–	2	–	–	2	–	–	–	–	2	0.0%	0.5%
Sri Lanka	103	868	27	–	–	998	136	3	–	139	1,742	1.1%	0.0%
Sweden	201	1,255	16	–	–	1,472	25	2	–	26	329	0.2%	2.0%
Taiwan	648	11,651	294	–	–	12,592	246	2	–	248	3,100	2.0%	0.0%
United Arab Emirates	2,416	9,211	341	–	–	11,967	329	9	–	337	4,218	2.7%	0.0%
United Kingdom	3,190	38,306	502	–	18,508	60,507	701	32	270	1,003	12,535	8.0%	2.0%
United States	1,879	64,409	821	–	4,652	71,761	764	44	70	877	10,963	7.0%	0.0%
Virgin Islands, British	1,662	131	–	–	–	1,793	128	–	–	128	1,597	1.0%	0.0%
Other Countries	6,762	50,090	2,977	–	70	59,899	1,711	132	1	1,844	23,047	14.7%	1.5%

**Table 13: Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (UK CCyB1)**  
continued

Breakdown by country	31.12.23												
	General credit exposures		Relevant credit exposures – Market risk			Own funds requirements							
	Exposure value under the standardised approach \$million	Exposure value under the IRB approach \$million	Sum of long and short positions of trading book exposures for SA \$million	Value of trading book exposures for internal models \$million	Securitisation exposures Exposure value for non-trading book \$million	Total exposure value \$million	Relevant credit risk exposures – Credit risk \$million	Relevant credit risk exposures – Market risk \$million	Relevant credit exposures – Securitisation positions in the non-trading book \$million	Total \$million	Risk-weighted exposure amounts \$million	Own fund requirements weights (%)	Counter-cyclical buffer rate (%)
Australia	98	1,999	25	–	–	2,122	67	7	–	74	926	0.6%	1.0%
Austria	–	139	–	–	–	139	2	–	–	2	25	0.0%	0.0%
Bangladesh	1,104	2,543	216	–	–	3,863	188	17	–	205	2,568	1.8%	0.0%
Belgium	–	1,266	14	–	–	1,280	6	2	–	8	98	0.1%	0.0%
Bulgaria	–	–	–	–	–	–	–	–	–	–	1	0.0%	2.0%
China	5,715	20,105	8,545	–	2,929	37,293	961	138	45	1,144	14,298	9.8%	0.0%
Croatia	–	16	–	–	–	16	1	–	–	1	13	0.0%	1.0%
Cyprus	2	65	–	–	–	67	4	–	–	4	55	0.0%	0.5%
Czech Republic	–	–	23	–	–	23	–	3	–	3	33	0.0%	2.0%
Denmark	7	330	3	–	–	340	18	–	–	19	234	0.2%	2.5%
Estonia	–	–	–	–	–	–	–	–	–	–	–	0.0%	1.5%
France	151	3,804	125	–	–	4,080	74	15	–	89	1,119	0.8%	0.5%
Germany	42	5,649	134	–	–	5,825	76	14	–	90	1,128	0.8%	0.8%
Hong Kong	6,666	73,449	346	–	3,679	84,140	1,879	9	56	1,945	24,313	16.6%	1.0%
Hungary	–	295	199	–	–	494	18	1	–	19	237	0.2%	0.0%
Iceland	–	–	–	–	–	–	–	–	–	–	–	0.0%	2.0%
India	5,616	17,301	2,292	–	–	25,209	1,073	46	–	1,119	13,990	9.6%	0.0%
Ireland	48	2,814	455	–	–	3,317	37	37	–	74	925	0.6%	1.0%
Korea	1,050	40,127	541	–	–	41,718	814	4	–	817	10,216	7.0%	0.0%
Lithuania	–	–	–	–	–	–	–	–	–	–	–	0.0%	1.0%
Luxembourg	166	5,712	42	–	257	6,178	124	5	3	132	1,655	1.1%	0.5%
Malaysia	755	8,969	343	–	–	10,067	352	11	–	363	4,538	3.1%	0.0%
Netherlands	15	2,191	103	–	–	2,309	89	9	–	98	1,230	0.8%	1.0%
Nigeria	572	925	77	–	–	1,575	115	19	–	134	1,675	1.1%	0.0%
Norway	–	159	6	–	–	165	3	1	–	4	48	0.0%	2.5%
Romania	–	–	–	–	–	–	–	–	–	–	–	0.0%	1.0%
Singapore	8,430	34,091	2,707	–	–	45,228	1,022	9	–	1,030	12,879	8.8%	0.0%
Slovakia	–	1	–	–	–	1	–	–	–	–	1	0.0%	1.5%
Slovenia	1	–	2	–	–	3	–	–	–	–	4	0.0%	0.5%
Sweden	428	1,274	16	–	–	1,718	37	2	–	39	483	0.3%	2.0%
Taiwan	756	12,071	274	–	–	13,101	257	1	–	258	3,226	2.2%	0.0%
United Arab Emirates	2,358	8,872	320	–	–	11,550	321	7	–	329	4,107	2.8%	0.0%
United Kingdom	3,009	39,472	366	–	21,332	64,179	663	31	317	1,011	12,638	8.7%	2.0%
United States	1,334	59,412	524	–	5,724	66,994	660	34	86	780	9,749	6.7%	0.0%
Virgin Islands, British	1,621	133	–	–	–	1,753	125	–	–	125	1,562	1.1%	0.0%
Other Countries	7,691	43,842	2,169	–	–	53,702	1,656	109	–	1,766	22,074	15.1%	0.0%

**Table 14: Amount of institution-specific countercyclical capital buffer (UK CCyB2)**

	30.06.24 \$million	31.12.23 \$million
1 Total risk exposure amount (see Table 15: Overview of RWA (UK OV1))	241,926	244,151
2 Institution specific countercyclical capital buffer rate	0.43%	0.39%
3 Institution specific countercyclical capital buffer requirement	1,051	948

## 2.5 Capital Requirements

Pillar 1 and Pillar 2A CET1 requirements and the Combined Buffer requirement together represent the Group's Maximum Distributable Amount threshold. The Group will be subject to restrictions on discretionary distributions if the CET1 ratio falls below this threshold. The Group expects to continue to operate with a prudent management buffer above this threshold.

Over time, the Group may also be subject to a PRA buffer. The PRA buffer is intended to ensure the Group remains well capitalised during periods of stress. When setting the Group's PRA buffer, it is understood that the PRA considers results from the Bank of England (BoE) stress test, the biennial exploratory scenario, and bank-specific scenarios undertaken as part of Internal Capital Adequacy Assessment Processes (ICAAPs), as

well as other relevant information. The PRA buffer is additional to the existing CRD IV buffer requirements and is applied if and to the extent that the PRA considers the existing CRD IV buffers do not adequately address the Group risk profile. The PRA buffer is not disclosed.

The table below presents the Group's RWA and capital requirements (calculated as 8 per cent of RWA).

Further information on credit RWAs can be found in Table 31 for credit risk exposures under IRB (which include counterparty credit risk); Table 17 for the RWA flow statements for credit risk exposures under IRB (which includes securitisation balances below); Table 44 for exposures under the SA (which include amounts below the threshold for deduction) and section 4.2 for exposures subject to counterparty credit risk.

**Table 15: Overview of risk weighted exposure amounts (UK OV1)**

	30.06.24		31.03.24		31.12.23	
	Risk-weighted assets \$million	Regulatory capital requirement <sup>1</sup> \$million	Risk-weighted assets \$million	Regulatory capital requirement <sup>1</sup> \$million	Risk-weighted assets \$million	Regulatory capital requirement <sup>1</sup> \$million
<b>1 Credit risk (excluding CCR)<sup>2</sup></b>	<b>155,976</b>	<b>12,478</b>	164,200	13,136	160,359	12,829
2 Of which the standardised approach (Table 45)	33,640	2,691	36,290	2,903	35,039	2,803
4 Of which slotting approach	4,097	328	3,879	310	4,112	329
5 Of which the advanced IRB (AIRB) approach (Table 31)	118,238	9,459	124,031	9,922	121,208	9,697
<b>6 Counterparty credit risk – CCR<sup>3</sup></b>	<b>19,534</b>	<b>1,563</b>	19,227	1,538	20,801	1,664
7 Of which the standardised approach	3,233	259	3,363	269	3,457	277
8 Of which internal model method (IMM)	9,550	764	9,760	781	9,085	727
UK 8a Of which exposures to a CCP	794	64	846	68	918	73
UK 8b Of which credit valuation adjustment – CVA (Table 62)	2,612	209	2,370	190	2,046	164
9 Of which other CCR	3,344	268	2,888	231	5,295	424
<b>15 Settlement risk</b>	<b>–</b>	<b>–</b>	–	–	–	–
<b>16 Securitisation exposures in the non-trading book</b>	<b>5,655</b>	<b>452</b>	5,746	460	6,337	507
17 Of which SEC-IRBA approach	2,746	220	2,867	229	3,123	250
18 Of which SEC-ERBA (including IAA)	2,417	193	2,402	192	2,879	230
19 Of which SEC-SA approach	492	39	477	38	335	27
UK 19a Of which 1250%/deduction	–	–	–	–	–	–
<b>20 Position, foreign exchange and commodities risks (Market risk) (Table 52)</b>	<b>27,443</b>	<b>2,195</b>	29,302	2,344	24,867	1,989
21 Of which the standardised approach	14,517	1,161	14,052	1,124	11,960	957
22 Of which IMA	12,925	1,034	15,250	1,220	12,908	1,033
UK 22a Large exposures	–	–	–	–	–	–
<b>23 Operational risk<sup>4</sup></b>	<b>29,479</b>	<b>2,358</b>	29,805	2,384	27,861	2,229
25 Of which standardised approach	29,479	2,358	29,805	2,384	27,861	2,229
<b>27 Amounts below the thresholds for deduction (subject to 250% risk weight) (Table 45)</b>	<b>3,839</b>	<b>307</b>	3,836	307	3,926	314
<b>28 Floor Adjustment</b>	<b>–</b>	<b>–</b>	–	–	–	–
<b>29 Total</b>	<b>241,926</b>	<b>19,354</b>	252,116	20,169	244,151	19,532

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

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

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

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

## 2.5 Capital Requirements continued

Total risk-weighted assets (RWA) decreased 1 per cent or \$2.2 billion since 31 December 2023 to \$241.9 billion.

- Credit risk RWA decreased \$6.4 billion to \$185.0 billion, from improved asset quality including sovereign upgrades, optimisation initiatives and FX translation
- Operational risk RWA increased by \$1.6 billion reflecting an increase in average income as measured over a rolling three-year time horizon, with higher 2023 income replacing lower 2020 income partly offset by a reduction in the second quarter from a regulatory waiver granted to exclude the impact of the disposed Aviation business.
- Market risk RWA increased by \$2.6 billion to \$27.4 billion since 31 December 2023 driven by:

- \$2.5 billion increase in Standardised Approach (SA) Specific Interest Rate Risk RWA due primarily to increases in the Trading Book government bond portfolio
- \$1.1 billion increase in Internal Models Approach (IMA) stressed VaR RWA due to increased IMA positions attributable mainly to interest rate exposures, offset by a reduction of VaR RWA due to lower FX market volatility, and a reduction of addons for Risks not in VaR
- \$1.3 billion decrease in Q1 due to a reduction in the IMA RWA multiplier resulting from a decline in back-testing exceptions

Table 16 shows the significant drivers of credit risk, market risk and operational risk RWA movements from 31 December 2023.

**Table 16: Movement analysis for RWA**

	Credit risk IRB \$million	Credit risk SA \$million	Credit risk Total \$million	Counterparty Credit risk \$million	Total Credit & Counterparty Credit risk \$million	Operational risk \$million	Market risk \$million	Total \$million
<b>As at 31 December 2023</b>	131,657	38,965	170,622	20,801	191,423	27,861	24,867	244,151
Asset size	1,622	2,107	3,729	(1,388)	2,341	–	–	2,341
Asset quality	174	–	174	6	180	–	–	180
Model updates	1,280	–	1,280	–	1,280	–	–	1,280
Methodology and policy	–	–	–	–	–	–	(1,300)	(1,300)
Acquisitions and disposals	–	–	–	–	–	–	–	–
Foreign exchange movements	(1,554)	(469)	(2,023)	(192)	(2,215)	–	–	(2,215)
Other, including non-credit risk movements <sup>1</sup>	–	–	–	–	–	1,944	5,735	7,679
<b>As at 31 March 2024</b>	<b>133,179</b>	<b>40,603</b>	<b>173,782</b>	<b>19,227</b>	<b>193,009</b>	<b>29,805</b>	<b>29,302</b>	<b>252,116</b>
Asset size	(2,677)	(1,233)	(3,910)	939	(2,971)	–	–	(2,971)
Asset quality	(2,322)	–	(2,322)	(533)	(2,855)	–	–	(2,855)
Model updates	–	–	–	–	–	–	–	–
Methodology and policy	–	–	–	–	–	–	–	–
Acquisitions and disposals	–	–	–	–	–	–	–	–
Foreign exchange movements	(683)	(164)	(847)	(99)	(946)	–	–	(946)
Other, including non-credit risk movements <sup>1</sup>	–	(1,234)	(1,234)	–	(1,234)	(326)	(1,860)	(3,420)
<b>As at 30 June 2024</b>	<b>127,498</b>	<b>37,972</b>	<b>165,470</b>	<b>19,534</b>	<b>185,004</b>	<b>29,479</b>	<b>27,443</b>	<b>241,926</b>

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

2. See Table 15: Overview of risk weighted exposure amounts (UK OV1). To note that 'Securitisation exposures in the non-trading book', 'Settlement risk' and 'Amounts below the threshold for deduction (subject to 250% risk-weight)' are included in credit risk

## 2.5 Capital Requirements continued

Table 17 shows the significant drivers of credit risk, IRB RWA movements (excluding counterparty credit risk and standardised credit risk) from 31 December 2023.

**Table 17: RWEA flow statements of credit risk exposures under the IRB approach (UK CR8)**

	Risk-weighted assets <sup>1</sup> \$million	Regulatory capital requirement <sup>1</sup> \$million
<b>As at 31 December 2023</b>	131,657	10,533
Asset size	1,622	130
Asset quality	174	14
Model updates	1,280	102
Methodology and policy	–	–
Acquisitions and disposals	–	–
Foreign exchange movements	(1,554)	(124)
Other	–	–
<b>1 As at 31 March 2024</b>	<b>133,179</b>	<b>10,654</b>
2 Asset size	(2,677)	(214)
3 Asset quality	(2,322)	(186)
4 Model updates	–	–
5 Methodology and policy	–	–
6 Acquisitions and disposals	–	–
7 Foreign exchange movements	(683)	(55)
8 Other	–	–
<b>9 As at 30 June 2024</b>	<b>127,498</b>	<b>10,200</b>

1. Includes securitisation and non-credit obligation assets, but excludes counterparty credit risk

2. See Table 15: Overview of risk weighted exposure amounts (UK OV1). Comprises advanced IRB credit risk \$122,335 million and securitisation of \$5,163 million

IRB credit RWA decreased by \$4.2 billion from 31 December 2023 driven by:

- \$1.1 billion net decrease in asset balance growth
- \$2.2 billion decrease due to improvements in asset quality
- \$2.2 billion decrease from foreign currency translation
- \$1.3 billion increase from model and methodology changes

Table 18 shows the significant drivers of credit counterparty risk under IMM RWA movements from 31 December 2023.

**Table 18: RWEA flow statements of CCR exposures under the IMM (UK CCR7)**

	Risk-weighted assets \$million	Regulatory capital requirement \$million
<b>As at 31 December 2023</b>	9,085	727
Asset size	751	60
Credit quality of counterparties	101	8
Model updates (IMM only)	–	–
Methodology and policy (IMM only)	–	–
Acquisitions and disposals	–	–
Foreign exchange movements	(177)	(14)
Other <sup>1</sup>	–	–
<b>1 As at 31 March 2024</b>	<b>9,760</b>	<b>781</b>
2 Asset size	61	5
3 Credit quality of counterparties	(205)	(16)
4 Model updates (IMM only)	–	–
5 Methodology and policy (IMM only)	–	–
6 Acquisitions and disposals	–	–
7 Foreign exchange movements	(65)	(5)
8 Other <sup>1</sup>	–	–
<b>9 As at 30 June 2024</b>	<b>9,550</b>	<b>764</b>

1. RWA efficiencies are disclosed against 'Other'



## 2.5 Capital Requirements continued

Table 19 shows the RWA flow statements of market risk RWA exposures under the Internal Model Approach (IMA) from 31 December 2023.

**Table 19: RWA flow statements of market risk exposures under the IMA (UK MR2-B)**

	VaR \$million	SVaR \$million	IRC \$million	Comprehensive risk measure \$million	Other <sup>1</sup> \$million	Total RWAs \$million	Total own funds requirements \$million
<b>At 31 December 2023</b>	2,965	4,240	–	–	5,703	12,908	1,033
Regulatory adjustment	–	–	–	–	–	–	–
<b>RWAs post adjustment at 31 December 2023</b>	2,965	4,240	–	–	5,703	12,908	1,033
Movement in risk levels	(69)	3,117	–	–	594	3,642	291
Model updates/changes	–	–	–	–	–	–	–
Methodology and policy	(300)	(800)	–	–	(200)	(1,300)	(104)
Acquisitions and disposals	–	–	–	–	–	–	–
Foreign exchange movements	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–
<b>1 At 31 March 2024</b>	<b>2,596</b>	<b>6,557</b>	<b>–</b>	<b>–</b>	<b>6,097</b>	<b>15,250</b>	<b>1,220</b>
1a Regulatory adjustment	–	–	–	–	–	–	–
<b>1b RWAs post adjustment at 31 March 2024</b>	<b>2,596</b>	<b>6,557</b>	<b>–</b>	<b>–</b>	<b>6,097</b>	<b>15,250</b>	<b>1,220</b>
2 Movement in risk levels	(153)	(1,457)	–	–	(715)	(2,325)	(186)
3 Model updates/changes	–	–	–	–	–	–	–
4 Methodology and policy	–	–	–	–	–	–	–
5 Acquisitions and disposals	–	–	–	–	–	–	–
6 Foreign exchange movements	–	–	–	–	–	–	–
7 Other	–	–	–	–	–	–	–
<b>8a At 30 June 2024</b>	<b>2,443</b>	<b>5,100</b>	<b>–</b>	<b>–</b>	<b>5,382</b>	<b>12,925</b>	<b>1,034</b>
8b Regulatory adjustment	–	–	–	–	–	–	–
<b>8 RWAs post adjustment at 30 June 2024<sup>2</sup></b>	<b>2,443</b>	<b>5,100</b>	<b>–</b>	<b>–</b>	<b>5,382</b>	<b>12,925</b>	<b>1,034</b>

1. Other IMA capital add-ons for market risks not fully captured in either VaR or SVaR. More details on Risks not in VaR can be found in the Group's Half Year Report 2024 on page 84

2. Represents only the Group's portfolio covered by the IMA and calculated at the 99 per cent confidence level. Details of the Group's management VaR covering all non-structured market risk exposures, across the trading and non-trading books, calculated at the 97.5 per cent confidence level can be found in the Group's Half Year Report 2024 on page 84

Market risk RWA under an IMA approach was broadly flat compared to 31 December 2023 with an increase in positions offset by reductions from methodology changes related to our Internal Model Approach.

## 2.6 Leverage ratio

UK banks are currently subject to a minimum leverage ratio of 3.25 per cent. In addition, a supplementary leverage ratio buffer is applicable, set at 35 per cent of the corresponding G-SII capital buffer and the countercyclical capital buffer.

At 30 June 2024, the Group's current minimum requirement inclusive of leverage buffers was 3.8 per cent:

- (i) The minimum 3.25 per cent
- (ii) A 0.35 per cent G-SII leverage ratio buffer and
- (iii) A 0.2 per cent countercyclical capital leverage ratio buffer, based on half year 2024 countercyclical capital buffer rates

The Group's leverage ratio, which excludes qualifying claims on central banks, was 4.8 per cent at H1 2024, which was above the current minimum requirement of 3.8 per cent. The leverage ratio was 7 basis points higher than FY2023. Tier1 capital increased by \$2.1 billion as CET1 capital increased by \$1.1 billion and AT1 capital increased following the issuance of \$1.0 billion of 7.875 percent securities in February 2024. Leverage exposure increased by \$30.6 billion predominantly due to growth in on balance sheet assets, decrease in eligible central bank claims deduction forming part of regulatory adjustments, and decrease in derivative netting adjustments.

**Table 20: Leverage ratio**

	30.06.24 \$million	31.03.24 \$million	31.12.23 \$million
Tier 1 capital (end point)	41,902	40,765	39,806
Leverage exposure	877,773	854,711	847,142
Leverage ratio	4.8%	4.8%	4.7%
Leverage exposure quarterly average	870,657	868,496	853,968
Leverage ratio quarterly average	4.7%	4.6%	4.6%
Countercyclical leverage ratio buffer	0.2%	0.1%	0.1%
G-SII additional leverage ratio buffer	0.4%	0.4%	0.4%

### CRR leverage ratio

Table 21, 22 and 23 present the leverage ratio based on the UK onshored CCR basis requirements.

**Table 21: LRSum: Summary reconciliation of accounting assets and leverage ratio exposures (UK LR1)**

	30.06.24 \$million	31.12.23 \$million
1 Total assets as per published financial statements	835,427	822,844
2 Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	484	455
3 (Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-	-
4 (Adjustment for exemption of exposures to central banks)	(82,597)	(93,218)
5 (Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) of the CRR)	-	-
6 Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	(698)	(95)
7 Adjustment for eligible cash pooling transactions	-	-
8 Adjustment for derivative financial instruments	10,224	4,512
9 Adjustment for securities financing transactions (SFTs)	3,885	6,639
10 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	125,194	123,572
11 (Adjustment for prudent valuation adjustments and specific and general provisions which have reduced tier 1 capital (leverage))	(1,331)	(1,485)
UK-11a (Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	-	-
UK-11b (Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) of the CRR)	-	-
12 Other adjustments <sup>1</sup>	(12,815)	(16,082)
<b>13 Total exposure measure</b>	<b>877,773</b>	<b>847,142</b>

1. Other Adjustments include Cash Collateral posted (\$6,876 million), Tier-1 Capital deduction other than disclosed in above row 11 (\$6,143 million), DTL (\$204 million)

## 2.6 Leverage ratio continued

**Table 22: LRCom: Leverage ratio common disclosure (UK LR2)**

		30.06.24 \$million	31.12.23 \$million
	<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	681,789	675,338
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	–	–
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(6,876)	(9,833)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	–	–
5	(General credit risk adjustments to on-balance sheet items)	–	–
6	(Asset amounts deducted in determining tier 1 capital (leverage))	(7,474)	(7,883)
<b>7</b>	<b>Total on-balance sheet exposures (excluding derivatives and SFTs)</b>	<b>667,439</b>	<b>657,622</b>
	<b>Derivative exposures</b>		
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	17,073	14,660
UK-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	–	–
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	46,359	43,041
UK-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardised approach	–	–
UK-9b	Exposure determined under the original exposure method	–	–
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	(5,877)	(4,114)
UK-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	–	–
UK-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	–	–
11	Adjusted effective notional amount of written credit derivatives	116,056	130,300
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(114,740)	(128,941)
<b>13</b>	<b>Total derivatives exposures</b>	<b>58,871</b>	<b>54,946</b>
	<b>Securities financing transaction exposures</b>		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	131,063	107,876
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(26,082)	(10,295)
16	Counterparty credit risk exposure for SFT assets	3,885	6,639
UK-16a	Derogation for SFTs: counterparty credit risk exposure in accordance with Articles 429e(5) and 222 of the CRR	–	–
17	Agent transaction exposures	–	–
UK-17a	(Exempted CCP leg of client-cleared SFT exposures)	–	–
<b>18</b>	<b>Total securities financing transaction exposures</b>	<b>108,866</b>	<b>104,220</b>
	<b>Other off-balance sheet exposures</b>		
19	Off-balance sheet exposures at gross notional amount	516,628	509,093
20	(Adjustments for conversion to credit equivalent amounts)	(391,434)	(385,521)
21	(General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated associated with off-balance sheet exposures)	–	–
<b>22</b>	<b>Off-balance sheet exposures</b>	<b>125,194</b>	<b>123,572</b>
	<b>Capital and total exposures</b>		
23	Tier 1 capital (leverage)	41,902	39,806
24	Total exposure measure including claims on central banks	960,370	940,360
UK-24a	(-) Claims on central banks excluded	(82,597)	(93,218)
<b>UK-24b</b>	<b>Total exposure measure excluding claims on central banks</b>	<b>877,773</b>	<b>847,142</b>
	<b>Leverage ratio</b>		
25	Leverage ratio excluding claims on central banks (%)	4.8%	4.7%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	4.8%	4.7%
UK-25b	Leverage ratio excluding central bank reserves as if the temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income had not been applied (%)	4.8%	4.7%
UK-25c	Leverage ratio including claims on central banks (%)	4.4%	4.2%
26	Regulatory minimum leverage ratio requirement (%)	3.3%	3.3%

## 2.6 Leverage ratio continued

Table 22: LRCom: Leverage ratio common disclosure (UK LR2) continued

		30.06.24 \$million	31.12.23 \$million
<b>Additional leverage ratio disclosure requirements – leverage ratio buffers</b>			
27	Leverage ratio buffer (%)	0.6%	0.5%
UK-27a	Of which: G-SII or O-SII additional leverage ratio buffer (%)	0.4%	0.4%
UK-27b	Of which: countercyclical leverage ratio buffer (%)	0.2%	0.1%
<b>Additional leverage ratio disclosure requirements – disclosure of mean values</b>			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	97,997	91,360
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	104,981	97,581
UK-31	Average total exposure measure including claims on central banks	956,552	952,997
UK-32	Average total exposure measure excluding claims on central banks	870,657	853,968
UK-33	Average leverage ratio including claims on central banks	4.3%	4.1%
UK-34	Average leverage ratio excluding claims on central banks	4.7%	4.6%

Table 23: LRSpl: Split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures) (UK LR3)

		30.06.24 \$million	31.12.23 \$million
UK-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	674,913	665,505
UK-2	Trading book exposures	88,945	49,107
UK-3	Banking book exposures, of which:	585,968	616,398
UK-4	Covered bonds	5,437	8,020
UK-5	Exposures treated as sovereigns	213,989	226,131
UK-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	1,450	2,051
UK-7	Institutions	62,375	69,038
UK-8	Secured by mortgages of immovable properties	84,580	90,290
UK-9	Retail exposures	26,752	27,507
UK-10	Corporates	136,793	132,627
UK-11	Exposures in default	5,375	6,091
UK-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	49,217	54,643

# 3. Credit risk

## 3.1 Credit risk quality

Credit risk EAD is based on the current outstanding exposure and accrued interest and fees, which are recognised in the Group's balance sheet in accordance with IFRS, plus a proportion of any undrawn facility. For standardised EAD, the proportion of any undrawn facility included is dependent on

the facility type and tenor, and for IRB exposure classes this proportion is modelled.

Tables 24 to 30 depict past-due exposures, broken down by past-due bands and provide further information on non-performing and forborne exposures, as defined in the CRR, as well as by geography and industry.

**Table 24: Performing and non-performing exposures and related provisions (UK CR1)**

		30.06.24															
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received		
														Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions							Accumulated partial write-off	On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3				
\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	
005	Cash balances at central banks and other demand deposits	62,590	62,250	339	522	–	522	–	–	–	(13)	–	(13)	–	–	–	
010	Loans and advances	405,957	395,560	10,398	6,696	–	6,696	(851)	(483)	(368)	(4,160)	–	(4,160)	(4,704)	120,327	1,303	
020	Central banks	25,603	25,524	79	64	–	64	(1)	–	–	–	–	–	–	2,940	–	
030	General governments	9,196	8,598	599	132	–	132	(6)	(3)	(3)	(40)	–	(40)	(6)	1,010	5	
040	Credit institutions	82,162	81,885	277	18	–	18	(4)	(3)	(1)	(11)	–	(11)	(27)	7,746	2	
050	Other financial corporations	72,642	72,087	555	90	–	90	(19)	(13)	(6)	(58)	–	(58)	(313)	4,927	1	
060	Non-financial corporations	100,915	93,555	7,360	5,330	–	5,330	(380)	(155)	(225)	(3,725)	–	(3,725)	(4,356)	20,934	679	
070	Of which SMEs	10,779	10,246	533	673	–	673	(75)	(49)	(27)	(321)	–	(321)	–	1,256	2	
080	Households	115,439	113,911	1,528	1,063	–	1,063	(441)	(307)	(134)	(327)	–	(327)	(3)	82,770	617	
090	Debt securities	152,589	150,792	1,797	403	–	403	(33)	(23)	(10)	(17)	–	(17)	–	324	–	
100	Central banks	18,176	17,626	550	107	–	107	(6)	(1)	(5)	(4)	–	(4)	–	–	–	
110	General governments	73,468	72,277	1,191	250	–	250	(10)	(7)	(2)	(7)	–	(7)	–	95	–	
120	Credit institutions	37,696	37,661	35	7	–	7	(14)	(11)	(3)	(5)	–	(5)	–	15	–	
130	Other financial corporations	20,643	20,622	21	–	–	–	(3)	(3)	–	–	–	–	–	172	–	
140	Non-financial corporations	2,605	2,605	–	39	–	39	(1)	(1)	–	–	–	–	–	41	–	
150	Off-balance-sheet exposures	263,942	257,584	6,358	722	–	722	(109)	(56)	(53)	(142)	–	(142)		5,382	47	
160	Central banks	312	312	–	–	–	–	–	–	–	–	–	–		–	–	
170	General governments	4,164	4,027	137	–	–	–	(1)	–	(1)	–	–	–		350	–	
180	Credit institutions	19,082	18,495	588	18	–	18	(4)	(2)	(2)	(6)	–	(6)		36	–	
190	Other financial corporations	55,686	54,948	737	15	–	15	(9)	(6)	(2)	–	–	–		1,020	–	
200	Non-financial corporations	114,155	109,411	4,744	685	–	685	(88)	(41)	(47)	(136)	–	(136)		3,627	47	
210	Households	70,542	70,390	152	4	–	4	(7)	(5)	(2)	–	–	–		349	–	
220	Total	885,078	866,186	18,892	8,344	–	8,344	(993)	(562)	(431)	(4,332)	–	(4,332)	(4,704)	126,032	1,350	

## 3.1 Credit risk quality continued

Table 24: Performing and non-performing exposures and related provisions (UK CR1) continued

		31.12.23														
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral and financial guarantees received		
								Performing exposures – accumulated impairment and provisions								
		Performing exposures		Non-performing exposures				Performing exposures – accumulated impairment and provisions		Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Accumulated partial write-off \$million	On performing exposures \$million	On non-performing exposures \$million		
\$million	Of which stage 1 \$million	Of which stage 2 \$million	\$million	Of which stage 2 \$million	Of which stage 3 \$million	\$million	Of which stage 1 \$million	Of which stage 2 \$million	\$million	Of which stage 2 \$million	Of which stage 3 \$million					
005	Cash balances at central banks and other demand deposits	68,467	68,260	207	404	–	404	(7)	–	(7)	(12)	–	(12)	–	–	–
010	Loans and advances	403,663	391,838	11,825	7,304	–	7,304	(869)	(438)	(431)	(4,324)	–	(4,324)	(4,655)	126,258	1,176
020	Central banks	31,695	29,829	1,866	224	–	224	(1)	–	(1)	(14)	–	(14)	–	4,106	–
030	General governments	10,157	9,406	750	140	–	140	(6)	(3)	(3)	(25)	–	(25)	(3)	1,583	5
040	Credit institutions	67,774	67,373	401	46	–	46	(5)	(4)	(1)	(15)	–	(15)	(27)	14,177	1
050	Other financial corporations	70,239	69,983	256	108	–	108	(21)	(16)	(5)	(100)	–	(100)	(311)	5,267	1
060	Non-financial corporations	103,945	97,315	6,629	5,797	–	5,797	(436)	(140)	(296)	(3,874)	–	(3,874)	(4,311)	20,867	608
070	Of which SMEs	11,040	10,463	578	682	–	682	(76)	(49)	(27)	(470)	–	(470)	–	1,378	8
080	Households	119,854	117,930	1,923	989	–	989	(401)	(275)	(126)	(296)	–	(296)	(3)	80,258	562
090	Debt securities	161,522	159,630	1,893	170	–	170	(61)	(32)	(30)	(62)	–	(62)	–	138	–
100	Central banks	17,356	16,653	702	77	–	77	(6)	(3)	(2)	(5)	–	(5)	–	–	–
110	General governments	75,152	73,966	1,186	–	–	–	(38)	(12)	(25)	–	–	–	–	10	–
120	Credit institutions	41,948	41,944	4	–	–	–	(11)	(10)	(2)	–	–	–	–	9	–
130	Other financial corporations	19,983	19,983	–	–	–	–	(3)	(3)	–	–	–	–	–	64	–
140	Non-financial corporations	7,083	7,083	–	93	–	93	(4)	(4)	–	(57)	–	(57)	–	54	–
150	Off-balance-sheet exposures	256,347	247,704	8,643	675	–	675	(115)	(62)	(52)	(112)	–	(112)	–	5,497	34
160	Central banks	505	505	–	–	–	–	(1)	(1)	–	–	–	–	–	–	–
170	General governments	5,443	5,112	330	–	–	–	(4)	(3)	(1)	–	–	–	–	204	–
180	Credit institutions	16,879	16,511	368	15	–	15	(2)	(2)	–	(1)	–	(1)	–	55	1
190	Other financial corporations	47,299	46,547	753	13	–	13	(9)	(6)	(3)	–	–	–	–	1,018	–
200	Non-financial corporations	112,619	105,585	7,034	645	–	645	(91)	(45)	(47)	(111)	–	(111)	–	3,874	33
210	Households	73,602	73,444	158	2	–	2	(7)	(5)	(1)	–	–	–	–	346	–
220	Total	889,999	867,431	22,567	8,553	–	8,553	(1,052)	(532)	(520)	(4,511)	–	(4,511)	(4,655)	131,892	1,210

### 3.1 Credit risk quality continued

**Table 25: Maturity of exposures (UK CR1-A)**

		30.06.24					
		Net exposure value					
		On demand \$million	<= 1 year \$million	> 1 year <= 5 years \$million	> 5 years \$million	No stated maturity \$million	Total \$million
1	Loans and advances	12,768	244,481	71,495	94,656	–	423,400
2	Debt securities	823	97,731	75,031	52,182	–	225,767
3	<b>Total</b>	<b>13,591</b>	<b>342,212</b>	<b>146,526</b>	<b>146,839</b>	<b>–</b>	<b>649,167</b>

		31.12.23					
		Net exposure value					
		On demand \$million	<= 1 year \$million	> 1 year <= 5 years \$million	> 5 years \$million	No stated maturity \$million	Total \$million
1	Loans and advances	23,349	246,494	56,506	96,928	–	423,278
2	Debt securities	213	97,687	69,079	46,237	–	213,216
3	<b>Total</b>	<b>23,562</b>	<b>344,182</b>	<b>125,585</b>	<b>143,165</b>	<b>–</b>	<b>636,494</b>

**Table 26: Changes in the stock of non-performing loans and advances (UK CR2)**

	30.06.24 Gross carrying amount \$million	31.12.23 Gross carrying amount \$million
<b>010 Initial stock of non-performing loans and advances</b>	<b>7,304</b>	7,904
020 Inflows to non-performing portfolios	1,007	3,029
030 Outflows from non-performing portfolios	(1,615)	(3,629)
040 Outflows due to write-offs	(527)	(1,675)
050 Outflows due to other situations	(1,088)	(1,954)
<b>060 Final stock of non-performing loans and advances</b>	<b>6,696</b>	7,304

## 3.1 Credit risk quality continued

Table 27: Credit quality of forbore exposures (UK CQ1)

		30.06.24							
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne \$million	Non-performing forborne			On performing forborne exposures \$million	On non-performing forborne exposures \$million	Of which collateral and financial guarantees received on non-performing exposures with forbearance measures \$million	
		\$million	Of which defaulted \$million	Of which impaired \$million			\$million		
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	37	2,401	2,401	2,401	(2)	(1,570)	385	363
020	Central banks	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	-	21	21	21	-	(21)	-	-
060	Non-financial corporations	20	2,160	2,160	2,160	-	(1,451)	340	326
070	Households	17	220	220	220	(2)	(98)	45	37
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	-	-	-	-	-	-	-	-
100	Total	37	2,401	2,401	2,401	(2)	(1,570)	385	363

		31.12.23							
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forbore exposures	
		Performing forbore \$million	Non-performing forbore			On performing forbore exposures \$million	On non-performing forbore exposures \$million	\$million	Of which collateral and financial guarantees received on non-performing exposures with forbearance measures \$million
			\$million	Of which defaulted \$million	Of which impaired \$million				
005	Cash balances at central banks and other demand deposits	–	–	–	–	–	–	–	–
010	Loans and advances	40	2,614	2,614	2,485	(2)	(1,648)	447	416
020	Central banks	–	–	–	–	–	–	–	–
030	General governments	–	–	–	–	–	–	–	–
040	Credit institutions	–	–	–	–	–	–	–	–
050	Other financial corporations	–	20	20	20	–	(20)	–	–
060	Non-financial corporations	24	2,363	2,363	2,360	–	(1,528)	399	379
070	Households	16	230	230	105	(2)	(99)	47	37
080	Debt Securities	–	–	–	–	–	–	–	–
090	Loan commitments given	–	–	–	–	–	–	–	–
100	Total	40	2,614	2,614	2,485	(2)	(1,648)	447	416



### 3.1 Credit risk quality continued

**Table 28: Credit quality of performing and non-performing exposures by past due days (UK CQ3)**

		30.06.24											
		Gross carrying amount/nominal amount											
		Performing exposures				Non-performing exposures							
						Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
		\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million	\$million
005	Cash balances at central banks and other demand deposits	62,590	62,590	–	522	522	–	–	–	–	–	–	522
010	Loans and advances	405,957	405,593	364	6,696	2,528	802	498	563	1,340	328	637	6,696
020	Central banks	25,603	25,603	–	64	64	–	–	–	–	–	–	64
030	General governments	9,196	9,196	–	132	55	–	–	14	63	–	–	132
040	Credit institutions	82,162	82,159	3	18	6	11	–	–	–	–	–	18
050	Other financial corporations	72,642	72,642	–	90	32	–	4	–	39	–	15	90
060	Non-financial corporations	100,915	100,807	109	5,330	1,944	314	452	475	1,201	324	620	5,330
070	Of which SMEs	10,779	10,700	78	673	284	43	41	34	85	69	116	673
080	Households	115,439	115,186	253	1,063	427	477	42	73	38	5	1	1,063
090	Debt securities	152,589	152,589	–	403	403	–	–	–	–	–	–	403
100	Central banks	18,176	18,176	–	107	107	–	–	–	–	–	–	107
110	General governments	73,468	73,468	–	250	250	–	–	–	–	–	–	250
120	Credit institutions	37,696	37,696	–	7	7	–	–	–	–	–	–	7
130	Other financial corporations	20,643	20,643	–	–	–	–	–	–	–	–	–	–
140	Non-financial corporations	2,605	2,605	–	39	39	–	–	–	–	–	–	39
150	Off-balance-sheet exposures	263,942			722								722
160	Central banks	312			–								–
170	General governments	4,164			–								–
180	Credit institutions	19,082			18								18
190	Other financial corporations	55,686			15								15
200	Non-financial corporations	114,155			685								685
210	Households	70,542			4								4
220	Total	885,078	620,772	364	8,344	3,453	802	498	563	1,340	328	637	8,344

## 3.1 Credit risk quality continued

Table 28: Credit quality of performing and non-performing exposures by past due days (UK CQ3) continued

		31.12.23											
		Gross carrying amount/nominal amount											
		Performing exposures				Non-performing exposures							
						Unlikely to pay that are not past due or are past due ≤ 90 days \$million	Past due > 90 days ≤ 180 days \$million	Past due > 180 days ≤ 1 year \$million	Past due > 1 year ≤ 2 years \$million	Past due > 2 years ≤ 5 years \$million	Past due > 5 years ≤ 7 years \$million	Past due > 7 years \$million	Of which defaulted \$million
		\$million	Not past due or past due ≤ 30 days \$million	Past due > 30 days ≤ 90 days \$million	\$million								
005	Cash balances at central banks and other demand deposits	68,467	68,467	–	404	404	–	–	–	–	–	–	404
010	Loans and advances	403,663	403,303	360	7,304	3,249	671	327	918	1,157	380	602	7,304
020	Central banks	31,695	31,695	–	224	224	–	–	–	–	–	–	224
030	General governments	10,157	10,157	–	140	51	–	5	14	69	–	–	140
040	Credit institutions	67,774	67,773	–	46	–	46	–	–	–	–	–	46
050	Other financial corporations	70,239	70,239	–	108	33	17	–	–	42	–	16	108
060	Non-financial corporations	103,945	103,855	89	5,797	2,613	109	278	853	985	377	584	5,797
070	Of which SMEs	11,040	10,990	50	682	236	46	31	35	134	91	110	682
080	Households	119,854	119,583	271	989	328	499	44	51	61	3	3	989
090	Debt securities	161,522	161,522	1	170	170	–	–	–	–	–	–	170
100	Central banks	17,356	17,356	–	77	77	–	–	–	–	–	–	77
110	General governments	75,152	75,152	1	–	–	–	–	–	–	–	–	–
120	Credit institutions	41,948	41,948	–	–	–	–	–	–	–	–	–	–
130	Other financial corporations	19,983	19,983	–	–	–	–	–	–	–	–	–	–
140	Non-financial corporations	7,083	7,083	–	93	93	–	–	–	–	–	–	93
150	Off-balance-sheet exposures	256,347			675								675
160	Central banks	505			–								–
170	General governments	5,443			–								–
180	Credit institutions	16,879			15								15
190	Other financial corporations	47,299			13								13
200	Non-financial corporations	112,619			645								645
210	Households	73,602			2								2
220	Total	889,999	633,291	361	8,553	3,823	671	327	918	1,157	380	602	8,553

### 3.1 Credit risk quality continued

Tables 29 and 30 break down defaulted and non-defaulted exposures by exposure class, as defined in the CRR, and by geography and industry.

**Table 29: Quality of non-performing exposures by geography (UK CQ4)**

		30.06.24						
		Gross carrying amount				Accumulated impairment \$million	Provisions on off-balance-sheet commitments and financial guarantees given \$million	Accumulated negative changes in fair value due to credit risk on non-performing exposures \$million
		Of which non-performing		Of which loans and advances subject to impairment \$million				
		\$million	\$million		Of which defaulted \$million			
010	On-balance-sheet exposures	628,758		7,621		(5,074)		-
020	Hong Kong	75,513		408		(457)		-
030	Korea	44,873		179		(154)		-
040	Singapore	68,577		457		(378)		-
050	United States	89,865		2		(8)		-
060	Other countries	349,929		6,576		(4,076)		-
070	Off-balance-sheet exposures	264,664		722				(251)
080	Hong Kong	38,570		2		(29)		
090	Korea	9,629		-		(3)		
100	Singapore	43,059		55		(23)		
110	United States	49,868		9		(10)		
120	Other countries	123,537		656		(185)		
130	Total	893,421		8,344		(5,074)		(251)

31.12.23

		Gross carrying amount				Accumulated impairment \$million	Provisions on off-balance-sheet commitments and financial guarantees given \$million	Accumulated negative changes in fair value due to credit risk on non-performing exposures \$million
		Of which non-performing		Of which loans and advances subject to impairment \$million				
		\$million	\$million		Of which defaulted \$million			
<b>010</b>	<b>On-balance-sheet exposures</b>	641,530		7,878		(5,336)		–
020	Hong Kong	78,712		408		(447)		–
030	Korea	50,573		144		(137)		–
040	Singapore	68,926		436		(459)		–
050	United States	93,596		2		(8)		–
060	Other countries	349,724		6,889		(4,285)		–
<b>070</b>	<b>Off-balance-sheet exposures</b>	257,022		675		(227)		
080	United Kingdom	20,224		3		(6)		
090	Hong Kong	41,374		–		(31)		
100	Singapore	38,981		35		(25)		
110	United States	41,687		9		(7)		
120	Other countries	114,756		627		(159)		
<b>130</b>	<b>Total</b>	898,552		8,553		(5,336)	(227)	

## 3.1 Credit risk quality continued

Table 30: Credit quality of loans and advances to non-financial corporations by industry (UK CQ5)

		30.06.24					
		Gross carrying amount					Accumulated negative changes in fair value due to credit risk on non-performing exposures \$million
		Of which non-performing			Of which loans and advances subject to impairment \$million	Accumulated impairment \$million	
		\$million	\$million	Of which defaulted \$million			
005	Cash balances at central banks and other demand deposits	63,112		522		(13)	–
010	Agriculture, forestry and fishing	776		40		(33)	–
020	Mining and quarrying	4,911		355		(102)	–
030	Manufacturing	36,869		1,536		(1,302)	–
040	Electricity, gas, steam and air conditioning supply	7,550		213		(104)	–
050	Water supply	246		0		(5)	–
060	Construction	2,074		282		(233)	–
070	Wholesale and retail trade	21,737		826		(597)	–
080	Transport and storage	7,133		171		(87)	–
090	Accommodation and food service activities	1,413		137		(37)	–
100	Information and communication	3,926		90		(104)	–
110	Financial and insurance activities	24		–		–	–
120	Real estate activities	16,404		1,594		(1,246)	–
130	Professional, scientific and technical activities	967		9		(9)	–
140	Administrative and support service activities	771		27		(11)	–
150	Public administration and defence, compulsory social security	–		–		–	–
160	Education	162		10		(1)	–
170	Human health services and social work activities	545		39		(38)	–
180	Arts, entertainment and recreation	193		1		–	–
190	Other services	546		–		(196)	–
200	Total	106,246		5,330		(4,105)	–
210	Households	116,502		1,063		(768)	–
220	Total	285,859		6,915		(4,886)	

### 3.1 Credit risk quality continued

**Table 30: Credit quality of loans and advances to non-financial corporations by industry (UK CQ5) continued**

		31.12.23					
		Gross carrying amount					Accumulated negative changes in fair value due to credit risk on non-performing exposures \$million
		Of which non-performing		Of which loans and advances subject to impairment \$million	Accumulated impairment \$million		
	\$million	\$million	Of which defaulted \$million				
005	Cash balances at central banks and other demand deposits	68,870		404		(19)	–
010	Agriculture, forestry and fishing	717		80		(67)	–
020	Mining and quarrying	5,265		371		(156)	–
030	Manufacturing	41,645		1,564		(1,295)	–
040	Electricity, gas, steam and air conditioning supply	7,605		242		(99)	–
050	Water supply	339		43		(37)	–
060	Construction	2,175		269		(243)	–
070	Wholesale and retail trade	21,384		972		(622)	–
080	Transport and storage	6,988		158		(78)	–
090	Accommodation and food service activities	1,379		101		(24)	–
100	Information and communication	2,958		97		(74)	–
110	Financial and insurance activities	68		–		–	–
120	Real estate activities	16,154		1,647		(1,249)	–
130	Professional, scientific and technical activities	913		8		(7)	–
140	Administrative and support service activities	698		25		(13)	–
150	Public administration and defence, compulsory social security	–		–		–	–
160	Education	175		14		(1)	–
170	Human health services and social work activities	493		40		(37)	–
180	Arts, entertainment and recreation	163		1		–	–
190	Other services	622		166		(310)	–
200	Total	109,741		5,797		(4,310)	–
210	Households	120,843	989	(697)	–		
220	Total	299,455	7,190	(5,027)	–		

### 3.2 Risk grade profile

Table 31 sets out credit and counterparty risk EAD within the IRB portfolios by regulatory exposure classes. EAD has been calculated after taking into account the impact of credit risk mitigation. Where an exposure is guaranteed or covered by credit derivatives, it is shown against the exposure class of the guarantor or derivative issuer. A further split of the major exposure classes by credit grade can be seen in Tables 32 to 43.

IRB credit risk excluding counterparty credit risk EAD decreased by \$30.1 billion and RWA decreased by \$3billion (Tables 32 to 43):

- Central governments and central banks EAD decreased \$18.3 billion and RWA by \$4.9 billion
- Institutions EAD decreased \$7.7 billion and RWA by \$0.2 billion
- Corporates EAD increased \$3.6 billion and RWA by \$2.0 billion
- Retail EAD decreased \$7.8 billion and RWA increased by \$0.1 billion

**Table 31: IRB – Credit risk exposure by exposure class**

	30.06.24											
	Original on-balance sheet gross exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
<b>IRB Exposure Class</b>												
Central governments or central banks	162,582	179,921	–	162,898	0.95	0.2	45	1.31	19,251	12	176	(93)
Institutions	69,288	168,091	9	81,797	0.53	1.3	34	0.89	13,447	16	64	(18)
Corporates	110,813	338,333	19	180,100	2.25	20.7	39	1.34	63,135	35	3,723	(3,687)
Other	95,312	312,053	19	164,649	2.02	15.8	40	1.25	58,154	35	3,131	(2,965)
Of which Specialised lending	12,866	23,032	20	12,341	3.78	0.8	24	2.31	3,530	29	368	(475)
Of which SME	2,635	3,248	18	3,110	8.75	4.1	28	1.32	1,451	47	224	(247)
Retail	84,504	36,866	45	100,926	1.30	3,985.3	41		22,362	22	757	(389)
Of which secured by real estate	69,630	1,665	98	71,270	0.63	296.9	15		5,845	8	68	(38)
– SME	351	63	54	384	4.19	2.2	7		25	7	2	(2)
– Non SME	69,279	1,602	100	70,886	0.63	294.7	15		5,820	8	66	(36)
Of which qualifying revolving retail	3,321	26,626	42	14,641	1.44	2,915.2	84		4,223	29	201	(93)
Of which other retail	11,553	8,575	42	15,015	5.12	773.2	70		12,294	82	488	(258)
– SME	2,032	2,148	5	1,952	9.84	25.7	49		1,204	62	96	(56)
– Non SME	9,521	6,427	55	13,063	3.88	747.5	75		11,090	85	392	(202)
Non-credit obligation assets	43	–	–	43	–				43	100		–
<b>Total IRB<sup>4</sup></b>	<b>427,230</b>	<b>723,211</b>	<b>21</b>	<b>525,764</b>	<b>1.84</b>	<b>4,007.5</b>	<b>41</b>	<b>1.15</b>	<b>118,238</b>	<b>22</b>	<b>4,720</b>	<b>(4,187)</b>

1. Averages are based on a simplified weighted average approach using EAD

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

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

4. Refer to Table 15 (OV1) for RWA

### 3.2 Risk grade profile continued

**Table 31: IRB – Credit risk exposure by exposure class** continued

	31.12.23											
	Original on-balance sheet gross exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
<b>IRB Exposure Class</b>												
Central governments or central banks	180,664	172,579	–	181,164	0.95	0.2	45	1.22	24,116	13	209	(93)
Institutions	78,163	165,560	8	89,482	0.45	1.3	34	0.94	13,655	15	65	(24)
Corporates	105,582	330,322	20	176,518	2.68	20.6	39	1.33	61,175	35	3,773	(3,820)
Other	91,468	302,556	20	161,369	2.40	15.7	40	1.24	56,213	35	3,083	(3,040)
Of which Specialised lending <sup>3</sup>	11,425	24,630	20	11,974	4.37	0.6	24	2.25	3,422	29	414	(482)
Of which SME	2,689	3,136	19	3,175	11.19	4.3	28	1.34	1,540	49	276	(298)
Retail	90,866	38,056	47	108,699	1.23	4,141.6	40		22,244	20	767	(363)
Of which secured by real estate	74,977	1,988	99	76,945	0.58	315.2	15		5,228	7	65	(34)
– SME	387	54	63	420	3.44	2.4	7		29	7	1	(1)
– Non SME	74,590	1,934	100	76,525	0.59	312.8	15		5,199	7	64	(33)
Of which qualifying revolving retail	3,419	27,529	45	15,712	1.31	3,007.3	83		4,455	28	201	(97)
Of which other retail	12,470	8,539	44	16,042	4.89	819.1	69		12,561	78	501	(232)
– SME	2,004	2,117	5	1,927	8.96	26.1	50		1,110	58	98	(58)
– Non SME	10,466	6,422	57	14,115	3.90	793.0	73		11,451	81	403	(174)
Non-credit obligation assets	43	–	–	43	–				43	100		–
<b>Total IRB<sup>4</sup></b>	<b>455,318</b>	<b>706,517</b>	<b>21</b>	<b>555,906</b>	<b>2.05</b>	<b>4,163.7</b>	<b>40</b>	<b>1.12</b>	<b>121,233</b>	<b>22</b>	<b>4,814</b>	<b>(4,300)</b>

1. Averages are based on a simplified weighted average approach using EAD

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

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

4. Refer to Table 15 (OV1) for RWA

## 3.2 Risk grade profile continued

Table 32: IRB approach – Credit risk exposures by exposure class and PD range for central governments or central banks (UK CR6)

PD range %	30.06.24											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	151,812	169,206	–	157,784	0.03	0.1	45	1.34	11,967	8	17	(8)
0.00 to <0.10	140,130	163,434	–	146,743	0.02	0.1	45	1.35	9,092	6	11	(5)
0.10 to <0.15	11,682	5,772	–	11,041	0.13	–	44	1.22	2,875	26	6	(2)
0.15 to <0.25	14	35	–	14	0.22	–	46	1.00	5	36	–	–
0.25 to <0.50	37	781	–	17	0.39	–	41	1.34	8	47	–	–
0.50 to <0.75	451	573	4	148	0.51	–	45	0.50	74	50	–	–
0.75 to <2.50	5,297	2,962	3	2,654	1.08	–	45	0.83	2,056	77	13	(6)
0.75 to <1.75	5,044	2,646	1	2,579	1.05	–	45	0.82	1,979	77	12	(5)
1.75 to <2.5	252	317	25	74	2.03	–	45	1.17	78	105	1	–
2.50 to <10.00	2,650	2,571	4	939	4.21	–	49	0.89	1,222	130	18	(10)
2.5 to <5	2,555	2,430	3	930	4.18	–	49	0.88	1,206	130	18	(9)
5 to <10	94	140	21	9	7.22	–	45	2.57	16	178	–	(1)
10.00 to <100.00	1,590	2,587	–	971	21.28	–	45	0.42	2,164	223	94	(40)
10 to <20	1,328	2,587	–	709	16.96	–	45	0.53	1,562	220	54	(15)
20 to <30	–	–	–	–	–	–	–	–	–	–	–	–
30.00 to <100.00	262	–	–	262	33.00	–	46	0.11	602	230	40	(25)
100.00 (Default)	731	1,206	1	371	100.00	–	44	1.55	1,755	473	34	(29)
<b>Total</b>	<b>162,582</b>	<b>179,921</b>	<b>–</b>	<b>162,898</b>	<b>0.95</b>	<b>0.2</b>	<b>45</b>	<b>1.31</b>	<b>19,251</b>	<b>12</b>	<b>176</b>	<b>(93)</b>

PD range %	31.12.23											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	159,359	159,617	–	165,722	0.02	0.1	45	1.23	10,178	6	15	(4)
0.00 to <0.10	157,273	155,991	–	163,991	0.02	0.1	45	1.23	9,739	6	14	(4)
0.10 to <0.15	2,086	3,626	–	1,731	0.13	–	45	1.17	439	25	1	–
0.15 to <0.25	8,827	2,689	–	8,498	0.22	–	43	1.13	3,201	38	8	(2)
0.25 to <0.50	–	–	–	–	–	–	–	–	–	–	–	–
0.50 to <0.75	620	1,208	4	273	0.51	–	43	0.90	140	51	1	–
0.75 to <2.50	5,945	2,756	3	3,933	1.07	–	45	1.47	3,829	71	26	(4)
0.75 to <1.75	3,388	86	19	(5)	0.84	–	40	1.81	2,573	64	15	(3)
1.75 to <2.5	5,728	2,558	3	3,836	1.05	–	45	1.49	3,296	86	18	(5)
2.50 to <10.00	216	198	–	96	2.03	–	45	0.52	92	96	1	–
2.5 to <5	3,478	3,944	11	1,289	4.11	–	45	1.18	1,712	133	24	(9)
5 to <10	3,373	3,823	11	1,278	4.08	–	45	1.17	1,693	132	24	(8)
10.00 to <100.00	105	120	27	11	7.37	–	45	2.38	19	173	–	(1)
10 to <20	1,304	1,428	–	669	28.60	–	44	0.48	1,599	239	87	(30)
20 to <30	132	57	–	132	10.64	–	44	0.64	249	189	6	(2)
30.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	–
100.00 (Default)	1,172	1,371	–	538	33.00	–	45	0.43	1,350	251	80	(28)
<b>Total</b>	<b>1,131</b>	<b>937</b>	<b>1</b>	<b>780</b>	<b>100.00</b>	<b>–</b>	<b>45</b>	<b>0.93</b>	<b>3,898</b>	<b>500</b>	<b>55</b>	<b>(43)</b>
	180,664	172,579	–	181,164	0.95	0.2	45	1.22	24,116	13	209	(93)

1. Averages are based on a simplified weighted average approach using EAD

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



### 3.2 Risk grade profile continued

**Table 33: IRB approach – Credit risk exposures by exposure class and PD range for institutions (UK CR6)**

PD range %	30.06.24											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	55,192	138,639	8	68,908	0.05	0.6	36	0.94	6,854	10	12	(5)
0.00 to <0.10	51,534	126,474	8	64,495	0.04	0.5	36	0.98	6,101	9	10	(5)
0.10 to <0.15	3,658	12,165	6	4,413	0.13	0.1	31	0.45	753	17	2	–
0.15 to <0.25	1,102	5,874	7	1,395	0.22	0.1	30	0.89	374	27	1	–
0.25 to <0.50	713	4,326	14	1,305	0.39	0.1	28	0.25	408	31	1	–
0.50 to <0.75	5,525	6,985	8	4,889	0.52	0.1	24	0.76	1,712	35	6	–
0.75 to <2.50	5,282	8,085	11	3,583	1.57	0.2	29	0.83	2,704	75	17	(1)
0.75 to <1.75	2,465	5,854	11	1,952	1.19	0.1	26	0.38	1,041	53	6	–
1.75 to <2.5	2,817	2,231	12	1,631	2.03	0.1	32	1.37	1,663	102	11	–
2.50 to <10.00	1,387	2,992	25	1,501	5.76	0.1	14	0.40	931	62	13	–
2.5 to <5	493	1,363	34	731	4.31	0.1	10	0.33	226	31	3	–
5 to <10	894	1,629	18	770	7.14	0.1	19	0.46	704	91	10	–
10.00 to <100.00	48	801	16	114	19.84	0.1	7	0.16	344	302	1	–
10 to <20	20	717	16	94	17.04	–	7	0.13	36	38	1	–
20 to <30	–	–	–	–	–	–	–	–	300	–	–	–
30.00 to <100.00	28	84	19	20	33.00	–	6	0.33	7	35	–	–
100.00 (Default)	39	389	22	102	100.00	–	21	0.37	121	119	13	(12)
Total	69,288	168,091	9	81,797	0.53	1.3	34	0.89	13,447	16	64	(18)

31.12.23

PD range %	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	62,580	132,204	8	75,347	0.04	0.6	36	1.04	7,609	10	12	(7)
0.00 to <0.10	60,573	124,088	8	72,802	0.04	0.5	36	1.06	7,114	10	11	(7)
0.10 to <0.15	2,007	8,116	5	2,545	0.13	0.1	37	0.63	495	19	1	-
0.15 to <0.25	3,509	10,209	6	4,089	0.22	0.1	33	0.41	1,094	27	3	-
0.25 to <0.50	659	4,714	10	1,170	0.39	0.1	28	0.47	434	37	1	-
0.50 to <0.75	5,191	6,825	7	4,043	0.55	0.1	21	0.92	1,409	35	5	(1)
0.75 to <2.50	3,091	7,112	13	2,708	1.31	0.2	25	0.44	1,446	53	9	(1)
0.75 to <1.75	2,724	6,096	13	2,297	1.18	0.1	26	0.42	1,220	53	7	(1)
1.75 to <2.5	366	1,017	15	412	2.03	-	21	0.53	226	55	2	-
2.50 to <10.00	3,029	3,641	13	2,003	4.74	0.1	21	0.50	1,504	75	18	-
2.5 to <5	2,295	2,074	13	1,397	3.84	0.1	24	0.57	1,207	86	12	-
5 to <10	735	1,567	12	606	6.84	0.1	12	0.35	296	49	5	-
10.00 to <100.00	45	652	8	46	26.20	0.1	24	0.18	60	130	2	-
10 to <20	11	400	2	16	13.96	-	37	0.33	31	194	1	-
20 to <30	-	-	-	-	-	-	-	-	-	-	-	-
30.00 to <100.00	34	252	17	29	33.00	-	17	0.10	29	100	2	-
100.00 (Default)	59	203	21	76	100.00	-	26	0.63	99	130	15	(15)
<b>Total</b>	<b>78,163</b>	<b>165,560</b>	<b>8</b>	<b>89,482</b>	<b>0.45</b>	<b>1.3</b>	<b>34</b>	<b>0.94</b>	<b>13,655</b>	<b>15</b>	<b>65</b>	<b>(24)</b>

1. Averages are based on a simplified weighted average approach using EAD

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

## 3.2 Risk grade profile continued

Table 34: IRB approach – Credit risk exposures by exposure class and PD range for Corporates (UK CR6)

PD range %	30.06.24											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	48,733	169,890	18	96,681	0.07	3.9	42	1.37	15,200	16	28	(25)
0.00 to <0.10	38,701	132,803	19	80,110	0.06	2.7	42	1.38	11,204	14	18	(11)
0.10 to <0.15	10,031	37,087	18	16,573	0.13	1.2	42	1.33	3,996	24	9	(14)
0.15 to <0.25	13,608	44,282	19	20,030	0.22	2.1	35	1.44	5,945	30	15	(10)
0.25 to <0.50	8,238	28,384	22	13,634	0.39	1.5	40	1.22	6,136	45	21	(17)
0.50 to <0.75	14,384	49,906	21	23,023	0.56	2.7	37	1.25	11,402	50	47	(20)
0.75 to <2.50	11,100	27,446	22	13,832	1.31	4.0	33	1.37	9,799	71	60	(36)
0.75 to <1.75	8,238	23,184	21	11,341	1.15	3.0	32	1.31	6,708	59	42	(22)
1.75 to <2.5	2,861	4,262	23	2,489	2.03	1.1	37	1.59	3,090	124	20	(13)
2.50 to <10.00	8,069	8,510	20	7,056	4.45	3.0	35	1.17	8,546	121	108	(38)
2.5 to <5	6,385	5,859	19	5,363	3.65	1.9	37	1.20	5,925	110	73	(26)
5 to <10	1,686	2,652	23	1,694	7.05	1.0	30	1.05	2,620	155	36	(13)
10.00 to <100.00	2,410	7,981	9	1,749	18.16	2.3	33	1.12	3,054	175	100	(65)
10 to <20	2,158	7,618	9	1,426	15.39	2.2	34	0.98	2,390	168	74	(46)
20 to <30	132	163	22	168	25.60	0.1	36	1.17	443	264	15	(13)
30.00 to <100.00	113	189	27	149	33.48	0.1	21	1.91	213	143	11	(6)
100.00 (Default)	4,271	1,934	32	4,095	100.00	1.0	54	1.14	3,053	75	3,344	(3,476)
Total	110,813	338,333	19	180,100	2.25	20.7	39	1.34	63,135	35	3,723	(3,687)

PD range %	31.12.23											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	47,305	167,953	19	95,707	0.07	3.8	41	1.36	15,499	16	27	(28)
0.00 to <0.10	37,025	128,617	19	78,440	0.06	2.6	41	1.34	10,968	14	18	(23)
0.10 to <0.15	10,280	39,336	18	17,268	0.13	1.2	42	1.44	4,531	26	9	(6)
0.15 to <0.25	12,124	40,934	21	19,450	0.22	2.2	38	1.39	6,291	32	16	(13)
0.25 to <0.50	6,123	27,862	19	11,738	0.39	1.5	38	1.24	5,111	44	17	(16)
0.50 to <0.75	14,681	42,932	24	22,752	0.57	2.7	35	1.22	11,400	50	45	(48)
0.75 to <2.50	10,282	32,431	20	14,221	1.35	3.9	30	1.35	8,907	63	57	(51)
0.75 to <1.75	7,542	27,405	18	11,166	1.16	2.9	30	1.36	6,622	59	38	(38)
1.75 to <2.5	2,740	5,026	31	3,054	2.03	1.0	31	1.35	2,285	75	20	(13)
2.50 to <10.00	7,277	8,404	23	6,270	4.35	2.9	34	1.30	6,233	99	90	(47)
2.5 to <5	5,564	6,327	22	4,813	3.55	2.0	35	1.34	4,825	100	62	(35)
5 to <10	1,714	2,077	27	1,457	7.06	0.9	28	1.21	1,407	97	29	(13)
10.00 to <100.00	2,913	7,147	11	1,793	21.63	2.4	30	1.25	3,571	199	116	(62)
10 to <20	2,215	6,146	8	1,041	13.71	2.1	28	1.18	1,580	152	40	(15)
20 to <30	172	265	1	212	2.00	0.1	3	0.09	940	443	15	(10)
30.00 to <100.00	524	737	25	540	33.04	0.2	34	1.12	1,052	195	60	(37)
100.00 (Default)	4,877	2,659	25	4,587	100.00	1.2	56	1.13	4,163	91	3,405	(3,555)
Total	105,582	330,322	20	176,518	2.68	20.6	39	1.33	61,175	35	3,773	(3,820)

1. Averages are based on a simplified weighted average approach using EAD

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

### 3.2 Risk grade profile continued

**Table 35: IRB approach – Credit risk exposures by exposure class and PD range for Corporates – Other (UK CR6)**

PD range %	30.06.24											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	45,499	161,416	18	92,511	0.07	3.7	43	1.30	14,654	16	27	(13)
0.00 to <0.10	36,885	126,830	19	77,950	0.06	2.6	43	1.32	11,009	14	18	(10)
0.10 to <0.15	8,614	34,586	17	14,561	0.13	1.1	44	1.20	3,645	25	8	(3)
0.15 to <0.25	9,905	40,062	19	16,935	0.22	1.8	37	1.29	5,226	31	14	(6)
0.25 to <0.50	7,556	25,690	22	12,389	0.39	1.3	42	1.17	5,801	47	20	(16)
0.50 to <0.75	12,470	45,155	22	20,935	0.56	2.1	38	1.19	10,698	51	44	(13)
0.75 to <2.50	8,631	23,114	22	11,849	1.30	3.1	35	1.25	8,943	75	54	(14)
0.75 to <1.75	6,437	19,787	22	9,734	1.14	2.3	34	1.17	6,096	63	38	(10)
1.75 to <2.5	2,193	3,327	21	2,114	2.03	0.8	39	1.62	2,846	135	17	(4)
2.50 to <10.00	6,046	7,549	20	5,462	4.45	1.5	37	0.98	7,540	138	90	(16)
2.5 to <5	4,859	5,372	19	4,270	3.73	1.0	39	1.02	5,261	123	63	(9)
5 to <10	1,188	2,178	23	1,192	7.01	0.4	32	0.81	2,279	191	27	(6)
10.00 to <100.00	2,033	7,483	9	1,418	18.58	1.5	33	1.00	2,667	188	86	(60)
10 to <20	1,791	7,135	9	1,104	15.59	1.4	34	0.85	2,014	182	61	(41)
20 to <30	132	163	–	168	–	0.1	–	–	443	264	15	(13)
30.00 to <100.00	110	184	28	146	33.12	0.1	20	1.88	210	144	10	(6)
100.00 (Default)	3,172	1,584	33	3,150	100.00	0.8	59	1.26	2,625	83	2,796	(2,827)
Total	95,312	312,053	19	164,649	2.02	15.8	40	1.25	58,154	35	3,131	(2,965)

31.12.23												
PD range %	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	43,486	156,320	19	90,800	0.07	3.6	43	1.28	14,773	16	26	(26)
0.00 to <0.10	35,384	121,561	19	76,464	0.06	2.5	42	1.27	10,741	14	18	(22)
0.10 to <0.15	8,102	34,759	17	14,336	0.13	1.1	45	1.31	4,032	28	8	(4)
0.15 to <0.25	10,685	37,635	21	17,606	0.22	1.9	39	1.26	5,834	33	15	(8)
0.25 to <0.50	5,399	25,556	19	10,729	0.39	1.3	39	1.16	4,836	45	16	(14)
0.50 to <0.75	12,902	38,334	25	20,741	0.56	2.0	36	1.17	10,691	52	42	(44)
0.75 to <2.50	7,660	28,401	20	11,901	1.35	2.9	32	1.25	7,960	67	51	(31)
0.75 to <1.75	5,622	24,117	18	9,317	1.16	2.2	31	1.25	5,901	63	33	(28)
1.75 to <2.5	2,038	4,284	29	2,584	2.03	0.7	33	1.28	2,059	80	18	(3)
2.50 to <10.00	5,259	7,431	23	4,617	4.40	1.4	36	1.13	5,277	114	72	(31)
2.5 to <5	3,990	5,600	21	3,567	3.60	1.1	39	1.20	4,155	116	50	(23)
5 to <10	1,269	1,831	28	1,050	7.10	0.3	29	0.90	1,122	107	22	(8)
10.00 to <100.00	2,502	6,643	11	1,470	21.47	1.7	30	1.19	3,244	221	98	(54)
10 to <20	1,897	5,694	8	799	13.59	1.4	28	1.13	1,405	176	32	(12)
20 to <30	158	241	–	195	–	0.1	–	–	914	469	13	(9)
30.00 to <100.00	447	708	26	477	33.04	0.2	33	1.03	925	194	52	(33)
100.00 (Default)	3,575	2,236	26	3,505	100.00	0.9	60	1.23	3,598	103	2,763	(2,832)
Total	91,468	302,556	20	161,369	2.40	15.7	40	1.24	56,213	35	3,083	(3,040)

1. Averages are based on a simplified weighted average approach using EAD

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

## 3.2 Risk grade profile continued

Table 36: IRB approach – Credit risk exposures by exposure class and PD range for corporates – specialised lending (UK CR6)

PD range %	30.06.24											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	3,199	8,189	21	4,038	0.10	0.2	21	2.73	527	13	1	(12)
0.00 to <0.10	1,797	5,733	16	2,062	0.07	0.1	18	2.68	185	9	–	(1)
0.10 to <0.15	1,402	2,456	33	1,977	0.13	0.1	24	2.78	342	17	1	(11)
0.15 to <0.25	3,526	3,844	17	2,820	0.22	0.1	24	2.40	619	22	1	(4)
0.25 to <0.50	612	2,393	27	1,106	0.39	0.1	26	1.77	300	27	1	(1)
0.50 to <0.75	1,609	4,476	16	1,744	0.60	0.1	26	1.86	634	36	3	(7)
0.75 to <2.50	1,882	2,967	24	1,285	1.27	0.1	24	2.19	649	51	4	(21)
0.75 to <1.75	1,330	2,272	19	1,029	1.09	0.1	22	2.34	455	44	3	(12)
1.75 to <2.5	552	695	40	255	2.03	–	31	1.60	194	76	3	(9)
2.50 to <10.00	1,067	526	21	613	4.17	–	21	2.84	413	67	5	(19)
2.5 to <5	898	207	12	451	3.10	–	23	2.91	302	67	4	(14)
5 to <10	170	319	27	162	7.17	–	17	2.64	111	69	2	(6)
10.00 to <100.00	128	395	3	83	13.28	–	36	3.19	155	187	4	(2)
10 to <20	128	393	3	83	13.28	–	36	3.19	155	187	4	(2)
20 to <30	–	2	–	–	–	–	–	–	–	–	–	–
30.00 to <100.00	–	–	–	–	–	–	–	–	–	–	–	–
100.00 (Default)	843	242	21	652	100.00	–	36	0.73	233	36	349	(409)
Total	12,866	23,032	20	12,341	3.78	0.8	24	2.31	3,530	29	368	(475)

31.12.23												
PD range %	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	3,816	11,439	19	4,873	0.11	0.2	23	2.41	714	15	1	(2)
0.00 to <0.10	1,640	6,909	15	1,947	0.07	0.1	20	2.68	217	11	–	(1)
0.10 to <0.15	2,176	4,530	25	2,927	0.13	0.1	25	2.22	497	17	1	(2)
0.15 to <0.25	1,363	2,802	24	1,723	0.22	0.1	25	2.82	434	25	1	(5)
0.25 to <0.50	634	2,096	20	827	0.39	0.1	26	2.14	231	28	1	(2)
0.50 to <0.75	1,559	4,004	16	1,691	0.61	0.1	28	1.72	631	37	3	(4)
0.75 to <2.50	1,970	3,047	25	1,507	1.32	0.1	22	2.12	686	46	4	(20)
0.75 to <1.75	1,388	2,439	19	1,168	1.11	0.1	22	2.23	519	44	3	(10)
1.75 to <2.5	582	608	49	338	2.03	–	19	1.74	167	49	2	(10)
2.50 to <10.00	981	594	26	577	3.54	–	17	2.79	323	56	4	(12)
2.5 to <5	863	439	30	496	3.07	–	17	2.48	256	52	4	(8)
5 to <10	118	155	16	80	6.44	–	18	4.68	67	84	1	(4)
10.00 to <100.00	118	395	3	54	28.63	–	33	2.51	100	185	5	(2)
10 to <20	63	376	2	13	15.49	–	34	1.98	24	185	1	(1)
20 to <30	–	2	–	–	–	–	–	–	–	–	–	–
30.00 to <100.00	55	18	–	40	33.00	–	32	2.69	77	193	4	(1)
100.00 (Default)	984	253	20	722	100.00	–	36	0.79	303	42	395	(435)
Total	11,425	24,630	20	11,974	4.37	0.6	24	2.25	3,422	29	414	(482)

1. Averages are based on a simplified weighted average approach using EAD

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

## 3.2 Risk grade profile continued

**Table 37: IRB approach – Credit risk exposures by exposure class and PD range for corporates – SME (UK CR6)**

PD range %	30.06.24											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	35	285	38	132	0.07	–	33	1.43	19	14	–	–
0.00 to <0.10	19	240	38	98	0.05	–	29	1.14	10	10	–	–
0.10 to <0.15	15	45	39	35	0.13	–	45	2.25	9	26	–	–
0.15 to <0.25	177	376	27	275	0.22	0.2	41	2.70	100	36	–	–
0.25 to <0.50	70	301	24	139	0.40	0.1	28	1.24	35	25	–	–
0.50 to <0.75	305	275	17	344	0.62	0.5	21	1.33	70	20	–	–
0.75 to <2.50	587	1,365	10	698	1.49	0.8	19	1.19	207	30	2	(1)
0.75 to <1.75	471	1,125	11	578	1.36	0.6	18	1.20	157	27	1	–
1.75 to <2.5	116	240	5	120	2.12	0.3	27	1.14	50	42	–	–
2.50 to <10.00	956	435	15	981	4.77	1.5	29	1.12	593	60	13	(3)
2.5 to <5	628	280	14	642	3.47	0.9	30	1.11	362	56	6	(3)
5 to <10	328	155	19	340	7.21	0.6	28	1.14	230	68	7	(1)
10.00 to <100.00	249	103	20	248	13.93	0.8	29	1.16	232	94	10	(3)
10 to <20	239	90	23	239	13.25	0.8	29	1.11	221	92	9	(3)
20 to <30	6	8	2	6	25.22	–	35	2.15	8	133	1	–
30.00 to <100.00	3	5	1	3	46.53	–	35	2.86	3	100	1	–
100.00 (Default)	256	108	38	293	100.00	0.2	49	0.83	195	67	199	(240)
<b>Total</b>	<b>2,635</b>	<b>3,248</b>	<b>18</b>	<b>3,110</b>	<b>8.75</b>	<b>4.1</b>	<b>28</b>	<b>1.32</b>	<b>1,451</b>	<b>47</b>	<b>224</b>	<b>(247)</b>

31.12.23

PD range %	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	3	194	14	34	0.09	–	59	3.65	12	35	–	–
0.00 to <0.10	1	147	16	29	0.09	–	61	3.63	10	34	–	–
0.10 to <0.15	2	47	8	5	0.13	–	48	3.79	2	40	–	–
0.15 to <0.25	76	497	9	121	0.23	0.2	26	1.70	23	19	–	–
0.25 to <0.50	90	210	55	182	0.40	0.1	28	1.41	44	24	–	–
0.50 to <0.75	220	594	18	320	0.62	0.6	23	1.23	78	24	–	–
0.75 to <2.50	652	983	18	813	1.40	0.9	21	1.29	261	32	2	–
0.75 to <1.75	532	849	19	681	1.27	0.6	19	1.32	202	30	2	–
1.75 to <2.5	120	134	12	132	2.10	0.3	27	1.14	59	45	–	–
2.50 to <10.00	1,037	379	19	1,076	4.80	1.5	27	1.20	633	59	14	(4)
2.5 to <5	711	288	21	750	3.75	0.9	27	1.17	414	55	8	(4)
5 to <10	327	91	15	327	7.20	0.6	27	1.27	218	67	6	(1)
10.00 to <100.00	293	109	15	269	16.29	0.7	25	1.12	227	84	13	(6)
10 to <20	255	76	17	229	14.00	0.7	21	1.17	151	66	7	(2)
20 to <30	14	22	13	17	24.29	–	40	1.08	26	153	2	(1)
30.00 to <100.00	22	11	8	23	33.00	–	56	0.74	50	217	4	(3)
100.00 (Default)	318	170	27	360	100.00	0.3	54	0.87	262	73	247	(288)
<b>Total</b>	<b>2,689</b>	<b>3,136</b>	<b>19</b>	<b>3,175</b>	<b>11.19</b>	<b>4.3</b>	<b>28</b>	<b>1.34</b>	<b>1,540</b>	<b>49</b>	<b>276</b>	<b>(298)</b>

1. Averages are based on a simplified weighted average approach using EAD

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

## 3.2 Risk grade profile continued

Table 38: IRB approach – Credit risk exposures by exposure class and PD range for retail (UK CR6)

PD range %	30.06.24											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	57,870	16,975	50	66,363	0.07	1,181.7	31		3,269	5	12	(8)
0.00 to <0.10	51,084	13,105	49	57,461	0.06	961.7	29		2,685	5	8	(6)
0.10 to <0.15	6,787	3,870	55	8,902	0.12	219.8	40		584	7	3	(2)
0.15 to <0.25	5,098	3,191	43	6,461	0.19	220.6	37		707	11	3	(3)
0.25 to <0.50	4,165	2,888	50	5,594	0.33	223.7	54		1,352	24	9	(7)
0.50 to <0.75	4,286	4,819	48	6,579	0.65	277.4	63		2,301	35	24	(12)
0.75 to <2.50	5,917	5,041	31	7,392	1.47	895.8	63		4,718	64	64	(37)
0.75 to <1.75	4,462	4,032	32	5,718	1.30	661.0	63		3,379	59	43	(25)
1.75 to <2.5	1,455	1,010	23	1,674	2.14	234.9	62		1,340	80	21	(12)
2.50 to <10.00	5,282	3,330	39	6,519	4.50	917.0	70		6,769	104	194	(86)
2.5 to <5	3,563	2,589	41	4,592	3.28	608.7	72		4,606	100	104	(45)
5 to <10	1,717	742	32	1,928	7.22	308.3	66		2,162	112	89	(39)
10.00 to <100.00	1,263	477	29	1,387	26.96	223.5	65		2,094	151	226	(84)
10 to <20	768	370	30	869	13.56	138.8	68		1,312	151	83	(32)
20 to <30	140	38	32	151	23.78	29.1	64		260	172	23	(10)
30.00 to <100.00	359	68	21	371	59.09	55.6	55		525	142	121	(43)
100.00 (Default)	623	145	6	631	100.00	45.6	50		1,153	183	225	(152)
<b>Total</b>	<b>84,504</b>	<b>36,866</b>	<b>45</b>	<b>100,926</b>	<b>1.30</b>	<b>3,985.3</b>	<b>41</b>		<b>22,363</b>	<b>22</b>	<b>757</b>	<b>(389)</b>

PD range %	31.12.23											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	62,538	17,289	52	71,447	0.07	1,221.7	29		2,935	4	12	(15)
0.00 to <0.10	55,033	13,403	51	61,766	0.06	1,007.5	28		2,330	4	8	(11)
0.10 to <0.15	7,503	3,884	56	9,682	0.12	214.2	38		605	6	3	(3)
0.15 to <0.25	5,539	3,614	46	7,195	0.19	303.2	37		752	10	3	(4)
0.25 to <0.50	4,425	3,831	48	6,231	0.34	583.2	57		1,393	22	10	(9)
0.50 to <0.75	4,491	5,459	47	7,046	0.65	403.9	64		2,334	33	26	(12)
0.75 to <2.50	6,391	4,401	36	7,923	1.46	700.0	60		4,758	60	67	(37)
0.75 to <1.75	4,874	3,608	37	6,175	1.28	512.2	60		3,368	55	45	(25)
1.75 to <2.5	1,518	792	31	1,750	2.13	188.1	62		1,391	79	23	(12)
2.50 to <10.00	5,582	2,897	44	6,820	4.53	710.1	67		6,865	101	195	(75)
2.5 to <5	3,873	2,192	48	4,894	3.35	515.4	69		4,826	99	108	(43)
5 to <10	1,710	705	34	1,927	7.32	194.9	63		2,038	106	86	(32)
10.00 to <100.00	1,298	441	33	1,427	27.67	172.5	63		2,146	150	231	(63)
10 to <20	774	312	33	865	13.65	91.8	65		1,311	152	80	(26)
20 to <30	157	41	38	170	23.67	26.7	63		301	177	25	(8)
30.00 to <100.00	368	88	28	390	58.46	53.8	56		534	137	126	(27)
100.00 (Default)	602	124	7	610	100.00	47.0	50		1,061	174	223	(148)
<b>Total</b>	<b>90,866</b>	<b>38,056</b>	<b>47</b>	<b>108,699</b>	<b>1.23</b>	<b>4,141.6</b>	<b>40</b>		<b>22,244</b>	<b>20</b>	<b>767</b>	<b>(363)</b>

1. Averages are based on a simplified weighted average approach using EAD

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

### 3.2 Risk grade profile continued

**Table 39: IRB approach – Credit risk exposures by exposure class and PD range for retail – secured by real estate property – SME (UK CR6)**

PD range %	30.06.24											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	51	1	102	52	0.10	0.5	14		2	4	–	–
0.00 to <0.10	27	1	101	28	0.07	0.3	13		1	4	–	–
0.10 to <0.15	24	–	110	24	0.13	0.2	14		1	4	–	–
0.15 to <0.25	37	12	59	44	0.18	0.2	10		2	5	–	–
0.25 to <0.50	40	5	59	43	0.39	0.3	2		1	2	–	–
0.50 to <0.75	38	3	77	41	0.60	0.3	2		1	2	–	–
0.75 to <2.50	106	26	50	119	1.42	0.6	6		8	7	–	–
0.75 to <1.75	88	22	47	99	1.26	0.5	6		7	7	–	–
1.75 to <2.5	18	4	63	20	2.16	0.1	5		1	5	–	–
2.50 to <10.00	60	13	38	65	5.16	0.2	7		7	11	–	–
2.5 to <5	23	6	41	26	3.36	0.1	6		2	8	–	–
5 to <10	36	7	34	39	6.35	0.1	8		5	13	–	–
10.00 to <100.00	13	2	90	14	27.49	0.1	7		2	14	–	–
10 to <20	7	1	88	9	14.48	–	4		1	11	–	–
20 to <30	3	–	100	3	26.88	–	12		1	33	–	–
30.00 to <100.00	3	–	100	3	66.52	–	13		1	33	–	–
100.00 (Default)	6	1	73	6	100.00	–	3		2	33	2	(2)
<b>Total</b>	<b>351</b>	<b>63</b>	<b>54</b>	<b>384</b>	<b>4.19</b>	<b>2.2</b>	<b>7</b>		<b>25</b>	<b>7</b>	<b>2</b>	<b>(2)</b>

31.12.23

PD range %	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	58	2	98	59	0.09	0.5	13		2	3	–	–
0.00 to <0.10	31	1	96	32	0.07	0.3	14		1	3	–	–
0.10 to <0.15	27	–	–	27	0.13	0.2	13		1	4	–	–
0.15 to <0.25	44	15	64	53	0.19	0.3	10		2	4	–	–
0.25 to <0.50	40	2	38	41	0.38	0.3	1		–	–	–	–
0.50 to <0.75	47	3	41	48	0.60	0.3	2		1	2	–	–
0.75 to <2.50	121	17	71	133	1.38	0.7	5		9	7	–	–
0.75 to <1.75	105	16	70	116	1.28	0.6	6		8	7	–	–
1.75 to <2.5	16	1	80	17	2.12	0.1	4		1	6	–	–
2.50 to <10.00	57	13	52	63	4.79	0.2	9		9	14	–	–
2.5 to <5	37	11	52	42	3.81	0.2	10		7	17	–	–
5 to <10	20	2	48	21	6.76	0.1	6		2	10	–	–
10.00 to <100.00	15	2	90	17	25.23	0.1	8		3	18	–	–
10 to <20	8	2	89	10	14.07	–	5		1	10	–	–
20 to <30	4	–	100	4	26.60	–	11		1	25	–	–
30.00 to <100.00	3	–	100	3	61.60	–	14		1	33	–	–
100.00 (Default)	5	–	77	6	100.00	–	4		3	50	1	(1)
<b>Total</b>	<b>387</b>	<b>54</b>	<b>63</b>	<b>420</b>	<b>3.44</b>	<b>2.4</b>	<b>7</b>		<b>29</b>	<b>7</b>	<b>1</b>	<b>(1)</b>

1. Averages are based on a simplified weighted average approach using EAD

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



## 3.2 Risk grade profile continued

Table 40: IRB approach – Credit risk exposures by exposure class and PD range for retail – secured by real estate property Non SME (UK CR6)

PD range %	30.06.24											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	56,665	1,027	100	57,694	0.07	210.6	15		2,760	5	6	(1)
0.00 to <0.10	50,320	547	100	50,868	0.06	189.3	15		2,347	5	5	(1)
0.10 to <0.15	6,346	480	100	6,826	0.12	21.3	14		413	6	1	-
0.15 to <0.25	4,651	280	100	4,931	0.19	21.2	14		443	9	1	-
0.25 to <0.50	2,707	119	100	2,827	0.35	15.8	18		474	17	2	-
0.50 to <0.75	2,765	85	100	2,850	0.61	24.8	20		762	27	4	(1)
0.75 to <2.50	1,682	85	100	1,768	1.32	13.4	17		615	35	4	-
0.75 to <1.75	1,331	35	100	1,367	1.09	10.6	17		465	34	2	-
1.75 to <2.5	351	50	100	401	2.08	2.8	16		151	38	1	-
2.50 to <10.00	353	4	100	357	4.74	3.9	16		193	54	3	(1)
2.5 to <5	226	4	100	230	3.49	2.4	17		113	49	1	-
5 to <10	126	1	100	127	7.01	1.5	15		80	63	1	-
10.00 to <100.00	197	2	100	199	35.73	2.3	16		210	106	11	(3)
10 to <20	66	1	100	67	13.22	1.0	18		64	96	2	(1)
20 to <30	21	-	100	21	24.45	0.2	16		23	110	1	-
30.00 to <100.00	111	1	100	112	51.30	1.1	14		124	111	8	(2)
100.00 (Default)	259	-	100	260	100.00	2.7	24		363	140	35	(30)
<b>Total</b>	<b>69,279</b>	<b>1,602</b>	<b>100</b>	<b>70,886</b>	<b>0.63</b>	<b>294.7</b>	<b>15</b>		<b>5,820</b>	<b>8</b>	<b>66</b>	<b>(36)</b>

PD range %	31.12.23											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	61,340	1,161	100	62,503	0.07	227.8	14		2,418	4	6	(2)
0.00 to <0.10	54,264	591	100	54,858	0.06	204.8	14		1,982	4	5	(2)
0.10 to <0.15	7,075	570	100	7,645	0.12	23.0	14		436	6	1	-
0.15 to <0.25	5,033	427	100	5,460	0.19	21.9	14		459	8	1	-
0.25 to <0.50	2,769	118	100	2,887	0.35	15.5	17		378	13	2	-
0.50 to <0.75	2,844	105	100	2,949	0.61	24.9	20		680	23	4	-
0.75 to <2.50	1,800	115	100	1,914	1.33	13.8	16		572	30	4	-
0.75 to <1.75	1,402	50	100	1,452	1.09	10.8	16		378	26	2	-
1.75 to <2.5	398	64	100	463	2.08	3.1	16		195	42	2	-
2.50 to <10.00	352	5	100	357	4.76	3.9	16		204	57	3	-
2.5 to <5	231	3	100	234	3.52	2.4	16		124	53	1	-
5 to <10	122	2	100	123	7.12	1.5	15		80	65	1	-
10.00 to <100.00	203	2	100	205	35.94	2.4	15		166	81	11	(3)
10 to <20	70	1	100	71	13.49	1.1	16		64	90	2	-
20 to <30	23	-	100	23	24.00	0.2	13		20	87	1	-
30.00 to <100.00	110	1	101	110	52.93	1.1	14		81	74	8	(2)
100.00 (Default)	249	1	100	250	100.00	2.6	23		322	129	33	(28)
<b>Total</b>	<b>74,590</b>	<b>1,934</b>	<b>100</b>	<b>76,525</b>	<b>0.59</b>	<b>312.8</b>	<b>15</b>		<b>5,199</b>	<b>7</b>	<b>64</b>	<b>(33)</b>

1. Averages are based on a simplified weighted average approach using EAD

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



### 3.2 Risk grade profile continued

**Table 41: IRB approach – Credit risk exposures by exposure class and PD range for retail – qualifying revolving (UK CR6)**

PD range %	30.06.24											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	855	13,758	45	7,083	0.07	913.4	85		299	4	5	(6)
0.00 to <0.10	505	10,755	45	5,297	0.06	722.2	85		189	4	3	(4)
0.10 to <0.15	350	3,003	48	1,787	0.11	191.2	87		110	6	2	(2)
0.15 to <0.25	120	2,001	35	820	0.21	174.2	72		69	8	1	(2)
0.25 to <0.50	294	1,859	46	1,140	0.31	164.7	83		152	13	3	(3)
0.50 to <0.75	460	3,861	48	2,323	0.67	216.2	88		630	27	14	(6)
0.75 to <2.50	514	3,186	32	1,540	1.51	672.2	82		748	49	19	(10)
0.75 to <1.75	389	2,599	34	1,279	1.39	520.4	83		572	45	15	(7)
1.75 to <2.5	125	587	23	261	2.13	151.9	76		176	67	4	(2)
2.50 to <10.00	766	1,791	33	1,358	4.70	615.3	82		1,513	111	52	(23)
2.5 to <5	424	1,399	32	868	3.27	409.6	81		789	91	23	(11)
5 to <10	342	392	38	490	7.23	205.6	82		723	148	29	(13)
10.00 to <100.00	207	170	38	272	26.82	136.5	81		526	193	59	(21)
10 to <20	125	121	38	171	13.50	84.3	82		321	188	19	(7)
20 to <30	26	22	40	35	23.69	18.1	80		82	234	7	(3)
30.00 to <100.00	57	28	36	67	62.63	34.1	81		123	184	34	(11)
100.00 (Default)	105	–	–	105	100.00	22.7	67		286	272	48	(22)
<b>Total</b>	<b>3,321</b>	<b>26,626</b>	<b>42</b>	<b>14,641</b>	<b>1.44</b>	<b>2,915.2</b>	<b>84</b>		<b>4,223</b>	<b>29</b>	<b>201</b>	<b>(93)</b>

31.12.23												
PD range %	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	869	13,963	46	7,290	0.07	933.3	85		301	4	5	(11)
0.00 to <0.10	533	11,028	46	5,553	0.06	750.1	84		194	3	3	(8)
0.10 to <0.15	335	2,934	48	1,737	0.11	183.2	86		107	6	2	(3)
0.15 to <0.25	133	2,256	37	958	0.21	240.9	73		90	9	1	(3)
0.25 to <0.50	333	2,817	45	1,591	0.32	500.0	83		257	16	4	(5)
0.50 to <0.75	503	4,437	47	2,598	0.67	326.7	88		708	27	15	(7)
0.75 to <2.50	575	2,580	41	1,637	1.48	455.4	82		778	48	20	(12)
0.75 to <1.75	452	2,202	42	1,381	1.36	357.7	83		627	45	16	(9)
1.75 to <2.5	123	378	35	257	2.11	97.8	76		152	59	4	(2)
2.50 to <10.00	711	1,325	42	1,273	4.80	431.9	80		1,411	111	49	(21)
2.5 to <5	396	991	41	800	3.34	310.1	80		733	92	21	(10)
5 to <10	315	334	47	473	7.26	121.8	81		678	143	28	(11)
10.00 to <100.00	190	151	46	260	28.40	95.5	81		626	241	60	(17)
10 to <20	109	85	47	149	13.62	48.2	80		355	238	16	(5)
20 to <30	26	23	46	36	23.61	15.2	80		101	281	7	(2)
30.00 to <100.00	55	43	44	74	60.68	32.1	81		171	231	36	(9)
100.00 (Default)	105	–	–	105	100.00	23.6	67		284	270	47	(21)
<b>Total</b>	<b>3,222</b>	<b>28,096</b>	<b>45</b>	<b>15,965</b>	<b>1.43</b>	<b>3,388.1</b>	<b>83</b>		<b>4,490</b>	<b>28</b>	<b>218</b>	<b>(94)</b>

1. Averages are based on a simplified weighted average approach using EAD

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

## 3.2 Risk grade profile continued

Table 42: IRB approach – Credit risk exposures by exposure class and PD range for retail – SME (UK CR6)

PD range %	30.06.24											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	20	8	7	14	0.08	0.9	73		2	14	–	–
0.00 to <0.10	12	4	11	10	0.07	0.5	75		1	10	–	–
0.10 to <0.15	8	4	3	4	0.12	0.3	67		1	25	–	–
0.15 to <0.25	85	172	4	88	0.20	1.1	45		18	20	–	–
0.25 to <0.50	96	111	6	83	0.38	1.9	44		25	30	–	–
0.50 to <0.75	137	155	5	121	0.62	2.2	45		56	46	–	–
0.75 to <2.50	835	800	3	792	1.51	9.0	48		420	53	6	(1)
0.75 to <1.75	600	571	3	569	1.32	6.7	48		295	52	4	(1)
1.75 to <2.5	235	229	2	223	2.01	2.3	49		125	56	2	–
2.50 to <10.00	613	542	7	599	4.70	6.8	50		356	59	14	(2)
2.5 to <5	409	325	6	401	3.58	4.2	50		235	59	7	(1)
5 to <10	204	217	9	199	6.94	2.6	49		121	61	7	–
10.00 to <100.00	147	217	7	150	23.94	2.4	51		117	78	18	(4)
10 to <20	108	181	9	114	12.72	1.8	51		86	75	7	(1)
20 to <30	8	9	–	7	25.61	0.2	69		9	129	1	–
30.00 to <100.00	32	27	–	29	67.33	0.5	49		22	76	10	(3)
100.00 (Default)	99	143	5	105	100.00	1.4	60		211	201	58	(49)
Total	2,032	2,148	5	1,952	9.84	25.7	49		1,204	62	96	(56)

31.12.23												
PD range %	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	17	13	6	14	0.09	0.8	70		2	14	–	–
0.00 to <0.10	8	8	8	8	0.07	0.5	70		1	13	–	–
0.10 to <0.15	9	5	3	7	0.13	0.3	70		1	14	–	–
0.15 to <0.25	98	204	8	109	0.20	1.2	42		15	14	–	–
0.25 to <0.50	119	137	2	104	0.38	2.0	46		23	22	–	–
0.50 to <0.75	163	186	3	146	0.62	2.3	45		49	34	–	–
0.75 to <2.50	788	738	4	748	1.49	9.2	51		369	49	6	(2)
0.75 to <1.75	582	529	4	552	1.30	6.9	50		259	47	4	(1)
1.75 to <2.5	206	209	3	196	2.03	2.3	53		110	56	2	(1)
2.50 to <10.00	577	523	5	556	4.76	6.7	52		351	63	14	(2)
2.5 to <5	371	287	6	363	3.62	4.1	53		226	62	7	(1)
5 to <10	206	236	4	194	6.91	2.7	52		124	64	7	–
10.00 to <100.00	154	194	9	156	23.08	2.5	49		135	87	18	(3)
10 to <20	117	157	11	122	12.88	1.9	48		104	85	8	(1)
20 to <30	5	8	–	4	24.80	0.1	66		5	125	1	–
30.00 to <100.00	32	29	2	30	64.02	0.4	51		26	87	10	(2)
100.00 (Default)	88	122	6	94	100.00	1.4	63		166	177	60	(51)
Total	2,004	2,117	5	1,927	8.96	26.1	50		1,110	58	98	(58)

1. Averages are based on a simplified weighted average approach using EAD

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

### 3.2 Risk grade profile continued

**Table 43: IRB approach – Credit risk exposures by exposure class and PD range for retail – Non SME (UK CR6)**

PD range %	30.06.24											
	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	279	2,181	57	1,520	0.06	56.3	76		206	14	1	(1)
0.00 to <0.10	220	1,798	58	1,258	0.05	49.4	75		147	12	–	(1)
0.10 to <0.15	59	383	53	261	0.11	6.8	78		59	23	–	–
0.15 to <0.25	205	726	51	578	0.18	23.9	77		175	30	1	(1)
0.25 to <0.50	1,028	794	59	1,501	0.34	41.0	76		700	47	4	(4)
0.50 to <0.75	886	715	50	1,244	0.68	33.9	76		852	68	6	(5)
0.75 to <2.50	2,780	944	42	3,173	1.49	200.6	74		2,927	92	35	(26)
0.75 to <1.75	2,054	805	43	2,404	1.27	122.8	72		2,040	85	22	(17)
1.75 to <2.5	726	140	31	769	2.18	77.8	81		887	115	14	(10)
2.50 to <10.00	3,490	980	66	4,140	4.31	290.8	74		4,700	114	125	(60)
2.5 to <5	2,481	855	69	3,067	3.28	192.4	76		3,467	113	73	(33)
5 to <10	1,009	125	51	1,073	7.26	98.5	69		1,233	115	52	(26)
10.00 to <100.00	699	86	62	752	24.86	82.2	76		1,239	165	138	(56)
10 to <20	461	66	70	508	13.66	51.7	79		840	165	55	(23)
20 to <30	81	7	50	85	23.59	10.6	68		145	171	14	(7)
30.00 to <100.00	156	12	28	160	61.11	19.9	72		255	159	69	(27)
100.00 (Default)	154	1	66	155	100.00	18.8	68		291	188	82	(49)
<b>Total</b>	<b>9,521</b>	<b>6,427</b>	<b>55</b>	<b>13,063</b>	<b>3.88</b>	<b>747.5</b>	<b>75</b>		<b>11,090</b>	<b>85</b>	<b>392</b>	<b>(202)</b>

31.12.23												
PD range %	Original on-balance sheet exposure \$million	Off-balance sheet exposure pre CCF \$million	Average CCF %	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup> thousands	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %	Expected loss \$million	Value adjustments and provisions \$million
0.00 to <0.15	254	2,150	62	1,581	0.06	59.3	77		212	13	1	(2)
0.00 to <0.10	197	1,775	63	1,315	0.05	51.8	77		152	12	–	(1)
0.10 to <0.15	57	375	56	266	0.11	7.5	79		60	23	–	–
0.15 to <0.25	231	712	54	615	0.18	38.9	78		186	30	1	(1)
0.25 to <0.50	1,164	757	59	1,608	0.34	65.4	75		735	46	4	(4)
0.50 to <0.75	934	728	51	1,305	0.68	49.7	77		896	69	7	(5)
0.75 to <2.50	3,107	951	40	3,491	1.49	220.9	70		3,030	87	37	(23)
0.75 to <1.75	2,333	811	42	2,674	1.28	136.2	67		2,096	78	23	(15)
1.75 to <2.5	775	140	30	817	2.18	84.8	82		933	114	15	(9)
2.50 to <10.00	3,885	1,031	67	4,571	4.33	267.4	70		4,890	107	129	(52)
2.5 to <5	2,838	900	69	3,455	3.34	198.6	72		3,736	108	79	(32)
5 to <10	1,047	131	53	1,116	7.41	68.8	63		1,154	103	50	(21)
10.00 to <100.00	736	92	58	789	25.06	72.0	74		1,216	154	142	(40)
10 to <20	469	67	66	513	13.68	40.6	76		787	153	54	(20)
20 to <30	98	10	48	103	23.52	11.2	67		174	169	16	(6)
30.00 to <100.00	168	15	26	173	59.84	20.2	70		255	147	72	(14)
100.00 (Default)	155	1	74	155	100.00	19.4	67		286	185	82	(47)
<b>Total</b>	<b>10,466</b>	<b>6,422</b>	<b>57</b>	<b>14,115</b>	<b>3.90</b>	<b>793.0</b>	<b>73</b>		<b>11,451</b>	<b>81</b>	<b>403</b>	<b>(174)</b>

1. Averages are based on a simplified weighted average approach using EAD

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

### 3.3 Credit risk mitigation

Table 44 shows the unfunded credit protection held by the Group, consisting of credit derivatives and guarantees, and funded credit protection, including financial collateral. Exposure class has been defined based on the guarantor of the exposure.

**Table 44: CRM techniques overview: Disclosure of the use of credit risk mitigation techniques (UK CR3)**

		30.06.24				
		Exposures unsecured \$million	Exposures secured \$million	of which secured by collateral \$million	of which secured by financial guarantees \$million	of which secured by credit derivatives \$million
1	Total loans	349,111	121,630	115,369	6,261	–
2	Total debt securities	152,618	324	265	59	–
3	<b>Total exposures</b>	<b>501,730</b>	<b>121,954</b>	<b>115,634</b>	<b>6,320</b>	<b>–</b>
4	Of which non-performing exposures	2,128	1,303	1,175	128	–
5	Of which defaulted	2,128	1,303	–	–	–

		31.12.23				
		Exposures unsecured \$million	Exposures secured \$million	of which secured by collateral \$million	of which secured by financial guarantees \$million	of which secured by credit derivatives \$million
1	Total loans	347,191	127,434	120,833	6,601	–
2	Total debt securities	161,432	138	118	20	–
3	<b>Total exposures</b>	<b>508,623</b>	<b>127,572</b>	<b>120,951</b>	<b>6,620</b>	<b>–</b>
4	Of which non-performing exposures	2,304	1,176	1,059	117	–
5	Of which defaulted	2,304	1,176	–	–	–

### 3.3 Credit risk mitigation continued

Table 45 presents the EAD before and after the effect of CRM, including credit substitution and financial collateral, with a further split into on balance-sheet and off-balance sheet exposures. Off-balance sheet exposures are presented before and after the application of standardised CCFs.

**Table 45: Standardised approach – Credit risk exposure and CRM effects (UK CR4)**

		30.06.24					
		Exposures before CCF and CRM <sup>1</sup>		Exposures post CCF and CRM		RWA and RWA density	
		On-balance sheet \$million	Off-balance sheet \$million	On-balance sheet \$million	Off-balance sheet \$million	RWA \$million	RWA density %
Standardised Exposure Class							
1	Central governments or central banks	26,719	67,354	26,805	910	1,730	6
2	Multilateral development banks	20,975	13,964	23,756	258	719	3
6	Institutions	335	1,326	328	–	82	25
7	Corporates	19,023	36,742	11,184	872	9,141	76
8	Retail	14,548	21,811	10,932	458	8,127	71
9	Secured on real estate property	8,666	371	8,571	187	4,089	47
10	Exposures in default	202	49	200	25	225	100
11	Items belonging to regulatory high risk categories	1,464	576	1,404	80	2,226	150
15	Equity	897	–	897	–	2,242	250
16	Other items <sup>2</sup>	13,063	6,984	12,446	443	8,898	69
17	<b>Total Standardised<sup>3</sup></b>	<b>105,892</b>	<b>149,177</b>	<b>96,523</b>	<b>3,233</b>	<b>37,479</b>	<b>38</b>

		31.12.23					
		Exposures before CCF and CRM <sup>1</sup>		Exposures post CCF and CRM		RWA and RWA density	
		On-balance sheet \$million	Off-balance sheet \$million	On-balance sheet \$million	Off-balance sheet \$million	RWA \$million	RWA density %
Standardised Exposure Class							
1	Central governments or central banks	19,540	63,095	21,630	870	1,925	9
4	Multilateral development banks	19,507	13,193	21,929	148	1,279	6
6	Institutions	1,477	1,837	1,173	12	361	30
7	Corporates	18,150	34,963	10,819	925	8,498	72
8	Retail	14,281	17,538	10,764	644	8,092	71
9	Secured on real estate property	8,425	415	8,327	204	4,123	48
10	Exposures in default	174	17	173	10	183	100
11	Items belonging to regulatory high risk categories	1,642	661	1,500	94	2,392	150
15	Equity	820	–	820	–	2,050	250
16	Other items <sup>2</sup>	19,183	6,411	16,594	501	10,062	59
17	<b>Total Standardised</b>	<b>103,199</b>	<b>138,130</b>	<b>93,729</b>	<b>3,408</b>	<b>38,965</b>	<b>40</b>

1. EAD before the effect of collateral and substitution.

2. Other items include public sector entities.

3. Refer to table 15 (OV1): Standardised approach \$33,640 million and amount below threshold for deduction \$3,839 million RWA

### 3.4 Standardised risk weight profile

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

The Group currently does not use assessments provided by export credit agencies for the purpose of evaluating RWA in the standardised approach.

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

Standardised EAD post CRM and post CCF increased by \$2.6 billion

- Central governments or central banks increased by \$5.2 billion
- Public sector entities decreased by \$4.5 billion
- Multilateral development banks increased by \$1.9 billion

**Table 46: Standardised approach (UK CR5)**

		30.06.24													
		Risk Weight											Deduc- ted	Total	Of which unrated
		0%	2%	4%	20%	35%	50%	75%	100%	150%	250%	Others			
Standardised Exposure Class															
1	Central governments or central banks	26,931	-	-	22	-	43	-	23	56	639	-	-	27,715	-
3	Public sector entities	-	-	-	970	-	-	-	-	-	-	-	-	970	-
4	Multilateral development banks	22,354	-	-	765	-	657	-	238	-	-	-	-	24,013	-
6	Institutions	-	-	-	275	-	53	-	-	-	-	-	-	328	-
7	Corporates	-	-	-	3,008	101	240	-	8,707	-	-	-	-	12,054	8,564
8	Retail	-	-	-	-	-	-	11,389	-	-	-	-	-	11,389	11,390
9	Secured on real estate property	-	-	-	-	6,922	-	-	1,837	-	-	-	-	8,759	8,758
10	Exposures in default	-	-	-	-	-	-	-	225	-	-	-	-	225	225
11	Items belonging to regulatory high risk categories	-	-	-	-	-	-	-	-	1,326	-	158	-	1,483	1,214
15	Equity	-	-	-	-	-	-	-	-	-	897	-	-	897	897
16	Other items <sup>1</sup>	3,067	-	-	180	-	3	-	8,396	-	-	273	-	11,918	3,190
17	Total Standardised	52,352	-	-	5,220	7,023	996	11,389	19,426	1,382	1,536	431	-	99,751	34,238
		31.12.23													
		Risk Weight											Deduc- ted	Total	Of which unrated
		0%	2%	4%	20%	35%	50%	75%	100%	150%	250%	Others			
Standardised Exposure Class															
1	Central governments or central banks	21,657	-	-	22	-	51	-	16	2	750	-	-	22,499	-
3	Public sector entities	5,458	-	-	20	-	-	-	-	-	-	-	-	5,478	-
4	Multilateral development banks	20,012	-	-	108	-	1,399	-	558	-	-	-	-	22,076	-
6	Institutions	-	-	-	780	-	400	-	5	-	-	-	-	1,185	5
7	Corporates	-	-	-	3,501	120	99	-	8,023	-	-	-	-	11,741	7,707
8	Retail	-	-	-	-	-	-	11,409	-	-	-	-	-	11,409	11,408
9	Secured on real estate property	-	-	-	-	6,544	-	-	1,988	-	-	-	-	8,532	8,532
10	Exposures in default	-	-	-	-	-	-	-	183	-	-	-	-	183	183
11	Items belonging to regulatory high risk categories	-	-	-	-	-	-	-	-	1,594	-	-	-	1,593	1,320
15	Equity	-	-	-	-	-	-	-	-	-	820	-	-	820	820
16	Other items <sup>1</sup>	1,046	-	-	250	-	-	-	9,728	-	-	592	-	11,615	3,514
17	Total Standardised	48,173	-	-	4,681	6,664	1,949	11,409	20,501	1,596	1,570	592	-	97,131	33,489

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

### 3.5 Securitisation

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

**Table 47: Securitisation exposures in the non-trading book (UK-SEC1)**

		30.06.24															
		Institution acts as originator								Institution acts as sponsor				Institution acts as investor			
		Traditional				Synthetic				Traditional				Traditional			
		STS		Non-STS													
		of which SRT	of which SRT	of which SRT	of which SRT	of which SRT	Sub-total	of which SRT	Sub-total	STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total
		\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
1	<b>Total exposures</b>	-	-	1,152	-	14,216	14,216	15,368	-	-	-	-	-	354	15,980	-	16,334
2	Retail (total)	-	-	-	-	-	-	-	-	-	-	-	-	354	4,906	-	5,260
3	residential mortgage	-	-	-	-	-	-	-	-	-	-	-	-	205	4,324	-	4,529
4	credit card	-	-	-	-	-	-	-	-	-	-	-	-	111	342	-	453
5	other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	38	240	-	278
6	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Wholesale (total)	-	-	1,152	-	14,216	14,216	15,368	-	-	-	-	-	-	11,075	-	11,075
8	loans to corporates	-	-	841	-	12,800	12,800	13,642	-	-	-	-	-	-	9,136	-	9,136
9	commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	702	-	702
10	lease and receivables	-	-	311	-	1,415	1,415	1,726	-	-	-	-	-	-	1,237	-	1,237
11	other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

		31.12.23															
		Institution acts as originator								Institution acts as sponsor				Institution acts as investor			
		Traditional				Synthetic				Traditional				Traditional			
		STS		Non-STS <sup>1</sup>													
		of which SRT	of which SRT	of which SRT	of which SRT	of which SRT	Sub-total	of which SRT	Sub-total	STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total
		\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million
1	<b>Total exposures</b>	-	-	313	-	16,342	16,342	16,655	-	-	-	-	-	305	17,274	-	17,580
2	Retail (total)	-	-	-	-	-	-	-	-	-	-	-	-	305	7,289	-	7,594
3	residential mortgage	-	-	-	-	-	-	-	-	-	-	-	-	287	6,270	-	6,557
4	credit card	-	-	-	-	-	-	-	-	-	-	-	-	-	452	-	452
5	other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	18	567	-	585
6	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Wholesale (total)	-	-	313	-	16,342	16,342	16,655	-	-	-	-	-	-	9,985	-	9,985
8	loans to corporates	-	-	-	-	13,084	13,084	13,084	-	-	-	-	-	-	8,655	-	8,655
9	commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	410	-	410
10	lease and receivables	-	-	313	-	3,258	3,258	3,572	-	-	-	-	-	-	920	-	920
11	other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1. 2023 has been restated to include Non-SRT positions and of which SRT population

## 3.5 Securitisation continued

Table 48: Securitisation exposures in the trading book (UK-SEC2)

	30.06.24											
	Institution acts as originator				Institution acts as sponsor				Institution acts as investor			
	Traditional		Synthetic \$ million	Sub-total \$ million	Traditional		Synthetic \$ million	Sub-total \$ million	Traditional		Synthetic \$ million	Sub-total \$ million
	STS \$ million	Non-STS \$ million			STS \$ million	Non-STS \$ million			STS \$ million	Non-STS \$ million		
1 Total exposures	-	-	-	-	-	-	-	-	-	1,097	-	1,097
2 Retail (total)	-	-	-	-	-	-	-	-	-	545	-	545
3 residential mortgage	-	-	-	-	-	-	-	-	-	448	-	448
4 credit card	-	-	-	-	-	-	-	-	-	-	-	-
5 other retail exposures	-	-	-	-	-	-	-	-	-	97	-	97
6 re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-
7 Wholesale (total)	-	-	-	-	-	-	-	-	-	551	-	551
8 loans to corporates	-	-	-	-	-	-	-	-	-	260	-	260
9 commercial mortgage	-	-	-	-	-	-	-	-	-	33	-	33
10 lease and receivables	-	-	-	-	-	-	-	-	-	259	-	259
11 other wholesale	-	-	-	-	-	-	-	-	-	-	-	-
12 re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-

	31.12.23											
	Institution acts as originator				Institution acts as sponsor				Institution acts as investor			
	Traditional		Synthetic \$ million	Sub-total \$ million	Traditional		Synthetic \$ million	Sub-total \$ million	Traditional		Synthetic \$ million	Sub-total \$ million
	STS \$ million	Non-STS \$ million			STS \$ million	Non-STS \$ million			STS \$ million	Non-STS \$ million		
1 Total exposures	-	-	-	-	-	-	-	-	4	749	-	753
2 Retail (total)	-	-	-	-	-	-	-	-	4	242	-	246
3 residential mortgage	-	-	-	-	-	-	-	-	4	239	-	243
4 credit card	-	-	-	-	-	-	-	-	-	-	-	-
5 other retail exposures	-	-	-	-	-	-	-	-	-	3	-	3
6 re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-
7 Wholesale (total)	-	-	-	-	-	-	-	-	-	506	-	506
8 loans to corporates	-	-	-	-	-	-	-	-	-	387	-	387
9 commercial mortgage	-	-	-	-	-	-	-	-	-	11	-	11
10 lease and receivables	-	-	-	-	-	-	-	-	-	109	-	109
11 other wholesale	-	-	-	-	-	-	-	-	-	-	-	-
12 re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-



### 3.5 Securitisation continued

**Table 49: Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as originator or as sponsor (UK-SEC3)**

		30.06.24																
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20% RW \$ million	>20% to 50% RW \$ million	>50% to 100% RW \$ million	>100% to <1250% RW \$ million	1250% RW/ deductions \$ million	SEC- IRBA \$ million	SEC- ERBA (including IAA) \$ million	SEC-SA \$ million	1250% RW/ deductions \$ million	SEC- IRBA \$ million	SEC- ERBA (including IAA) \$ million	SEC-SA \$ million	1250% RW/ deductions \$ million	SEC- IRBA \$ million	SEC- ERBA (including IAA) \$ million	SEC-SA \$ million	1250% RW/ deductions \$ million
1	Total exposures	11,015	3,201	–	–	–	14,216	–	–	–	2,746	–	–	–	220	–	–	–
2	Traditional transactions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Retail underlying	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Of which STS	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Wholesale	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	Of which STS	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8	Re-securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Synthetic transactions	11,015	3,201	–	–	–	14,216	–	–	–	2,746	–	–	–	220	–	–	–
10	Securitisation	11,015	3,201	–	–	–	14,216	–	–	–	2,746	–	–	–	220	–	–	–
11	Retail underlying	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
12	Wholesale	11,015	3,201	–	–	–	14,216	–	–	–	2,746	–	–	–	220	–	–	–
13	Re-securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		31.12.23																
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20% RW \$ million	>20% to 50% RW \$ million	>50% to 100% RW \$ million	>100% to <1250% RW \$ million	1250% RW/ deductions \$ million	SEC- IRBA \$ million	SEC- ERBA (including IAA) \$ million	SEC-SA \$ million	1250% RW/ deductions \$ million	SEC- IRBA \$ million	SEC- ERBA (including IAA) \$ million	SEC-SA \$ million	1250% RW/ deductions \$ million	SEC- IRBA \$ million	SEC- ERBA (including IAA) \$ million	SEC-SA \$ million	1250% RW/ deductions \$ million
1	Total exposures	13,307	3,035	–	–	–	16,342	–	–	–	3,123	–	–	–	250	–	–	–
2	Traditional transactions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Retail underlying	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Of which STS	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Wholesale	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	Of which STS	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8	Re-securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Synthetic transactions	13,307	3,035	–	–	–	16,342	–	–	–	3,123	–	–	–	250	–	–	–
10	Securitisation	13,307	3,035	–	–	–	16,342	–	–	–	3,123	–	–	–	250	–	–	–
11	Retail underlying	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
12	Wholesale	13,307	3,035	–	–	–	16,342	–	–	–	3,123	–	–	–	250	–	–	–
13	Re-securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

## 3.5 Securitisation continued

**Table 50: Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as investor (UK-SEC4)**

		30.06.24																		
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)					RWEA (by regulatory approach)				Capital charge after cap				
			>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions		SEC- IRBA	SEC-ERBA (includ- ing IAA)	SEC-SA	1250% RW/ deductions		SEC- IRBA	SEC- ERBA (includ- ing IAA)	SEC-SA	1250% RW/ deductions	SEC- IRBA	SEC- ERBA (includ- ing IAA)	SEC-SA	1250% RW/ deductions
		≤20% RW \$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	\$ million	
1	Total exposures	15,907	380	15	32	–	–	13,327	3,007	–	–	2,417	492	–	–	193	39	–		
2	Traditional securitisation	15,907	380	15	32	–	–	13,327	3,007	–	–	2,417	492	–	–	193	39	–		
3	Securitisation	15,907	380	15	32	–	–	13,327	3,007	–	–	2,417	492	–	–	193	39	–		
4	Retail underlying	5,079	180	–	–	–	–	3,759	1,500	–	–	621	252	–	–	50	20	–		
5	Of which STS	354	–	–	–	–	–	205	149	–	–	20	15	–	–	2	–	–		
6	Wholesale	10,828	200	15	32	–	–	9,568	1,507	–	–	1,796	241	–	–	144	19	–		
7	Of which STS	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
8	Re-securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
9	Synthetic securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
10	Securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
11	Retail underlying	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
12	Wholesale	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		
13	Re-securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–		

		31.12.23																
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20% RW \$ million	>20% to 50% RW \$ million	>50% to 100% RW \$ million	>100% to <1250% RW \$ million	1250% RW/ deductions \$ million	SEC- IRBA \$ million	SEC- ERBA (including IAA) \$ million	SEC-SA \$ million	1250% RW/ deductions \$ million	SEC- IRBA \$ million	SEC- ERBA (including IAA) \$ million	SEC-SA \$ million	1250% RW/ deductions \$ million	SEC- IRBA \$ million	SEC- ERBA (including IAA) \$ million	SEC-SA \$ million	1250% RW/ deductions \$ million
1	Total exposures	16,391	895	221	73	–	–	15,687	1,893	–	–	2,854	360	–	–	228	29	–
2	Traditional securitisation	16,391	895	221	73	–	–	15,687	1,893	–	–	2,854	360	–	–	228	29	–
3	Securitisation	16,391	895	221	73	–	–	15,687	1,893	–	–	2,854	360	–	–	228	29	–
4	Retail underlying	6,993	602	–	–	–	–	5,890	1,704	–	–	969	285	–	–	78	23	–
5	Of which STS	305	–	–	–	–	–	287	18	–	–	29	2	–	–	4	–	–
6	Wholesale	9,398	293	221	73	–	–	9,796	189	–	–	1,885	75	–	–	151	6	–
7	Of which STS	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8	Re-securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
9	Synthetic securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Retail underlying	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
12	Wholesale	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Re-securitisation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

### 3.5 Securitisation continued

**Table 51: Exposures securitised by the institution – Exposures in default and specific credit risk adjustments (UK-SEC5)**

	30.06.24			31.12.23		
	Exposures securitised by the institution – Institution acts as originator or as sponsor			Exposures securitised by the institution – Institution acts as originator or as sponsor <sup>1</sup>		
	Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period \$million	Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period \$million
	\$million	Of which exposures in default \$million		\$million	Of which exposures in default \$million	
<b>1 Total exposures</b>	<b>20,795</b>	<b>29</b>	<b>–</b>	<b>18,012</b>	<b>89</b>	<b>–</b>
2 Retail (total)	–	–	–	–	–	–
3 residential mortgage	–	–	–	–	–	–
4 credit card	–	–	–	–	–	–
5 other retail exposures	–	–	–	–	–	–
6 re-securitisation	–	–	–	–	–	–
7 Wholesale (total)	<b>20,795</b>	<b>29</b>	<b>–</b>	<b>18,012</b>	<b>89</b>	<b>–</b>
8 loans to corporates	<b>18,254</b>	<b>29</b>	<b>–</b>	<b>13,596</b>	<b>84</b>	<b>–</b>
9 commercial mortgage	<b>78</b>	–	–	<b>78</b>	–	–
10 lease and receivables	<b>2,463</b>	–	–	<b>4,338</b>	<b>5</b>	<b>–</b>
11 other wholesale	–	–	–	–	–	–
12 re-securitisation	–	–	–	–	–	–

1. 2023 has been restated to include Non-SRT positions

## 4. Traded risk

Traded risk is the potential for loss resulting from activities undertaken by the Group in financial markets. Under the Enterprise Risk Management Framework, the Traded Risk Framework brings together Market Risk, Counterparty Credit Risk and Algorithmic Trading. Traded Risk Management is the core risk management function supporting market-facing businesses, predominantly Trading and Treasury.

### 4.1 Market risk

Market risk is the potential for loss of economic value due to adverse changes in financial market rates or prices. The Group's exposure to market risk arises predominantly from these sources:

- Trading book: the Group provides clients access to financial markets, facilitation of which entails the Group taking moderate Market Risk positions. All trading teams support client activity. There are no proprietary trading teams. Hence, income earned from Market Risk-related activities is primarily driven by the volume of client activity.
- Non-trading book:
  - The Treasury Markets desk is required to hold a liquid assets buffer, much of which is held in high-quality marketable debt securities.
  - The Group has capital invested and related income streams denominated in currencies other than US dollars. To the extent that these are not hedged the Group is subject to structural foreign exchange risk which is reflected in reserves.

Interest rate risk from non-trading book portfolios is transferred to local Treasury Markets desks under the supervision of local Asset and Liability Committees. Treasury Markets deals in the market in approved financial instruments in order to manage the net interest rate risk, subject to approved Value at Risk (VaR) and risk limits.

The primary categories of market risk for the Group are:

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

### Market risk regulatory capital requirements

The CRR specifies minimum capital requirements against market risk in the trading book. Interest rate risk in the non-trading book is covered separately under the Pillar 2 framework.

The PRA has granted the Group permission to use the internal model approach (IMA) covering the majority of interest rate, foreign exchange, precious metals, base metals, energy and agriculture market risk in the trading book. Positions outside the IMA scope are assessed according to standard PRA rules.

The minimum regulatory market risk capital requirements for the trading book are presented below for the Group.

## 4.1 Market risk continued

**Table 52: Market risk regulatory capital requirements**

	30.06.24		31.12.23	
	Risk Weighted Assets \$million	Regulatory capital requirement \$million	Risk Weighted Assets \$million	Regulatory capital requirement \$million
<b>Market risk capital requirements for trading book</b>				
Interest rate <sup>1</sup>	10,034	803	7,272	582
Equity	16	1	15	1
Options	72	6	75	6
Commodity <sup>2</sup>	513	41	527	42
Foreign exchange <sup>2</sup>	3,882	311	4,071	326
Internal Models Approach <sup>3</sup>	12,925	1,034	12,907	1,033
<b>Total</b>	<b>27,443</b>	<b>2,195</b>	<b>24,867</b>	<b>1,990</b>

1. Securitisation positions contributed \$65 million to the interest rate position risk requirement (PRR) and \$808 million to interest rate RWA as at 30 June 2024 (securitised positions contributed \$51 million to the interest rate PRR and \$640 million to interest rate RWA as at 31 December 2023)

2. Commodity and foreign exchange cover non-trading book as well as trading book

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

**Table 53: Market risk under standardised approach (UK MR1)**

	30.06.24 Risk Weighted Assets \$million	31.12.23 Risk Weighted Assets \$million
Outright products		
1 Interest rate risk (general and specific)	10,034	7,272
2 Equity risk (general and specific)	16	15
3 Foreign exchange risk	3,882	4,071
4 Commodity risk	513	527
Options	72	75
5 Simplified approach		–
6 Delta-plus method	18	7
7 Scenario approach	54	68
8 Securitisation (specific risk) <sup>1</sup>	808	640
<b>9 Total</b>	<b>14,517</b>	<b>11,960</b>

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

## 4.1 Market risk continued

### Internal Models Approach

The table below shows the average, high and low VaR and Stressed VaR for the period December 2023 to June 2024 and the actual position on 30 June 2024. The results reflect only the Group portfolio covered by the internal model approach and are calculated at a 99 per cent confidence level.

**Table 54: IMA values for trading portfolios (UK MR3)**

		30.06.24 \$million	31.12.23 \$million
	<b>VaR (10 day 99%)<sup>1</sup></b>		
1	Maximum value	117	98
2	Average value	68	56
3	Minimum value	37	31
4	Period end	58	54
	<b>Stressed VaR (10 day 99%)<sup>1</sup></b>		
5	Maximum value	231	168
6	Average value	156	91
7	Minimum value	103	51
8	Period end	135	127
	<b>Incremental Risk Charge (99.99%)<sup>1</sup></b>		
9	Maximum value	–	–
10	Average value	–	–
11	Minimum value	–	–
12	Period end	–	–
	<b>Comprehensive Risk capital charge (99.9%)<sup>1</sup></b>		
13	Maximum value	–	–
14	Average value	–	–
15	Minimum value	–	–
16	Period end	–	–

1. Represents only the Group's portfolio covered by the IMA and calculated at the 99 per cent confidence level. Details of the Group's management VaR covering all non-structured market risk exposures, across the trading and non-trading books, calculated at the 97.5 per cent confidence level can be found in the Group's Half Year Report 2024 on page 84

**Table 55: Market risk under the internal Model Approach (IMA) (UK MR2-A)**

		30.06.24		31.12.23	
		RWAs \$million	Own funds requirements \$million	RWAs \$million	Own funds requirements \$million
<b>1</b>	<b>VaR (higher of values a and b)</b>	<b>2,443</b>	<b>195</b>	2,965	237
(a)	Previous day's VaR	723	58	679	54
(b)	Average of the daily VaR	2,443	195	2,965	237
<b>2</b>	<b>SVaR (higher of values a and b)</b>	<b>5,100</b>	<b>408</b>	4,240	339
(a)	Latest SVaR	1,691	135	1,587	127
(b)	Average of the SVaR	5,100	408	4,240	339
<b>3</b>	<b>IRC (higher of values a and b)</b>	–	–	–	–
(a)	Most recent IRC measure	–	–	–	–
(b)	12 weeks average IRC measure	–	–	–	–
<b>4</b>	<b>Comprehensive risk measure (higher of values a, b and c)</b>	–	–	–	–
(a)	Most recent risk measure of comprehensive risk measure	–	–	–	–
(b)	12 weeks average of comprehensive risk measure	–	–	–	–
(c)	Comprehensive risk measure Floor	–	–	–	–
<b>5</b>	<b>Other<sup>1</sup></b>	<b>5,382</b>	<b>431</b>	5,703	456
<b>6</b>	<b>Total<sup>2,3</sup></b>	<b>12,925</b>	<b>1,034</b>	12,908	1,032

1. Other IMA capital add-ons for market risks not fully captured in either VaR or SVaR. More details on Risks not in VaR can be found in the Group's Half Year Report 2024 on page 84

2. There are zero IRC and CRM as the Group has not applied model permission for specific interest rate risk comprehensive risk measure

3. Represents only the Group's portfolio covered by the IMA and calculated at the 99 per cent confidence level. Details of the Group's management VaR covering all non-structured market risk exposures, across the trading and non-trading books, calculated at the 97.5 per cent confidence level can be found in the Group's Half Year Report 2024 on page 84

## 4.1 Market risk continued

### Backtesting

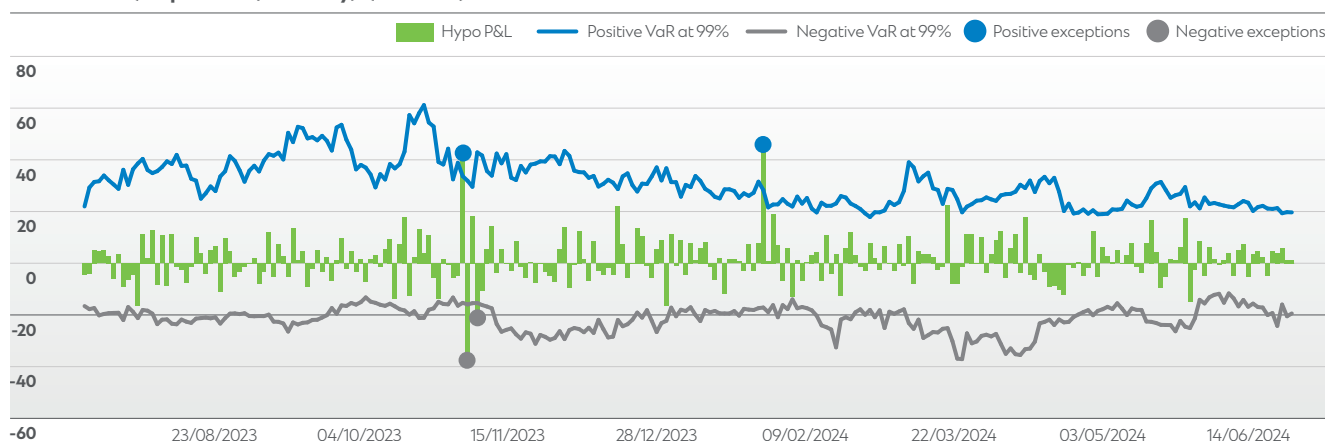
In H1 2024, there were no regulatory backtesting exceptions. In the one-year period to 28 June 2024, there have been two Group level backtesting exceptions:

- 1 November and 3 November: After the Nigerian government announced on 30 October that it planned to target an exchange rate of 750 Naira per dollar, the onshore spot market became more volatile on low volumes.

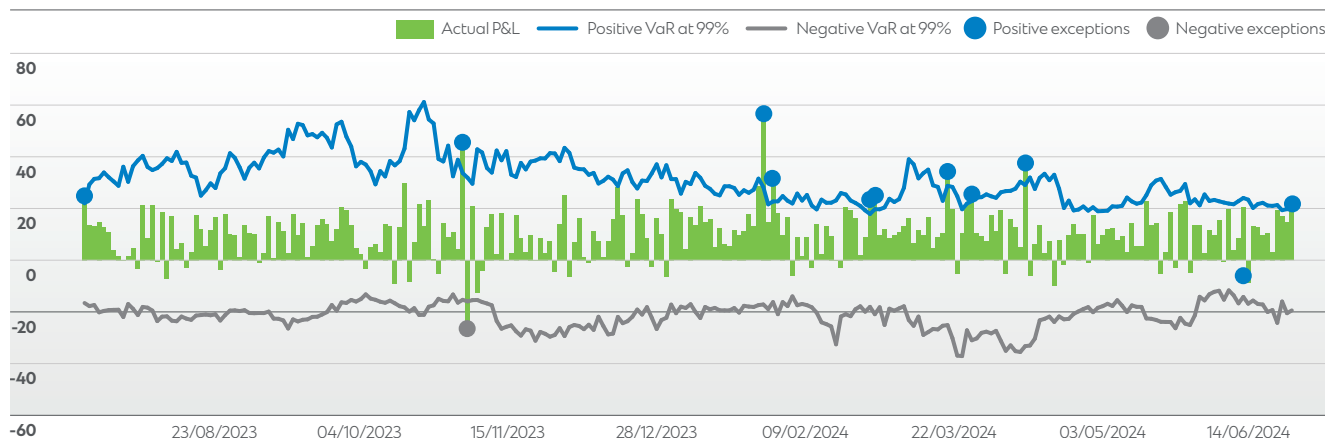
An enhancement to the VaR model has been approved by the PRA and once implemented is expected to increase its responsiveness to abrupt upturns in market volatility.

The graphs below illustrate the performance of the VaR model used in the Group capital calculations. They compare the 99 percentile loss confidence level given by the VaR model with the Hypothetical and Actual P&L of each day given the real market movements. Actual backtesting P&L excludes from trading P&L: brokerage expense, fees & commissions, non-market-related accounting valuation adjustments and accounting debit valuation adjustments. Hypothetical backtesting P&L further excludes P&L from new deals and market operations.

**Table 56: June 2024 Comparison of VaR estimates with gains/losses at Group level with hypothetical profit and loss (P&L) versus VaR (99 per cent, one day) (UK MR4)**



**Table 57: June 2024 Comparison of VaR estimates with gains/losses at Group level with actual profit and loss (P&L) versus VaR (99 per cent, one day) (UK MR4)**



## 4.2 Counterparty credit risk

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

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

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

Table 58 shows the credit exposure on derivative transactions after taking into account the benefits from legally enforceable netting agreements and collateral held, including transactions cleared through recognised trading exchanges.

**Table 58: Composition of collateral for CCR exposures (UK CCR5)**

		30.06.24					
		Collateral used in derivatives transactions				Collateral used in securities financing transactions (SFTs)	
		Fair value of collateral received		Fair value of collateral posted		Fair value of collateral received	Fair value of collateral posted
		Segregated \$million	Unsegregated \$million	Segregated \$million	Unsegregated \$million	\$million	\$million
Collateral type							
1	Cash	–	7,673	2,793	11,363	105,595	131,848
2	Debt	389	3,340	3,286	1,263	114,444	65,605
3	Equity	–	–	–	–	13,754	–
4	Other	–	–	–	–	8,481	54,571
5	<b>Total</b>	<b>389</b>	<b>11,013</b>	<b>6,079</b>	<b>12,625</b>	<b>242,274</b>	<b>252,025</b>
		31.12.23					
		Collateral used in derivatives transactions				Collateral used in securities financing transactions (SFTs)	
		Fair value of collateral received		Fair value of collateral posted		Fair value of collateral received	Fair value of collateral posted
		Segregated \$million	Unsegregated \$million	Segregated \$million	Unsegregated \$million	\$million	\$million
Collateral type							
1	Cash	–	8,800	2,070	12,987	76,460	110,751
2	Debt	382	1,864	2,423	1,003	96,836	40,590
3	Equity	–	–	–	–	6,290	–
4	Other	–	–	–	–	9,479	47,745
5	<b>Total</b>	<b>382</b>	<b>10,663</b>	<b>4,493</b>	<b>13,990</b>	<b>189,065</b>	<b>199,086</b>



## 4.2 Counterparty credit risk continued

Table 59: Analysis of CCR exposure by approach (UK CCR1)

		30.06.24							
		Replacement cost (RC) \$million	Potential future exposure (PFE) \$million	EEPE \$million	Alpha used for computing regulatory exposure value	Exposure value pre-CRM \$million	Exposure value post-CRM \$million	Exposure value \$million	RWEA \$million
UK1	Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
UK2	Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	1,512	3,346		1.4	9,322	6,596	6,595	3,233
2	IMM (for derivatives and SFTs)			14,667	1.6	32,563	23,458	23,453	9,550
2a	Of which securities financing transactions netting sets			-		-	-	-	-
2b	Of which derivatives and long settlement transactions netting sets			14,667		32,563	23,458	23,453	9,550
2c	Of which from contractual cross-product netting sets			-		-	-	-	-
3	Financial collateral simple method (for SFTs)			-		-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					207,092	175,937	175,937	3,344
5	VaR for SFTs					-	-	-	-
6	Total					248,977	205,991	205,985	16,128

		31.12.23							
		Replacement cost (RC) \$million	Potential future exposure (PFE) \$million	EEPE \$million	Alpha used for computing regulatory exposure value	Exposure value pre-CRM \$million	Exposure value post-CRM \$million	Exposure value \$million	RWEA \$million
UK1	Original Exposure Method (for derivatives)	–	–		1.4	–	–	–	–
UK2	Simplified SA-CCR (for derivatives)	–	–		1.4	–	–	–	–
1	SA-CCR (for derivatives)	1,794	3,076		1.4	8,638	6,668	6,667	3,457
2	IMM (for derivatives and SFTs)			13,725	1.6	27,723	21,960	21,953	9,085
2a	Of which securities financing transactions netting sets			–	–	–	–		
2b	Of which derivatives and long settlement transactions netting sets			13,725	27,723	21,960	21,953	9,085	
2c	Of which from contractual cross-product netting sets			–	–	–	–		
3	Financial collateral simple method (for SFTs)			–	–	–	–		
4	Financial collateral comprehensive method (for SFTs)			171,464	147,925	148,004	5,295		
5	VaR for SFTs	–	–	–	–	–	–		
6	Total					207,825	176,552	176,624	17,837

## 4.2 Counterparty credit risk continued

Table 60: Exposures to CCPs (UK CCR8)

		30.06.24		31.12.23	
		Exposure value \$million	RWA \$million	Exposure value \$million	RWA \$million
<b>1</b>	<b>Exposures to QCCPs (total)</b>		<b>635</b>		<b>725</b>
2	Trade exposure	7,682	479	7,291	599
3	Of which OTC derivatives <sup>1</sup>	4,223	268	3,869	300
4	Of which exchange-traded derivatives <sup>1</sup>	2,611	194	2,519	281
5	Of which SFTs	848	17	903	18
6	Of which netting sets where cross-product netting has been approved	-	-	-	-
7	Segregated initial margin	-	-	-	-
8	Non-segregated initial margin	-	-	-	-
9	Prefunded default fund contributions	621	156	480	126
10	Unfunded default fund contributions	-	-	-	-
<b>11</b>	<b>Exposures to QCCPs (total)</b>		<b>159</b>		<b>193</b>
12	Trade exposure	156	156	191	191
13	Of which OTC derivatives <sup>1</sup>	85	85	99	99
14	Of which exchange-traded derivatives <sup>1</sup>	71	71	92	92
15	Of which SFTs	-	-	-	-
16	Of which netting sets where cross-product netting has been approved	-	-	-	-
17	Segregated initial margin	-	-	-	-
18	Non-segregated initial margin	-	-	-	-
19	Prefunded default fund contributions	-	3	-	2
20	Unfunded default fund contributions	-	-	-	-

1. 2022 has been represented to reflect exchange-traded derivative exposures

Table 61: Credit derivatives exposures (UK CCR6)

		30.06.24		31.12.23	
		Protection bought \$million	Protection sold \$million	Protection bought \$million	Protection sold \$million
Notionals					
1	Single-name credit default swaps	47,655	42,361	51,745	46,726
2	Index credit default swaps	77,072	72,544	86,984	81,752
3	Total return swaps	36,310	1,330	25,036	2,075
4	Credit options	–	–	–	–
5	Other Credit derivatives	3,820	4,225	139	352
Total notionals		164,857	120,461	163,904	130,904
Fair values					
6	Positive fair value (asset)	721	1,330	815	1,691
7	Negative fair value (liability)	(2,099)	(290)	(2,349)	(362)

Table 62: Transactions subject to own funds requirements for CVA risk (UK CCR2)

		30.06.24		31.12.23	
		Exposure Value \$million	RWA \$million	Exposure Value \$million	RWA \$million
1	Total transactions subject to the Advanced method	-	-	-	-
2	(i) VaR component (including the 3× multiplier)	-	-	-	-
3	(ii) stressed VaR component (including the 3× multiplier)	-	-	-	-
4	Transactions subject to the Standardised method	19,513	2,612	17,151	2,046
UK4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-	-	-
<b>5</b>	<b>Total transactions subject to own funds requirements for CVA risk</b>	<b>19,513</b>	<b>2,612</b>	<b>17,151</b>	<b>2,046</b>

## 4.2 Counterparty credit risk continued

Table 63 depicts EAD after the effect of collateral associated with each risk weight prescribed in Part Three, Title II, Chapter 2 of the CRR for counterparty credit risk.

**Table 63: Standardised approach – CCR exposures by regulatory exposure class and risk weights (UK CCR3)**

		30.06.24												
		Risk Weight												
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	Others	Total
Standardised Exposure Class														
1	Central governments or central banks	126	-	-	-	-	-	-	-	-	-	-	-	126
4	Multilateral development banks	451	-	-	-	36	-	5	-	-	9	-	-	501
6	Institutions	-	6,494	163	-	6	-	-	-	-	-	-	-	6,663
7	Corporates	-	-	-	-	207	-	13	-	-	2,054	-	-	2,274
8	Retail	-	-	-	-	-	-	-	-	2	-	-	-	2
10a	Secured on real estate property	-	-	-	-	-	9	-	-	-	-	-	-	9
10b	Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-
10c	Items belonging to regulatory high risk categories	-	-	-	-	-	-	-	-	-	-	-	-	-
10d	Other items	128	-	-	-	4	-	-	-	-	-	-	-	132
11	Total Standardised	705	6,494	163	-	253	9	18	-	2	2,063	-	-	9,707
		31.12.23												
		Risk Weight												
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	Others	Total
Standardised Exposure Class														
1	Central governments or central banks	227	-	-	-	-	-	-	-	-	-	-	-	227
4	Multilateral development banks	356	-	-	-	14	-	8	-	-	-	-	-	378
6	Institutions	-	5,994	235	-	20	-	8	-	-	3	-	-	6,260
7	Corporates	-	-	-	-	152	3	13	-	-	1,839	-	-	2,007
8	Retail	-	-	-	-	-	-	-	-	2	-	-	-	2
10a	Secured on real estate property	-	-	-	-	-	8	-	-	-	-	-	-	8
10b	Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-
10c	Items belonging to regulatory high risk categories	-	-	-	-	-	-	-	-	-	-	1	-	1
10d	Other items	740	-	-	-	-	-	-	-	-	-	-	-	740
11	Total Standardised	1,323	5,994	235	-	186	11	29	-	2	1,842	1	-	9,623

## 4.2 Counterparty credit risk continued

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

IRB EAD post CRM and post CCF increased by \$29.6 billion:

- Central governments or central banks EAD increased by \$1.9 billion
- Institutions EAD increased by \$22.6 billion
- Corporates EAD increased by \$5.1 billion

**Table 64: IRB – CCR exposures by exposure class**

	30.06.24						
	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup>	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> Years	RWA \$million	RWA density <sup>1</sup> %
<b>IRB exposure class</b>							
Central governments or central banks	11,924	0.98	97	8	0.23	667	6
Institutions	82,378	0.22	1,350	8	0.48	3,680	4
Corporates	108,738	0.23	13,341	11	0.38	9,863	9
Of which specialised lending	753	0.69	539	49	1.99	393	52
Of which SME	110	0.23	186	63	4.64	70	64
<b>Total IRB</b>	<b>203,040</b>	<b>0.27</b>	<b>14,788</b>	<b>10</b>	<b>0.41</b>	<b>14,210</b>	<b>7</b>
31.12.23							
	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup>	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %
<b>IRB exposure class</b>							
Central governments or central banks	10,050	4.23	110	18	0.42	3,119	31
Institutions	59,749	0.34	1,326	10	0.56	3,998	7
Corporates	103,624	0.23	12,611	10	0.40	9,055	9
Of which specialised lending	785	0.61	518	43	2.54	374	48
Of which SME	118	12.35	216	62	3.56	162	138
<b>Total IRB</b>	<b>173,423</b>	<b>0.50</b>	<b>14,047</b>	<b>11</b>	<b>0.46</b>	<b>16,172</b>	<b>9</b>

1. Weighted averages are based on EAD

2. Number of obligors is based on number of counterparties

## 4.2 Counterparty credit risk continued

**Table 65: IRB approach – CCR exposures by exposure class and PD scale for central governments or central banks (UK CCR4)**

PD range %	30.06.24						
	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup>	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %
0.00 to < 0.15	10,431	0.04	57	8	0.18	186	2
0.15 to < 0.25	122	0.22	2	9	0.57	11	9
0.25 to < 0.50	–	–	3	–	–	–	–
0.50 to < 0.75	3	0.52	5	45	1.00	1	56
0.75 to < 2.50	41	1.13	9	45	3.32	44	108
2.50 to < 10.00	1,198	7.41	13	3	0.52	105	9
10.00 to < 100.00	130	18.00	6	45	0.01	319	246
100.00 (default)	–	–	2	–	–	–	–
<b>Total</b>	<b>11,924</b>	<b>0.98</b>	<b>97</b>	<b>8</b>	<b>0.23</b>	<b>667</b>	<b>6</b>

PD range %	31.12.23						
	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup>	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %
0.00 to < 0.15	7,607	0.05	66	15	0.34	258	3
0.15 to < 0.25	175	0.22	5	20	1.35	36	20
0.25 to < 0.50	–	–	1	–	–	–	–
0.50 to < 0.75	2	0.53	7	45	1.00	1	57
0.75 to < 2.50	10	0.88	9	45	1.00	7	74
2.50 to < 10.00	1,289	7.94	13	11	1.06	480	37
10.00 to < 100.00	967	33.00	5	45	0.01	2,337	242
100.00 (default)	–	–	4	–	–	–	–
<b>Total</b>	<b>10,050</b>	<b>4.23</b>	<b>110</b>	<b>18</b>	<b>0.42</b>	<b>3,119</b>	<b>31</b>

1. Weighted averages are based on EAD

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

## 4.2 Counterparty credit risk continued

Table 66: IRB approach – CCR exposures by exposure class and PD scale for institutions (UK CCR4)

PD range %	30.06.24						
	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup>	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %
0.00 to < 0.15	67,215	0.06	709	8	0.49	2,303	3
0.15 to < 0.25	6,853	0.22	123	5	0.58	307	4
0.25 to < 0.50	1,772	0.39	63	3	0.31	80	4
0.50 to < 0.75	2,474	0.53	128	8	0.27	294	12
0.75 to < 2.50	3,845	1.62	172	7	0.37	501	13
2.50 to < 10.00	89	5.76	91	22	0.86	73	82
10.00 to < 100.00	111	15.28	34	19	0.05	116	105
100.00 (default)	21	100.00	30	2	0.04	6	28
<b>Total</b>	<b>82,378</b>	<b>0.22</b>	<b>1,350</b>	<b>8</b>	<b>0.48</b>	<b>3,680</b>	<b>4</b>

PD range %	31.12.23						
	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup>	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %
0.00 to < 0.15	44,346	0.05	683	11	0.56	2,056	5
0.15 to < 0.25	7,837	0.22	122	5	0.65	419	5
0.25 to < 0.50	1,339	0.39	73	6	0.58	123	9
0.50 to < 0.75	2,298	0.56	126	8	0.55	342	15
0.75 to < 2.50	2,680	1.04	141	6	0.31	366	14
2.50 to < 10.00	1,034	3.61	124	11	0.75	218	21
10.00 to < 100.00	192	30.90	39	41	0.06	465	242
100.00 (default)	23	100.00	18	6	0.13	10	42
<b>Total</b>	<b>59,749</b>	<b>0.34</b>	<b>1,326</b>	<b>10</b>	<b>0.56</b>	<b>3,998</b>	<b>7</b>

1. Weighted averages are based on EAD

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

## 4.2 Counterparty credit risk continued

**Table 67: IRB approach – CCR exposures by exposure class and PD scale for corporates (UK CCR4)**

PD range %	30.06.24						
	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup>	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %
0.00 to < 0.15	83,226	0.07	5,884	9	0.33	3,438	4
0.15 to < 0.25	10,550	0.22	2,030	19	0.62	1,895	18
0.25 to < 0.50	3,375	0.39	1,027	19	0.69	844	25
0.50 to < 0.75	6,724	0.54	1,427	16	0.44	1,565	23
0.75 to < 2.50	4,283	1.16	1,253	17	0.41	1,473	34
2.50 to < 10.00	166	5.01	558	53	1.49	295	178
10.00 to < 100.00	410	13.65	908	18	0.55	350	85
100.00 (default)	4	100.00	254	11	2.01	3	70
<b>Total</b>	<b>108,738</b>	<b>0.23</b>	<b>13,341</b>	<b>11</b>	<b>0.38</b>	<b>9,863</b>	<b>9</b>

PD range %	31.12.23						
	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup>	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %
0.00 to < 0.15	80,089	0.07	5,613	8	0.34	3,191	4
0.15 to < 0.25	10,730	0.22	2,035	14	0.64	1,568	15
0.25 to < 0.50	3,624	0.39	1,029	18	0.66	815	22
0.50 to < 0.75	6,603	0.59	1,338	18	0.40	1,651	25
0.75 to < 2.50	2,052	1.23	1,271	30	0.75	1,207	59
2.50 to < 10.00	340	5.94	521	22	1.00	222	65
10.00 to < 100.00	153	16.60	485	29	0.66	227	148
100.00 (default)	33	100.00	319	53	1.28	174	527
<b>Total</b>	<b>103,624</b>	<b>0.23</b>	<b>12,611</b>	<b>10</b>	<b>0.40</b>	<b>9,055</b>	<b>9</b>

1. Weighted averages are based on EAD

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

## 4.2 Counterparty credit risk continued

Table 68: IRB approach – CCR exposures by exposure class and PD scale for corporates – specialised lending (UK CCR4)

PD range %	30.06.24						
	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup>	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %
0.00 to < 0.15	217	0.10	115	46	2.60	63	29
0.15 to < 0.25	213	0.22	90	51	1.84	89	42
0.25 to < 0.50	77	0.39	77	56	2.05	50	65
0.50 to < 0.75	166	0.59	129	52	1.37	121	73
0.75 to < 2.50	56	1.08	75	38	2.22	43	77
2.50 to < 10.00	8	3.15	26	23	1.90	5	62
10.00 to < 100.00	14	10.54	4	36	1.00	21	151
100.00 (default)	1	100.00	23	18	5.00	1	61
<b>Total</b>	<b>753</b>	<b>0.69</b>	<b>539</b>	<b>49</b>	<b>1.99</b>	<b>393</b>	<b>52</b>

PD range %	31.12.23						
	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup>	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %
0.00 to < 0.15	327	0.12	123	45	2.76	104	32
0.15 to < 0.25	143	0.22	86	32	3.54	48	33
0.25 to < 0.50	74	0.38	56	45	2.39	41	56
0.50 to < 0.75	152	0.49	128	52	1.68	112	74
0.75 to < 2.50	73	1.27	68	42	1.54	59	81
2.50 to < 10.00	14	3.29	26	25	2.49	9	68
10.00 to < 100.00	–	33.00	5	36	1.00	–	198
100.00 (default)	2	100.00	26	15	4.12	–	–
<b>Total</b>	<b>785</b>	<b>0.61</b>	<b>518</b>	<b>43</b>	<b>2.54</b>	<b>374</b>	<b>48</b>

1. Weighted averages are based on EAD

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



## 4.2 Counterparty credit risk continued

**Table 69: IRB approach – CCR exposures by exposure class and PD scale for corporates – SME (UK CCR4)**

PD range %	30.06.24						
	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup>	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %
0.00 to < 0.15	97	0.12	8	63	4.86	59	61
0.15 to < 0.25	2	0.22	21	66	1.00	1	41
0.25 to < 0.50	9	0.39	11	63	4.11	7	77
0.50 to < 0.75	–	0.63	23	66	1.00	–	67
0.75 to < 2.50	–	0.92	35	82	1.00	–	92
2.50 to < 10.00	3	2.71	37	57	1.00	3	114
10.00 to < 100.00	–	19.81	16	74	1.00	–	266
100.00 (default)	–	100.00	35	70	1.00	–	856
<b>Total</b>	<b>110</b>	<b>0.23</b>	<b>186</b>	<b>63</b>	<b>4.64</b>	<b>70</b>	<b>64</b>

PD range %	31.12.23						
	EAD post CRM and post CCF \$million	Average PD <sup>1</sup> %	Number of obligors <sup>2</sup>	Average LGD <sup>1</sup> %	Average maturity <sup>1</sup> years	RWA \$million	RWA density <sup>1</sup> %
0.00 to < 0.15	86	0.12	7	63	4.49	48	56
0.15 to < 0.25	–	0.25	26	87	1.00	–	45
0.25 to < 0.50	1	0.39	12	63	1.00	–	43
0.50 to < 0.75	12	0.51	26	59	1.00	6	49
0.75 to < 2.50	4	1.57	49	62	1.01	4	91
2.50 to < 10.00	1	4.49	31	65	1.50	1	125
10.00 to < 100.00	–	29.34	17	86	1.00	–	337
100.00 (default)	14	100.00	48	59	1.00	104	728
<b>Total</b>	<b>118</b>	<b>12.35</b>	<b>216</b>	<b>62</b>	<b>3.56</b>	<b>162</b>	<b>138</b>

1. Weighted averages are based on EAD

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

## 5. Liquidity risk

Table 70: Liquidity Coverage Ratio (LCR) (UK LIQ1)

		30.06.24							
		Total unweighted value (average)				Total weighted value (average)			
		30.09.23 \$million	31.12.23 \$million	31.03.24 \$million	30.06.24 \$million	30.09.23 \$million	31.12.23 \$million	31.03.24 \$million	30.06.24 \$million
	<b>Number of data points used in the calculation of averages</b>	12	12	12	12	12	12	12	12
	<b>High-Quality Liquid Assets</b>								
<b>1</b>	<b>Total High-Quality Liquid Assets (HQLA)</b>					181,663	185,986	187,777	184,937
	<b>Cash outflows</b>								
2	Retail deposits and deposits from small business customers, of which:	151,822	155,462	160,852	166,820	16,109	16,638	16,641	16,545
3	Stable deposits	38,608	38,922	35,837	32,573	1,930	1,946	1,792	1,629
4	Less stable deposits	113,214	116,540	125,015	134,247	14,179	14,692	14,849	14,916
5	Unsecured wholesale funding, of which:	265,664	264,910	265,422	265,492	118,997	119,196	120,081	119,500
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	119,363	116,323	110,232	107,508	29,764	29,038	27,540	26,859
7	Non-operational deposits (all counterparties)	141,240	142,912	149,431	152,583	84,173	84,484	86,783	87,240
8	Unsecured debt	5,061	5,675	5,758	5,401	5,061	5,675	5,758	5,401
9	Secured wholesale funding					5,175	5,182	5,321	5,529
10	Additional requirements	98,310	100,421	101,849	102,520	30,671	31,016	30,774	30,391
11	Outflows related to derivative exposures and other collateral requirements	16,074	16,987	18,005	18,993	15,295	15,319	15,074	14,554
12	Outflows related to loss of funding on debt products	2	2	2	32	2	2	2	32
13	Credit and liquidity facilities	82,234	83,433	83,842	83,496	15,374	15,696	15,699	15,805
14	Other contractual funding obligations	12,665	12,096	11,172	11,067	8,116	8,172	8,192	8,457
15	Other contingent funding obligations	234,414	238,805	244,096	247,871	2,401	2,512	2,818	3,138
<b>16</b>	<b>Total cash outflows</b>					181,470	182,716	183,826	183,559
	<b>Cash inflows</b>								
17	Secured lending (e.g. reverse repos)	63,891	60,759	57,672	57,428	7,456	7,846	8,477	9,029
18	Inflows from fully performing exposures	57,588	57,488	56,103	55,383	41,422	41,134	39,969	39,109
19	Other cash inflows	27,428	27,855	27,989	28,215	17,540	17,672	17,591	17,536
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	
UK-19b	(Excess inflows from a related specialised credit institutions)					-	-	-	
<b>20</b>	<b>Total cash inflows</b>	148,907	146,102	141,763	141,025	66,418	66,652	66,037	65,674
UK-20a	Fully exempt inflows	-	-	-		-	-	-	
UK-20b	Inflows subject to 90% cap	-	-	-		-	-	-	
UK-20c	Inflows subject to 75% cap	140,752	139,529	135,793	135,805	66,418	66,652	66,037	65,674
	<b>Total adjusted value</b>								
<b>21</b>	<b>Liquidity buffer</b>					181,663	185,986	187,777	184,937
<b>22</b>	<b>Total net cash outflows</b>					115,052	116,064	117,790	117,885
<b>23</b>	<b>Liquidity coverage ratio (%)</b>					158%	160%	160%	157%

**Table 70: Quantitative information of LCR (UK LIQ1) continued**

		31.12.23							
		Total unweighted value (average)				Total weighted value (average)			
		31.03.23 \$million	30.06.23 \$million	30.09.23 \$million	31.12.23 \$million	31.03.23 \$million	30.06.23 \$million	30.09.23 \$million	31.12.23 \$million
	<b>Number of data points used in the calculation of averages</b>	12	12	12	12	12	12	12	12
	<b>High-Quality Liquid Assets</b>								
<b>1</b>	<b>Total High-Quality Liquid Assets (HQLA)</b>					178,289	177,767	181,663	185,986
	<b>Cash outflows</b>								
2	Retail deposits and deposits from small business customers, of which:	145,569	148,432	151,822	155,462	14,555	15,343	16,109	16,638
3	Stable deposits	37,815	38,224	38,608	38,922	1,891	1,911	1,930	1,946
4	Less stable deposits	107,754	110,207	113,214	116,540	12,664	13,432	14,179	14,692
5	Unsecured wholesale funding, of which:	270,811	266,165	265,664	264,910	121,163	118,416	118,997	119,196
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	124,999	122,617	119,363	116,323	31,105	30,544	29,764	29,038
7	Non-operational deposits (all counterparties)	141,179	138,834	141,240	142,912	85,425	83,159	84,173	84,484
8	Unsecured debt	4,633	4,714	5,061	5,675	4,633	4,714	5,061	5,675
9	Secured wholesale funding					4,915	4,844	5,175	5,182
10	Additional requirements	96,031	96,968	98,310	100,421	30,845	30,789	30,671	31,016
11	Outflows related to derivative exposures and other collateral requirements	15,359	15,514	16,074	16,987	15,291	15,397	15,295	15,319
12	Outflows related to loss of funding on debt products	2	2	2	2	2	2	2	2
13	Credit and liquidity facilities	80,670	81,452	82,234	83,433	15,553	15,390	15,374	15,696
14	Other contractual funding obligations	13,386	13,459	12,665	12,096	8,522	8,414	8,116	8,172
15	Other contingent funding obligations	229,134	230,818	234,414	238,805	2,574	2,393	2,401	2,512
<b>16</b>	<b>Total cash outflows</b>					182,573	180,200	181,470	182,716
	<b>Cash inflows</b>								
17	Secured lending (e.g. reverse repos)	62,786	63,571	63,891	60,759	5,629	6,488	7,456	7,846
18	Inflows from fully performing exposures	57,188	58,054	57,588	57,488	40,029	41,394	41,422	41,134
19	Other cash inflows	28,487	28,217	27,428	27,855	18,713	18,459	17,540	17,672
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					–	–	–	–
UK-19b	(Excess inflows from a related specialised credit institutions)					–	–	–	–
<b>20</b>	<b>Total cash inflows</b>	148,462	149,842	148,907	146,102	64,371	66,341	66,418	66,652
UK-20a	Fully exempt inflows	–	–	–	–	–	–	–	–
UK-20b	Inflows subject to 90% cap	–	–	–	–	–	–	–	–
UK-20c	Inflows subject to 75% cap	139,392	141,591	140,752	139,529	64,371	66,341	66,418	66,652
	<b>Total adjusted value</b>								
21	Liquidity buffer					178,289	177,767	181,663	185,986
22	Total net cash outflows					118,202	113,859	115,052	116,064
<b>23</b>	<b>Liquidity coverage ratio (%)</b>					151%	156%	158%	160%

Table 71: Net Stable Funding Ratio (UK LIQ2)

**Table 71: Net Stable Funding Ratio (UK LIQ2) continued**

		31.12.23				Weighted value (average) \$million	
		Unweighted value by residual maturity					
		No maturity \$million	< 6 months \$million	6 months to < 1yr \$million	≥ 1yr \$million		
Available stable funding (ASF) Items							
1	Capital items and instruments	47,014	250	780	12,969	60,373	
2	Own funds	47,014	250	780	12,969	60,373	
3	Other capital instruments		–	–	–	–	
4	Retail deposits		146,387	10,686	1,478	144,293	
5	Stable deposits		28,626	370	111	27,657	
6	Less stable deposits		117,761	10,316	1,367	116,636	
7	Wholesale funding:		389,607	44,945	48,860	196,940	
8	Operational deposits		108,911	–	–	54,456	
9	Other wholesale funding		280,696	44,945	48,860	142,484	
10	Interdependent liabilities		–	–	–	–	
11	Other liabilities:	336	58,656	996	1,135	1,631	
12	NSFR derivative liabilities	336					
13	All other liabilities and capital instruments not included in the above categories		58,656	996	1,135	1,631	
14	Total available stable funding (ASF)					403,238	
Required stable funding (RSF) Items							
15	Total high-quality liquid assets (HQLA)					9,353	
UK-15a	Assets encumbered for more than 12m in cover pool		–	–	–	–	
16	Deposits held at other financial institutions for operational purposes		3,488	–	–	1,744	
17	Performing loans and securities:		188,685	54,886	189,048	237,696	
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		23,974	1,406	1,336	3,069	
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		66,526	26,403	15,159	39,594	
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		45,877	12,479	73,111	91,440	
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		1,415	375	2,977	3,314	
22	Performing residential mortgages, of which:		3,926	2,801	62,867	45,384	
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		2,546	1,448	57,082	39,101	
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		48,382	11,799	36,576	58,210	
25	Interdependent assets		–	–	–	–	
26	Other assets:		–	67,711	261	39,572	41,536
27	Physical traded commodities					8,650	7,352
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		–	–	9,822	8,349	
29	NSFR derivative assets	364	–	–	364		
30	NSFR derivative liabilities before deduction of variation margin posted	17,255	–	–	863		
31	All other assets not included in the above categories	50,091	261	21,099	24,607		
32	Off-balance sheet items	39,595	25,203	77,534	6,139		
33	Total RSF					296,467	
34	Net Stable Funding Ratio (%)					136.0%	

## 6. Interest rate risk in the banking book

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

### Risk Control and Governance

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

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

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

The Group uses Funds Transfer Pricing (FTP) to transfer re-pricing risk from the business to Treasury, including that arising from structural balances such as the investment of equity and non-maturity deposit balances. For non-maturity deposits (NMDs), the assumed duration is dependent on the portion that can be considered stable and the degree to which these balances are considered price sensitive.

Structural balances in countries with material balances have been approved by GALCO and Country ALCOs to be risk managed directly under the Group's structural hedging programme. Other re-pricing risks transferred to Treasury are managed on an integrated basis with a securities portfolio maintained for liquidity and investment management purposes. Basis risk (whether transferred to and managed by Treasury or remaining in the business) where material is reported and overseen at relevant local ALCOs.

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

### Key Risk Measures

The Group uses two key metrics for measuring IRRBB: Net Interest Income ('NII') Sensitivity, an income measure which quantifies the potential change in projected net interest income over a one-year horizon from defined movements in interest rates; and Economic Value of Equity ('EVE'), a value measure which estimates the potential change in the present value of the Group's Banking Book assets and liabilities from defined movements in interest rates. These measures differ in their coverage of the drivers of interest rate risk and the time horizon for these to materialise but used together they can

provide a complementary and rounded view of the Group's risk profile. Both NII Sensitivity and EVE are monitored monthly against defined Risk Appetite limits, which are set at the Group level and, where appropriate, at a country level in compliance with local regulatory requirements.

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

Stress tests are performed monthly to identify structural risks to Net Interest Income or the Economic Value of the Banking Book under adverse but plausible interest rate scenarios. Additionally, stress testing of IRRBB is covered as part of ICAAP and BoE concurrent stress testing exercises (more information on stress testing can be found in page 87 of the Half Year Report 2024. Stress testing of price risk on Fair Value instruments in the Banking Book is conducted by Traded Risk Management under the Traded Risk Framework.

### Prescribed Regulatory Interest Rate Shock and Stress Scenarios

The following table shows the Group's NII sensitivity and EVE regulatory metrics under each of the interest rate shock scenarios prescribed by the PRA (Rule 9.4A of the PRA Rulebook: CRR Firms: Interest Rate Risk Arising from Non-Trading Activities Instrument 2020 and in accordance with EBA Article 448(1) CRR). The sensitivities are indicative and subject to standardised shocks and parametric assumptions that may differ to those used in the Group's own internal models; please see next section for more information.

The sensitivities should not be considered an income or profit forecast. Furthermore, the regulatory EVE results should not be considered a proxy for expected income or capital impacts on a going concern basis.

### Key modelling and parametric assumptions

#### Net Interest Income Sensitivity

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

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

The assessment assumes that the size and mix of the balance sheet remain constant and that there are no specific management actions in response to the change in rates. No assumptions are made in relation to the impact on credit spreads in a changing rate environment. Significant modelling and behavioural assumptions are made regarding scenario simplification, market competition, pass-through rates, asset and liability re-pricing tenors, and price flooring.

### Economic Value of Equity Sensitivity

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

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

In line with regulatory guidelines:

- all equity instruments that have no coupon or call dates have been excluded;
- market interest rate floors start at -1.0% for the overnight tenor on the yield curve and increase by 5bps per year to 0.0% at the 20 year tenor point on the yield curve; and
- the aggregate EVE sensitivity for each interest rate shock scenario is calculated by adding together the negative and positive changes to EVE occurring in each currency. Positive values are weighted by 50%, but the full impact of negative values is included.

As at 30 June 2024, the average repricing maturity assigned to Non-Maturity Deposits was 4 months and the longest repricing maturity was 60 months.

**Table 72: Quantitative information on IRRBB (UK IRRBB1)**

In reporting currency		Change in EVE		Change in NII		Tier 1 capital	
Period		30.06.24	31.12.23	30.06.24	31.12.23	30.06.24	31.12.23
010	Parallel shock up	(2,581)	(2,017)	970	1,531		
020	Parallel shock down	1,393	946	(1,675)	(2,024)		
030	Steeper shock	(448)	(373)				
040	Flattener shock	(281)	(279)				
050	Short rates shock up	(1,129)	(821)				
060	Short rates shock down	547	311				
070	Maximum	(2,581)	(2,017)	(1,675)	(2,024)		
080	<b>Tier 1 capital</b>					<b>41,902</b>	<b>39,806</b>

As at 30 June 2024, the maximum EVE decline was \$2,581 million under the parallel shock up. This does not represent the expected impact to capital. EVE sensitivity is driven by duration mismatches in the balance sheet. The magnitude of the result is largely due to the exclusion of equity, in line with regulatory guidelines, versus the inclusion of a structural hedge that is designed to stabilise the net interest income arising from the deployment of equity.

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

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

The most adverse impact to NII under the regulatory scenarios was a reduction of \$1,675 million under the parallel shock down. While the interest rate shocks used to compute the regulatory NII sensitivity are larger than the Group's NII sensitivities used for risk management, the drivers of the sensitivities and the limitations of these measures are consistent (please see pages 90 to 91 of the Half Year Report 2024 for more information).

## 7. Forward-looking statements

This document may contain 'forward-looking statements' that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as 'may', 'could', 'will', 'expect', 'intend', 'estimate', 'anticipate', 'believe', 'plan', 'seek', 'continue' or other words of similar meaning. By their very nature, such statements are subject to known and unknown risks and uncertainties and can be affected by 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. Recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. The factors that could cause actual results to differ materially from those described in the forward-looking statements include (but are not limited to) changes in global, political, economic, business, competitive, market and regulatory forces or conditions, future exchange and interest rates, changes in tax rates, future business combinations or dispositions and other factors specific to the Group. Any forward-looking statement contained in this document is based on past or current trends and/or activities of the Group and should not be taken as a representation that such trends or activities will continue in the future. No statement in this document is intended to be 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 of the particular statement.

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.

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.



# Annex 1 Key metrics Standard Chartered – Solo Consolidation

**Table 73: Standard Chartered Solo Consolidation – Leverage ratio**

		30.06.24 \$million	31.03.24 \$million	31.12. 23 \$million	31.09. 23 \$million	31.06. 23 \$million
<b>Leverage ratio</b>						
13	Leverage ratio total exposure measure	<b>440,692</b>	420,058	422,638	413,417	433,764
14	Leverage ratio	<b>4.31%</b>	4.57%	4.40%	4.39%	4.30%
<b>Additional leverage ratio disclosure requirements</b>						
14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	<b>4.3%</b>	4.6%	4.4%	4.4%	4.3%
14b	Leverage ratio including claims on central banks (%)	<b>3.9%</b>	4.1%	3.9%	3.8%	3.8%
14c	Average leverage ratio excluding claims on central banks (%)	<b>4.4%</b>	4.3%	4.2%	4.3%	4.2%
14d	Average leverage ratio including claims on central banks (%)	<b>4.0%</b>	3.8%	3.7%	3.7%	3.7%
14e	Countercyclical leverage ratio buffer (%)	<b>0.1%</b>	0.1%	0.1%	0.1%	0.1%

# Acronyms

<b>ABS</b>	Asset Backed Securities
<b>AIRB</b>	Advanced Internal Rating Based approach
<b>ALCO</b>	Asset and Liability Committee
<b>ALM</b>	Asset and Liability Management
<b>AT1</b>	Additional Tier 1
<b>BCBS</b>	Basel Committee on Banking Supervision
<b>BOU</b>	Bank of Uganda
<b>BRC</b>	Board Risk Committee
<b>CCF</b>	Credit Conversion Factor
<b>CCP</b>	Central Counterparty
<b>CCR</b>	Counterparty Credit Risk
<b>CCyB</b>	Countercyclical capital buffer
<b>CDOs</b>	Collateralised Debt Obligations
<b>CDS</b>	Credit Default Swap
<b>CET1</b>	Common Equity Tier 1
<b>CMBS</b>	Commercial Mortgage Backed Securities
<b>CQS</b>	Credit Quality Step
<b>CPM</b>	Credit & Portfolio Management
<b>CRD</b>	Capital Requirements Directive
<b>CRM</b>	Credit Risk Mitigation
<b>CRO</b>	Chief Risk Officer
<b>CRR</b>	Capital Requirements Regulation
<b>CSA</b>	Credit Support Annex
<b>CSDG</b>	Capital Structuring & Distribution Group
<b>CVA</b>	Credit Valuation Adjustment
<b>D-SIB</b>	Domestic Systemically Important Bank
<b>DVA</b>	Debit Valuation Adjustment
<b>EAD</b>	Exposure at default
<b>EBA</b>	European Banking Authority
<b>ECAI</b>	External Credit Assessment Institutions
<b>EL</b>	Expected loss
<b>FCA</b>	Financial Conduct Authority
<b>FIRB</b>	Foundation Internal Ratings Based approach
<b>FPC</b>	Financial Policy Committee
<b>FSB</b>	Financial Stability Board
<b>FSS</b>	Financial Supervisory Service (South Korea)
<b>FVA</b>	Funding valuation adjustments
<b>GCRO</b>	Group Chief Risk Officer
<b>G-SIB</b>	Global Systemically Important Bank
<b>G-SII</b>	Global Systemically Important Institutions
<b>HKMA</b>	Hong Kong Monetary Authority
<b>IAS</b>	International Accounting Standard
<b>ICAAP</b>	Internal Capital Adequacy Assessment Process
<b>ILAAP</b>	Internal Liquidity Adequacy Assessment Process
<b>IFRS</b>	International Financial Reporting Standards
<b>IMA</b>	Internal Model Approach
<b>IMM</b>	Internal model Method
<b>IRB</b>	Internal Ratings Based

<b>IRC</b>	Incremental Risk Charge
<b>IRR</b>	Interest Rate Risk
<b>LCR</b>	Liquidity Coverage Ratio
<b>LGD</b>	Loss Given Default
<b>MAC</b>	Model Assessment Committee
<b>MAS</b>	Monetary Authority of Singapore
<b>MDB</b>	Multilateral Development Banks
<b>MR</b>	Market Risk
<b>MREL</b>	Minimum requirements for own funds and eligible liabilities
<b>MTM</b>	Mark-To-Market
<b>NII</b>	Net Interest Income
<b>NSFR</b>	Net Stable Funding Ratio
<b>O-SII</b>	Other Systemically Important Institution
<b>OBSC</b>	Operational Balance Sheet Committee
<b>OTC</b>	Over the counter
<b>PD</b>	Probability of Default
<b>PFE</b>	Potential Future Exposure
<b>PIT</b>	Point in Time
<b>PM</b>	Portfolio Management
<b>PRA</b>	Prudential Regulation Authority
<b>PV01</b>	Present Value 01
<b>PVA</b>	Prudent Valuation Adjustment
<b>QCCP</b>	Qualifying Central Counterparty
<b>QRRE</b>	Qualifying Revolving Retail Exposure
<b>RMB</b>	Renminbi
<b>RMBS</b>	Residential Mortgage Backed Securities
<b>RNIV</b>	Risk not in VaR
<b>RTS</b>	Regulatory Technical Standards
<b>RWAs</b>	Risk-Weighted Assets
<b>SA</b>	Standardised Approach
<b>SA-CCR</b>	Standardized approach for counterparty credit risk
<b>SFT</b>	Securities Financing Transactions
<b>SIF</b>	Significant Influence Function
<b>SME</b>	Small and Medium – sized Enterprise
<b>SPE</b>	Special Purpose Entity
<b>SVAR</b>	Stressed VaR
<b>T1</b>	Tier 1 capital
<b>T2</b>	Tier 2 capital
<b>TC</b>	Total capital
<b>TLAC</b>	Total loss-absorbing capacity
<b>TM</b>	Treasury Markets
<b>TRS</b>	Total Return Swap
<b>TTC</b>	Through the cycle
<b>VaR</b>	Value at Risk
<b>VBC</b>	Valuation and Benchmarks Committee
<b>XVA</b>	Credit and Funding Valuation Adjustment

# Glossary

<b>Additional Tier 1 (AT1) capital</b>	Additional Tier 1 capital consists of instruments issued by the bank and related share premium other than Common Equity Tier 1 that meet the Capital Requirement Regulation (CRR) criteria for inclusion in Tier 1 capital.
<b>Advanced Internal Rating Based (AIRB) approach</b>	The AIRB approach under the Basel framework is used to calculate credit risk capital based on the Group's own estimates of prudential parameters.
<b>Africa &amp; Middle East (AME)</b>	Africa & Middle East (AME) includes Bahrain, Egypt, Iraq, Jordan, Lebanon, Oman, Pakistan, Qatar, Saudi Arabia and the United Arab Emirates (UAE).
<b>Arrears</b>	A debt or other financial obligation is considered to be in a state of arrears when payments are overdue. Loans and advances are considered to be delinquent when consecutive payments are missed. Also known as 'delinquency'.
<b>Available-for-Sale</b>	Non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables; held to maturity investments, or financial assets at fair value through profit or loss.
<b>ASEAN</b>	Association of South East Asian Nations (ASEAN) which includes the Group's operation in Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam.
<b>ASEAN &amp; South Asia (ASA)</b>	ASEAN & South Asia (ASA) includes Australia, Bangladesh, Brunei, Cambodia, India, Indonesia, Laos, Malaysia, Myanmar, Nepal, Philippines, Singapore, Sri Lanka, Thailand and Vietnam.
<b>Asia</b>	Asia includes Australia, Bangladesh, Brunei, Cambodia, India, Indonesia, Laos, Malaysia, Myanmar, Nepal, Philippines, Sri Lanka, Singapore, Thailand, Vietnam, Mainland China, Hong Kong, Japan, Korea, Macau and Taiwan.
<b>Asset Backed Securities (ABS)</b>	Securities that represent an interest in an underlying pool of referenced assets. The referenced pool can comprise any assets which attract a set of associated cash flows but are commonly pools of residential or commercial mortgages and in the case of Collateralised Debt Obligations (CDOs), the reference pool may be ABS.
<b>Attributable profit to ordinary shareholders</b>	Profit for the year after non-controlling interests and the declaration of dividends on preference shares classified as equity.
<b>Backtesting</b>	A statistical technique used to monitor and assess the accuracy of a model, and how that model would have performed had it been applied in the past.
<b>Basel II</b>	The capital adequacy framework issued by the Basel Committee on Banking Supervision (BCBS) in June 2006 in the form of the 'International Convergence of Capital Measurement and Capital Standards'.
<b>Basel III</b>	In December 2010, the BCBS issued the Basel III rules text, which were updated in June 2011, and represents the details of strengthened global regulatory standards on bank capital adequacy and liquidity. The new requirements have been fully implemented. In December 2017, the BCBS published a document setting out the finalisation of the Basel III framework. The new requirements issued in December 2017 will be implemented by 2023.
<b>BCBS or Basel Committee on Banking Supervision</b>	A forum on banking supervisory matters which develops global supervisory standards for the banking industry. Its members are officials from 45 central banks or prudential supervisors from 28 countries and territories.
<b>Basis point (bps)</b>	One hundredth of a per cent (0.01 per cent); 100 basis points is 1 per cent. Used in quoting movements e.g. in interest rates or yields on securities.
<b>Capital conservation buffer</b>	A capital buffer prescribed by regulators under Basel III and designed to ensure banks build up capital buffers outside periods of stress which can be drawn down as losses are incurred. Should a bank's CET1 capital fall within the capital conservation buffer range, capital distributions will be constrained by the regulators.
<b>CRD or Capital Requirements Directive</b>	A capital adequacy legislative package adopted by the PRA. CRD comprises the Capital Requirements Directive and the UK onshored Capital Requirements Regulation (CRR). The package implements the Basel III framework together with transitional arrangements for some of its requirements. CRD IV came into force on 1 January 2014. The EU CRR II and CRD V amending the existing package came into force in June 2019 with most changes starting to apply from 28 June 2021. Only those parts of the EU CRR II that applied on or before 31 December 2020, when the UK was a member of the EU, have been implemented. The PRA recently finalised the UK's version of the CRR II for implementation into the PRA Rulebook on 1 January 2022.
<b>Central Counterparty (CCP)</b>	A CCP is a clearing house that acts as an intermediary between counterparties for certain products that are traded in one or more financial markets.
<b>Common Equity Tier 1 (CET1) capital</b>	Common Equity Tier 1 capital consists of the common shares issued by the bank and related share premium, retained earnings, accumulated other comprehensive income and other disclosed reserves, eligible non-controlling interests and regulatory adjustments required in the calculation of Common Equity Tier 1.
<b>Common Equity Tier 1 ratio</b>	Common Equity Tier 1 capital as a percentage of risk-weighted assets.

<b>Countercyclical capital buffer (CCyB)</b>	The countercyclical capital buffer is part of a set of macroprudential instruments, designed to help counter pro-cyclicality in the financial system. CCyB as defined in the Basel III standard provides for an additional capital requirement of up to 2.5 per cent of risk-weighted assets in a given jurisdiction. The Bank of England's Financial Policy Committee has the power to set CCyB rate for the United Kingdom. Each bank must calculate its 'institution-specific' CCyB rate, defined as the weighted average of the CCyB rates in effect across the jurisdictions in which it has credit exposures. The institution-specific CCyB rate is then applied to a bank's total risk weighted assets.
<b>Counterparty credit risk (CCR)</b>	The risk that a counterparty defaults before satisfying its obligations under a derivative, a securities financing transaction (SFT) or a similar contract.
<b>Credit Conversion Factor (CCF)</b>	Either prescribed by CRR or modelled by the bank, an estimate of the amount the Group expects a customer to have drawn further on a facility limit at the point of default.
<b>Credit Default Swap (CDS)</b>	A derivative contract where a buyer pays a fee to a seller in return for receiving a payment in the event of a credit event (for example bankruptcy, payment default on a reference asset or assets, or downgrades by an rating agency) on an underlying obligation.
<b>Credit quality step (CQS)</b>	Credit Quality Steps (CQS) are used to derive the risk-weight to be applied to exposures treated under the Standardised approach to credit risk.
<b>Credit risk</b>	Credit risk is the potential for loss due to the failure of a counterparty to meet its obligations to pay the Group in accordance with agreed terms.
<b>Credit risk mitigation (CRM)</b>	Credit risk mitigation is a process to mitigate potential credit losses from any given account, customer or portfolio by using a range of tools such as collateral, netting agreements, credit insurance, credit derivatives and guarantees.
<b>Credit support annex (CSA)</b>	A legal document that regulates the exchange of collateral between the parties of OTC derivative transactions.
<b>Credit Valuation Adjustment (CVA)</b>	In the context of prudential requirements, additional regulatory capital charge that covers the risk of mark-to-market losses associated with changes in the credit worthiness of counterparties to derivative transactions.
<b>Debit Valuation Adjustment (DVA)</b>	In the context of prudential requirements, adjustment required to Tier 1 capital to derecognise any unrealised fair value gains and losses associated with fair valued liabilities that are attributable to the market's perception of the Group's credit worthiness.
<b>Domestic systemically important banks (D-SIB)</b>	Domestic systemically important banks are deemed systemically relevant for the domestic financial system in which they operate. The FSB and the BCBS have developed a framework for identifying and dealing with D-SIBs. The D-SIB framework has been implemented in the EU via CRD IV which refers to D-SIBs as Other Systemically Important Institutions ('O-SIIs').
<b>Equity price risk</b>	The financial risk involved in holding equity in a particular investment. Arises from changes in the prices of equities, equity indices, equity baskets and implied volatilities on related options.
<b>Expected Loss (EL)</b>	The Group measure of anticipated loss for exposures captured under an internal ratings based credit risk approach for capital adequacy calculations. It is measured as the Group-modelled view of anticipated loss based on Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD), with a one-year time horizon.
<b>Exposure</b>	Credit exposures represent the amount lent to a customer, together with any undrawn commitment.
<b>Exposure at default (EAD)</b>	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.
<b>External Credit Assessment Institutions (ECAI)</b>	For the Standardised Approach to credit risk for sovereigns, corporates and institutions, external ratings are used to assign risk-weights. These external ratings must come from credit rating agencies that are registered or certified in accordance with the credit rating agencies (CRA) regulation or from a central bank issuing credit ratings which is exempt from the application this regulation.
<b>Fair value</b>	The value of an asset or liability when it is transacted on an arm's length basis between knowledgeable and willing parties.
<b>Financial Policy Committee (FPC)</b>	The Financial Policy Committee is an independent committee at the Bank of England that has the primary objective of identifying, monitoring and taking action to remove or reduce systemic risks with a view to protecting and enhancing the resilience of the UK financial system. The FPC's secondary objective is to support the economic policy of the Government.
<b>Foreseeable dividends net of scrip</b>	Includes both ordinary and preference share dividends reasonably expected to be paid out of any future residual interim or year-end profits. In the case of ordinary dividends, the amount of foreseeable dividends deducted from the interim or year-end profits is equal to the amount of interim or year-end profits multiplied by the dividend payout ratio. In the case of preference share dividends, the amount of foreseeable dividends is equal to the amount accrued during the relevant reporting period payable at a future date.
<b>Foundation Internal Ratings Based (FIRB) Approach</b>	A method of calculating credit risk capital requirements using internal PD models but with supervisory estimates of LGD and conversion factors for the calculation of EAD.
<b>Free delivery</b>	When a bank takes receipt of a debt or equity security, a commodity or foreign exchange without making immediate payment, or where a bank delivers a debt or equity security, a commodity or foreign exchange without receiving immediate payment.
<b>Funding valuation adjustments (FVA)</b>	FVA reflects an adjustment to fair value in respect of derivative contracts associated with the funding costs that the market participant would incorporate when determining an exit price.

<b>Greater China</b>	Greater China includes the Group's operation in the People's Republic of China, the Hong Kong Special Administrative Region of the People's Republic of China and Taiwan.
<b>Greater China &amp; North Asia (GCNA)</b>	Greater China & North Asia (GCNA) includes China, Hong Kong, Japan, Korea, Macau and Taiwan.
<b>G-SIBs or Global Systemically Important Banks</b>	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 (FSB) and the BCBS. 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).
<b>G-SIB buffer</b>	A CET1 capital buffer which results from designation as a G-SIB. The G-SIB buffer is between 1 per cent and 3.5 per cent, dependent on the allocation to one of five buckets based on the annual scoring. In the EU, the G-SIB buffer is implemented via CRD IV as Global Systemically Important Institutions ('G-SII') buffer requirement.
<b>Haircut</b>	A haircut, or volatility adjustment, ensures the value of exposures and collateral are adjusted to account for the volatility caused by foreign exchange or maturity mismatches, when the currency and maturity of an exposure differ materially to the currency and maturity of the associated collateral.
<b>Held-to-maturity</b>	Held-to-maturity assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the intention and ability to hold to maturity.
<b>Impaired loans</b>	Loans where individually identified impairment provisions have been raised. Also includes loans which are collateralised or where indebtedness has already been written down to the expected realisable value. The impaired loan category may include loans, which, while impaired, are still performing.
<b>Individually assessed loan impairment provisions (IIP)</b>	Impairment is measured for assets that are individually significant to the Group. Typically assets within the Corporate & Institutional Banking segment of the Group are assessed individually.
<b>Individual capital guidance</b>	Guidance given by the PRA to the Group about the amount and quality of capital resources to maintain.
<b>Individual impairment charge</b>	The amount of individually assessed loan impairment provisions that are charged to the income statement in the reporting period.
<b>Individual liquidity guidance</b>	Guidance given by the PRA to the Group about the amount, quality and funding profile of liquidity resources to maintain.
<b>Institution</b>	A credit institution or an investment firm as defined under the Capital Requirement Regulation (CRR).
<b>Internal Capital Adequacy Assessment Process (ICAAP)</b>	A requirement on institutions under Pillar 2 of the Basel framework to undertake a comprehensive assessment of their risks and to determine the appropriate amounts of capital to be held against these risks.
<b>Internal Liquidity Adequacy Assessment Process (ILAAP)</b>	A requirement on institutions under Pillar 2 of the Basel framework to undertake a comprehensive assessment of their risks and to determine the appropriate amounts of liquidity to be held against these risks.
<b>Internal Model Approach (IMA)</b>	The approach used to calculate market risk capital and RWA with an internal market risk model approved by the PRA under the terms of CRD IV/CRR.
<b>Internal Model Method (IMM)</b>	One of three approaches defined in the Basel Framework to determine exposure values for counterparty credit risk.
<b>Interest Rate Risk (IRR)</b>	Interest rate risk arises due to the investment into rate-sensitive assets, as well as from mismatches between debt issuance and placements.
<b>Internal ratings-based approach ('IRB')</b>	Risk-weighting methodology in accordance with the Basel Capital Accord where capital requirements are based on a firm's own estimates of prudential parameters.
<b>Items belonging to regulatory high-risk categories</b>	In relation to the Standardised Approach to credit risk, items which attract a risk-weight of 150 per cent. This includes exposures arising from venture capital business and certain positions in collective investment schemes.
<b>Leverage ratio</b>	A ratio 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.
<b>Liquidity Coverage Ratio (LCR)</b>	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.
<b>Loans and advances</b>	This represents lending made under bilateral agreements with customers entered into in the normal course of business and is based on the legal form of the instrument.
<b>Loss Given Default (LGD)</b>	The percentage of an exposure that a lender expects to lose in the event of obligor default.
<b>Mark-to-market approach</b>	One of the approaches available to banks to calculate the exposure value associated with derivative transactions. The approach calculates the current replacement cost of derivative contracts, by determining the market value of the contract and considering any potential future exposure.
<b>Market risk</b>	The potential for loss of earnings or economic value due to adverse changes in financial market rates or prices.
<b>Maturity</b>	The time from the reporting date to the contractual maturity date of an exposure, capped at five years. Maturity is considered as part of the calculation of risk-weights for the Group's exposures treated under the IRB approach to credit risk.
<b>Minimum capital requirement</b>	Minimum capital required to be held for credit, market and operational risk.

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



<b>Retail Internal Ratings Based (Retail IRB) Approach</b>	In accordance with the PRA handbook and CRR, the approach to calculating credit risk capital requirements for eligible retail exposures.
<b>Risk Appetite</b>	Risk Appetite is defined by the Group and approved by the Board. It is the maximum amount and type of risk the Group is willing to assume in pursuit of its strategy.
<b>Risk Capacity</b>	The maximum level of risk the Group can assume, given its current capabilities and resources, before breaching constraints determined by capital and liquidity requirements and internal operational capability (including but not limited to technical infrastructure, risk management capabilities, expertise), or otherwise failing to meet the expectations of regulators and law enforcement agencies.
<b>Risk-weighted assets (RWA)</b>	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.
<b>RWA density</b>	The risk-weighted asset as a percentage of exposure at default (EAD).
<b>Scrip dividends</b>	Dividends paid to existing shareholders in securities instead of cash payment.
<b>Securities Financing Transactions (SFT)</b>	Securities Financing Transactions are secured (i.e. collateralised) transactions that involve the temporary exchange of cash against securities, or securities against other securities, e.g. stock lending or stock borrowing or the lending or borrowing of other financial instruments, a repurchase or reverse repurchase transaction, or a buy-sell back or sell-buy back transaction.
<b>Securitisation</b>	Securitisation is a process by which credit exposures are aggregated into a pool, which is used to back new securities. Under traditional securitisation transactions, assets are sold to a special purpose entity (SPE) who then issues new securities to investors at different level of seniority (credit tranching). This allows the credit quality of the assets to be separated from the credit rating of the originating institution and transfers risk to external investors in a way that meets their risk appetite. Under synthetic securitisation transactions, the transfer of risk is achieved by the use of credit derivatives or guarantees, and the exposures being securitized remain exposures of the originating institution.
<b>Securitisation position(s)</b>	The positions assumed by the Group following the purchase of securities issued by Asset-Backed Securitisation programmes or those retained following the origination of a securitisation programme.
<b>Specialised lending</b>	Specialised lending exposures are defined as an exposure to an entity which was created specifically to finance and/or operate physical assets, where the contractual arrangements given the lender a substantial degree of control over the assets and the income that they generate and the primary source of repayment of the obligation is the income generated by the assets being financed, rather than the independent capacity of a broader commercial enterprise.
<b>Special Purpose Entities (SPEs)</b>	SPEs are entities that are created to accomplish a narrow and well defined objective. There are often specific restrictions or limits around their ongoing activities. Transactions with SPEs take a number of forms, including: the provision of financing to fund asset purchases, or commitments to provide financing for future purchases; derivative transactions to provide investors in the SPE with a specified exposure; the provision of liquidity or backstop facilities which may be drawn upon if the SPE experiences future funding difficulties; and direct investment in the notes or equity issued by SPEs.
<b>Standardised Approach (SA)</b>	In relation to credit risk, a method for calculating credit risk capital requirements using External Credit Assessment Institutions (ECAI) ratings and supervisory risk-weights. In relation to operational risk, a method of calculating the operational risk capital requirement by the application of a supervisory defined percentage charge to the gross income of eight specified business lines.
<b>Stressed Value at Risk (SVAR)</b>	A regulatory market risk measure based on potential market movements for a continuous one-year period of stress for a trading portfolio.
<b>Through the cycle (TTC)</b>	Reduces the volatility in the estimation of the probability of default by considering the average conditions over the economic cycle at the point of default, versus the point in time (PIT) approach, which considers economic conditions at the point of the economic cycle at which default occurs.
<b>Tier 1 capital</b>	Tier 1 capital comprises Common Equity Tier 1 capital plus Additional Tier 1 securities and related share premium accounts.
<b>Tier 1 capital ratio</b>	Tier 1 capital as a percentage of risk-weighted assets.
<b>Tier 2 capital</b>	Tier 2 capital comprises qualifying subordinated liabilities and related share premium accounts.
<b>Total Loss Absorbing Capacity (TLAC)</b>	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.
<b>Total Return Swap (TRS)</b>	A derivative transaction that swaps the total return on a financial instrument, including cash flows and capital gains or losses, for an interest rate return.
<b>Trading book</b>	The trading book consists of all positions in CRD financial instrument and commodities which are fair valued through the profit and loss account for accounting purposes, which are held either with trading intent or in order to hedge other elements of the trading book and which are either free of any restrictive covenants on their tradability or ability to be hedged.
<b>Value at Risk (VAR)</b>	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.
<b>Write downs</b>	After an advance has been identified as impaired and is subject to an impairment allowance, the stage may be reached whereby it is concluded that there is no realistic prospect of further recovery. Write downs will occur when and to the extent that, the whole or part of a debt is considered irrecoverable.
<b>Wrong way risk</b>	Wrong way risk occurs when an exposure increase is coupled with a decrease in the credit quality of the obligor.



**Global headquarters**

Standard Chartered Group  
1 Basinghall Avenue  
London, EC2V 5DD  
United Kingdom

telephone: +44 (0)20 7885 8888  
facsimile: +44 (0)20 7885 9999

**Register for electronic communications**

website: [investorcentre.co.uk](http://investorcentre.co.uk)