

**2024**

**UNAUDITED INTERIM  
REPORT**

FOR THE PERIOD ENDED  
30 JUNE 2024

**ICBC Standard Bank Plc**

# AT A GLANCE

## OVERVIEW

ICBC Standard Bank is a London-based banking specialist, focused on the provision of Commodities and Financial Markets solutions, to its global client base.

## PURPOSE, VALUES AND STRATEGIC PRIORITIES

### Our purpose statement

To serve our clients globally as the Commodities and Financial Markets hub of ICBC.

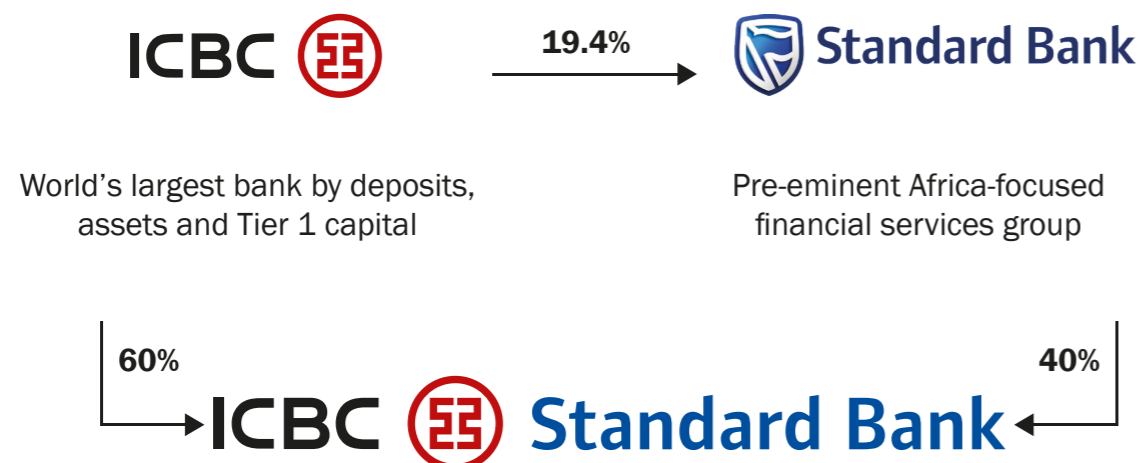
### Underpinned by our values



### Our strategic priorities

- **Specialisation:** Deliver our strategic value to ICBC by enriching the global product offering
- **Integration:** Leverage ICBC global client base, infrastructure and balance sheet strength
- **Simplification:** Scale, build on our foundations and improve efficiency

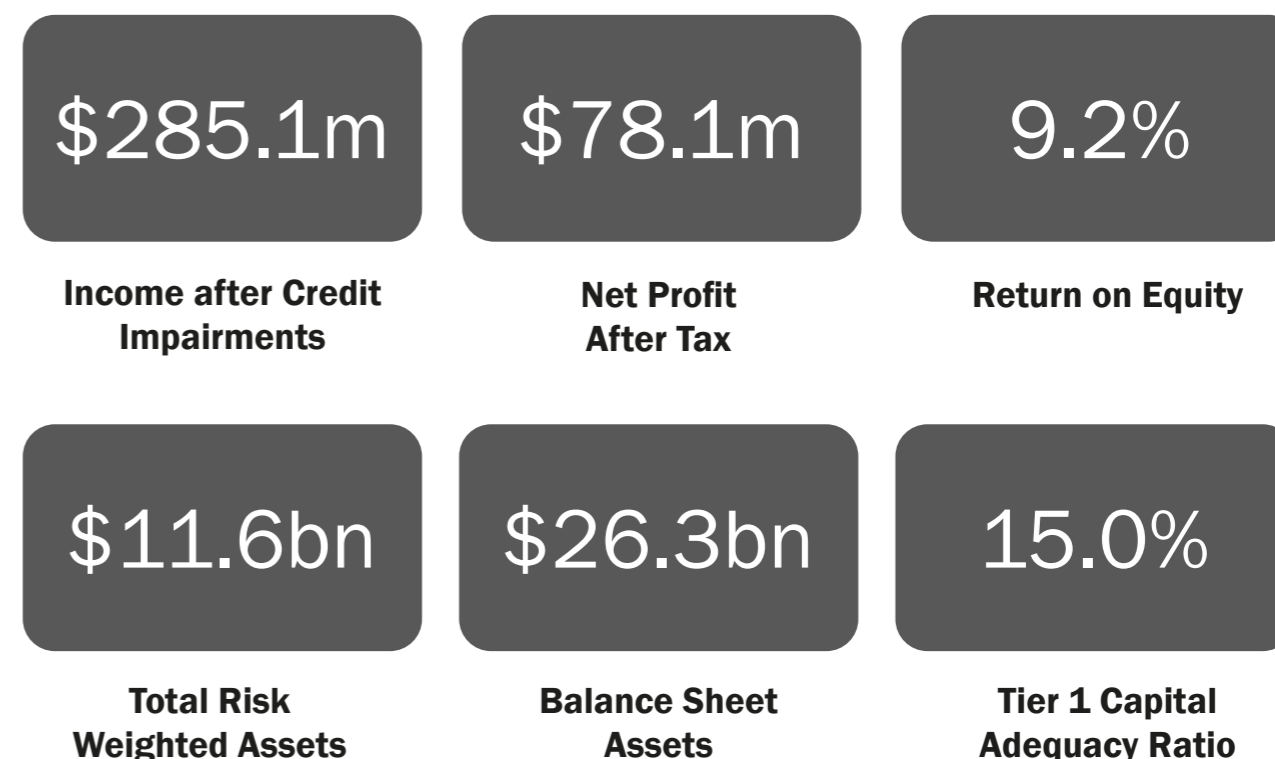
## OWNERSHIP STRUCTURE



## CREDIT RATING - ICBC STANDARD BANK

	Short Term	Long Term	Outlook
Fitch	F1	A-	Negative
Moody's	P2	Baa1	Stable

## GROUP PERFORMANCE 30 JUNE 2024



## OFFICES AND AVERAGE NUMBER OF EMPLOYEES



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# Overview and summary of results

## Introduction

ICBC Standard Bank Plc (“the Company”) and its subsidiaries (together “the Group”) is a financial markets and commodities focused bank, which leverages its unique Chinese and African ownership to serve the growing needs of its clients, while also acting as a distribution platform for risk across Africa and other geographies.

The Group specialises in global markets traded products including commodities, fixed income and currencies, with a focus on frontier and emerging market jurisdictions spanning Asia, Africa, Central and Eastern Europe, the Middle East and Latin America.

The Group is headquartered in London, with additional operations in Singapore and New York and a commodities sales presence in Shanghai.

Within the UK, the Company is authorised and regulated by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA).

The Group has access to major international financial exchanges and has membership of the London Metals Exchange, and seats on the New York Mercantile Exchange (Comex division) and the Shanghai Gold Exchange International Board.

## Business model

The Group offers an extensive spectrum of traded financial market and commodity assets, and related risk management products.

The Group’s businesses originate exposures directly from clients and their market-making activities, which are subsequently risk managed and traded with other market participants and clients through the Group’s distribution network.

The Group’s access to its shareholders’ large client bases has expanded the strategic opportunity of the business to serve the increasing demand for commodities, hedging and capital markets products.

### 1 Commodities

The Commodities business provides trading, sales, working capital solutions and structured lending expertise through its Metals and Energy teams.

As one of the four members of London Precious Metals Clearing Limited, the Group offers vaulting and clearing services for clients, including safe custody for physical bullion at its own vault in London and at market recognised vaults globally.

### 2 Fixed Income and Currencies

The Fixed Income and Currencies (FIC) business offers a comprehensive set of foreign exchange, interest rates, credit, money markets and structured lending products.

The FIC business provides flow structured products to the Group’s global clients for their investment activities, and delivers solutions for global corporates, banks and sovereigns for their financing, treasury and liability risk management requirements.

The Debt Capital Markets team within the FIC business focus on providing origination, structuring and execution capabilities for the Group’s clients.

## Market conditions

The global economy has shown resilience in the first half of 2024, with growth projected to remain stable at 3.2% for the year, according to the IMF's latest forecast. However, the path to full recovery remains uneven across regions and sectors. In advanced economies, growth patterns have begun to converge, albeit at differing paces. The US saw a slower start to the year, while the Euro area experienced stronger momentum in services and higher than expected net exports. Japan, on the other hand, faced temporary setbacks due to supply disruptions, leading to an IMF downward revision of its growth forecast to 0.7% for 2024.

Volatility continues to be a factor in the markets, driven by several key events: inflation has moderated in most developed economies, yet remains above central bank targets; interest rates in major economies have largely stabilized, with some central banks beginning to signal potential cuts later in the year; geopolitical tensions continue to impact markets, particularly in Eastern Europe and the Middle East; and concerns over China's economic growth persist. Global equities, as measured by the MSCI World Index, have experienced volatility but generally trended upward, with returns varying across regions and sectors. The technology sector, particularly in Asia, has shown strong export performance.

Emerging markets and developing economies have shown more positive momentum. Asia continues to be a significant contributor to global growth, although at a somewhat slower pace than in 2023. China's economic transition towards a more sustainable growth model has progressed, with the government implementing targeted stimulus measures to support key sectors. As such, China's growth forecast has been revised upward to 5.0% for the year, boosted by strong exports and decisive fiscal efforts to shore up growth momentum in the first half of 2024.

In Sub-Saharan Africa, currency pressures have persisted, with several countries experiencing significant devaluations, though some stabilization has occurred. The Egyptian pound has remained relatively stable since its devaluation in March 2024, which the Egyptian central bank eventually sanctioned in exchange for an expanded IMF programme. The Nigerian naira and Angolan kwanza have also both experienced devaluations against the US dollar on official spot markets, by 70.0% and 6.0%, respectively, presenting potentially attractive entry points for investors. Ghana's new IMF funding program has provided some economic stability, although its bond market remains sluggish, and external debt negotiations continue. Zambia's agreement with external creditors sets a precedent for other countries facing default, such as Ghana and Sri Lanka. Kenya's appointment of a market-friendly central bank governor has been positively received by investors. South Africa, meanwhile, continues to grapple with structural challenges, including persistent power outages and high unemployment, which constrain economic growth despite ongoing efforts to implement economic reforms.

The metals markets have seen a mixed performance in the first half of 2024. Gold prices have remained elevated, supported by ongoing geopolitical uncertainties, expectations of potential interest rate cuts later in the year, and safe-haven demand amidst economic uncertainties. Base metals have shown some weakness due to concerns over global industrial demand, particularly from China. Global commodity prices have stabilized somewhat from their 2023 levels but remain below the peak seen in mid-2022. Oil prices have fluctuated within a relatively narrow range, influenced by OPEC+ production decisions and global demand forecasts, but are expected to remain relatively stable for the rest of 2024.

As we move into the second half of 2024, markets are eagerly anticipating the Federal Reserve's rate-cutting cycle as inflation dampens and growth concerns return. While global inflation is expected to continue declining, weaker demand-side data from the two largest economies – USA and China – is keeping markets divided on the prospects for global interest rate differentials. Key risks to watch out for in the second half of 2024 therefore include potential upside inflation surprises while growth slows (risk of stagflation, which delays policy normalisation), and market volatility due to increased political uncertainty, particularly with upcoming elections and continuing geopolitical tension. Heightened market volatility will likely spur capital flows and threaten financial stability. Yet global trade is expected to recover further, aligning with GDP growth at about 3.3% annually, notwithstanding geopolitical tensions and trade friction, which pose risks to the global growth

outlook. Financial conditions are likely to remain accommodative, although longer-term yields may continue to drift upward. Combined with persistently high interest rates, this could raise borrowing costs further and affect financial stability if fiscal improvements do not offset higher real rates amid lower potential growth. Given these challenges, emerging market bonds and safe-haven asset classes may offer attractive opportunities for discerning investors in the second half of 2024.

## Financial results

The Group's results for the six months ended 30 June 2024 are shown in the consolidated income statement on page 9.

The profit attributable to equity shareholders for the period is \$78.1 million. This compares to a profit of \$154.7 million for the six months ended 30 June 2023 and \$187.1 million for the year ended 31 December 2023.

Income after credit impairments for the first half of 2024 of \$285.1 million was 26.4% lower than for the equivalent period in the prior year (\$387.3 million).

Commodities overall revenue performance remained consistent with the comparative period. Base Metals flow trading, and Precious Metals financing and physical performed well, while vaulting and clearing and platinum group metals (PGM) trading were quieter. The Energy franchise has been subdued, with margins compressed and volumes low.

FIC revenues were materially lower year-on-year, principally as a result of a credit provision release following a recovery on a Russian counterparty exposure which was closed out during the prior period, as well as non-repeatable market events that generated one-off gains in the prior year performance within the FX and Rates business. The structured financing portfolio has delivered a favourable performance, but has seen limited opportunities for new business growth within the current market environment, while Capital Markets fees have been lower than the prior year.

Operating costs of \$189.0 million reflect a decrease from the prior year (\$200.7 million). The decrease is primarily attributable to a favourable change in the year on year effective hedged GBP:USD foreign exchange rate, with the underlying costs reflecting inflationary increases and higher headcount levels compared to the prior year. The income tax charge for the period was \$18.0 million, which is lower than the prior year (\$31.9 million), due to decreased profits.

Total assets at 30 June 2024 were \$26.3 billion, representing an increase of 10.9% on prior year (\$23.7 billion), and an increase of 13.0% on year end (\$23.2 billion).

The increase on prior year of \$2.6 billion was primarily attributable to higher levels of debt securities within financial assets held for trading, \$1.2 billion, higher commodity inventories, \$0.7 billion, mainly on Base Metals, higher reverse repurchase agreement exposures, mainly held at amortised cost, \$0.7 billion and increases to non-trading loans held at fair value through profit or loss, \$0.6 billion, which have been partially offset by a reduction in derivative asset fair values of \$1.1 billion.

Total liabilities at 30 June 2024 were \$24.4 billion, representing an increase of 11.7% on prior year (\$21.8 billion), and an increase of 14.1% on year end (\$21.4 billion).

The increase on prior year of \$2.6 billion was largely attributable to higher deposits designated at fair value through profit or loss, \$2.1 billion, a \$1.3 billion increase across the three key funding lines of due to banks and other financial institutions, due to customers and repurchase agreements, and higher obligations to return precious metals, \$0.6 billion, somewhat offset by lower derivative liability valuations, \$1.3 billion.

Total equity at 30 June 2024 is \$1.9 billion, representing an increase of \$34.6 million on prior year.

## Capital resources

At 30 June 2024, the Group's equity capital resources amounted to \$1,890.0 million (30 June 2023: \$1,855.4 million) and total capital resources qualifying for prudential purposes were \$1,981.3 million (30 June 2023: \$1,857.6 million).

The Group remains strongly capitalised at 30 June 2024, with a total capital adequacy ratio of 17.1% (30 June 2023: 18.8%), a tier 1 capital ratio of 15.0% (30 June 2023: 16.3%), a common equity tier 1 (CET1) capital ratio of 13.6% (30 June 2023: 14.6%) and risk-weighted assets of \$11,579.5 million (30 June 2023: \$9,883.3 million).

The Group's leverage ratio at 30 June 2024, which measures tier 1 capital to a defined measure of on-balance sheet assets and certain off-balance sheet items, was 6.7% (30 June 2023: 7.2%).

## Key financial results, ratios and statistics

at 30 June 2024

	June 2024	June 2023	December 2023
	\$m	\$m	\$m
<b>Income statement</b>			
Income after credit impairments	285.1	387.3	608.2
Operating expenses	(189.0)	(200.7)	(397.6)
Profit attributable to equity shareholders	78.1	154.7	187.1
<b>Balance sheet</b>			
Equity attributable to shareholders	1,890.0	1,855.4	1,870.9
Total assets	26,270.0	23,690.4	23,247.1
<b>Capital adequacy</b>			
Risk-weighted assets	11,579.5	9,883.3	9,653.2
Liquidity coverage ratio (%)	241.2	163.0	183.0
Total tier 1 capital	1,731.3	1,607.6	1,789.1
Tier 1 capital adequacy ratio (%)	15.0	16.3	18.5
Total capital adequacy ratio (%)	17.1	18.8	21.1



# Consolidated balance sheet

## at 30 June 2024

	June 2024 \$m	June 2023 \$m	December 2023 \$m
	Unaudited	Unaudited	Audited
<b>Assets</b>			
Cash and balances with central banks	1,992.7	2,379.1	2,635.9
Due from banks and other financial institutions	2,166.9	1,956.3	2,248.4
Financial assets held for trading	1,755.5	595.1	1,278.5
Non-trading financial assets at fair value through profit or loss	2,951.2	2,314.8	2,856.6
Derivative financial assets	3,652.0	4,749.2	3,383.2
Reverse repurchase agreements	4,013.8	3,291.5	2,936.0
Loans and advances to customers	911.3	747.1	771.3
Financial investments	2,381.5	1,956.8	2,052.8
Property and equipment	69.0	26.2	66.9
Current tax assets	5.2	1.4	11.8
Deferred tax assets	7.9	0.6	8.0
Other assets	6,363.0	5,672.3	4,997.7
Non-financial assets held for trading – Commodities inventory	6,070.8	5,416.1	4,792.2
Other	292.2	256.2	205.5
<b>Total assets</b>	<b>26,270.0</b>	23,690.4	23,247.1
<b>Liabilities and equity</b>			
<b>Liabilities</b>	<b>24,380.0</b>	21,835.0	21,376.2
Financial liabilities held for trading	1,491.2	1,615.2	1,634.7
Non-trading financial liabilities at fair value through profit or loss	5,038.0	2,943.4	3,744.0
Derivative financial liabilities	3,840.8	5,155.9	3,782.3
Due to banks and other financial institutions	6,006.7	5,651.0	6,553.2
Repurchase agreements	1,284.9	481.7	853.1
Due to customers	1,198.5	1,092.4	1,077.1
Current tax liabilities	1.8	15.9	2.4
Subordinated debt	246.1	244.9	247.6
Other liabilities	5,272.0	4,634.6	3,481.8
Precious metal payables	4,902.9	4,290.3	3,140.6
Other	369.1	344.3	341.2
<b>Equity</b>			
<b>Equity attributable to shareholders</b>	<b>1,890.0</b>	1,855.4	1,870.9
Share capital	1,083.5	1,083.5	1,083.5
Other equity instruments	160.0	160.0	160.0
Reserves	646.5	611.9	627.4
<b>Total liabilities and equity</b>	<b>26,270.0</b>	23,690.4	23,247.1

# Consolidated income statement

for the period ended 30 June 2024

	June 2024 \$m Unaudited	June 2023 \$m Unaudited	December 2023 \$m Audited
<b>Net interest income</b>	<b>71.1</b>	77.9	153.9
Interest income	<b>304.8</b>	247.7	524.7
Interest expense	<b>(233.7)</b>	(169.8)	(370.8)
<b>Non-interest revenue</b>	<b>213.1</b>	258.9	404.1
Net fees and commission	<b>24.5</b>	20.9	38.6
Fees and commission income	<b>37.0</b>	37.5	65.7
Fees and commission expense	<b>(12.5)</b>	(16.6)	(27.1)
Net trading revenue	<b>157.0</b>	213.6	314.0
Net gain on non-trading financial assets and liabilities at fair value through profit or loss	<b>31.6</b>	24.4	51.5
<b>Total operating income</b>	<b>284.2</b>	336.8	558.0
Credit impairment recoveries	<b>0.9</b>	50.5	50.2
<b>Income after credit impairments</b>	<b>285.1</b>	387.3	608.2
<b>Operating expenses</b>	<b>(189.0)</b>	(200.7)	(397.6)
Staff costs	<b>(130.7)</b>	(129.1)	(247.8)
Other operating expenses	<b>(57.6)</b>	(69.7)	(145.9)
Indirect taxation	<b>(0.7)</b>	(1.9)	(3.9)
<b>Profit before taxation</b>	<b>96.1</b>	186.6	210.6
Income tax charge	<b>(18.0)</b>	(31.9)	(23.5)
<b>Profit attributable to equity shareholders</b>	<b>78.1</b>	154.7	187.1

# Consolidated statement of comprehensive income

for the period ended 30 June 2024

	June 2024 \$m Unaudited	June 2023 \$m Unaudited	December 2023 \$m Audited
<b>Profit attributable to equity shareholders</b>	<b>78.1</b>	154.7	187.1
<b>Other comprehensive income:</b>			
<b>Items that may be subsequently reclassified to profit or loss<sup>1</sup></b>			
Foreign currency translation reserve	(0.6)	(1.3)	(0.7)
Cash flow hedging reserve <sup>2, 3</sup>	(10.2)	18.3	13.5
Effective portion of changes in fair value	1.4	15.7	18.3
Net amount transferred to profit or loss	(11.6)	2.6	(4.8)
Changes in fair value of debt instruments measured at FVOCI	0.9	0.7	0.9
<b>Items that will not be reclassified subsequently to profit or loss<sup>1</sup></b>			
Gains attributed to own credit risk	0.8	1.0	0.3
<b>Other comprehensive gains / (losses) for the year</b>	<b>(9.1)</b>	18.7	14.0
<b>Total comprehensive profit attributable to equity shareholders</b>	<b>69.0</b>	173.4	201.1

1. No income tax is recognised in other comprehensive income

2. The cash flow hedges relate to hedges of the Group's cost base for future highly probable expenses in currencies other than US dollars (i.e. the Company's functional currency and Group's reporting currency) and hedges of the long-term incentive liability due to changes in the ICBC share price

3. The cash flow hedging reserve movement of \$10.2 million is primarily attributable to the crystallisation of \$9.1 million of gains in the P&L on maturity of FX forward contracts in 2024

# Consolidated statement of changes in equity

for the period ended 30 June 2024

	Ordinary share capital	Other equity instruments	Cash flow hedging reserve	FVOCI reserve	Foreign currency translation reserve	Net investment hedge reserve	Own credit reserve	Retained earnings	Total equity
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Balance at 1 January 2023</b>	1,083.5	160.0	8.0	(1.0)	(2.5)	(1.7)	(1.3)	437.0	1,682.0
Total comprehensive gains / (losses) for the year	-	-	13.5	0.9	(0.7)	-	0.3	187.1	201.1
Coupon payment on other equity instruments <sup>1</sup>	-	-	-	-	-	-	-	(12.2)	(12.2)
<b>Balance at 31 December 2023</b>	1,083.5	160.0	21.5	(0.1)	(3.2)	(1.7)	(1.0)	611.9	1,870.9
<b>Balance at 1 January 2024</b>	<b>1,083.5</b>	<b>160.0</b>	<b>21.5</b>	<b>(0.1)</b>	<b>(3.2)</b>	<b>(1.7)</b>	<b>(1.0)</b>	<b>611.9</b>	<b>1,870.9</b>
Total comprehensive gains / (losses) for the period	-	-	(10.2)	0.9	(0.6)	-	0.8	78.1	69.0
Dividend payment on ordinary share capital <sup>2</sup>	-	-	-	-	-	-	-	(49.9)	(49.9)
<b>Balance at 30 June 2024</b>	<b>1,083.5</b>	<b>160.0</b>	<b>11.3</b>	<b>0.8</b>	<b>(3.8)</b>	<b>(1.7)</b>	<b>(0.2)</b>	<b>640.1</b>	<b>1,890.0</b>

1. Additional Tier 1 capital coupon of \$12.2 million is paid annually in December
2. A dividend payment of \$49.9 million was made to ordinary share capital holders in March 2024, representing 30% of the increase in the Company's distributable retained earnings in 2023

## Accounting policies

The financial results and financial position for the period ended 30 June 2024 set out on pages 8 to 11 have been prepared on a consistent basis to the Group's consolidated annual financial statements for the year ended 31 December 2023. They do not include all information required for full annual financial statements or condensed consolidated financial statements prepared in accordance with IAS 34 *Interim Financial Reporting*.

The Group's annual financial statements for the year ended 31 December 2023 were prepared on a going concern basis and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRSs) and interpretations (IFRICs) as issued by the IASB and adopted in the United Kingdom (UK).

The Group's annual financial statements were prepared on the historical cost basis except as modified by the fair value accounting for certain assets and liabilities where required or permitted by IFRS.

## Other assets

	<b>June 2024 \$m Unaudited</b>	June 2023 \$m Unaudited	December 2023 \$m Audited
Non-financial assets held for trading – Commodities inventory	<b>6,070.8</b>	5,416.1	4,792.2
Precious metals	<b>4,673.6</b>	4,676.9	3,898.8
Base metals	<b>1,120.7</b>	263.7	639.1
Energy	<b>276.5</b>	475.5	254.3
Other	<b>292.2</b>	256.2	205.5
Unsettled dealing balances	<b>167.5</b>	145.5	95.1
Other receivables	<b>90.0</b>	79.5	81.6
Intangible assets	<b>34.7</b>	31.2	28.8
	<b>6,363.0</b>	5,672.3	4,997.7

Commodities inventory stored by the Group on behalf of customers are not recognised on the Group's balance sheet and were as follows:

	<b>June 2024 \$m Unaudited</b>	June 2023 \$m Unaudited	December 2023 \$m Audited
Commodities inventory – Stored for customers	<b>46,263.5</b>	31,919.4	41,662.2

# Deposits

## Due to banks and other financial institutions

	June 2024 \$m Unaudited	June 2023 \$m Unaudited	December 2023 \$m Audited
Due to banks	5,794.1	5,261.9	6,125.2
Other financial institutions	212.6	389.1	428.0
	<b>6,006.7</b>	5,651.0	6,553.2

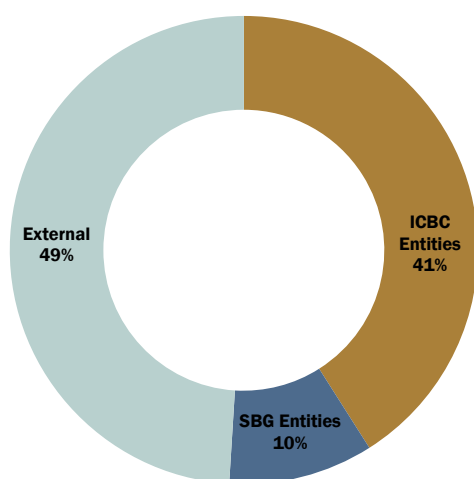
## Repurchase agreements

	June 2024 \$m Unaudited	June 2023 \$m Unaudited	December 2023 \$m Audited
Measured at amortised cost: Banks and other financial institutions	1,051.8	196.8	696.4
Measured at FVTPL: Banks and other financial institutions	233.1	284.9	156.7
	<b>1,284.9</b>	481.7	853.1

## Due to customers

	June 2024 \$m Unaudited	June 2023 \$m Unaudited	December 2023 \$m Audited
Call deposits	645.3	869.1	490.0
Term deposits	553.2	223.3	587.1
	<b>1,198.5</b>	1,092.4	1,077.1

## Deposit providers



## Financial instruments measured at fair value

The tables below analyse financial instruments carried at fair value at the end of the reporting period by valuation methodology (fair value hierarchy). Fair values are classified into three levels, depending on the extent to which quoted prices or observable pricing inputs are used in the calculation of the fair value of financial instruments, with the levels defined as follows:

**Level 1** – quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Group can access at the measurement date.

**Level 2** – valuation technique using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

**Level 3** – valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

	Composition	Asset	Composition	Liability
	%	\$m	%	\$m
<b>June 2024</b>				
Level 1	19.2	2,238.9	8.0	853.5
Level 2	78.6	9,162.2	88.1	9,337.8
Level 3	2.2	260.0	3.9	411.8
<b>Financial instruments at fair value</b>	<b>100.0</b>	<b>11,661.2</b>	<b>100.0</b>	<b>10,603.1</b>
Reconciled as follows:				
At fair value through other comprehensive income		554.7		-
At fair value through profit or loss		5,407.5		5,332.0
Other mandatorily held at or designated at fair value through profit or loss		5,699.0		5,271.1
		<b>11,661.2</b>		<b>10,603.1</b>
<b>June 2023</b>				
Level 1	14.5	1,613.7	6.2	617.1
Level 2	83.3	9,247.2	89.8	8,984.2
Level 3	2.2	248.9	4.0	398.1
<b>Financial instruments at fair value</b>	<b>100.0</b>	<b>11,109.8</b>	<b>100.0</b>	<b>9,999.4</b>
Reconciled as follows:				
At fair value through other comprehensive income		1,169.2		-
At fair value through profit or loss		5,344.3		6,771.1
Other mandatorily held at or designated at fair value through profit or loss		4,596.3		3,228.3
		<b>11,109.8</b>		<b>9,999.4</b>
<b>December 2023</b>				
Level 1	15.2	1,536.2	5.6	521.9
Level 2	82.0	8,277.0	89.9	8,372.7
Level 3	2.8	279.6	4.5	423.1
<b>Financial instruments at fair value</b>	<b>100.0</b>	<b>10,092.8</b>	<b>100.0</b>	<b>9,317.7</b>
Reconciled as follows:				
At fair value through other comprehensive income		631.7		-
At fair value through profit or loss		4,661.7		5,417.0
Other mandatorily held at or designated at fair value through profit or loss		4,799.4		3,900.7
		<b>10,092.8</b>		<b>9,317.7</b>



## Credit quality

The table below shows the Group's maximum exposure to credit risk in the event of other parties failing to perform on their obligations before taking account of any collateral held or other credit enhancements.

	Performing (Group master ratings: 1-25)		Non-performing (Group master rating: Default)		Gross credit exposure
	Neither past due nor impaired	Past due but not specifically impaired		Specifically impaired	
		< 90 days	>= 90 days		
June 2024 – Unaudited	\$m	\$m	\$m	\$m	\$m
Cash and balances with central banks	1,992.7	-	-	-	1,992.7
Financial assets held for trading	1,755.5	-	-	-	1,755.5
Non-trading financial assets at fair value	2,951.2	-	-	-	2,951.2
Derivative financial assets	3,652.0	-	-	-	3,652.0
Due from banks and other financial institutions	2,170.9	-	-	-	2,170.9
Gross reverse repurchase agreements	4,013.9	-	-	-	4,013.9
Gross loans and advances to customers	913.9	-	-	-	913.9
Gross financial investments	2,381.6	-	-	-	2,381.6
Other assets	-	-	-	10.7	10.7
<b>Total balance sheet exposure to credit risk</b>	<b>19,831.7</b>	<b>-</b>	<b>-</b>	<b>10.7</b>	<b>19,842.4</b>
Guarantees					192.7
Irrevocable unutilised facilities					453.1
Commodity leases					1,572.9
<b>Total off-balance sheet exposure to credit risk</b>					<b>2,218.7</b>

The table below provides an analysis of gross balances subject to the three stage expected credit loss (ECL) model in IFRS 9 *Financial Instruments*.

June 2024 – Unaudited	Stage 1	Stage 2	Stage 3			POCI	Total
			Substandard	Doubtful	Loss		
			\$m	\$m	\$m		
Cash and balances with central banks	1,992.7	-	-	-	-	-	1,992.7
Due from banks and other financial institutions	2,170.9	-	-	-	-	-	2,170.9
Reverse repurchase agreements	1,728.9	-	-	-	-	-	1,728.9
Loans and advances to customers	905.2	8.7	-	-	-	-	913.9
Financial investments	1,918.9	-	-	-	-	-	1,918.9
Commitments and financial guarantees given	645.8	-	-	-	-	-	645.8
Other assets	-	-	-	-	-	10.7	10.7
<b>Total</b>	<b>9,362.4</b>	<b>8.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.7</b>	<b>9,381.8</b>

## Credit quality (continued)

	Performing (Group master ratings: 1-25)		Non-performing (Group master rating: Default)		Gross credit exposure
	Neither past due nor impaired	Past due but not specifically impaired		Specifically impaired	
		< 90 days	>= 90 days		
June 2023 – Unaudited	\$m	\$m	\$m	\$m	\$m
Cash and balances with central banks	2,379.1	-	-	-	2,379.1
Financial assets held for trading	595.1	-	-	-	595.1
Non-trading financial assets at fair value	2,314.8	-	-	-	2,314.8
Derivative financial assets	4,749.0	-	-	0.2	4,749.2
Due from banks and other financial institutions	1,959.3	-	-	-	1,959.3
Gross reverse repurchase agreements	3,291.7	-	-	-	3,291.7
Gross loans and advances to customers	749.5	-	-	-	749.5
Gross financial investments	1,956.8	-	-	-	1,956.8
Other assets	-	-	-	16.2	16.2
<b>Total balance sheet exposure to credit risk</b>	<b>17,995.3</b>	<b>-</b>	<b>-</b>	<b>16.4</b>	<b>18,011.7</b>
Guarantees					114.9
Irrevocable unutilised facilities					305.4
Commodity leases					998.9
<b>Total off-balance sheet exposure to credit risk</b>					<b>1,419.2</b>

June 2023 – Unaudited	Stage 1	Stage 2	Stage 3			POCI	Total
			Substandard	Doubtful	Loss		
			\$m	\$m	\$m		
Cash and balances with central banks	2,379.1	-	-	-	-	-	2,379.1
Due from banks and other financial institutions	1,959.3	-	-	-	-	-	1,959.3
Reverse repurchase agreements	1,010.2	-	-	-	-	-	1,010.2
Loans and advances to customers	749.5	-	-	-	-	-	749.5
Financial investments	1,956.8	-	-	-	-	-	1,956.8
Commitments and financial guarantees given	420.3	-	-	-	-	-	420.3
Other assets	-	-	-	-	-	16.2	16.2
<b>Total</b>	<b>8,475.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.2</b>	<b>8,491.4</b>

## Value at risk

### Analysis of trading book market risk exposures

The following tables show the aggregated historical value at risk (VaR) for the Group's trading positions. The maximum and minimum VaR amounts show the bands in which the values at risk fluctuated during the period. Stop loss triggers are designed to contain losses for individual business units by enforcing management intervention at predetermined loss levels measured against the individual high-water mark year-to-date profit and loss. Other risk measures specific to individual business units are also used.

During February 2024, market volatility in the Egyptian pound non-deliverable forward market increased significantly ahead of an expected devaluation in the currency. This caused four negative back-testing exceptions at a 99% confidence level. It also resulted in an increased contribution of the FX asset class to the Group's VaR (the Group's policy is to update the historical timeseries used in the VaR calculation on a daily basis with a 5-day lag to allow time for data integrity checks).

June 2024	1 Day VaR <sup>2</sup>			Period end
	Maximum <sup>1</sup>	Minimum <sup>1</sup>	Average	
	\$m	\$m	\$m	\$m
Commodities	2.7	0.4	0.8	0.7
Foreign exchange	13.9	2.6	9.3	8.1
Interest rate risk (general and specific)	8.4	3.9	5.1	5.6
Diversification benefit <sup>4</sup>				(6.4)
<b>Total (including diversification)</b>	<b>13.3</b>	<b>5.1</b>	<b>9.6</b>	<b>8.0</b>

	10 Day VaR <sup>3</sup>		
	June 2024	June 2023	December 2023
	\$m	\$m	\$m
	Unaudited	Unaudited	Audited
Commodities	7.1	2.6	6.3
Foreign exchange	8.3	5.7	6.3
Interest rate risk (general and specific)	30.3	33.9	45.9
Diversification benefit <sup>4</sup>	(15.9)	(0.9)	(13.8)
<b>Total (including diversification)</b>	<b>29.8</b>	<b>41.3</b>	<b>44.7</b>

June 2023	1 Day VaR <sup>2</sup>			Period end
	Maximum <sup>1</sup>	Minimum <sup>1</sup>	Average	
	\$m	\$m	\$m	\$m
Commodities	2.7	0.5	1.4	0.5
Foreign exchange	8.3	1.6	3.9	1.6
Interest rate risk (general and specific)	21.0	5.3	12.2	7.8
Diversification benefit <sup>4</sup>				(2.4)
<b>Total (including diversification)</b>	<b>19.0</b>	<b>7.0</b>	<b>11.5</b>	<b>7.5</b>

December 2023	1 Day VaR <sup>2</sup>			Year end
	Maximum <sup>1</sup>	Minimum <sup>1</sup>	Average	
	\$m	\$m	\$m	\$m
Commodities	2.7	0.4	1.0	0.8
Foreign exchange	8.3	1.2	3.2	6.4
Interest rate risk (general and specific)	21.0	3.6	9.3	4.1
Diversification benefit <sup>4</sup>				(4.0)
<b>Total (including diversification)</b>	<b>19.0</b>	<b>4.3</b>	<b>9.2</b>	<b>7.3</b>

1. The maximum and minimum VaR figures reported for each market variable did not necessarily occur on the same days. As a result, the aggregate VaR will not equal the sum of the individual market VaR values, and it is inappropriate to ascribe a diversification effect to VaR when these values may have occurred on different dates.
2. Normal VaR is based on a holding period of one day and a confidence interval of 99%.
3. Stress VaR is based on a holding period of 10 days and a confidence interval of 99%.
4. Diversification benefit is the benefit of measuring the VaR of the trading portfolio as a whole, i.e. the difference between the sum of the individual VaRs and measuring the VaR of the whole trading portfolio.

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