

18. Property, plant and equipment

Accounting policy

All property, plant and equipment is stated at cost less accumulated depreciation and impairment losses.

Land and buildings comprise mainly branches and offices. Freehold land is not depreciated although it is subject to impairment testing.

Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Owned premises
- Leasehold premises
- Leasehold improvements
- Equipment and motor vehicles
- Aircraft
- Ships
- up to 50 years
- up to 50 years
- shorter of remaining lease term and 10 years
- three to 15 years
- up to 18 years
- up to 15 years

Where the Group is a lessee of a right-of-use asset, the leased assets are capitalised and included in Property, plant and equipment with a corresponding liability to the lessor recognised in Other liabilities. The accounting policy for lease assets is set out in Note 19.

	2023					
	Premises \$million	Equipment \$million	Operating lease assets \$million	Leased premises assets \$million	Leased equipment assets \$million	Total \$million
Cost or valuation						
At 1 January	1,773	840	4,420	1,652	29	8,714
Exchange translation differences	(27)	(22)	–	(5)	(3)	(57)
Additions ¹	45	114	–	286	1	446
Disposals and fully depreciated assets written off	(68) ²	(122) ²	(4,420) ³	(69)	(9)	(4,688)
Classified as held for sale	18	–	–	–	–	18
As at 31 December	1,741	810	–	1,864	18	4,433
Depreciation						
Accumulated at 1 January	678	575	1,185	730	24	3,192
Exchange translation differences	(21)	(17)	1	(25)	(1)	(63)
Charge for the year	77	99	27	238	4	445
Impairment charge	3	–	–	9	–	12
Attributable to assets sold, transferred or written off	(47) ²	(122) ²	(1,213) ³	(38)	(9)	(1,429)
Classified as held for sale	2	–	–	–	–	2
Accumulated at 31 December	692	535	–	914	18	2,159
Net book amount at 31 December	1,049	275	–	950	–	2,274

1. Refer to the cash flow statement under cash flows from investing activities section for the purchase of property, plant and equipment during the year of \$159 million on page 363

2. Disposals for property, plant and equipment during the year of \$53 million in the cash flow statement would include the gains and losses incurred as part of other operating income (Note 6) on disposal of assets during the year and the net book value disposed

3. Includes disposal of assets from aviation finance leasing business and sale of vessels (refer note 32).