





























































































































































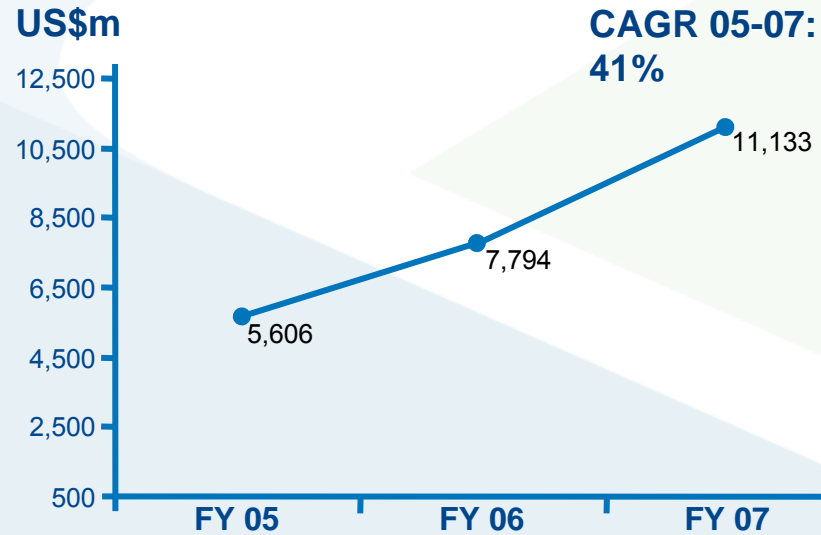




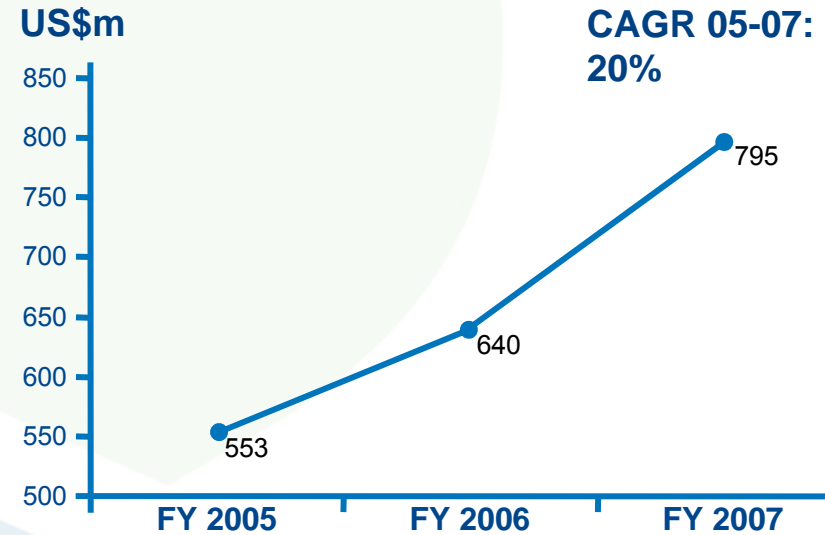


# Performance highlights

## Asset growth



## Income growth



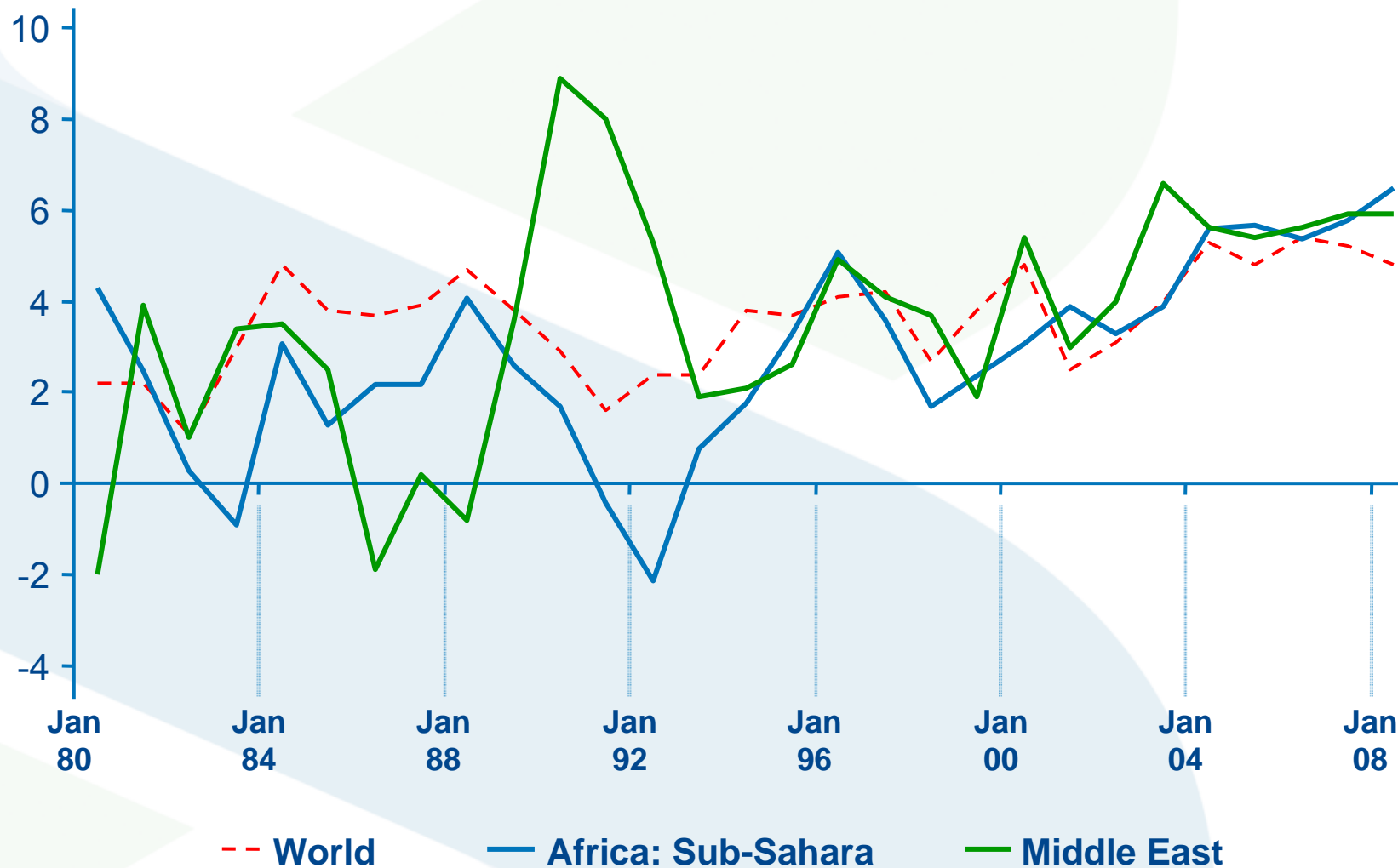
## Consistent contribution to the group



- Africa is resource rich; fundamental improvements in governance and economic reform have resulted in increased growth and investment that are set to continue
- Standard Chartered is a highly-respected, well-established household name in Africa, with deep local knowledge and experience; actively combining this local position with the Group's international capabilities and expertise enables the Bank to uniquely capitalise on the opportunities in our markets
- The application of Group Risk Management standards in Africa provides the Bank with a strong and sustainable foundation for well-managed growth
- The Africa franchise is integral to the Group's strategic intent, and has consistently delivered excellent returns

# Something fundamental has changed in Africa

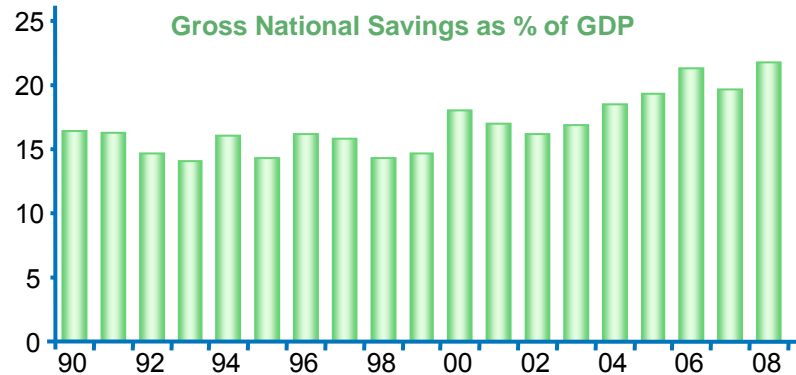
## Sub Saharan Africa, Middle East & global GDP growth compared



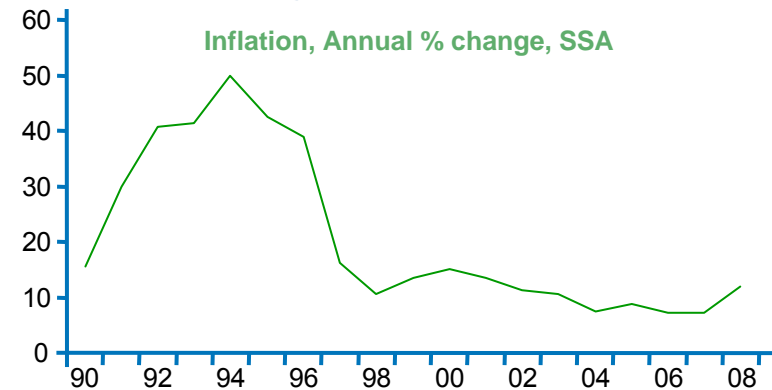
Source: IMF

# Africa's economic performance has improved significantly

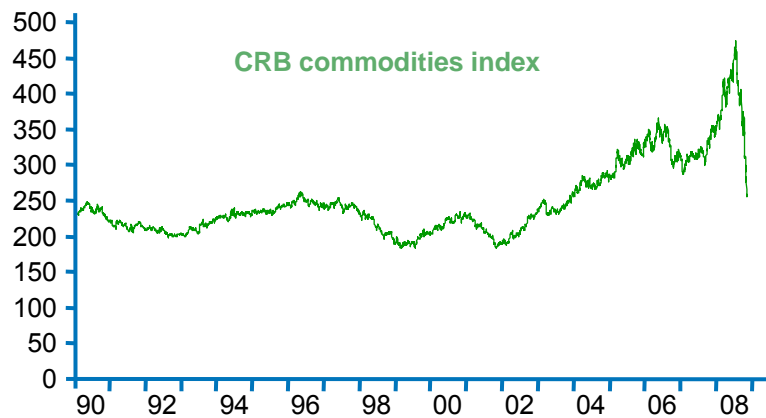
## Fiscal Policy has improved



## Average inflation is lower



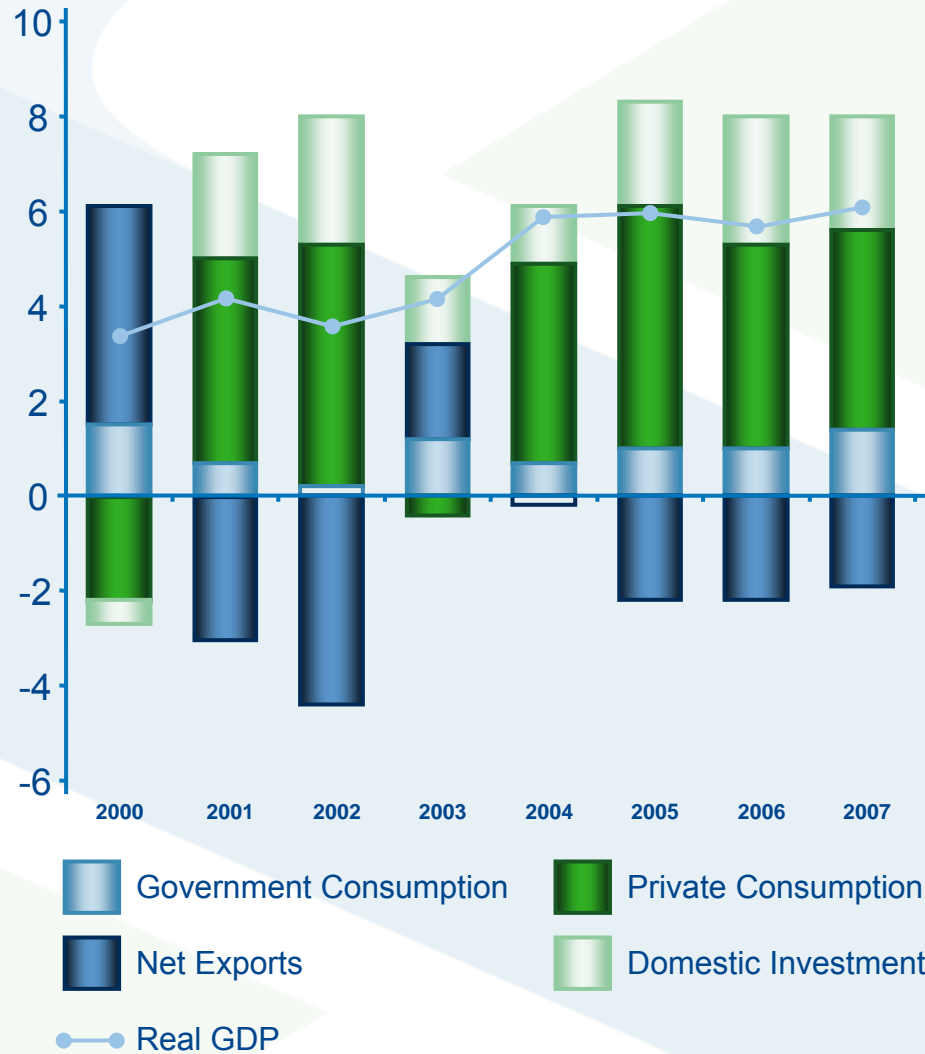
## Commodities boom fuels interest in Africa



## Debt relief has added to the attractiveness of economies



# Consumption and Investment are key contributors to growth



## High GDP growth rates

%	06	07	08 F	09 F
Botswana	3.4	5.7	5.3	4.6
Ghana	6.4	6.3	6.5	5.8
Kenya	6.4	7.0	3.3	6.4
Nigeria	6.2	5.9	6.2	8.1
South Africa	5.4	5.1	3.8	3.3
Tanzania	6.7	7.1	7.5	8.0
Uganda	10.8	7.9	9.8	8.1
Zambia	6.2	6.3	5.8	6.4
Other SCB markets*	4.5	4.6	4.4	5.3
US	2.8	2.0	1.3	-2.0
UK	2.8	3.0	0.7	-2.0
Euro Area	2.8	2.6	1.0	-0.5

Sources: SCB Global Research, IMF – Data for SSA

\* Excludes Zimbabwe

Source: IMF

# SCB is uniquely advantaged vs. the 3 key types of competitors



Region	Large domestics	Regional	Pan-African
Southern Africa		First Rand Nedbank	<b>Standard Bank</b>  <b>EcoBank</b>  <b>Barclays/ABSA</b>  <i>Standard Chartered</i>  Citibank
East & Central Africa	NMB, CRDB (TZ) Cooperative Bank (KE) Equity Bank (KE)	KCB (KE)	
West Africa	GCB (GH) First Bank (NG) Union Bank (NG)	Intercontinental Bank (NG) Guaranty Trust Bank (NG) Zenith Bank (NG) UBA (NG) Societe Generale (Int'l)	

<b>SCB's Competitive Advantage</b>	<b>Global funding and product capabilities</b>  <b>Specialist WB product and industry sector teams</b>	<b>Asia, Middle East network</b>  
	<b>Group best practice standards – product programmes, risk management, governance</b>	

# Drivers of our competitive advantage

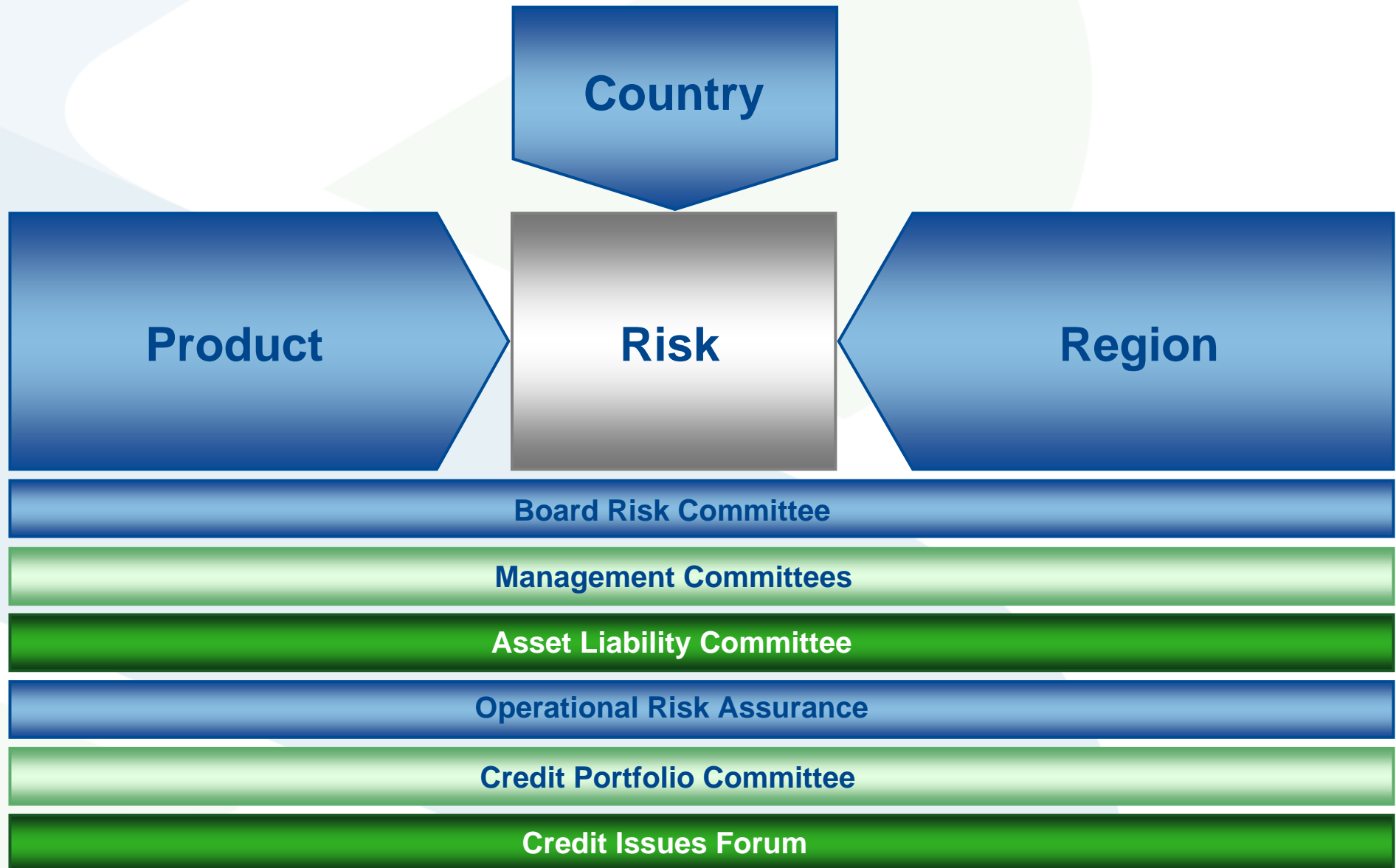
## Wholesale Banking

- Specialist product capabilities
  - Project Export Finance
  - Corporate Advisory
  - Debt Capital Markets
  - Structured Agricultural Finance
- Unmatched industry knowledge
  - Oil & Gas
  - Mining
  - Telecoms
  - Agriculture
- Unique network in Asia, Africa and the Middle East

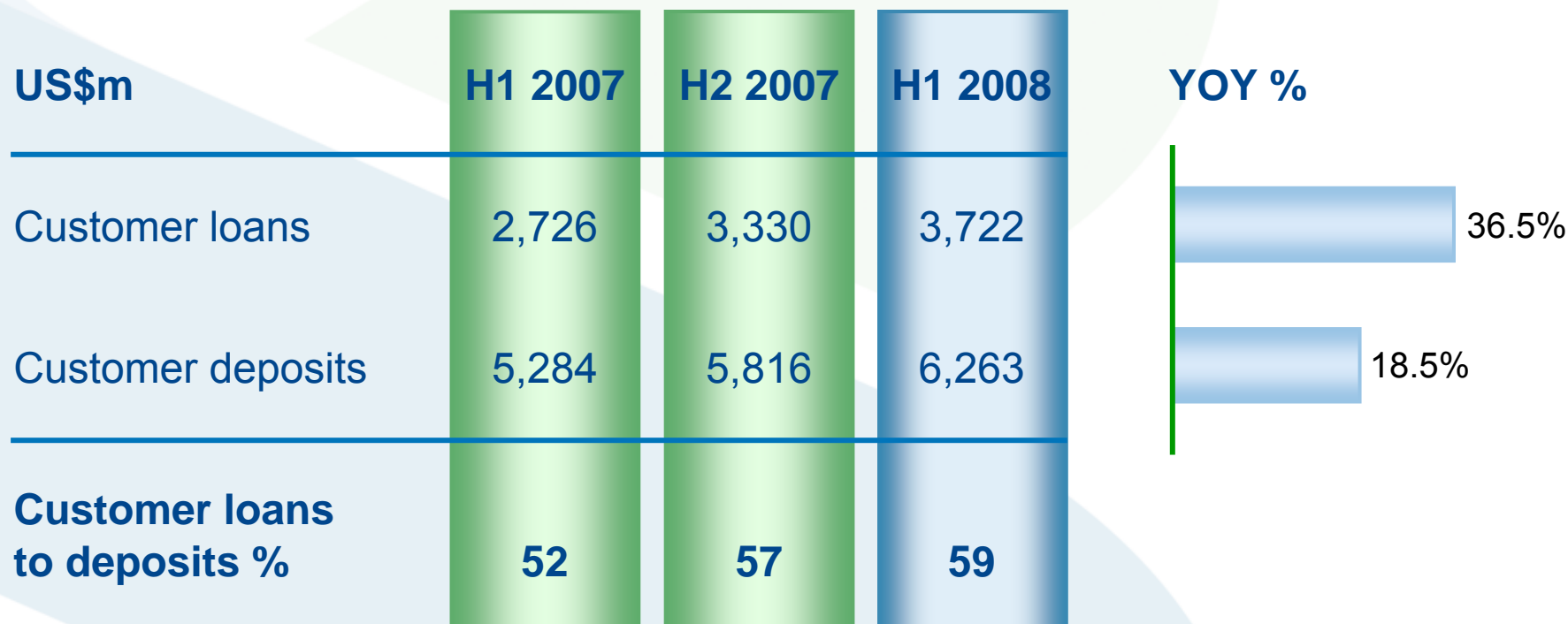
## Consumer Banking

- Segmented products offerings
  - Bancassurance
  - New range of SME products
- Distribution channels
  - Branches and ATMs
  - Mobile banking
  - iBanking
- Systems and processes
  - Branch operations rationalisation
  - New core banking system
  - Risk management

# Integrated group governance structure



# SCB Africa balance sheet





















# Strong financial performance

## Branches

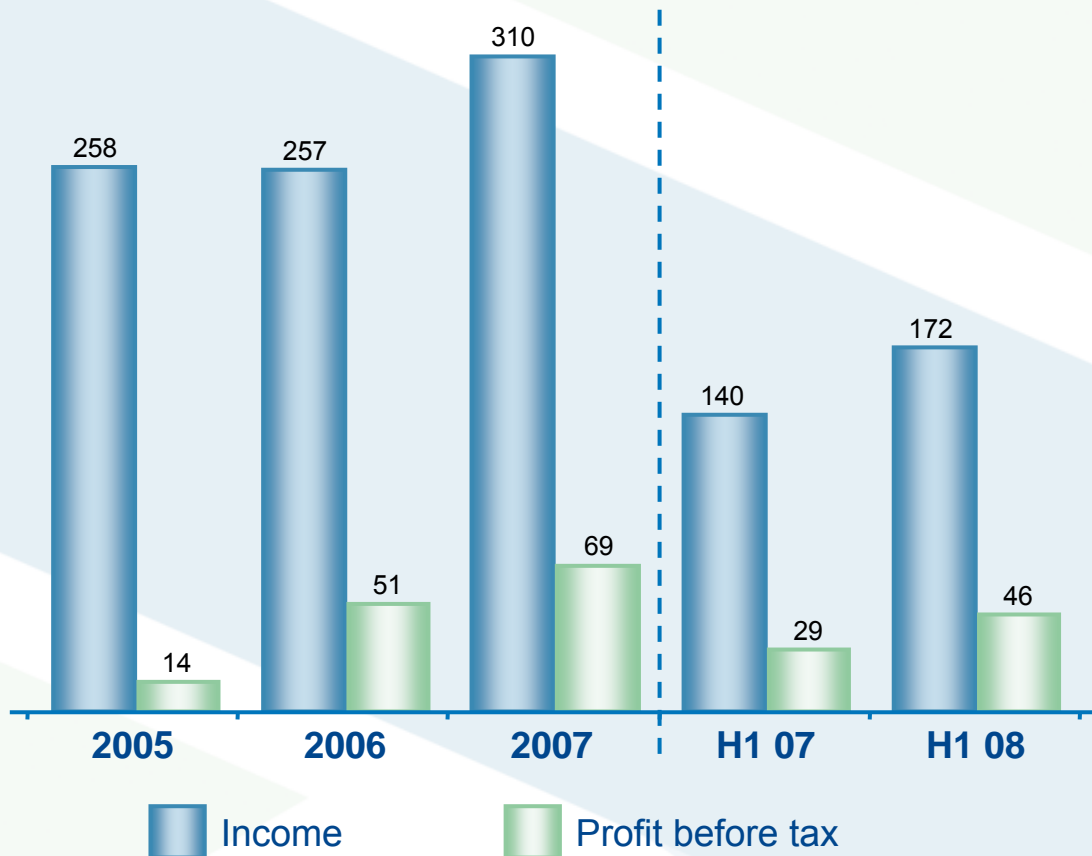
2006: 129  
2008: 146

## ATMs

2006: 215  
2008: 313

## Employees

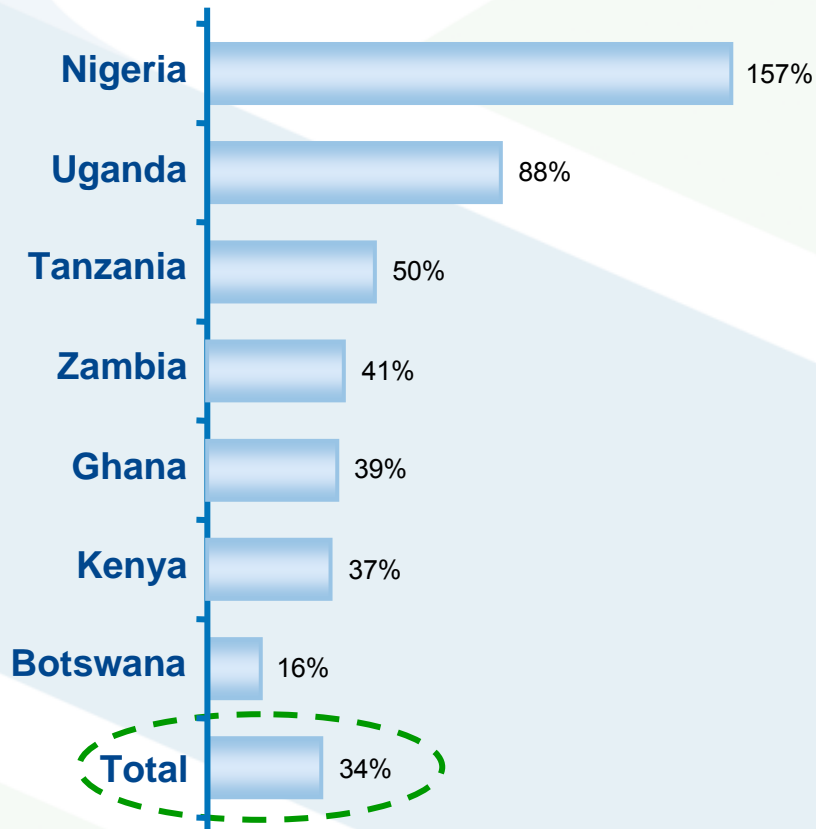
2006: 2,500 +  
2008: 3,500 +



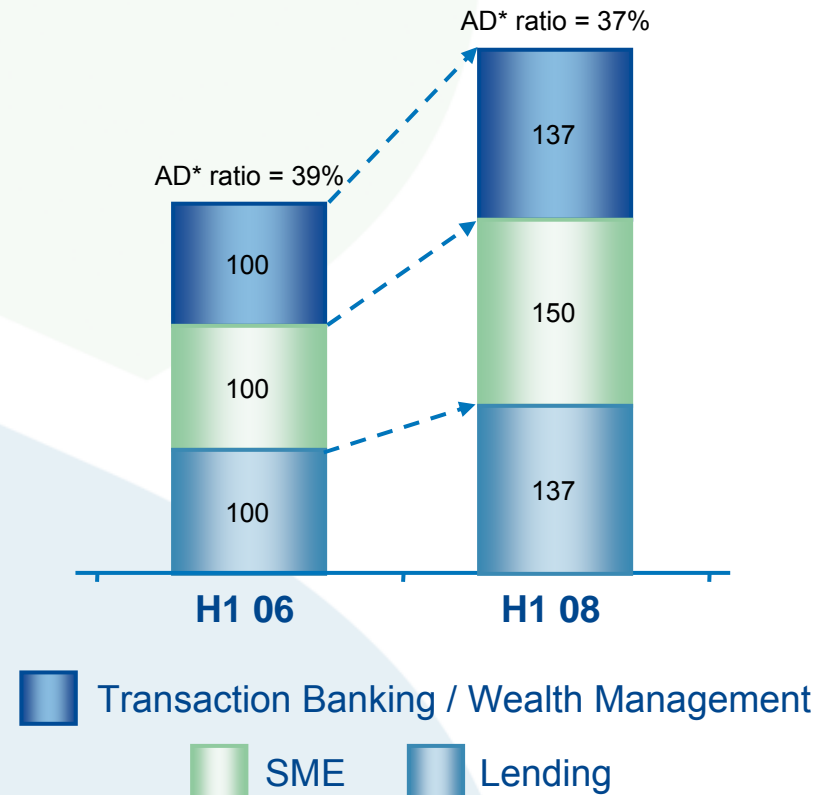
	YoY Growth (H1 08 vs. H1 07)	CB Africa / Total CB
Revenue	23%	5%
Profit before tax	59%	6%

# Broad based momentum

## Income growth (H1 08 vs. H1 06)



## Footings growth index (H1 08 vs. H1 06)



\* AD Ratio – Assets to deposits ratio

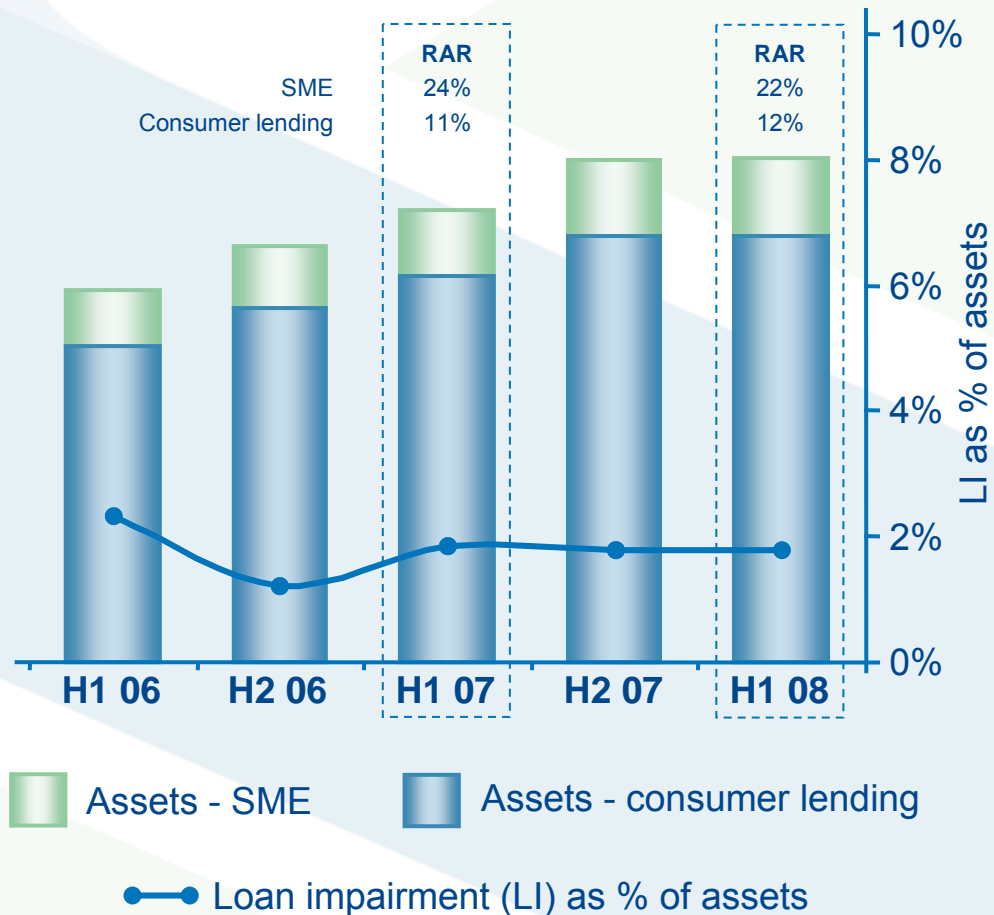
CB Africa  
revenue

H1 06  
\$128m

H1 08  
\$172m

*“Consumer Banking contributes significantly to bank’s liquidity in the region”*

## Loan impairment trend



- >80% of SME assets are secured through mortgages
- >95% consumer loans either salary transfer or deduction based
- We have priced well for risk – risk adjusted return of 10%+
- Our risk management capability / systems are strong
- We have taken pro-active actions in light of the global economic outlook

\* RAR – Risk adjusted return

# Leveraging local knowledge and global expertise

## Deep rooted local knowledge...

- DIVA and DIVA Chamma Account
- Safari Junior
- Funeral Insurance



## International expertise...

- SME Mandarin Campaign
- Hong Kong SME Expo
- My Dream Account



- The 'Bank of Choice' for SME, affluent and mass affluent customers
- Lead in customer experience and product innovation
- Leverage trade corridors with Asia and Middle East to leverage our global reach

## Q & A

# Wholesale Banking Africa

**Fred Lee**

Regional Head, Global Markets

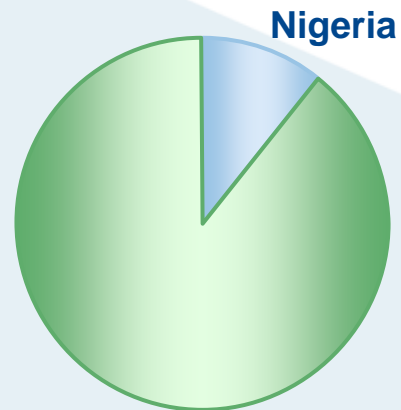


- WB Africa has delivered robust growth
- Africa is integrating into the global financial system and we are uniquely positioned to seize this opportunity
- Combining local knowledge with international expertise and product capabilities

# Financial performance

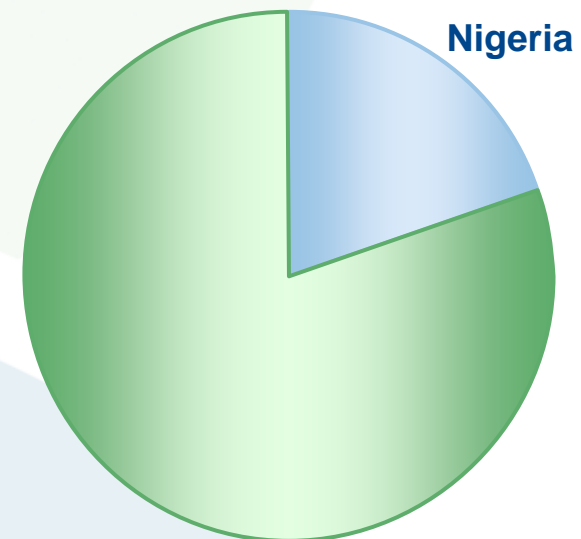
We have grown revenue by 26.2% YoY in the last 3 years

**2005 H1 WB Africa**  
Income: US\$131m



C/I ratio 2005: 66%  
NII 57%, NFI 43%

**2008 H1 WB Africa**  
Income: US\$262m



C/I ratio 2008: 57%  
NII 50%, NFI 50%

26.2% CAGR



# Industry recognition

Our recent deal awards highlight our competitive advantage...

**The Banker** Angola



**Sonangol**

Angola Deal of the Year:  
Sonangol Sinopec  
International, USD 1.4B,  
Term Loan Facility

Angola Deal of the  
Year 2007

**The Banker** Ghana



**Africa  
Development  
Bank**

Ghana Deal of the Year:  
Africa Development Bank,  
GHC 414.9B, Euro Cross  
Currency Swap

Ghana Deal of the  
Year 2007

**The Banker** Kenya



**Tiom  
Resources**

Kenya Deal of the Year:  
Tiom Resources, USD  
201M, Project Financing

Kenya Deal of the  
Year 2007

**The Banker** Zambia



**Lumwana  
Copper**

Zambia Deal of the Year:  
Lumwana Copper Project,  
USD 584M, Project  
Financing

Zambia Deal of the  
Year 2007

**ProjectFinance** Nigeria



**Addax  
Petroleum**

Africa Oil & Gas Deal of  
the Year: Addax Petroleum  
Corporation, USD 1.5B,  
Acquisition Financing

Nigeria Project Finance  
Deal of the Year 2007

**ProjectFinance** Uganda

BUJAGALI  
HYDROPOWER  
PROJECT

**Bujagali**

Bujagali Energy Limited,  
USD 628M, Project  
Financing

Uganda Project Finance  
Deal of the Year 2007

**ProjectFinance** Djibouti



**DP World**

Africa Transport/Port Deal  
of the Year: USD 263M  
Islamic Financing

Djibouti Project Finance  
Deal of the Year 2007

**AWARDS FOR  
TRADE FINANCE  
EXCELLENCE** Angola



**Sonangol**

Best Deal: Sonangol  
Finance Limited, USD 3B,  
Syndicated Term Loan

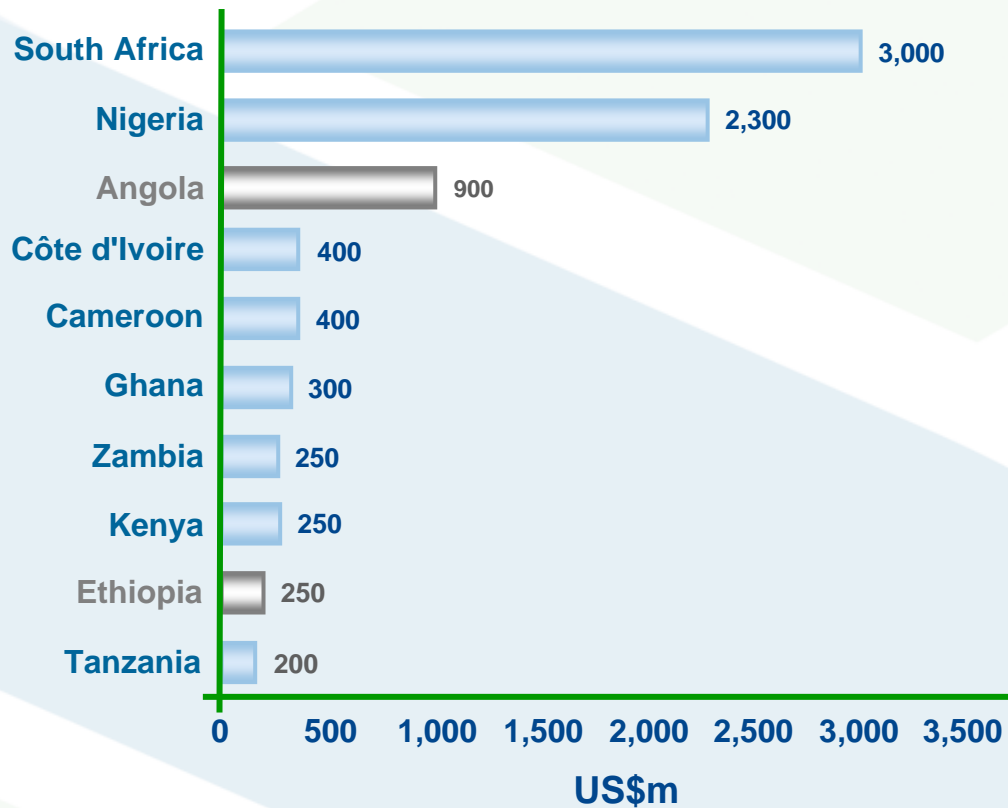
Angola Award for  
Excellence 2007

...and our role in developing Capital Markets in the countries we operate in

# Presence in top WB markets

SCB has presence in 8 of the Top 10 Sub Saharan WB wallets

Top 10 Sub-Sahara Africa WB Banking Wallets, 2007



 **SCB Positioning**

- Niche business
- Leadership position
- Enter market
- Growth potential
- Consolidate position, move up Value Chain
- Enter market
- Consolidate

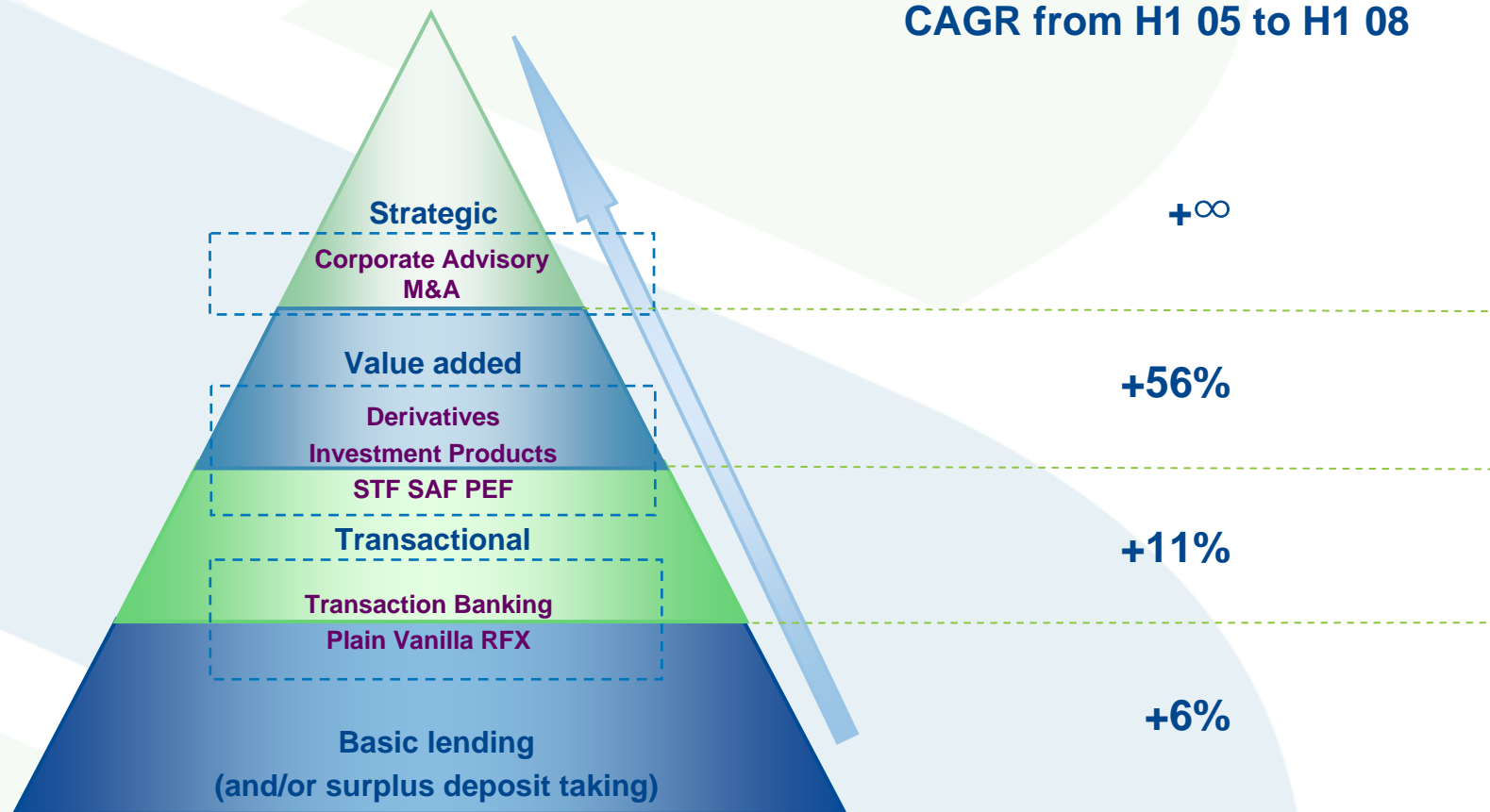
...and plan to enter Angola in 2009

Source: SCB Global Focus 2008, Group Strategy 2007

# Well balanced revenue stream

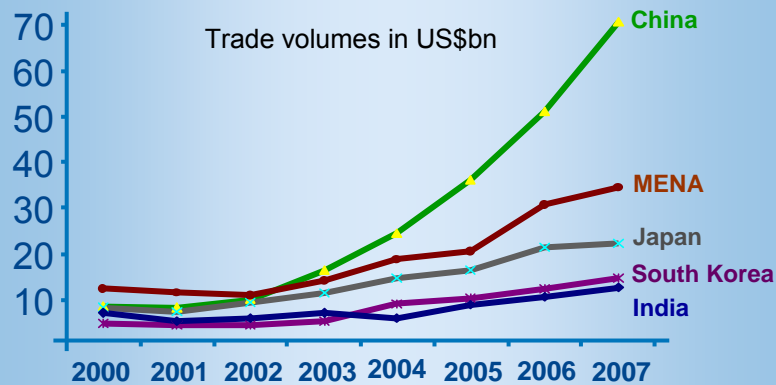
Sustainable core revenue streams complemented by good growth in value-add products

Increase in WB Africa income  
CAGR from H1 05 to H1 08

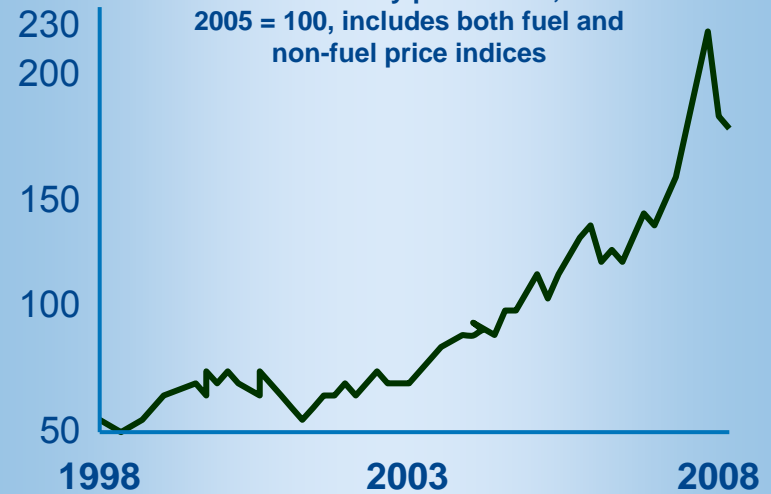


# Africa trade and investment corridors

## Sub-Saharan Africa top Asian trade partners



Commodity price index, 2005 = 100, includes both fuel and non-fuel price indices



## Commodities boom

...plus increased Africa – Asia trade and investment flows

# Drivers of 2012 aspiration

Drivers of 2012 aspiration: client focus, innovation & product leadership, our people, our network



- WB Africa has delivered robust growth
- Africa is integrating into the global financial system and we are uniquely positioned to seize this opportunity
- Combining local knowledge with international expertise and product capabilities

## Q & A

# Africa's fastest growing business

Standard Chartered Bank  
Nigeria Ltd

Christopher Knight  
CEO



- Huge developing market with great potential
  - Population of 140m
  - GDP US\$178bn (per capita US\$1,158) \*
  - 5 year average GDP growth 7.8% (H1 08 + 6.2%)\*
- Low credit penetration:  
13.4% GDP vs. 132% world average\*
- Economy driven by internal demand isolating economy from economic slowdown elsewhere
- Dynamic private sector driving economic growth
- Key competition local with focus on growth
- SCB Nigeria well positioned to maximise opportunities

\* IMF or IFC or CBN data

# Nigeria key facts - pluses

- Natural resource rich
- An emerging middle class
- Oil and gas sector 98% FX earnings and 77% government revenues
- FX reserves US\$63.1bn; 13.4 months imports
- Low external debt ~ US\$3.3bn (2% GDP)
- Embedding of democratic institutions and rule of law

# Nigeria: challenges & mitigants

## Challenges

## Mitigants

**High corruption /  
fraud levels**

- ✓ KYC/AML stringent checking
- ✓ Tight adherence to policies/procedures
- ✓ Strict enforcement of dual controls
- ✓ Robust new staff application verification
- ✓ Transparency supplier bidding

**Non-operational &  
inadequate utilities**

- ✓ Outsource to vendors for electricity supply
- ✓ Good reliability & costs

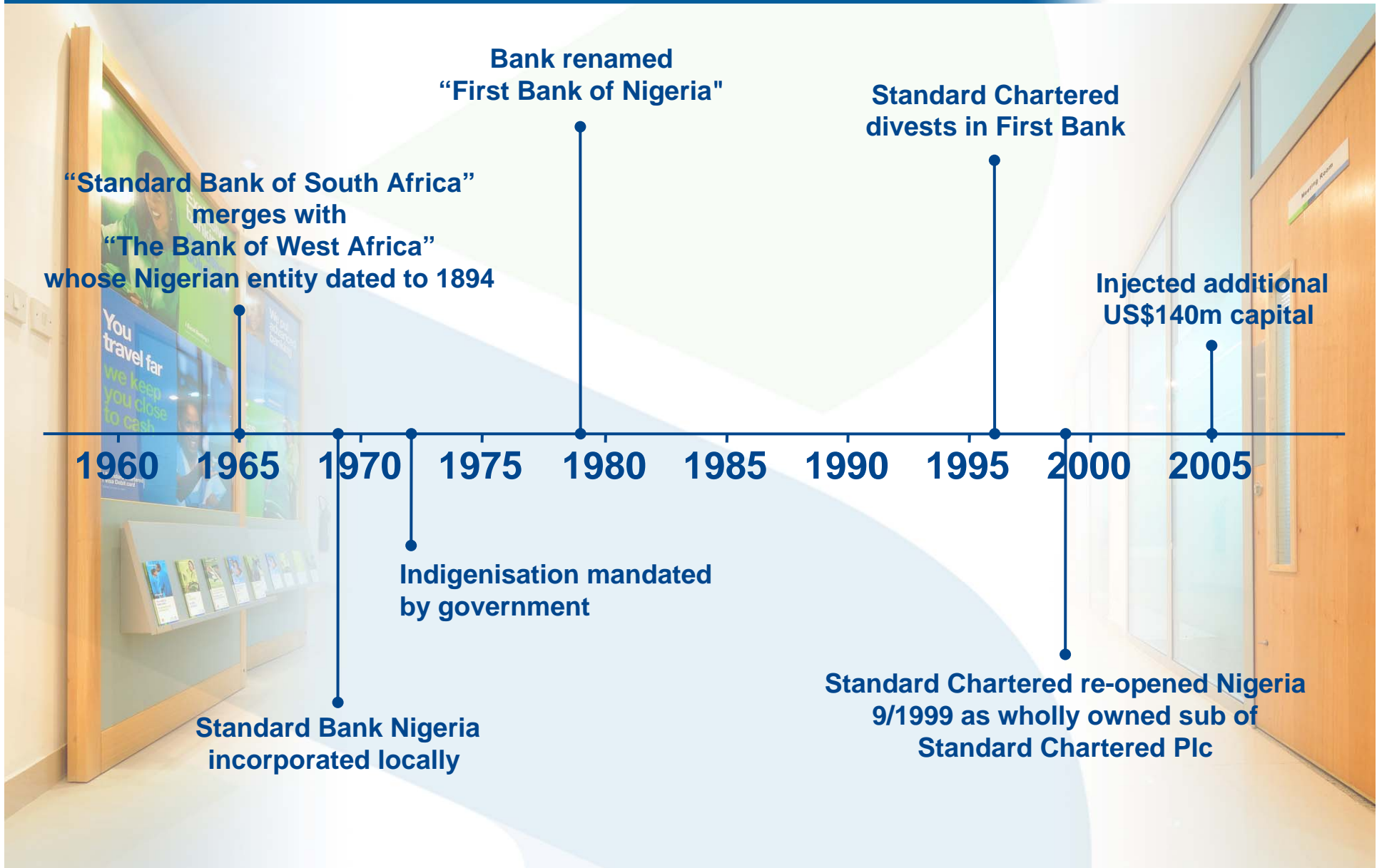
**Niger Delta conflict /  
Security**

- ✓ Service contract with local police
- ✓ Two armed police plus private guard at each branch
- ✓ Access control for branch entry
- ✓ Hardened premises
- ✓ Limit staff numbers going to delta region

**Poor infrastructure**

- ✓ Hard to mitigate
- ✓ Slow improvement in Lagos State - financial & commercial hub

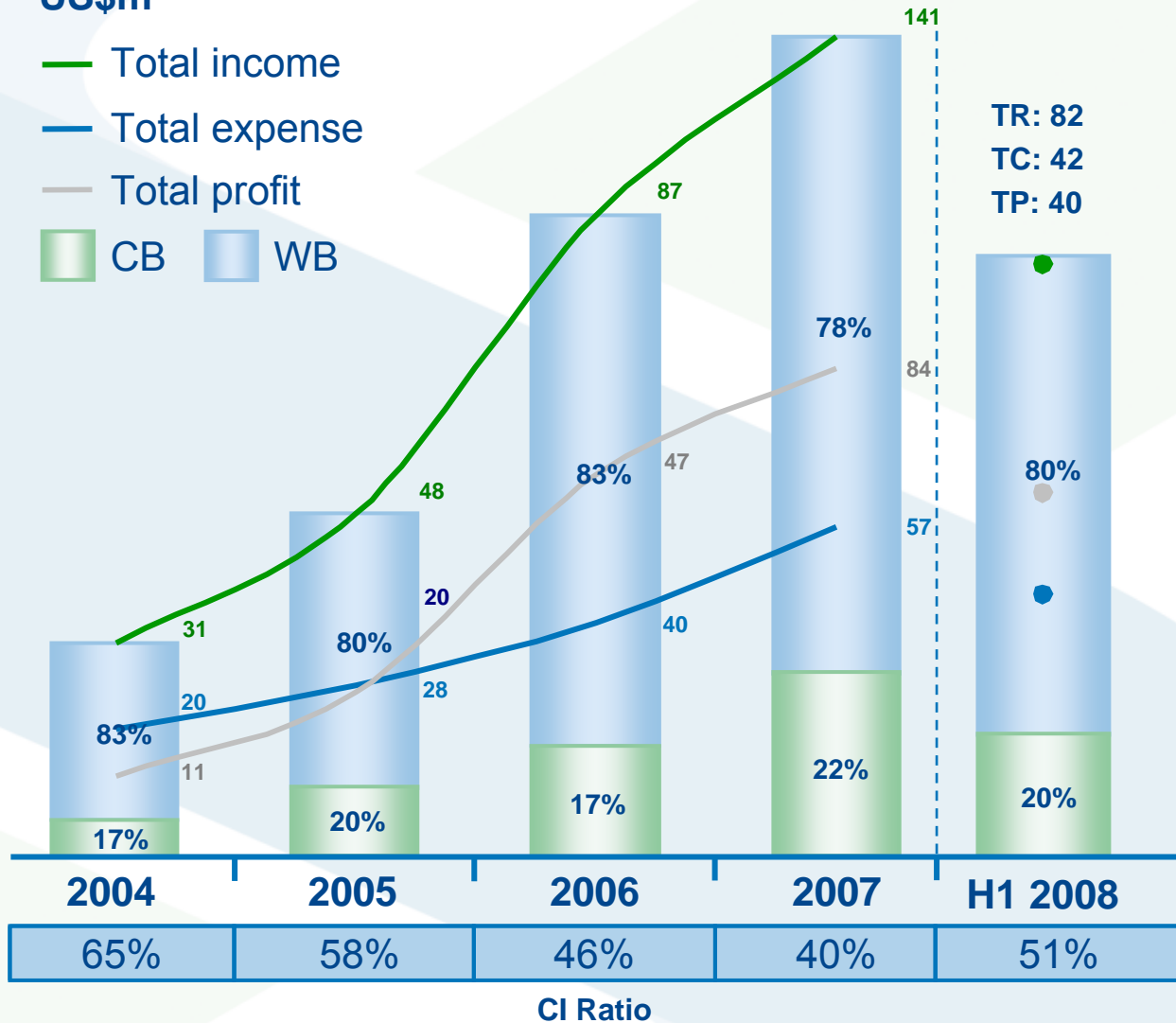
# Standard Chartered's Nigeria history



# SCB Nigeria P & L

US\$m

- Total income
- Total expense
- Total profit
- CB ■ WB



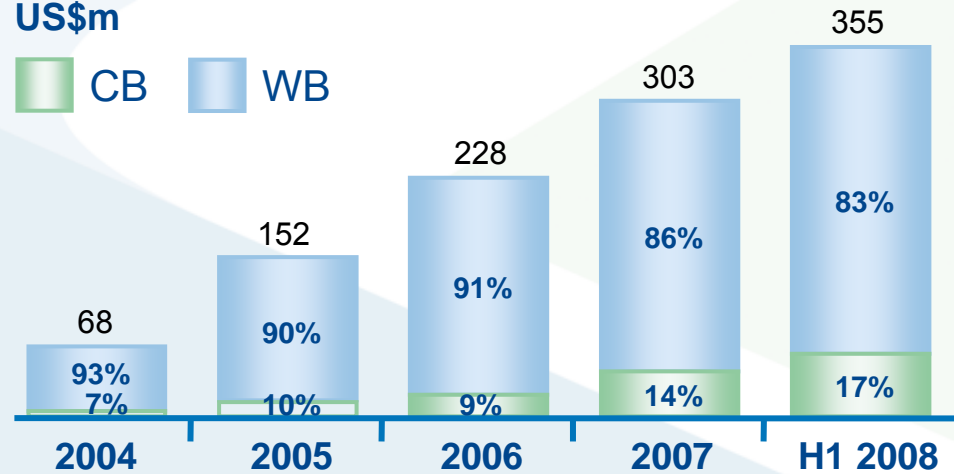
## 2007 Revenue



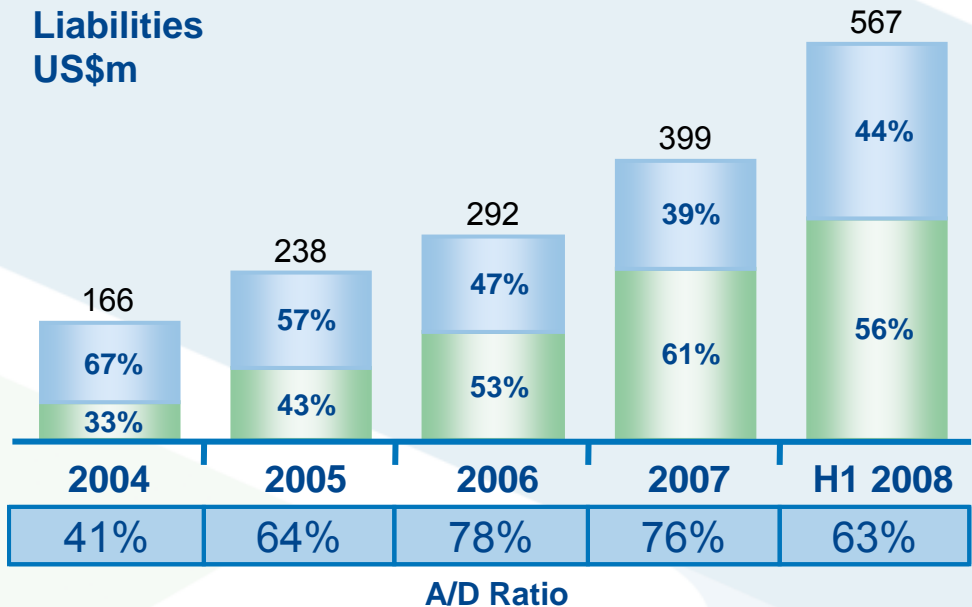
# SCB Nigeria: balance sheet

## Assets US\$m

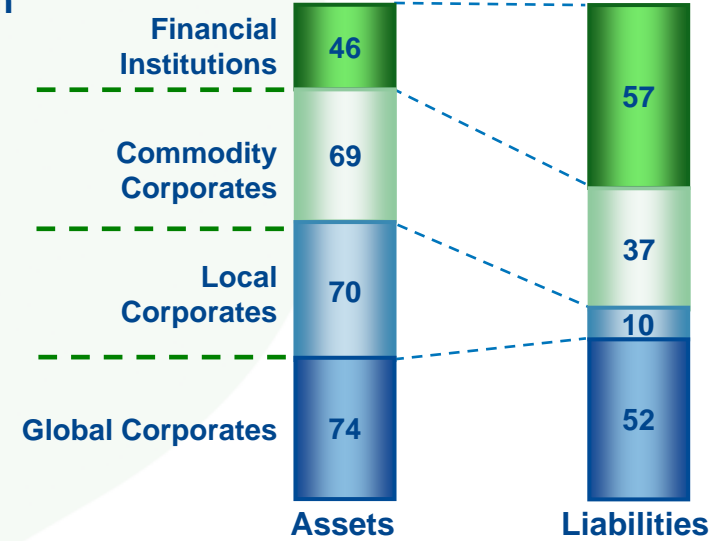
■ CB ■ WB



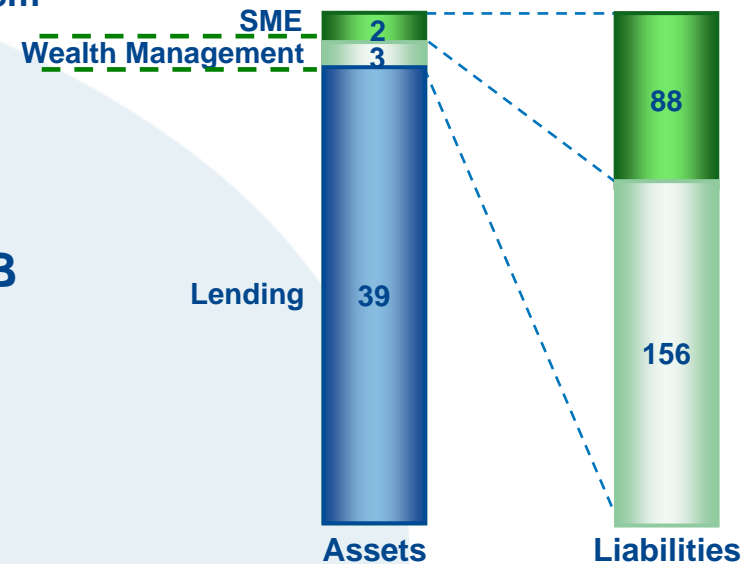
## Liabilities US\$m



## US\$m



## US\$m

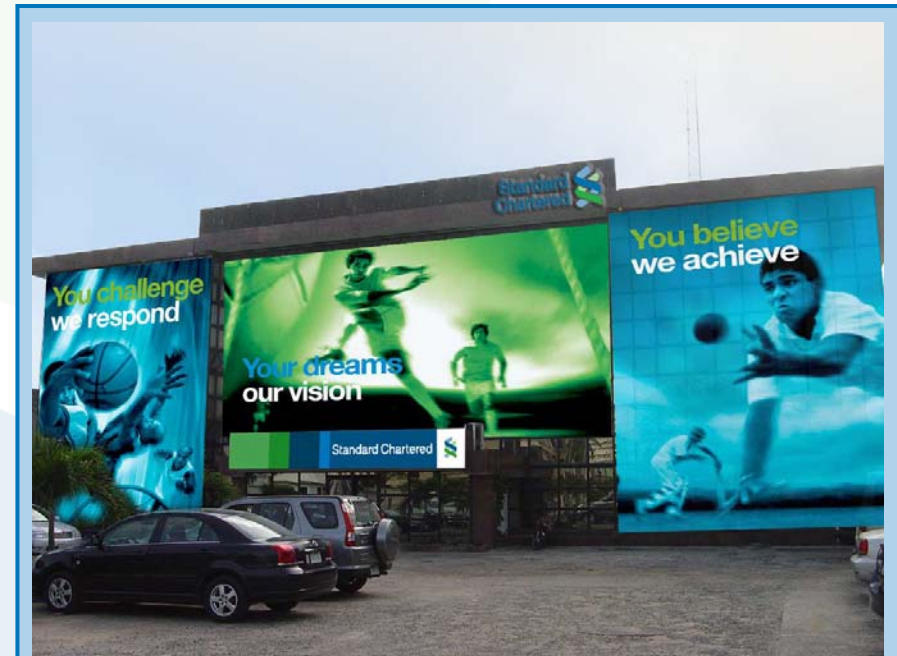


- Market growing at 15% pa; 2008 wallet size US\$893m
- Target segments are: affluent, mass affluent and emerging middle class (75% of market revenues)
- SCB strengths:
  - Strong brand
  - Strong service
  - Product innovation
  - Conservative risk appetite
- Adding branches and innovative alternative delivery channels to be more accessible
- 8% market share by 2012 from 4% today

- Wallet size US\$2.5bn to US\$5.4bn in 2012 (CAGR 17%)
- 8% M/S by 2012 from 3% today (CAGR 18%)
- Targets: Oil, Gas and Infrastructure projects, Financial Institutions, Development Organisations, Global and top Local Corporates
- SCB Nigeria's strengths:
  - Strong brand
  - Leverage global / regional relationships
  - Access to group products and solutions
- Strategy
  - Enhance product offering and sophistication
  - Roll out new branches
  - Build and retain strong team

# Nigeria summary

- Large and rapidly growing economy
- A vibrant private sector
- Low credit penetration with great demand
- A great growth opportunity for Standard Chartered with its:
  - Excellent reputation
  - Tailored products and services
  - Delivered by the best talent in the market



**Standard Chartered's Head Office building in Lagos Nigeria**

- Africa is resource rich; fundamental improvements in governance and economic reform have resulted in increased growth and investment that are set to continue
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# Q & A