

Half year results 2012

Leading the way
in Asia, Africa and the Middle East



Forward looking statements

This document contains or incorporates by reference ‘forward-looking statements’ regarding the belief or expectations of the Company, the Directors and other members of its senior management about the Group’s strategy, businesses, performance and the matters described in this document. Generally, words such as “may”, “could”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue” or similar expressions are intended to identify forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties. They are not guarantees of future performance and actual results could differ materially from those contained in the forward-looking statements. Forward-looking statements are based on current views, estimates and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Group and are difficult to predict. Such risks, factors and uncertainties may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements. Such risks, factors and uncertainties include but are not limited to: changes in the credit quality and the recoverability of loans and amounts due from counterparties; changes in the Group’s financial models incorporating assumptions, judgments and estimates which may change over time; risks relating to capital, capital management and liquidity; risks arising out of legal and regulatory matters, investigations and proceedings; operational risks inherent in the Group’s business; risks arising out of the Group’s holding company structure; risks associated with the recruitment, retention and development of senior management and other skilled personnel; risks associated with business expansion and engaging in acquisitions; global macroeconomic risks; risks arising out of the dispersion of the Group’s operations, the locations of its businesses and the legal, political and economic environment in such jurisdictions; competition; risks associated with banking and financial services legislation, regulations policies and guidelines; changes in the credit ratings or outlook for the Group; market, interest rate, commodity prices, equity price and other market risk; foreign exchange risk; financial market volatility; systemic risk in the banking industry and other financial institutions or corporate borrowers; cross-border country risk; risks arising from operating in markets with less developed judicial and dispute resolution systems; risks arising out of regional hostilities, terrorist attacks, social unrest or natural disasters and failure to generate sufficient level of profits and cash flows to pay future dividends.

Any forward-looking statement contained in this document is based on past or current trends and/or activities of the Company 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 Company and/or the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Company and/or the Group. Each forward-looking statement speaks only as of the date of the particular statement. Except as required by any applicable law or regulations, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Leading the way

in Asia, Africa and the Middle East

Sir John Peace
Chairman

Performance highlights

Income

US\$9.5bn



9%

Profit before tax

US\$3.9bn



9%

Normalised EPS

116.6c



11%

Dividend per share

27.23c



10%

Normalised ROE

13.8%

Leading the way

in Asia, Africa and the Middle East

Richard Meddings
Group Finance Director

Performance highlights

Income

US\$9.5bn



9%

Jaws

+2%

Profit before tax

US\$3.9bn



9%

Normalised EPS

116.6c



11%

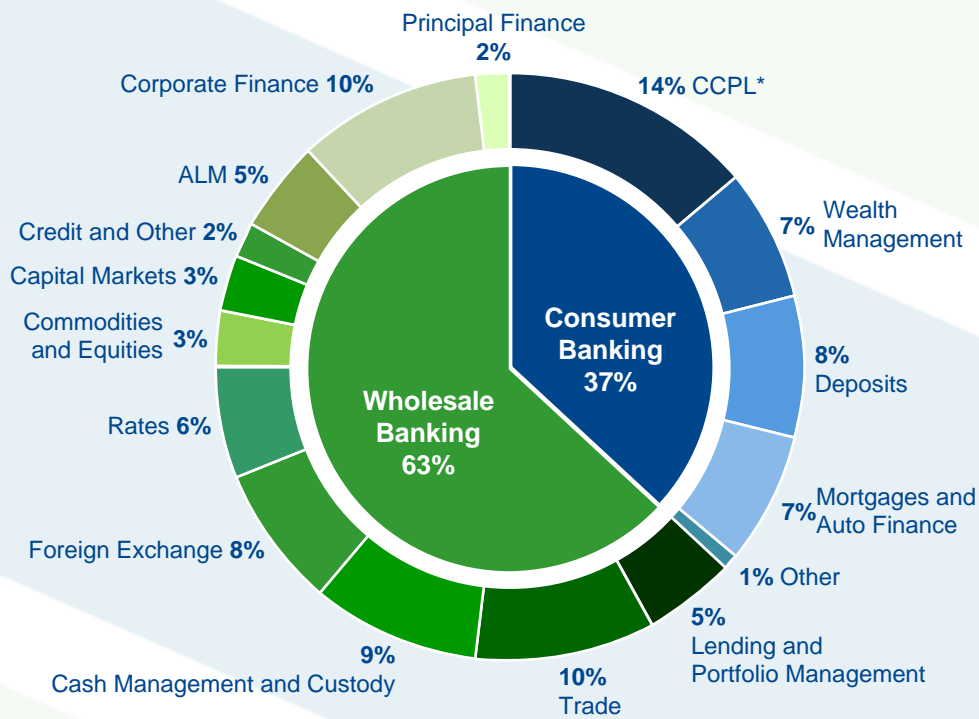
Normalised ROE

13.8%

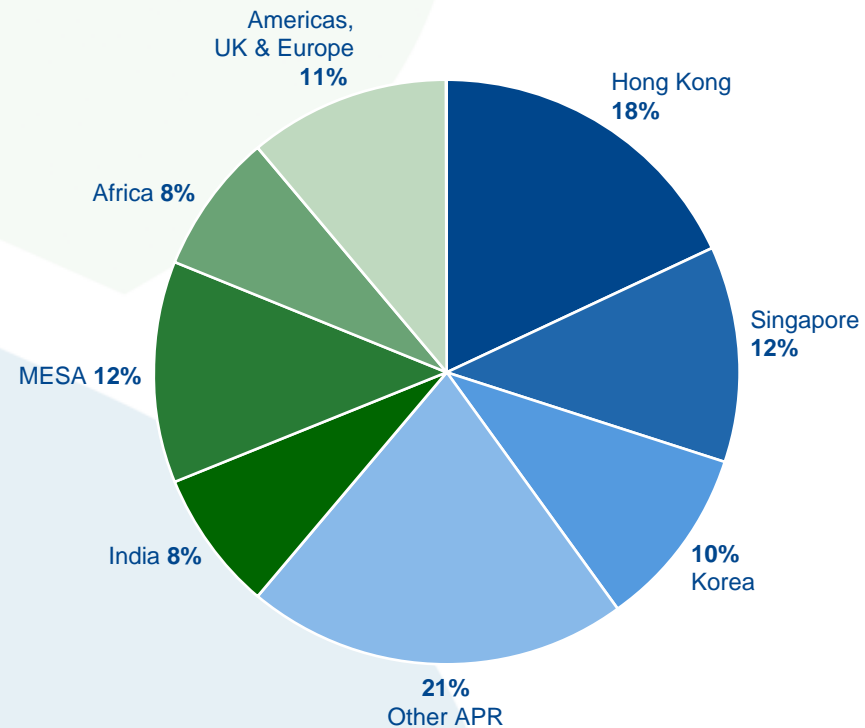
Group performance

US\$m	H1 11	H2 11	H1 12	H1 12 vs H1 11 %	H1 12 vs H2 11 %
Income	8,764	8,873	9,511	9	7
Net interest income	4,941	5,212	5,483	11	5
Non interest income	3,823	3,661	4,028	5	10
Expenses	(4,677)	(5,240)	(4,963)	6	(5)
Operating profit before impairment	4,087	3,633	4,548	11	25
Loan impairment	(412)	(496)	(583)	42	18
Other impairment	(72)	(39)	(74)	3	90
Profit from associates	33	41	57	73	39
Profit before tax	3,636	3,139	3,948	9	26
Profit attributable to ordinary shareholders	2,516	2,232	2,806	12	26

Operating income by product



Operating income by geography

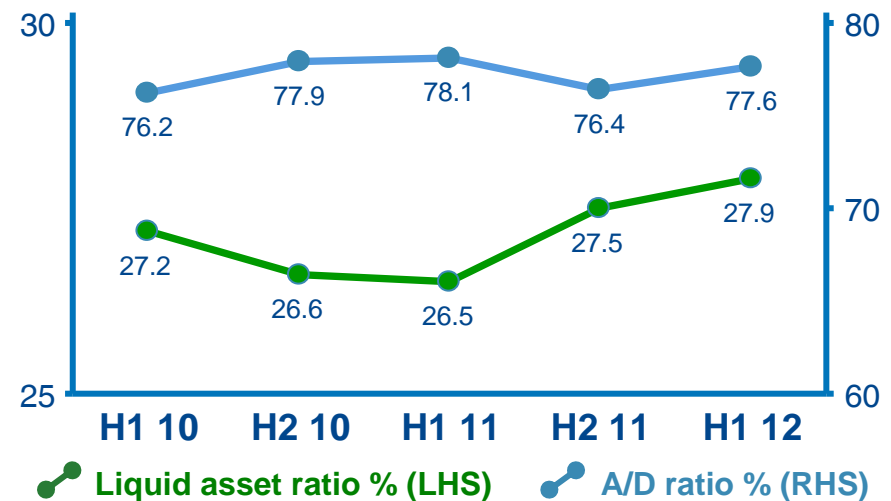
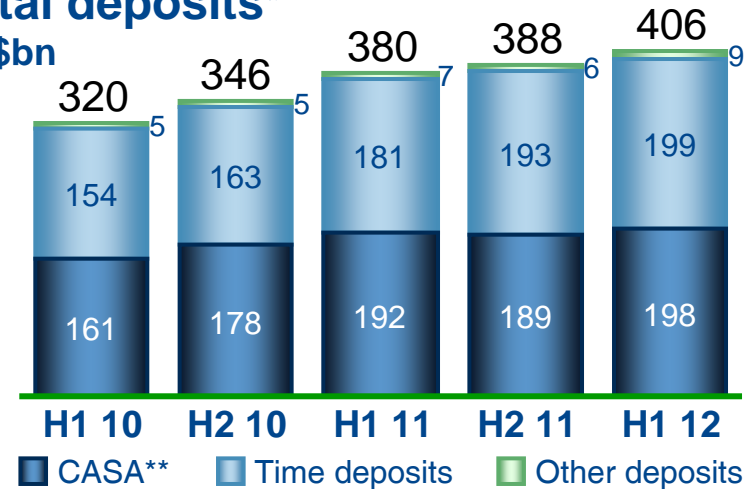


* Cards, Personal Loans and Unsecured Lending

Group balance sheet - liabilities

- Deposit funded franchise
- Net interbank lender and US\$174bn of liquid assets
- Minimal refinancing requirements, less than US\$3bn to the end of 2013
- Basel III NSFR and LCR requirements already met

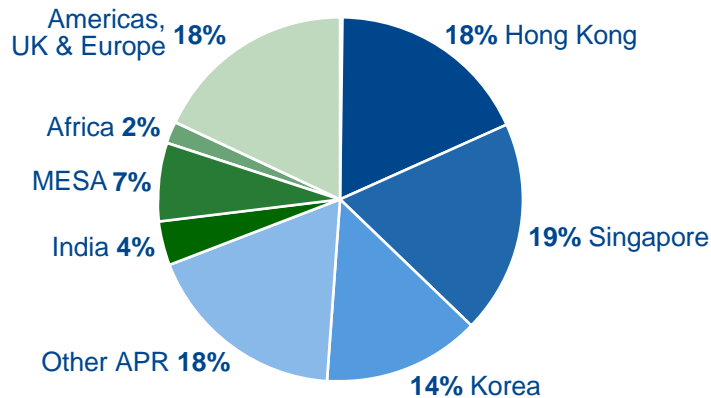
Total deposits*
US\$bn



* Total deposits includes deposits by banks

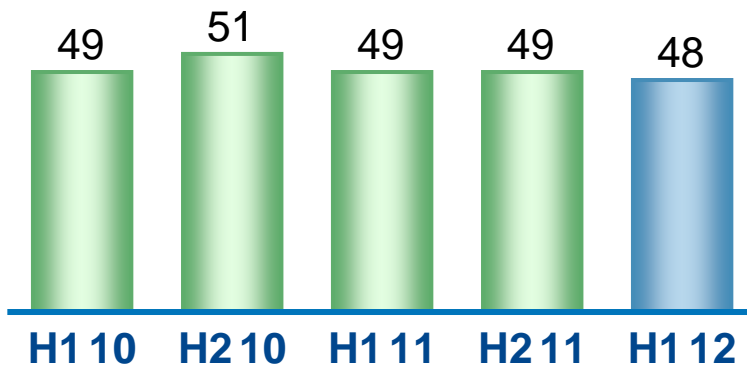
** CASA - Current and savings accounts

Loan portfolio distribution*



- Well diversified
- 82% of Consumer Banking portfolio fully or partially secured

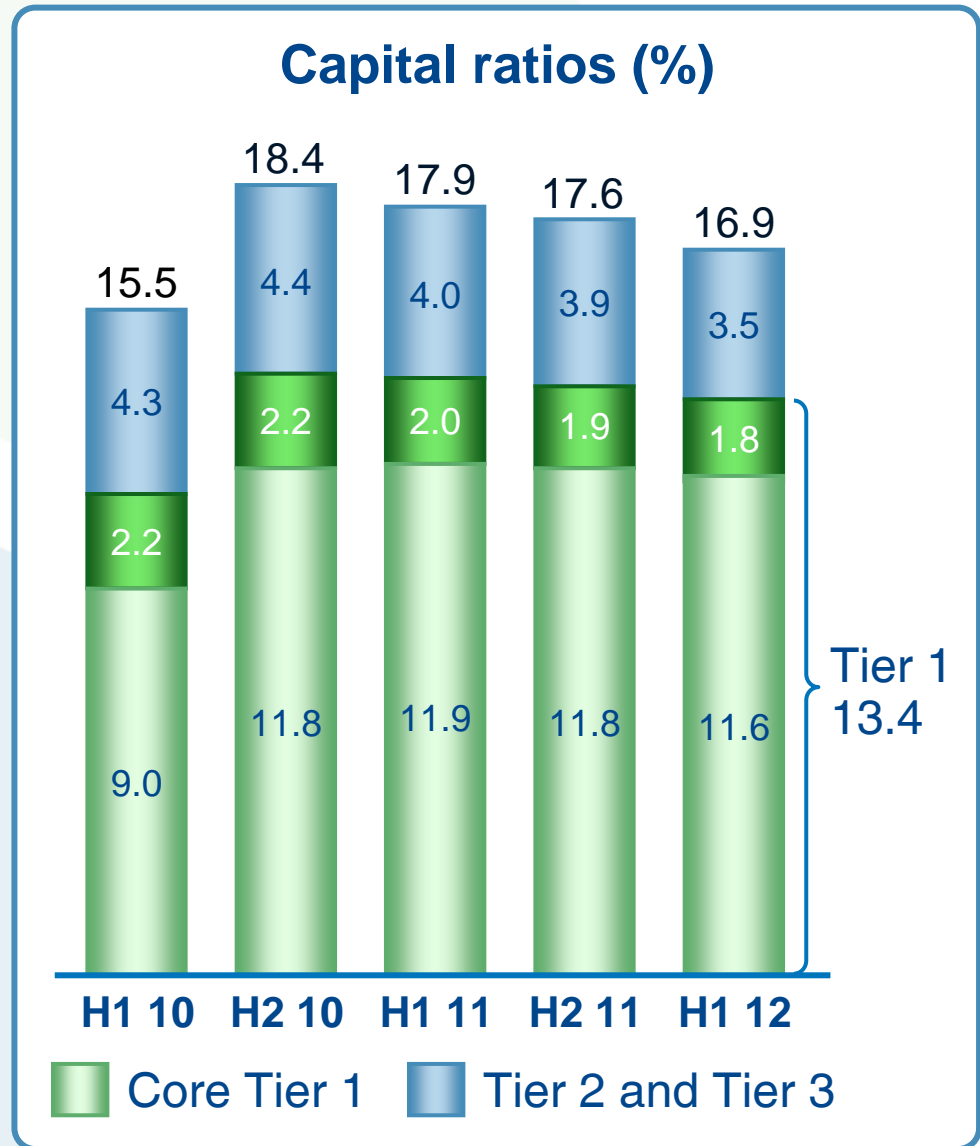
Average LTV on Mortgage portfolio (%)



- 63% of Wholesale Banking loans less than 1 year maturity
- No direct sovereign exposure to Greece, Ireland, Italy, Portugal or Spain

* Total loans and advances to customers

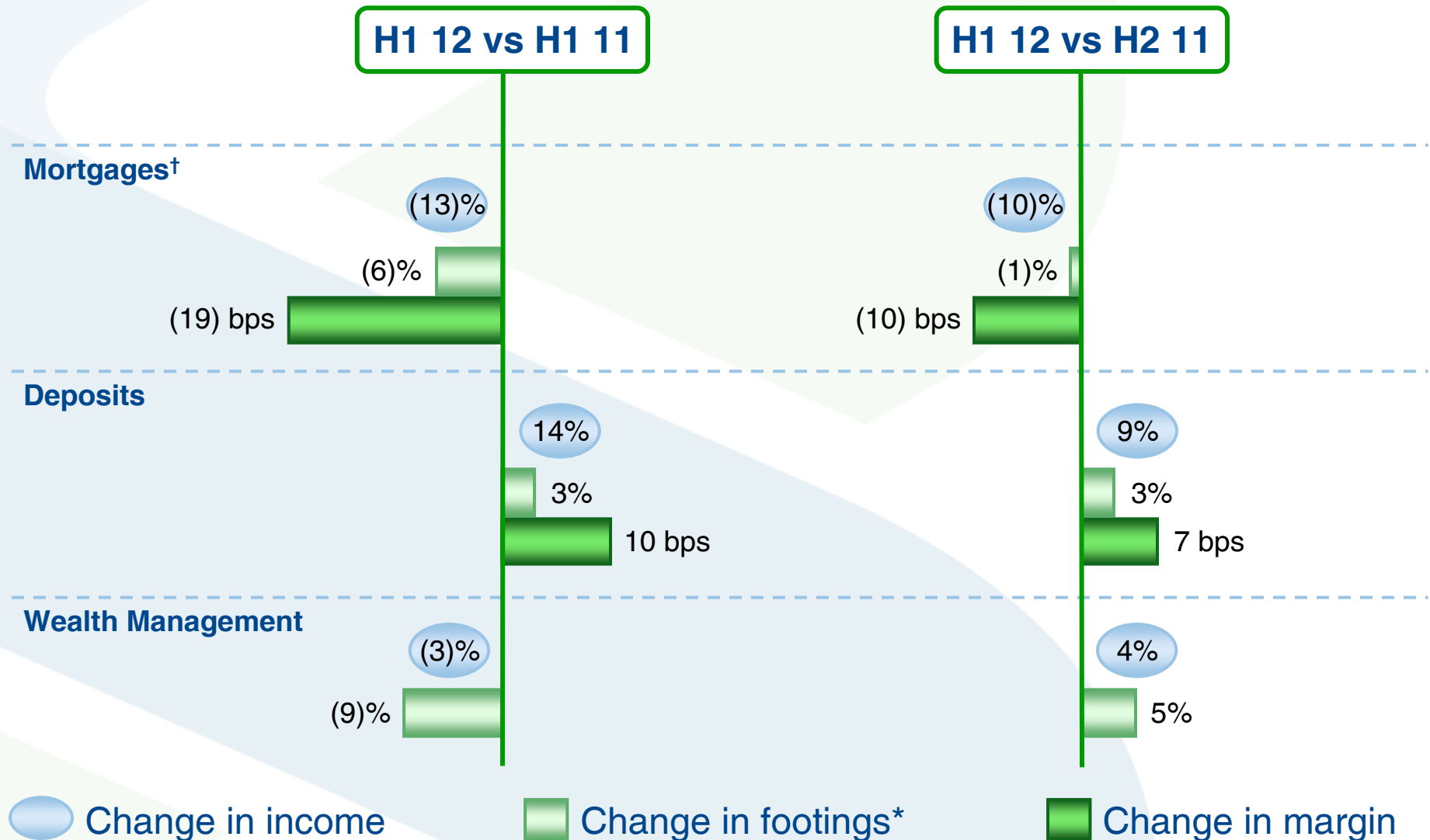
- Expected Basel III impact of 100bps on CT1
- RWA growth of 6% since year end 2011
- US\$2.3bn of debt and capital issuance in H1 2012



Consumer Banking performance

US\$m	H1 11	H2 11	H1 12	H1 12 vs H1 11 %	H1 12 vs H2 11 %
Income	3,337	3,454	3,515	5	2
Expenses	(2,109)	(2,496)	(2,307)	9	(8)
Operating profit before impairment	1,228	958	1,208	(2)	26
Loan impairment	(211)	(313)	(300)	42	(4)
Other impairment	(4)	(8)	(9)	125	13
Operating profit	1,013	637	899	(11)	41

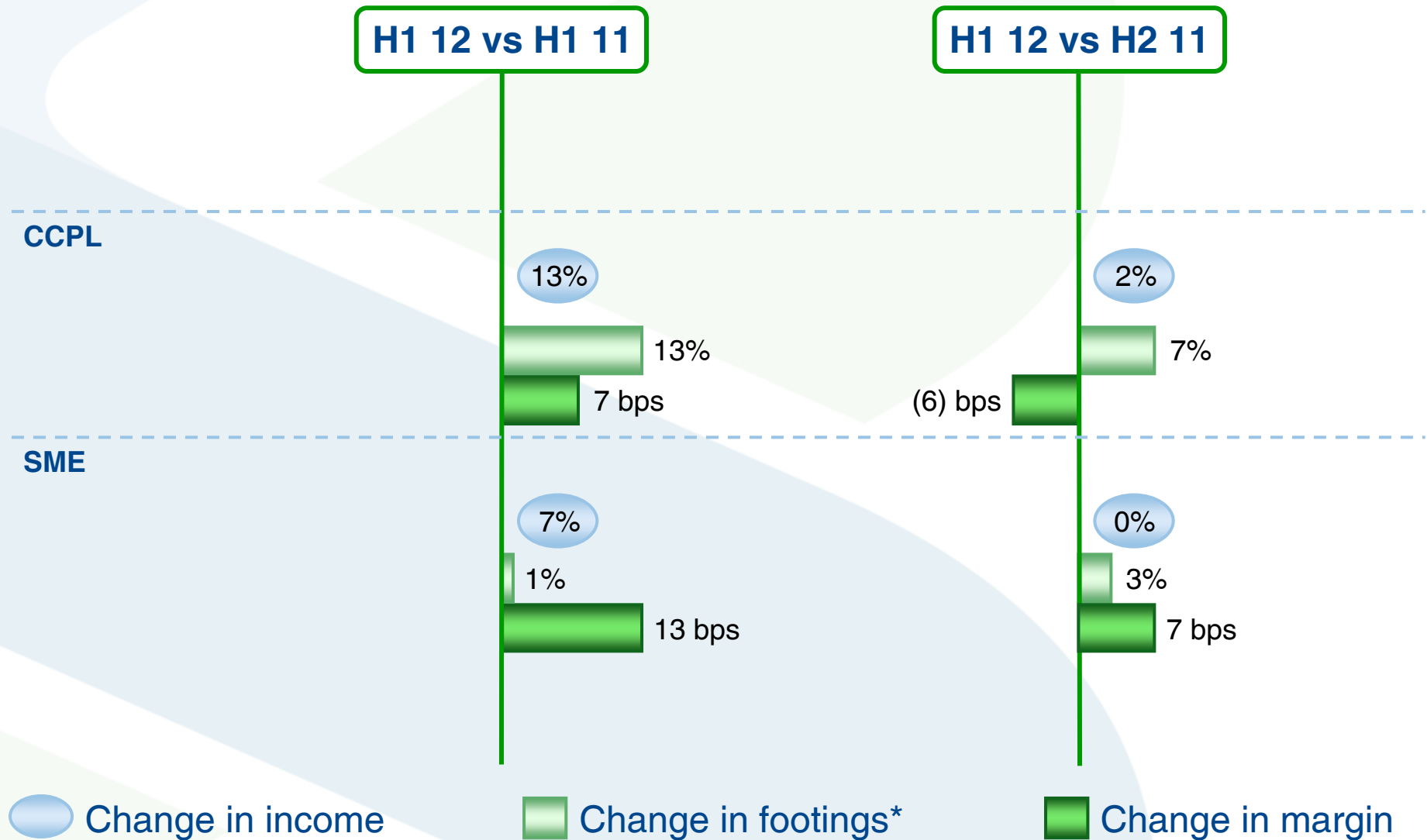
Consumer Banking income



† Mortgages and Auto Finance

* For Mortgages footings are loans to customers, for Deposits, deposits only, and for Wealth Management, third party AUM

Consumer Banking income continued



* For CCPL footings are loans to customers and for SME loans to customers and deposits combined

Consumer Banking loan impairment

		H1 11	H2 11	FY 11	H1 12
Mortgages	LI/ANR	0.03%	0.01%	0.02%	(0.03)%
	30dpd/ENR	0.59%	0.67%	0.67%	0.66%
	Loan book (US\$bn)	73	70	70	69
	LI (US\$m)	10	2	12	(9)
SME	LI/ANR	0.40%	0.60%	0.52%	0.50%
	90dpd/ENR	0.58%	0.57%	0.57%	0.53%
	Loan book (US\$bn)	20	19	19	20
	LI (US\$m)	38	58	96	49
Other Including CCPL	LI/ANR	1.05%	1.52%	1.33 %	1.51 %
	30dpd/ENR	2.12%	2.28%	2.28%	2.12%
	Loan book (US\$bn)	33	33	33	35*
	LI (US\$m)	163	253	416	260
Total	LI/ANR	0.35%	0.50%	0.44%	0.49%
	30dpd/ENR	0.95%	1.08%	1.08%	1.02%
	Loan book (US\$bn)	126	122	122	124
	LI (US\$m)	211	313	524	300

NOTE: LI - Loan impairment, ANR - Average Net Receivables, ENR - End period Net Receivables

* Includes US\$20.4bn of CCPL

Wholesale Banking performance

US\$m	H1 11	H2 11	H1 12	H1 12 vs H1 11 %	H1 12 vs H2 11 %
Income	5,427	5,419	5,996	10	11
Expenses	(2,568)	(2,579)	(2,656)	3	3
Operating profit before impairment	2,859	2,840	3,340	17	18
Loan impairment	(201)	(183)	(283)	41	55
Other impairment	(68)	(31)	(65)	(4)	110
Operating profit	2,590	2,626	2,992	16	14

Diversified income streams

Total income by product US\$m	H1 11	H2 11	H1 12	H1 12 vs H1 11 %	H1 12 vs H2 11 %
Lending & Portfolio Mgt	435	406	447	3	10
Transaction Banking	1,552	1,695	1,842	19	9
Trade	767	828	958	25	16
Cash Mgt & Custody	785	867	884	13	2
Global Markets	3,440	3,318	3,707	8	12
Financial Markets	1,951	1,737	1,993	2	15
ALM	431	490	491	14	0
Corporate Finance	912	961	991	9	3
Principal Finance	146	130	232	59	78
Total Wholesale Banking	5,427	5,419	5,996	10	11
Of which client income % of total	4,436 82	4,420 82	4,794 80	8	8

Total income by product US\$m	H1 11	H2 11	H1 12	H1 12 vs H1 11 %	H1 12 vs H2 11 %
Foreign Exchange	769	665	743	(3)	12
Rates	450	443	539	20	22
Commodities and Equities	319	284	277	(13)	(2)
Capital Markets	271	277	290	7	5
Credit and Other	142	68	144	1	112
Total Financial Markets	1,951	1,737	1,993	2	15
Of which client income % of total	1,481 76	1,339 77	1,508 76	2	13

Wholesale Banking impairment

US\$m	H1 11	H2 11	H1 12	H1 12 vs H1 11 %	H1 12 vs H2 11 %
Loan impairment	(201)	(183)	(283)	41	55
Other impairment	(68)	(31)	(65)	(4)	110
Total impairment	(269)	(214)	(348)	29	63

Performance by geography

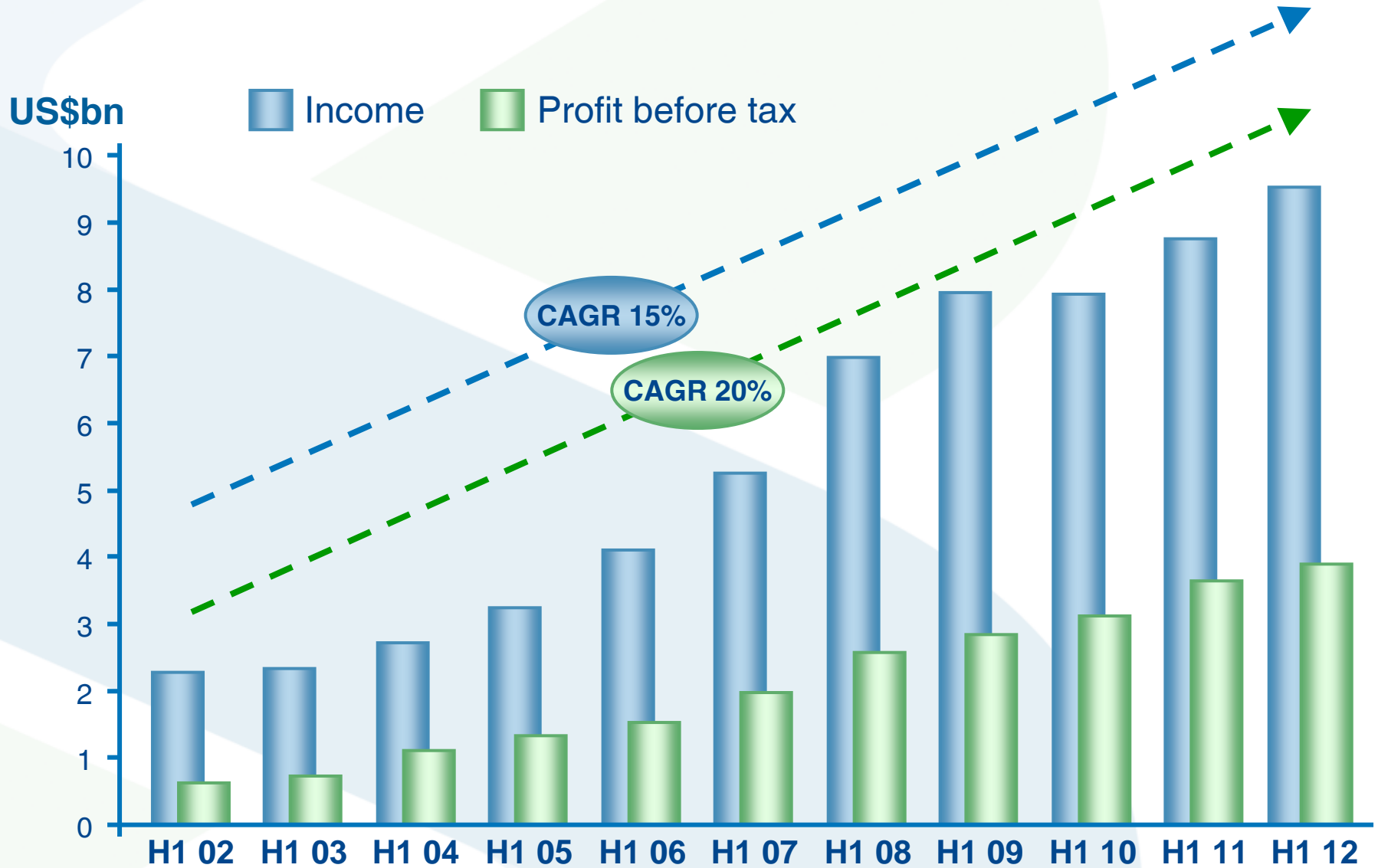
US\$m	Income			Profit before tax		
	H1 11	H1 12	H1 12 vs H1 11 %	H1 11	H1 12	H1 12 vs H1 11 %
Hong Kong	1,531	1,688	10	790	870	10
Singapore	1,094	1,162	6	465	546	17
Korea	840	950	13	193	303	57
Other APR	1,748	1,993	14	846	765	(10)
India	893	790	(12)	378	311	(18)
MESA	1,118	1,125	1	429	378	(12)
Africa	678	714	5	291	311	7
Americas, UK & Europe	862	1,089	26	244	464	90
Total	8,764	9,511	9	3,636	3,948	9

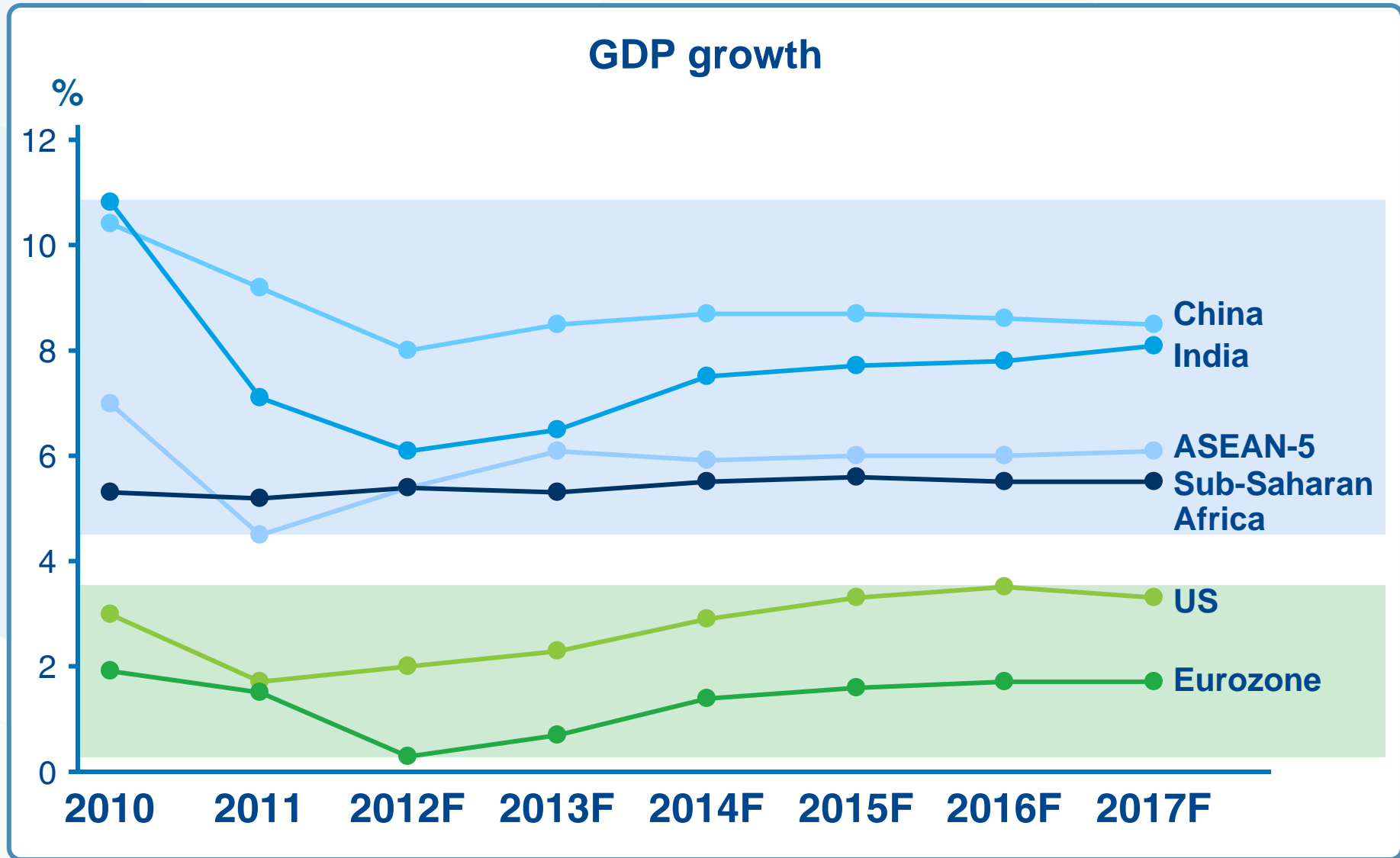
- On course to deliver on our full year financial objectives
- Continue to focus on the basics of banking
- Accelerating investment to underpin future income momentum
- Remain in growth mode, taking market share

Leading the way in Asia, Africa and the Middle East

Peter Sands
Group Chief Executive

Consistent delivery





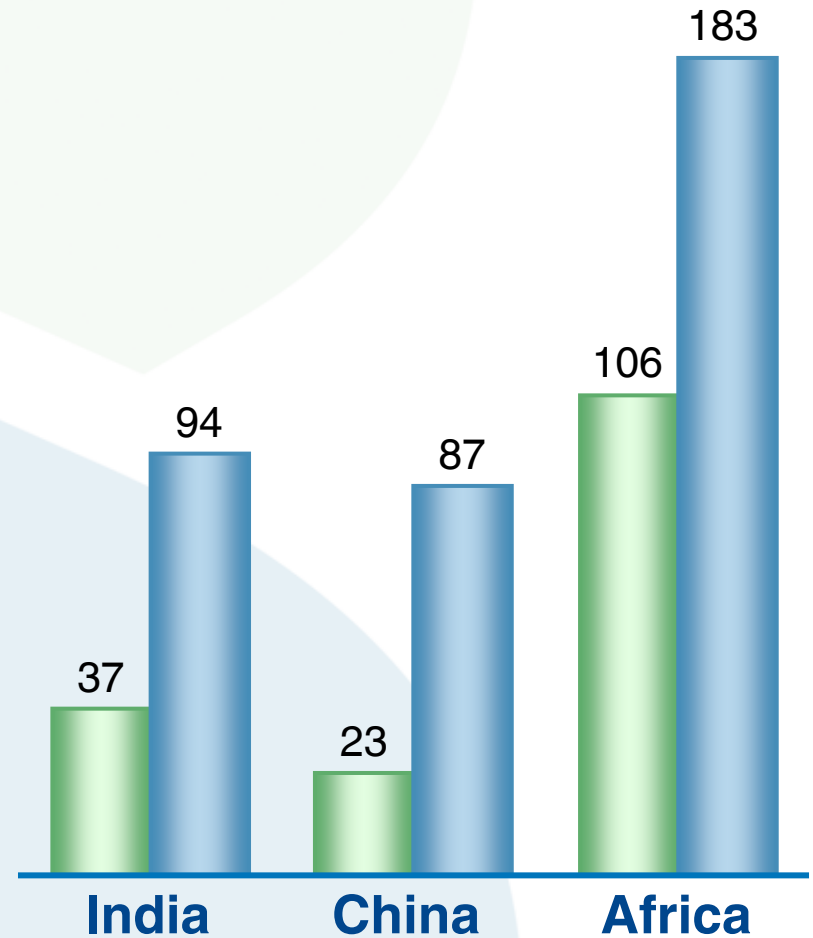


- Well positioned in growth markets of Asia, Africa and the Middle East
- Focus on the basics of banking
- Accelerating investment in organic growth engines
- Supporting customers and clients

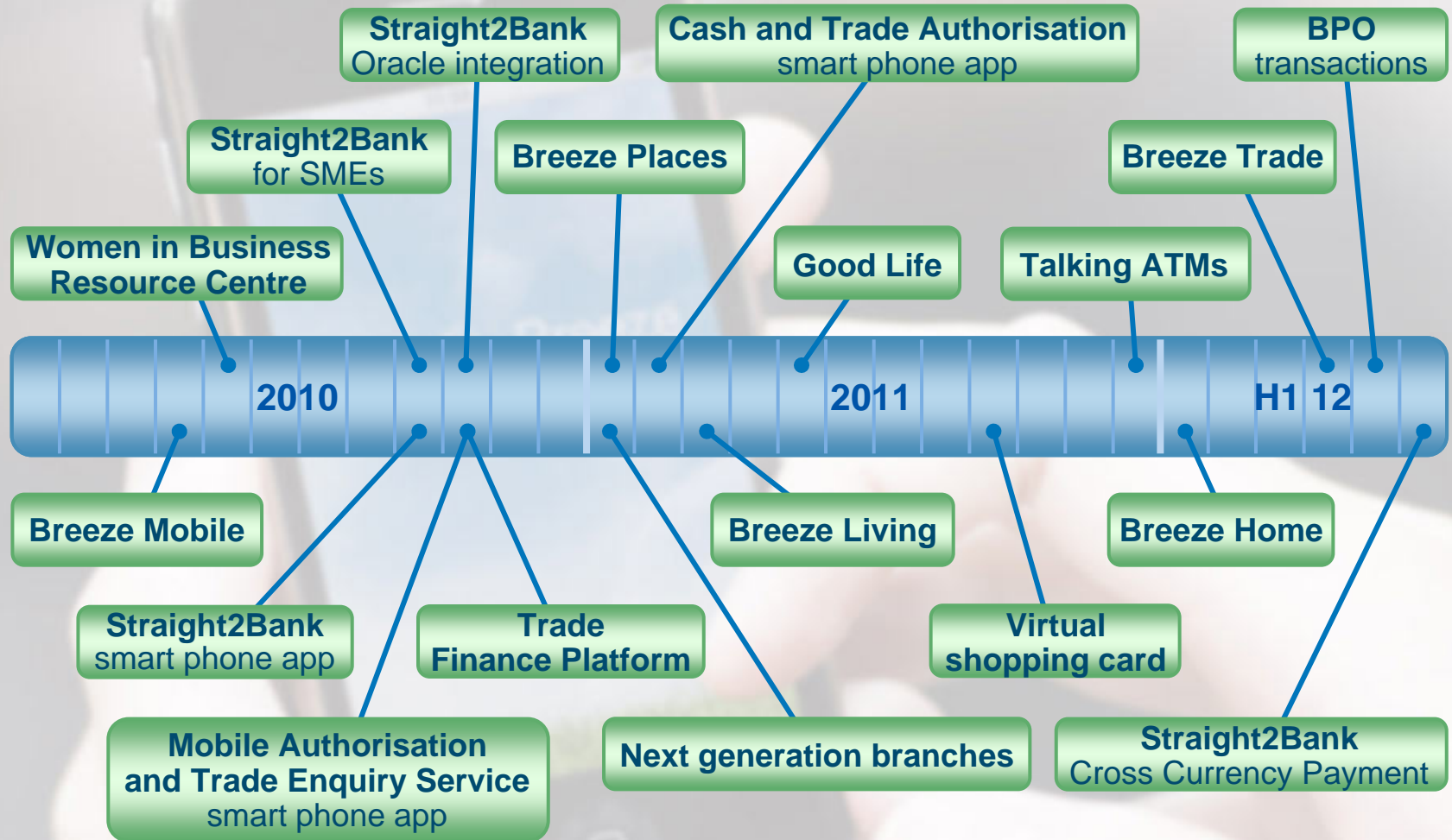
Investment for growth



Cities Branches and outlets



As at 30 June 2012





Consumer Banking

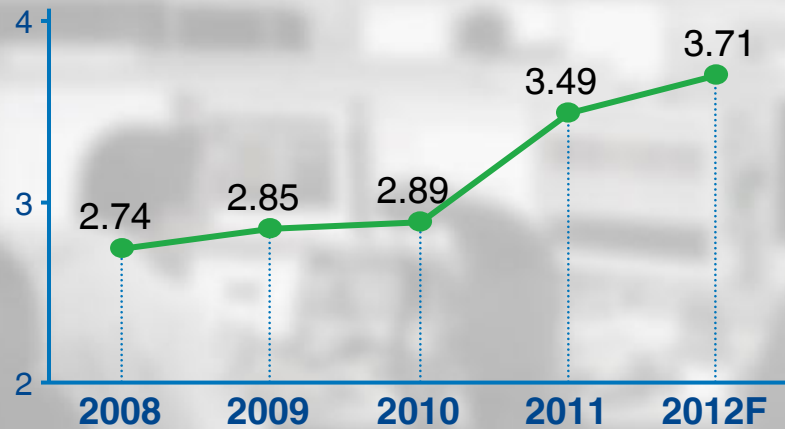
	2009	H1 12	
Net Promoter Score	25	48*	↑ 92%
Complaints per '000 accounts	0.83	0.40	↓ (52)%

* As at March 2012








Trade operations productivity

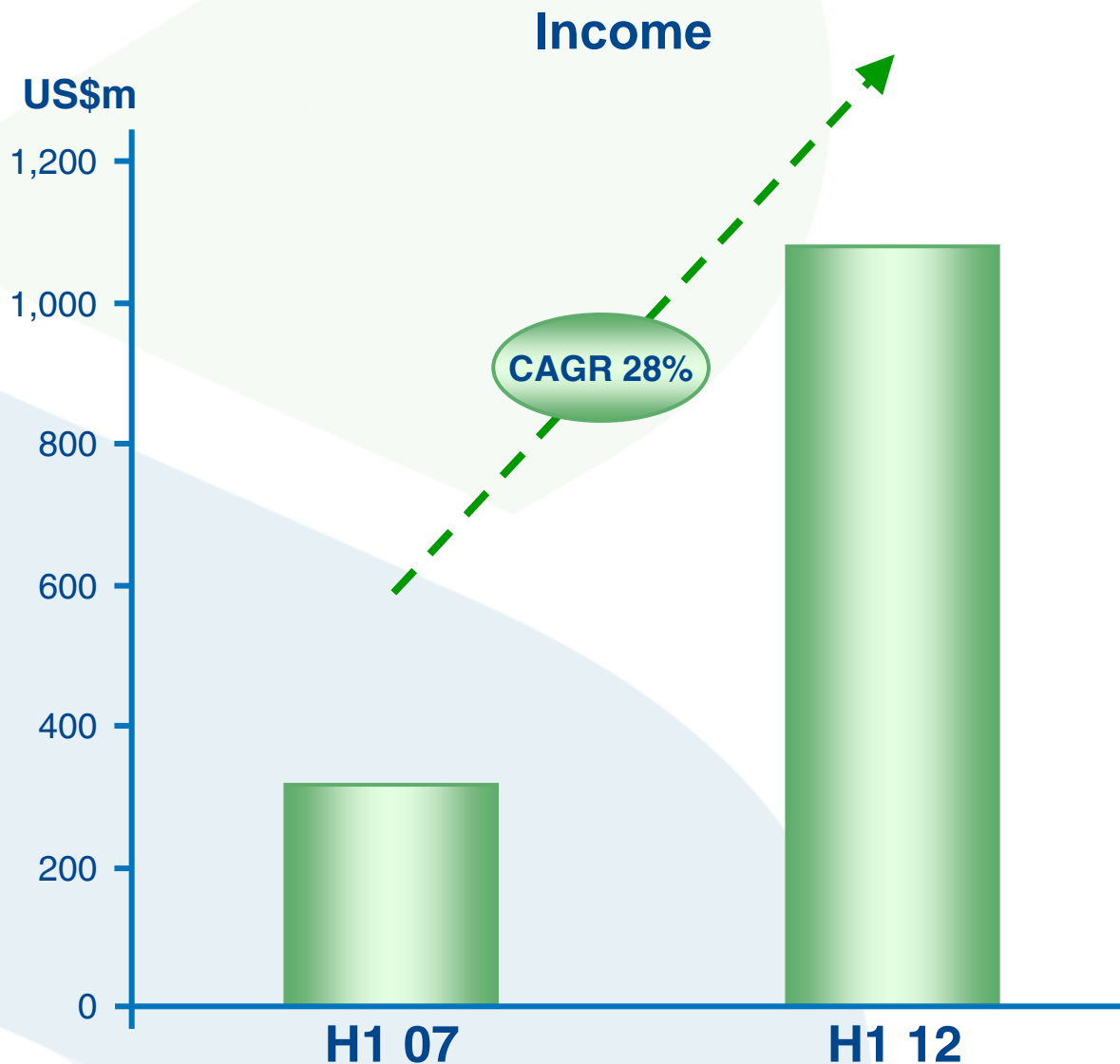
'000s of transactions per full time employee*






BP Capital Markets PLC
RMB700 million
1.70% Fixed Rate Notes
due 2014
Sole Coordinator
Joint Bookrunner &
Lead Manager
Standard Chartered  September 2011

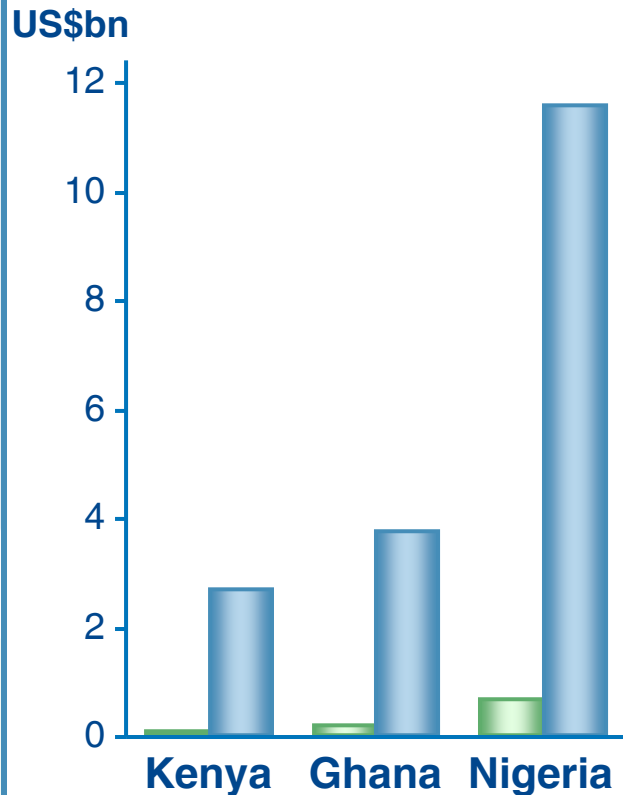
 
Jaguar Land Rover Plc.
GBP500 million
GBP500m 8.25%
Notes due 2020
United Kingdom
Joint Bookrunner &
Joint Lead Manager
Standard Chartered  March 2012



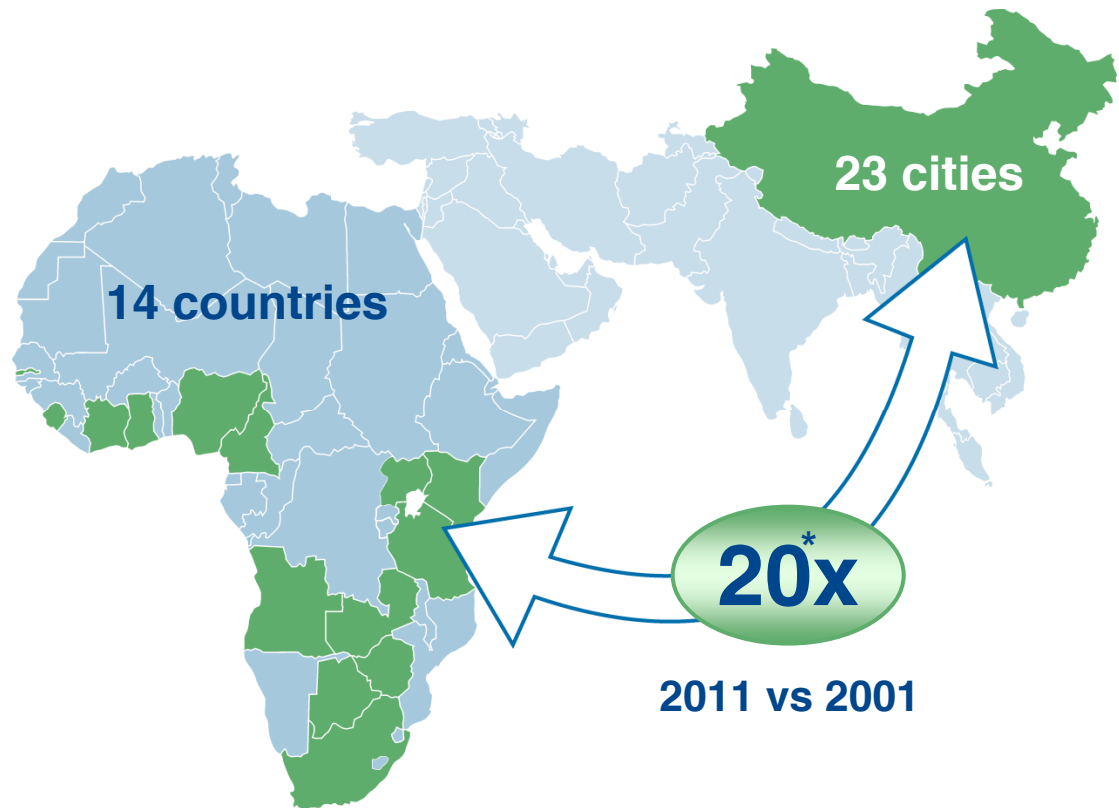
Growth in trade between China and Sub-Saharan Africa

Total trade

2001 2011



Standard Chartered presence



* Growth in US\$ value of total trade



Income growth H1 12 vs H1 11

Total income



22%

Consumer Banking

SME



18%

Total



15%

Wholesale Banking

Network*



56%

Total

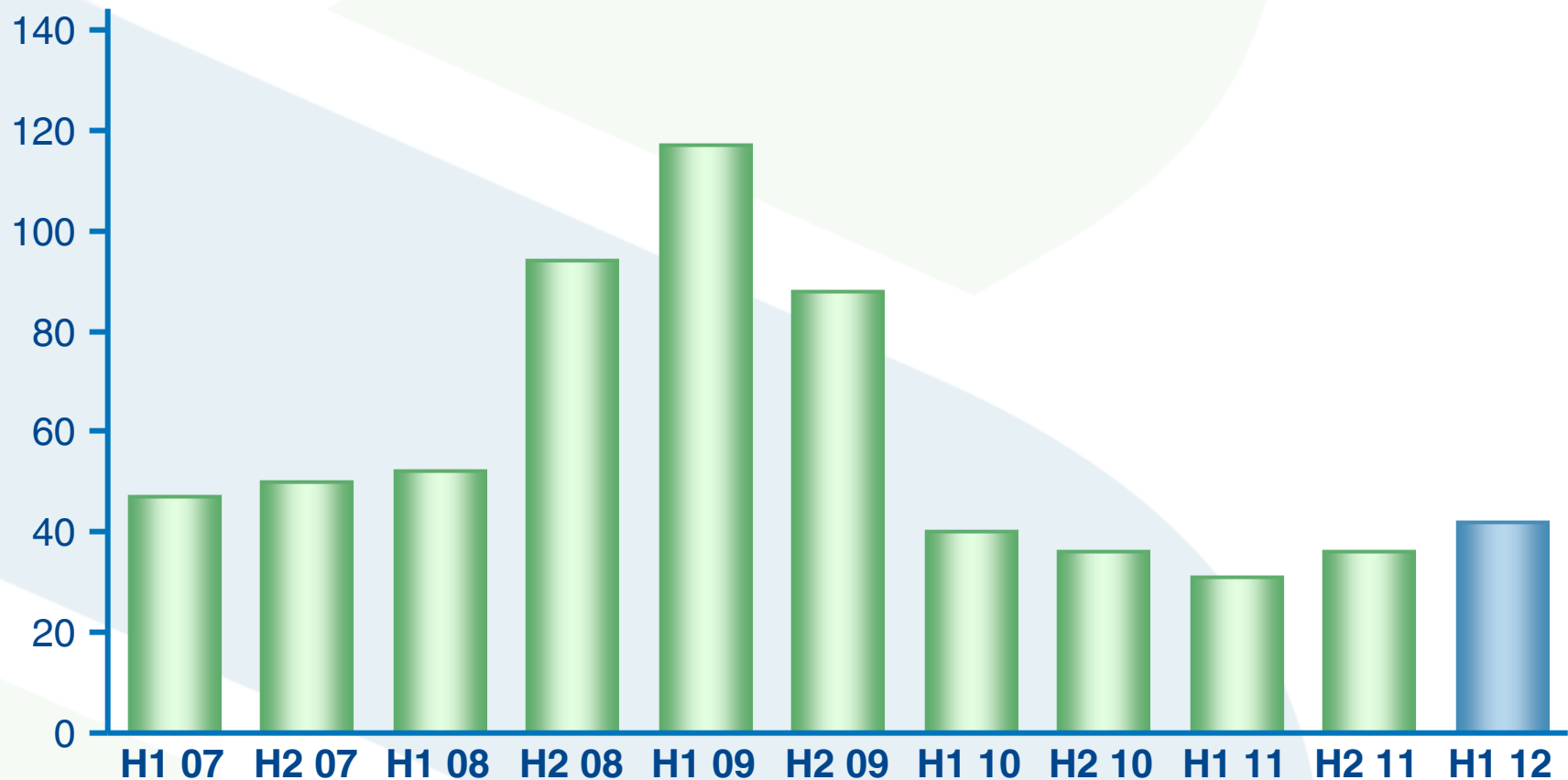


25%

* Income reported in other countries



Group loan impairment bps of loans and advances to customers







What good can a bank do?

[standardchartered.com/answers](https://www.standardchartered.com/answers)



