

# Leading the way in Asia, Africa and the Middle East

**Barclays, Global Financial Conference**



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# Leading the way in Asia, Africa and the Middle East

**Richard Meddings**  
Group Finance Director

# Who we are

- Over 150 year heritage
- Over 1,700 branches & offices
- Presence in 70 markets
- Over 88,000 employees
- Listings in London, Hong Kong & Mumbai
- Credit ratings AA- / A1 / AA- (S&P / Moody's / Fitch respectively)
- Around 90% of income from Asia, Africa and Middle East
- Lead regulated by the UK Prudential Regulation Authority
- Market cap: US\$55bn (Sept 2013)



# What we stand for



## Our Strategic Intent

The world's best international bank

# Leading the way in Asia, Africa and the Middle East

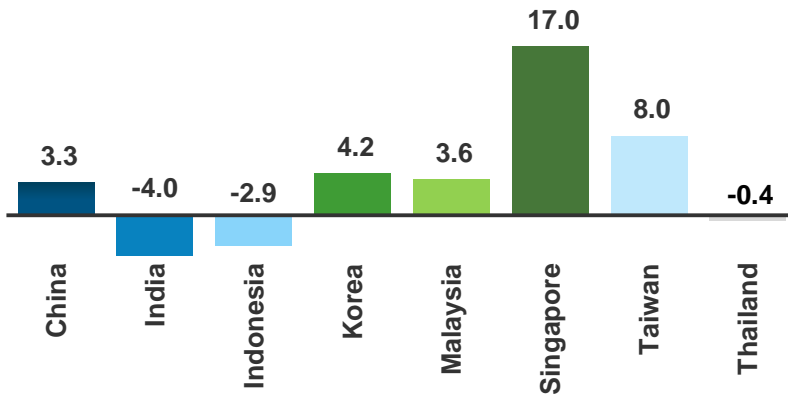
## Our Brand Promise

# Here for good

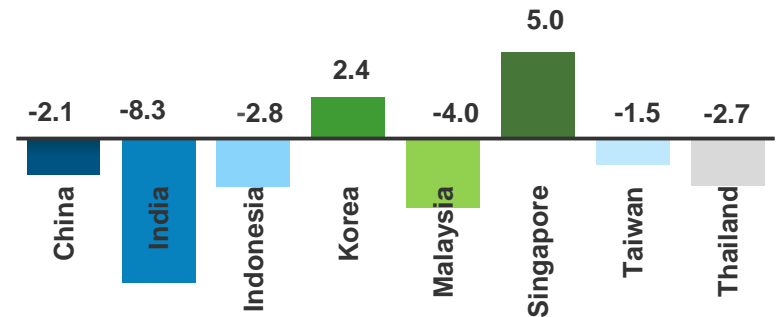
Our Values	<b>Courageous</b> We take measured risks and stand up for what is right	<b>Responsive</b> We deliver relevant, timely solutions for clients and customers	<b>International</b> We value diversity and work as One Bank	<b>Creative</b> We innovate and adapt, continuously improving the way we work	<b>Trustworthy</b> We are reliable, open and honest
	<b>Collaborative Network</b> Combining global capability and local knowledge		<b>Clients and Customers</b> Building deep and long term relationships		<b>Disciplined Growth</b> Delivering results without compromising balance sheet strength or control of risks and costs
	<b>Colleagues</b> A great place to work, enabling individuals to grow and teams to win		<b>Society</b> A force for good, promoting sustainable economic and social development		<b>Investors</b> A distinctive investment, delivering consistently superior performance
					<b>Regulators</b> A responsible partner with exemplary governance and ethics

# One region, many differences

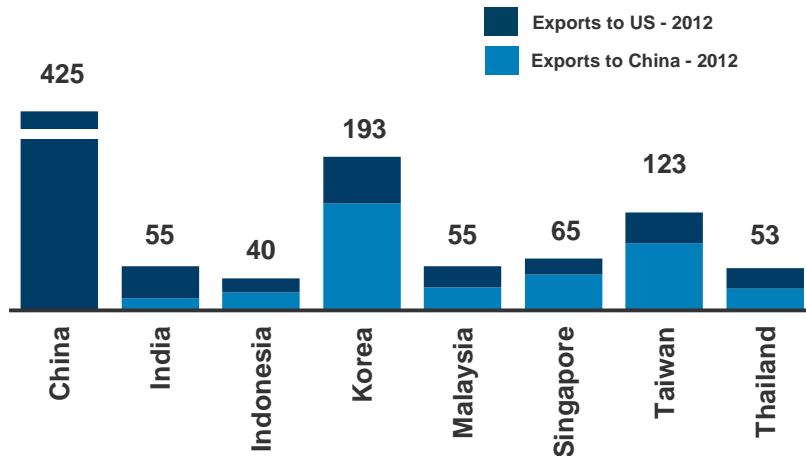
Current account as a % of GDP – 2013F



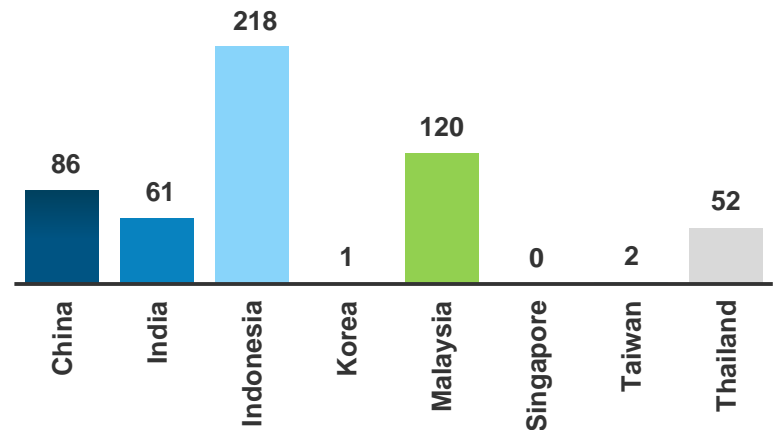
Fiscal balance as a % of GDP – 2013F



Exports to China and US – US\$bn

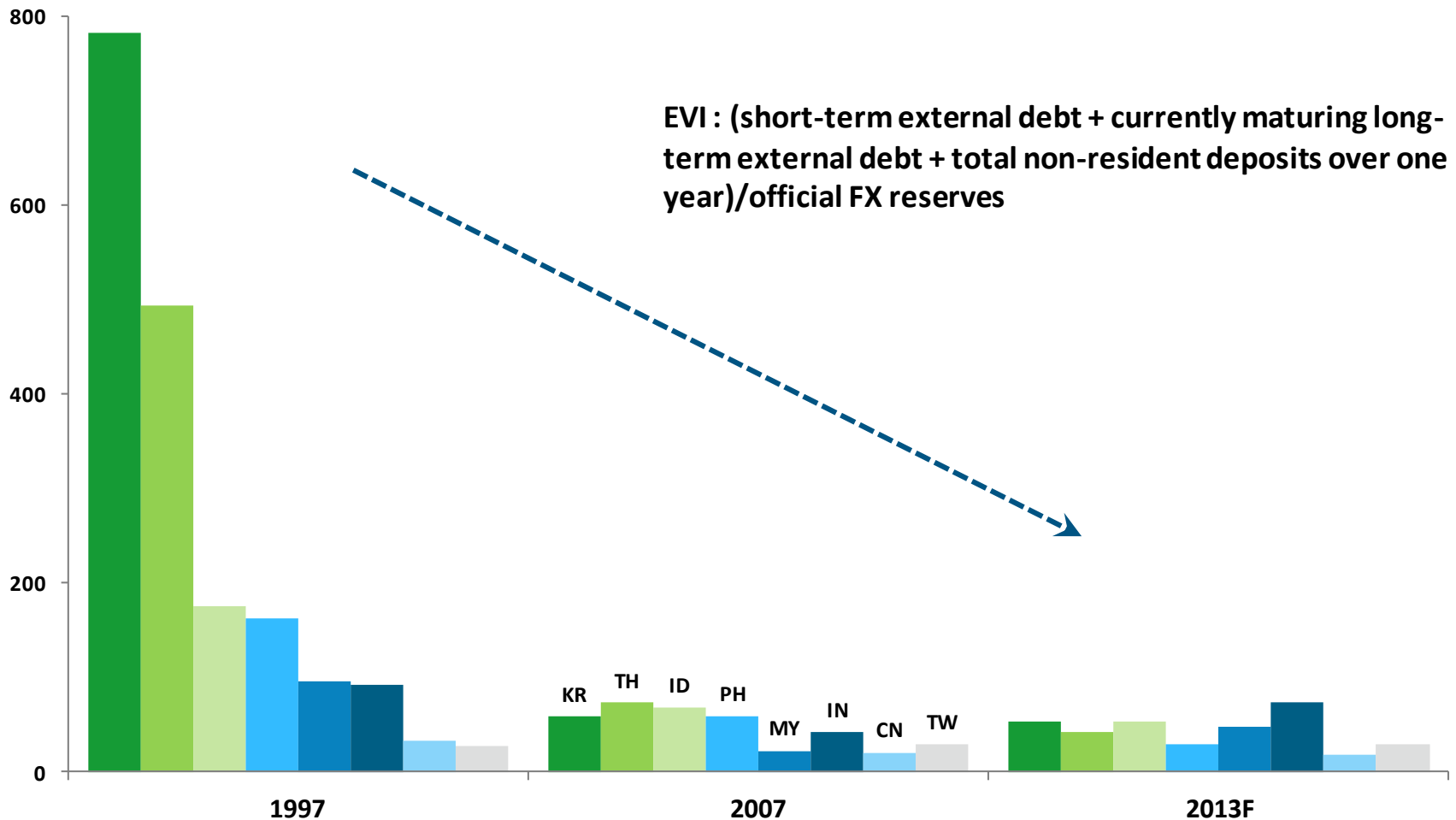


Energy self sufficiency as a % of consumption – 2012



# This cycle is different

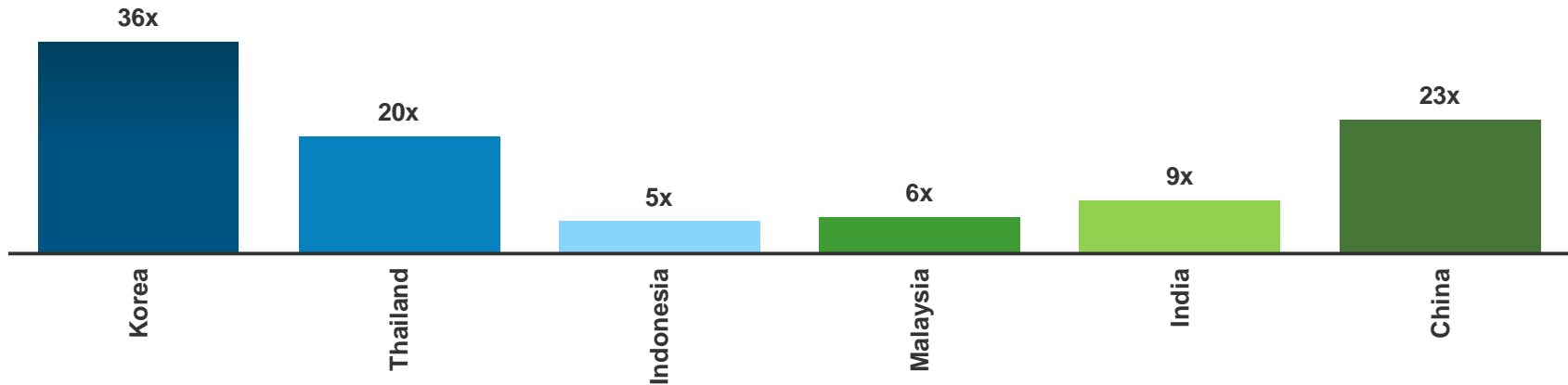
## Moody's External Vulnerability Indicator (EVI)



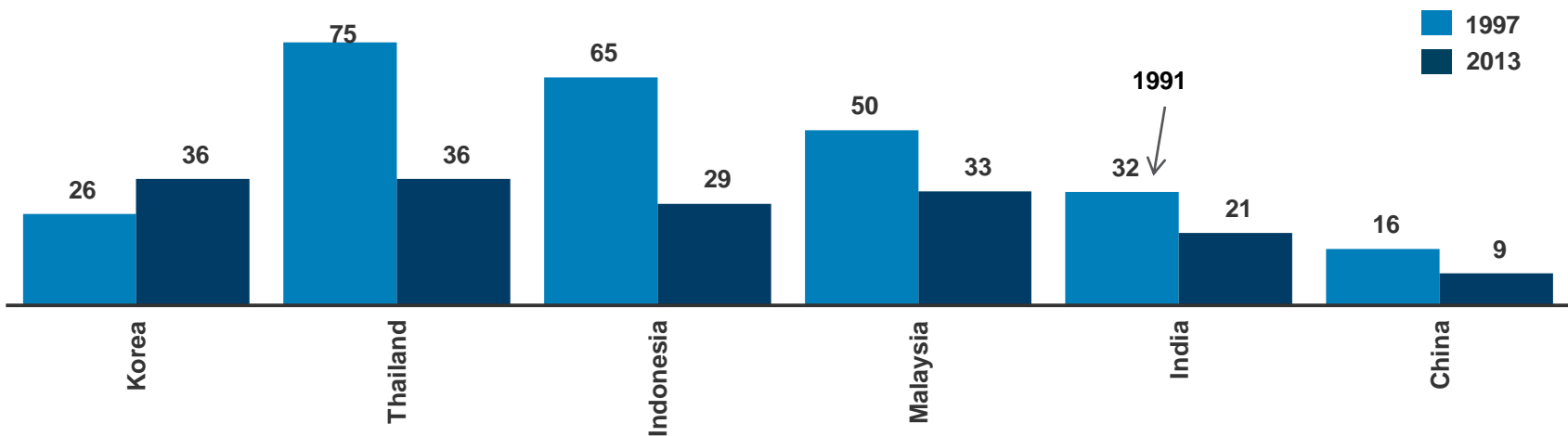
Source: Moody's, Standard Chartered Research

# Wiser, stronger and more resilient

## Increase in foreign exchange reserves 1997 – 2013F



## External debt as a % of GDP









Standard Chartered



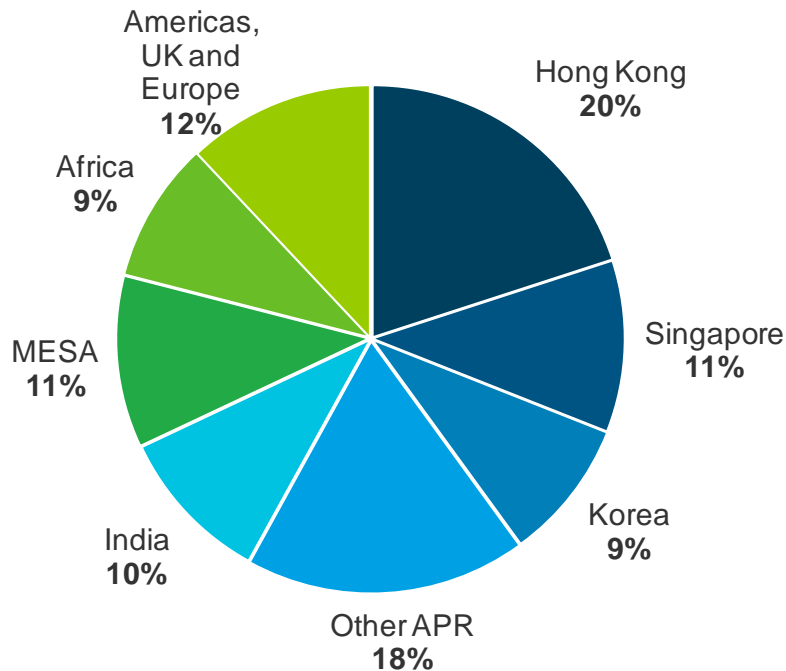
# Performance highlights

	H1 13	YoY%	YoY% Normalised*
Income	US\$10.0bn	 7%	 5%
Jaws	3%		
Normalised earnings	US\$2.9bn		 6%
Normalised return on equity	13.3%		
Dividend per share	28.8c	 6%	

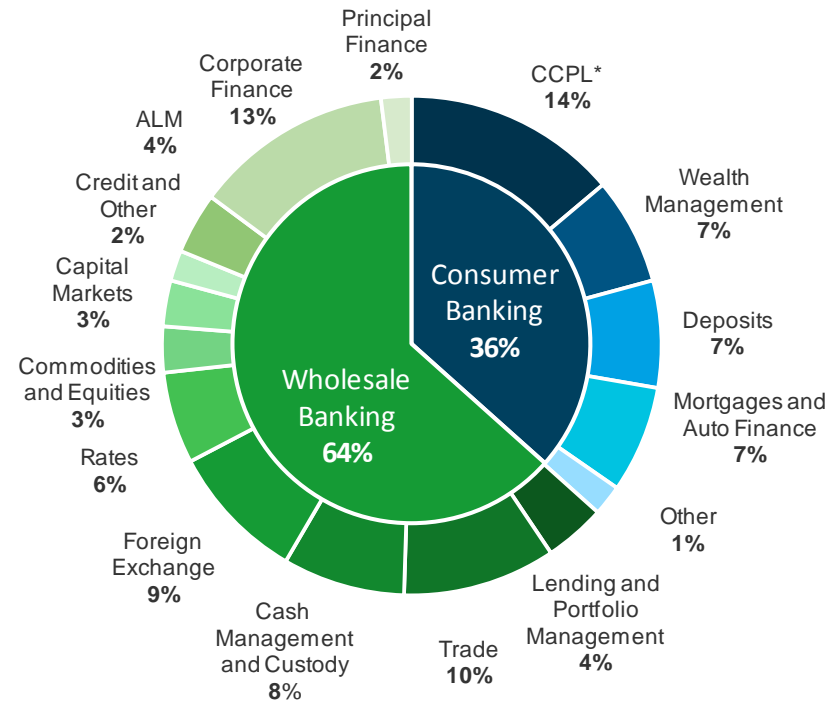
\* Normalised as per details on page 114 of the half year 2013 press release - Note: signage used throughout the presentation is Better / (Worse)

# Diversity a differentiator

## Income by geography



## Income by product



\* Credit Cards, Personal Loans and Unsecured Lending

- Well diversified income by geography & product
- 17 markets with double digit growth
- 25 markets with income over US\$50m

- In Africa, 7 markets with income > US\$50m and 3 over US\$100m
- 1HK client income and Hong Kong profits > US\$1bn in a half for the first time

# Consumer Banking performance

US\$m	H1 12*	H2 12*	H1 13	YoY%
Income	3,429	3,592	3,683	7
Expenses	(2,246)	(2,350)	(2,340)	(4)
<b>Operating profit before impairment</b>	<b>1,183</b>	<b>1,242</b>	<b>1,343</b>	<b>14</b>
Loan impairment	(290)	(384)	(506)	(74)
Other impairment	(9)	(36)	0	100
Profit from associates	24	19	21	(13)
<b>Operating profit</b>	<b>908</b>	<b>841</b>	<b>858</b>	<b>(6)</b>

\* Prior periods have been restated for Permata (now equity accounted as per IFRS 11)

# Wholesale Banking performance

US\$m	H1 12*	H2 12*	H1 13	YoY%
Income	5,942	5,730	6,305	6
Income (ex. OCA)	<b>5,942</b>	<b>5,730</b>	<b>6,068</b>	<b>2</b>
Expenses	(2,633)	(3,319)	(2,694)	(2)
Loan impairment	(285)	(237)	(224)	21
Other impairment	(65)	(86)	(11)	83
Profit from associates	69	70	91	30
<b>Operating profit</b>	<b>3,028</b>	<b>2,158</b>	<b>3,467</b>	<b>14</b>
Operating profit (ex.OCA)	<b>3,028</b>	<b>2,158</b>	<b>3,230</b>	<b>7</b>

\* Prior periods have been restated for Permata (now equity accounted as per IFRS 11)

# Relationship leader in Transaction Banking

- Primary transaction banker to 197 or 21% of Asian institutions
- Leader for wallet capture as primary banker at 72% of transaction volume
- Share of primary/secondary banker grown by 2.9% from 31% to 33.9% in last 4 years
- Leader in client satisfaction: lead for 5 of the top 10 satisfaction drivers across Sales, Service & Operations

Source: East & Partners Asian Institutions Transaction Banking Study, May 13

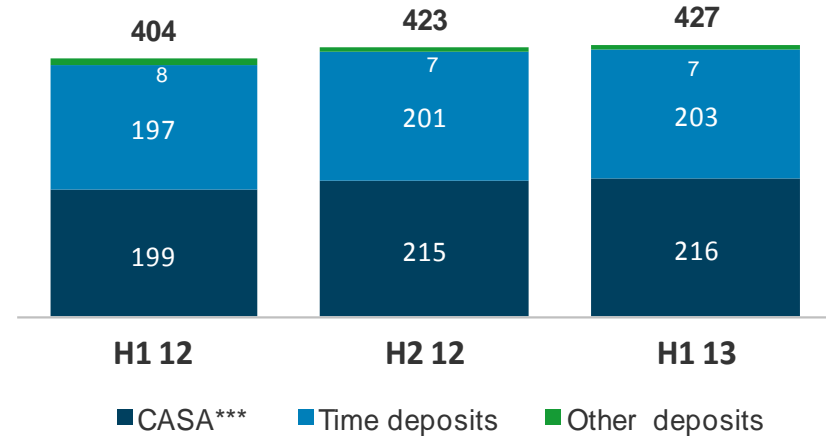


# Group balance sheet

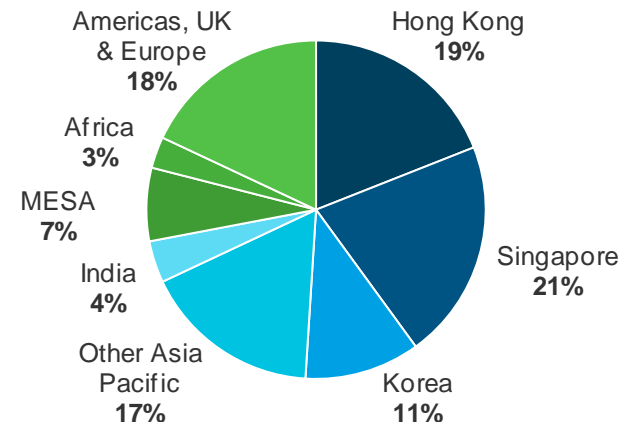
- Customer deposit funded franchise
- Liquid asset ratio of 28.3% and US\$184bn of liquid assets
- Minimal refinancing requirements
- Basel III NSFR\* and LCR\*\* requirements already met
- No direct sovereign exposure to Greece, Ireland, Italy, Portugal or Spain

\* Net stable funding ratio  
\*\* Liquidity coverage ratio  
\*\*\* Current account and savings account

## Total deposits US\$bn



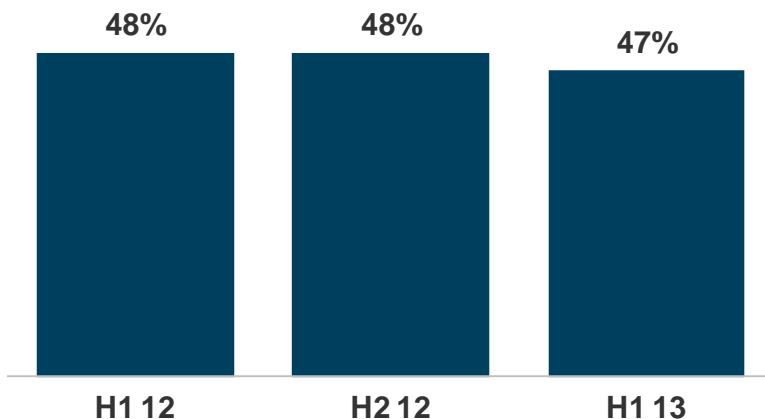
## Customer loans and advances by geography



## Consumer Banking

- 81% of Consumer Banking portfolio is fully or partially secured
- Only 11% of the SME portfolio is unsecured
- Average LTV on mortgage portfolio of 47%

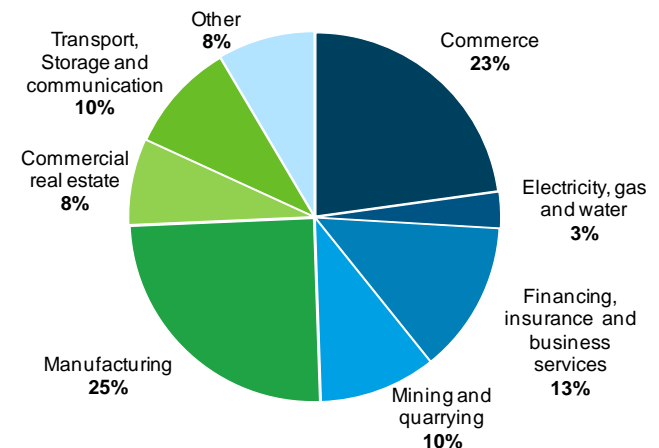
### Average LTV on mortgage portfolio (%)



## Wholesale Banking

- 65% of Wholesale Banking loans less than 1 year maturity
- Continue to distribute assets
- Well diversified book by geography and industry

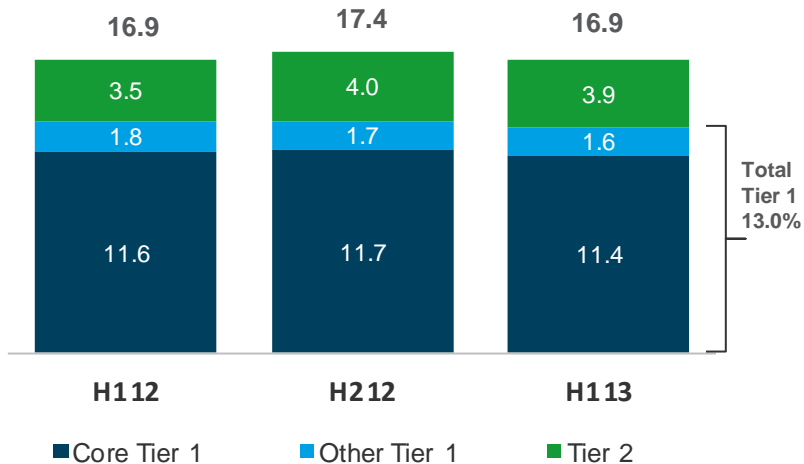
### Wholesale Banking Loans and advances to customers



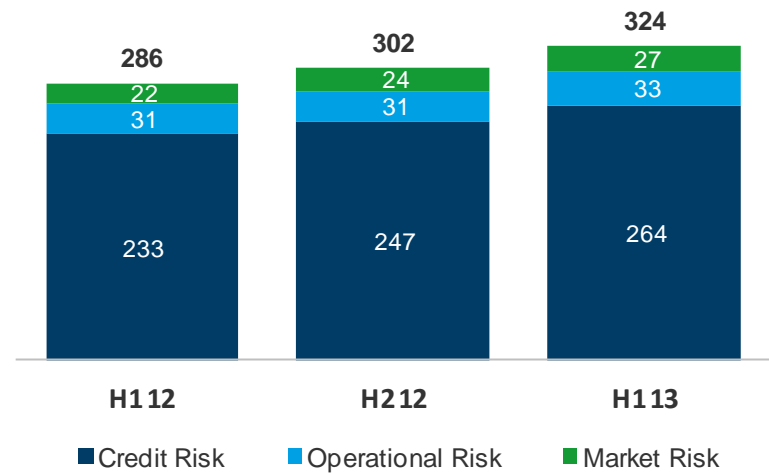


# Capital generation

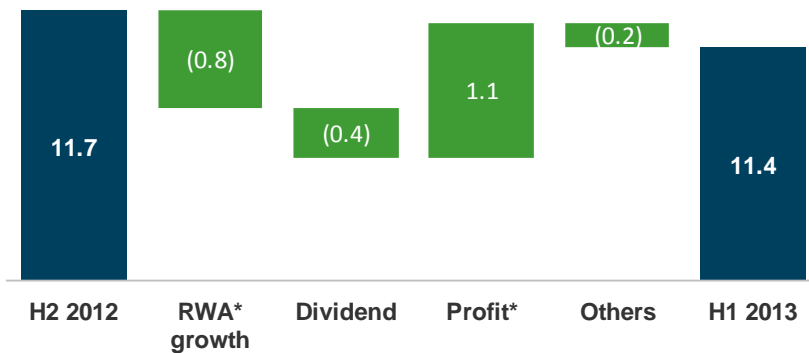
## Capital ratios %



## Risk weighted assets US\$bn

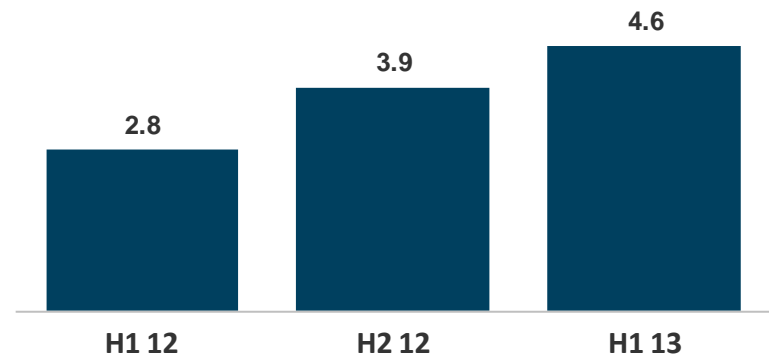


## Core Tier 1 capital reconciliation %



\* Pre goodwill profit

## Debt and capital issuance US\$bn



- We have good momentum and our clients remain highly active
- We remain focused on balance sheet foundations and supporting our customers and clients
- Our markets continue to grow and we continue to gain share in multiple products