



Leading the way in Asia, Africa and the Middle East

Half Year Results 2013



Forward looking statement

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





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Leading the way in Asia, Africa and the Middle East

Richard Meddings
Group Finance Director

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)

Group performance

US\$m	H1 12*	H2 12*	H1 13	YoY%
Income	9,371	9,412	9,988	7
Net interest income	5,374	5,407	5,598	4
Non interest income	3,997	4,005	4,153	4
Fair value gains on OCA [†]	-	-	237	nm
Expenses	(4,879)	(5,843)	(5,034)	(3)
Operating profit before impairment	4,492	3,569	4,954	10
Loan impairment	(575)	(621)	(730)	(27)
Other impairment	(74)	(122)	(1,011)	nm
Profit from associates	93	89	112	20
Profit before tax	3,936	2,915	3,325	(16)
Normalised earnings**	2,782	2,616	2,949	6
Profit attributable to ordinary shareholders	2,806	1,980	2,131	(24)

[†] Own Credit Adjustment - Not meaningful (nm)

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

** Normalised as per details on page 114 of the half year 2013 press release

Geographic performance

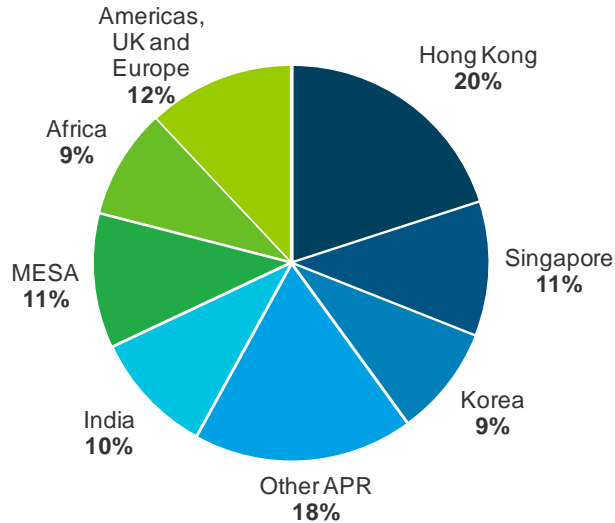
Underlying performance excludes OCA and goodwill

US\$m	Income			Profit before tax		
	H1 12*	H1 13	YoY%	H1 12*	H1 13	YoY%
Hong Kong	1,688	1,929	14	870	1,031	19
Singapore	1,162	1,123	(3)	546	480	(12)
Korea	950	898	(5)	303	137**	(55)
Other APR	1,832	1,731	(6)	739	602	(19)
India	790	927	17	311	450	45
MESA	1,125	1,143	2	378	551	46
Africa	735	853	16	325	357	10
Americas, UK and Europe	1,089	1,147	5	464	480	3
Total	9,371	9,751	4	3,936	4,088	4

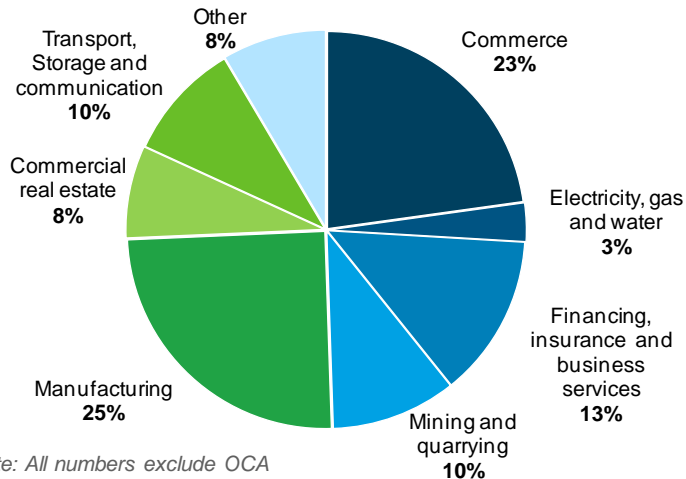
* Prior periods have been restated for Permata (now equity accounted as per IFRS 11) ** Korea loss before tax including goodwill impairment is \$863m

Diversity a differentiator

Income by geography

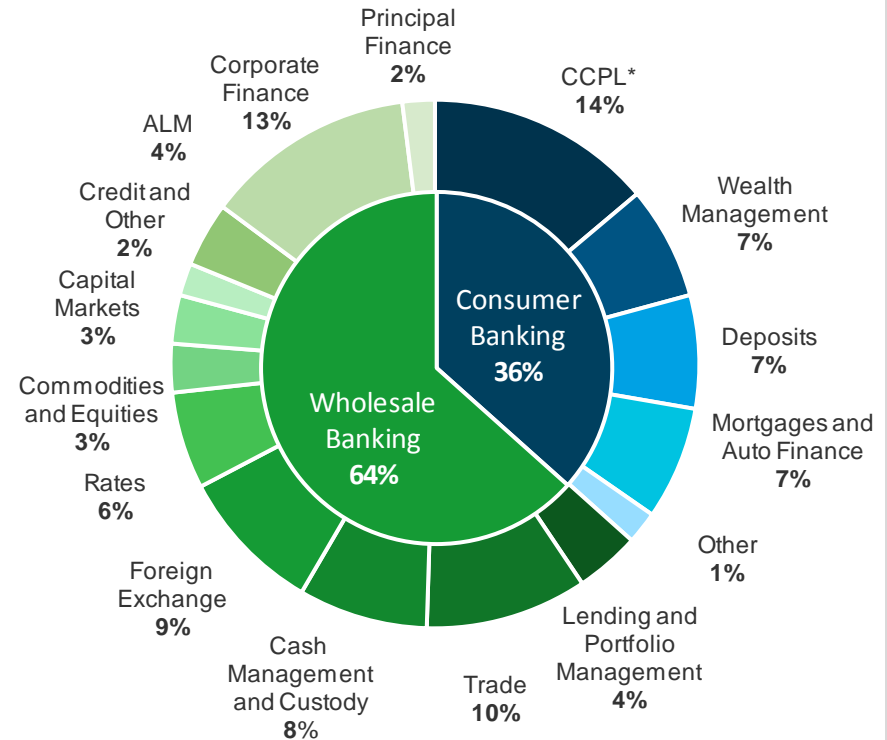


Wholesale Banking Loans and advances to customers



Note: All numbers exclude OCA

Income by product

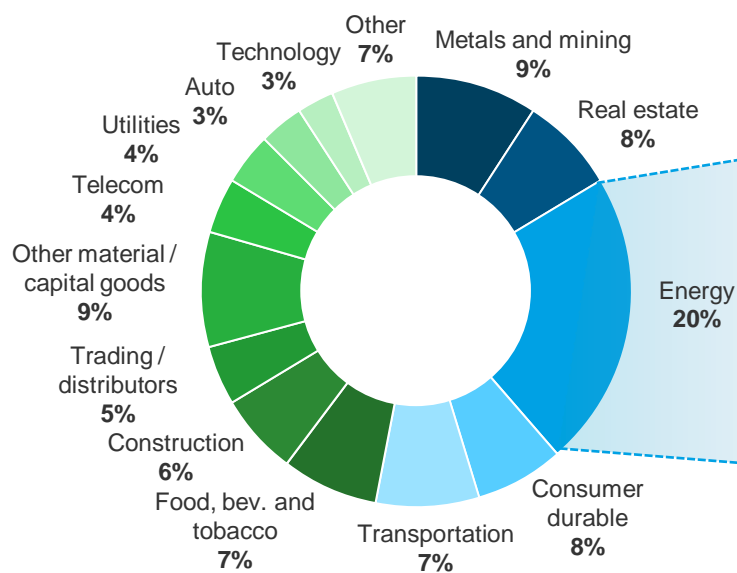


- Well diversified income by product
- 17 markets with double digit growth
- 25 markets with income over US\$50m

* Credit Cards, Personal Loans and Unsecured Lending

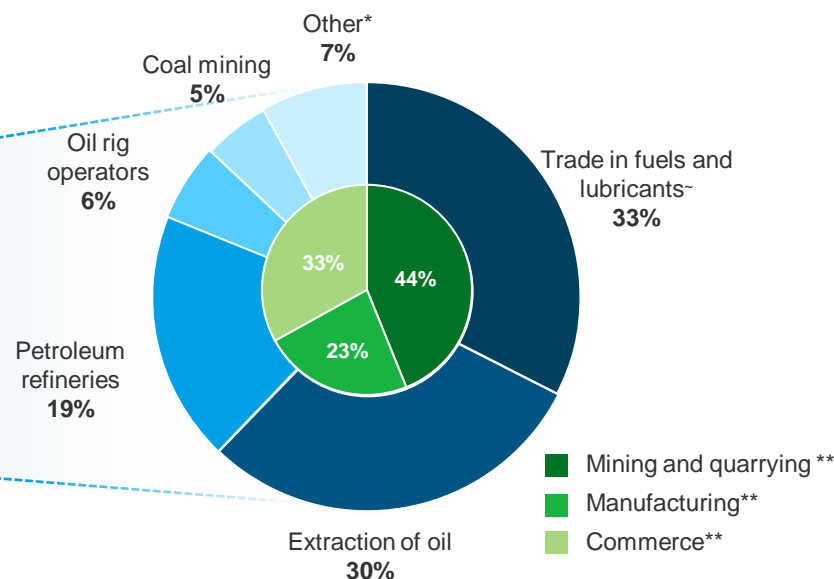
Risk diversification

Corporate exposures*



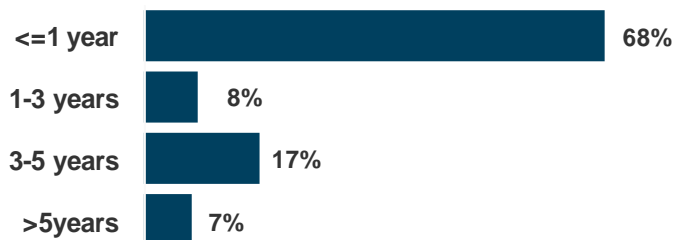
* Total assets and contingents as at 30 Jun 13' including corporate SME

Energy sector



** Energy sector industry classification as per page 51 of the half year 2013 press release
~ Wholesale trade in mineral fuels, lubricants and related

Energy sector – Maturity profile



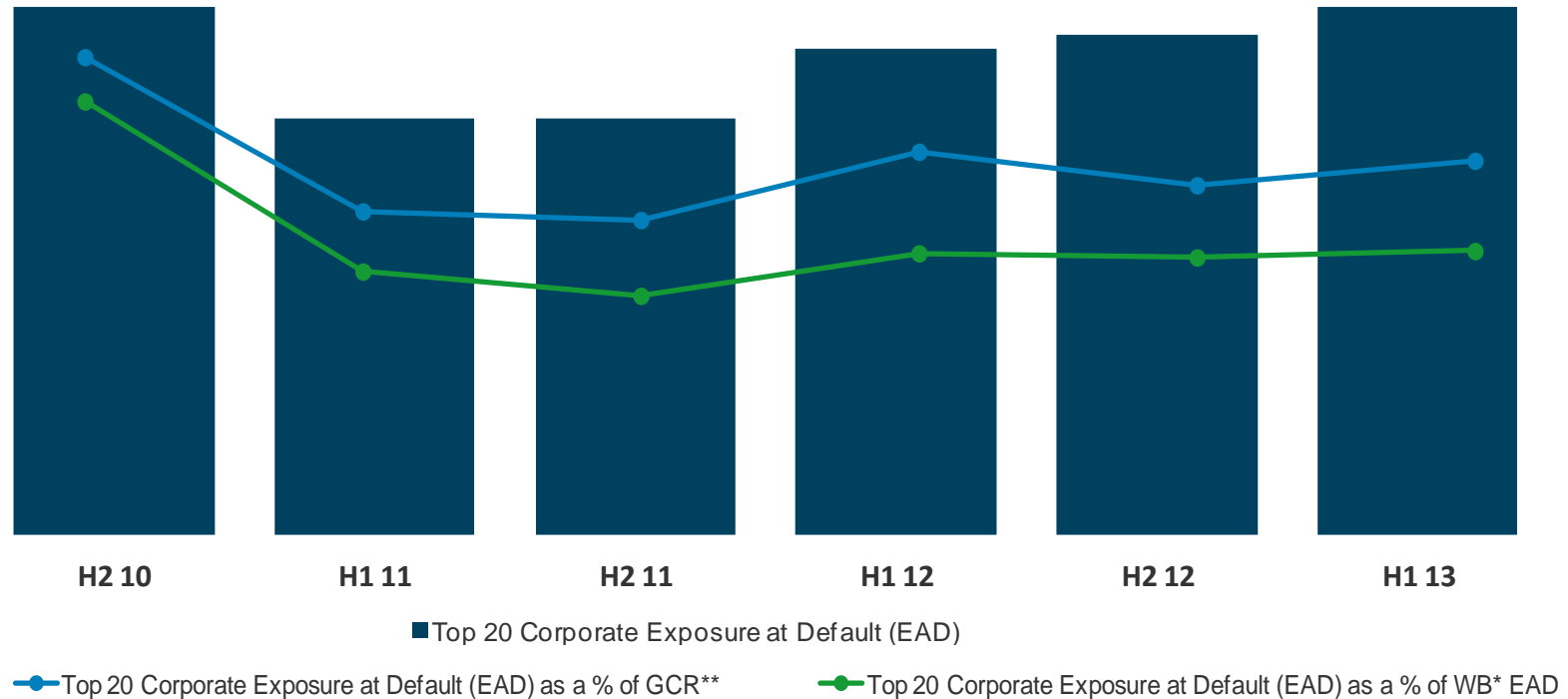
■ Spread across over 350 client Groups

■ 78 client exposures >US\$100m

* Includes 3 sub segments covering manufacturing, repairs and support services for the petroleum industry

Risk diversification (cont'd)

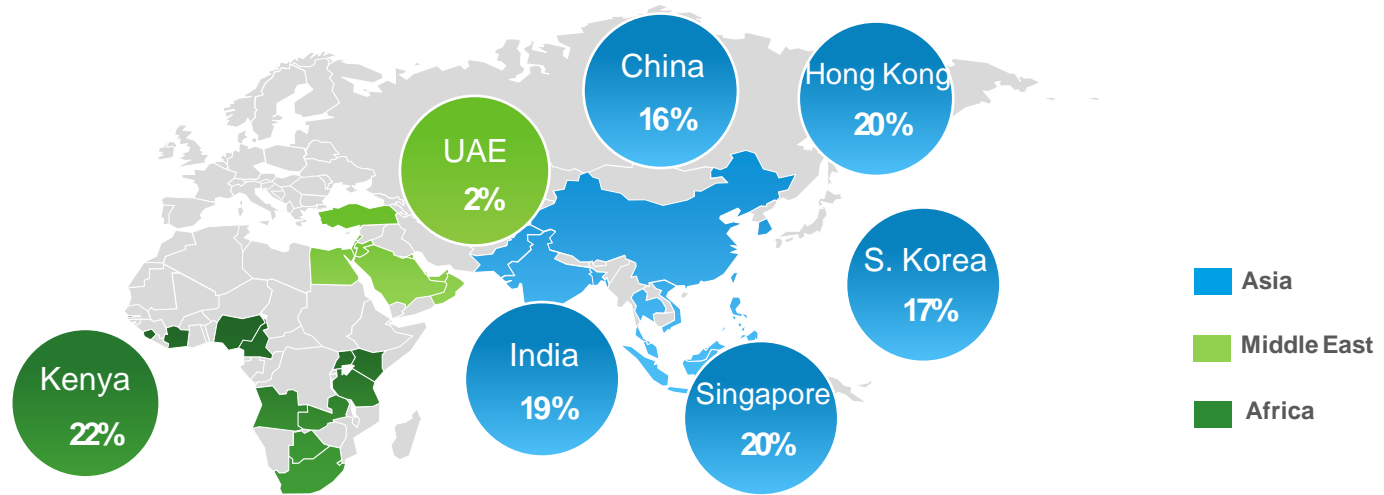
Top 20 corporate exposures



- The top 20 relationships are highly diversified
- On average each exposure is spread across 7 markets and 5 industries
- Remain broadly stable, both as a proportion of Group Capital Resources and Wholesale Banking Loans and Advances to Customers

Peer comparison

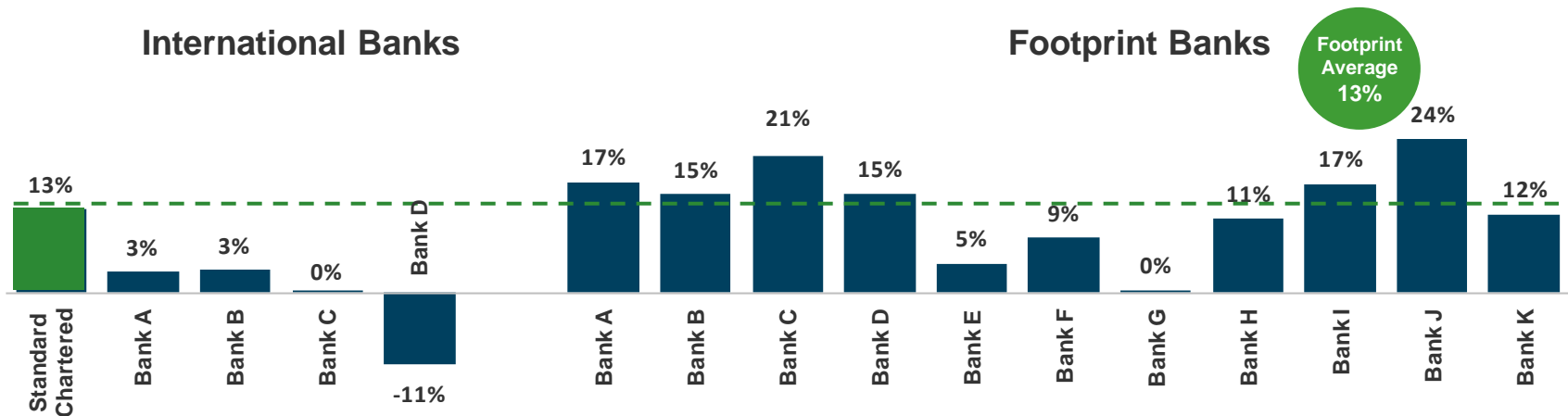
Banking system credit growth in our footprint markets*



Growth in Loans and Advances to Customers*

International Banks

Footprint Banks



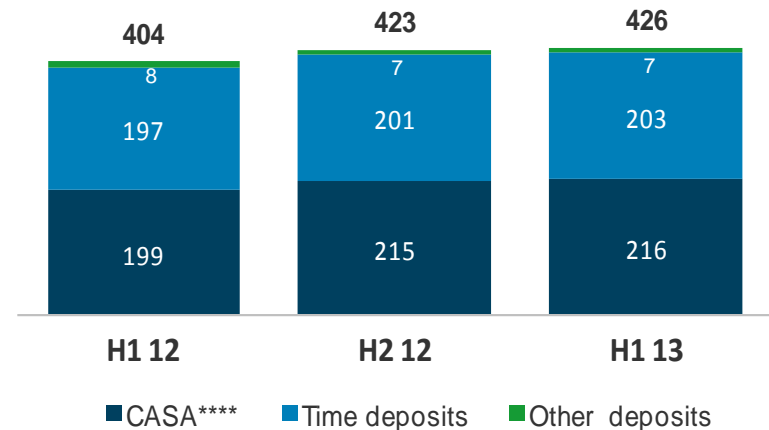
* 3 year CAGR 2009-2012 - Source: J.P. Morgan Cazenove

Group balance sheet – Liabilities

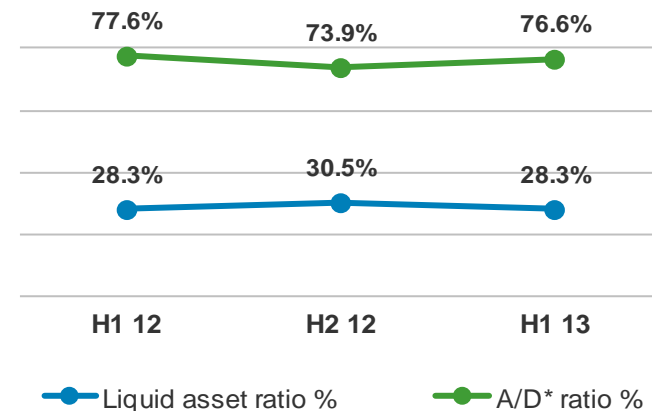
- Customer deposit funded franchise
- Liquid asset ratio of 28.3% and US\$184bn of liquid assets
- Minimal refinancing requirements
- US\$2.75bn of Tier 2 issuances in H1 2013 US\$1.4bn of senior unsecured
- Basel III NSFR** and LCR*** requirements already met

* Loans and advances to customers over customer accounts
 ** Net stable funding ratio
 *** Liquidity coverage ratio
 **** Current account and savings account

Total deposits US\$bn



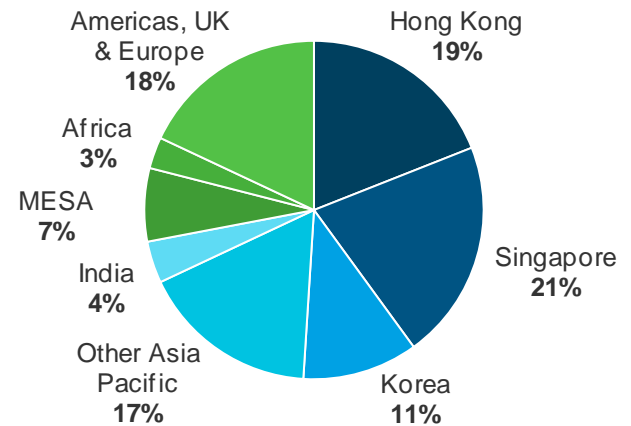
Liquidity ratios



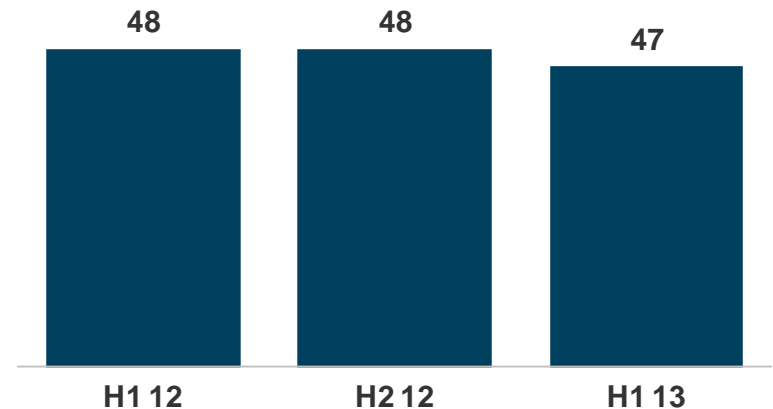
Group balance sheet – Assets

- Well diversified by product, segment and geography
- 81% of Consumer Banking portfolio fully or partially secured
- No direct sovereign exposure to Greece, Ireland, Italy, Portugal or Spain
- Continue to distribute assets

Customer loans and advances by geography



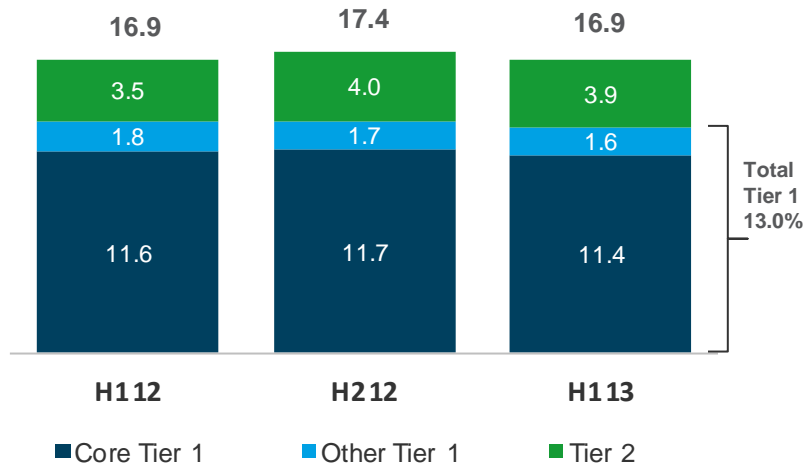
Average LTV on mortgage portfolio (%)



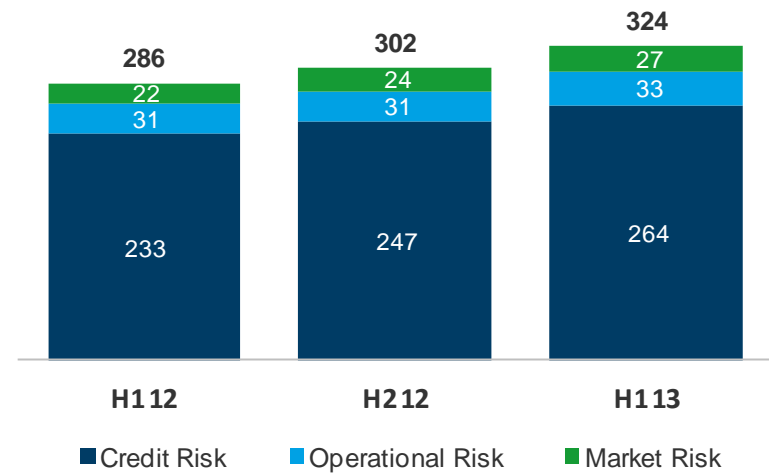
* Loan to value ratio (LTV)

Capital generation

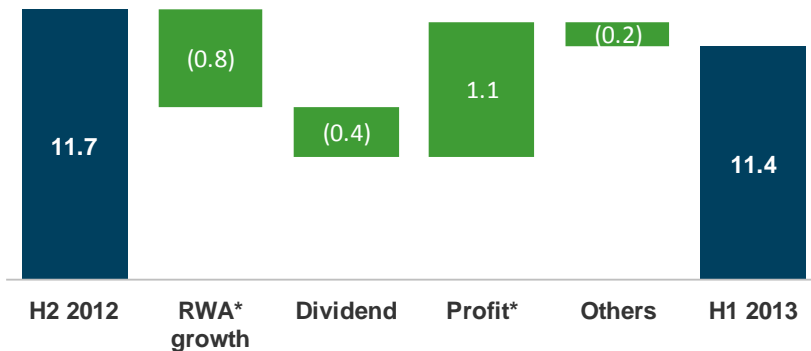
Capital ratios %



Risk weighted assets US\$bn

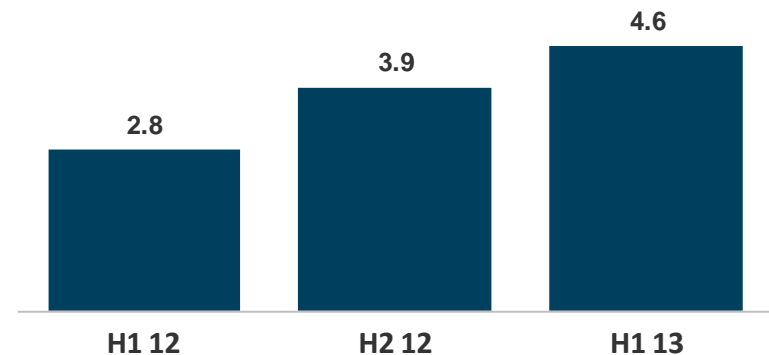


Core Tier 1 capital reconciliation %



* Pre goodwill profit

Debt and capital issuance US\$bn

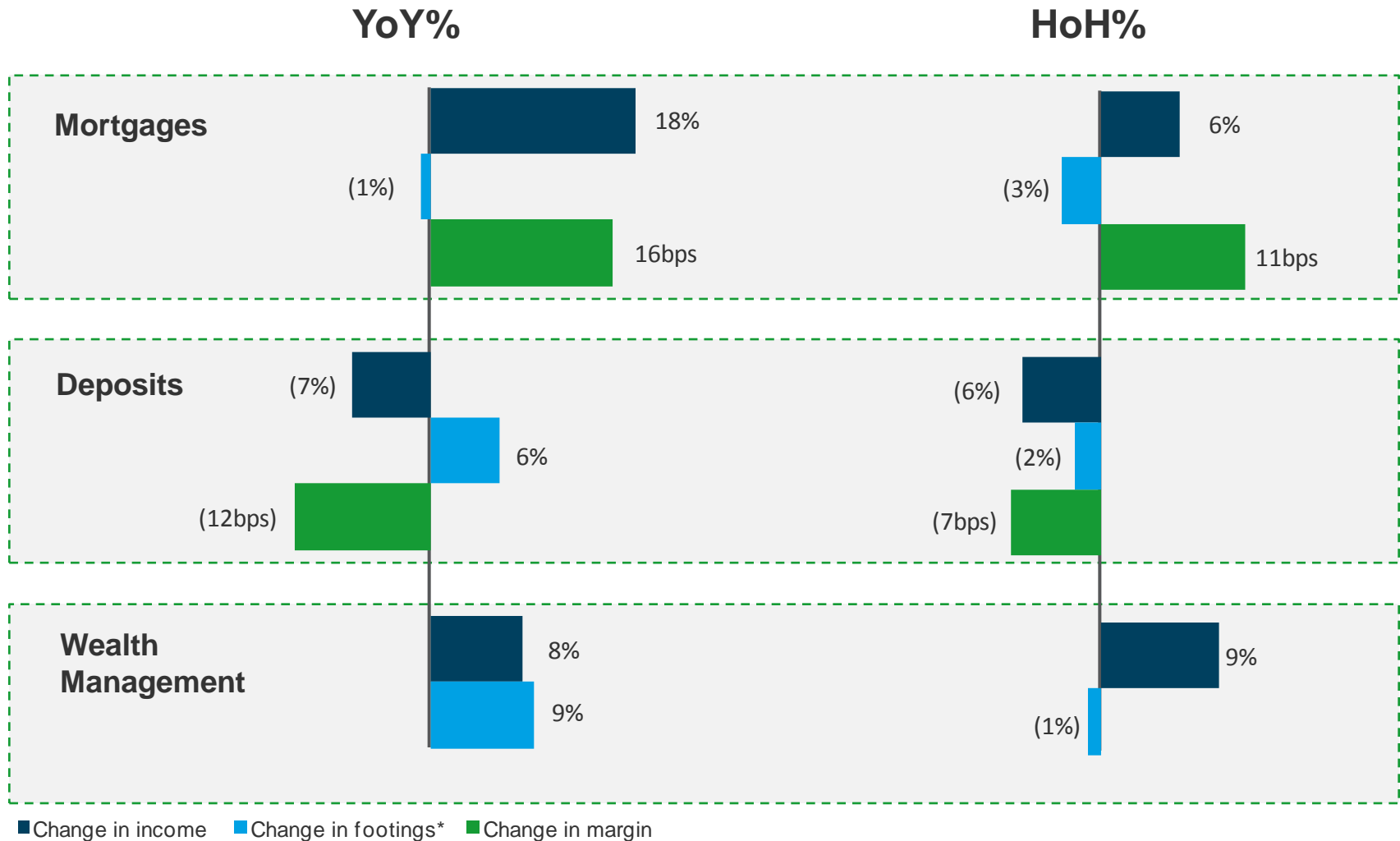


Consumer Banking performance

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)
Operating profit before impairment	1,183	1,242	1,343	14
Loan impairment	(290)	(384)	(506)	(74)
Other impairment	(9)	(36)	0	100
Profit from associates	24	19	21	(13)
Operating profit	908	841	858	(6)

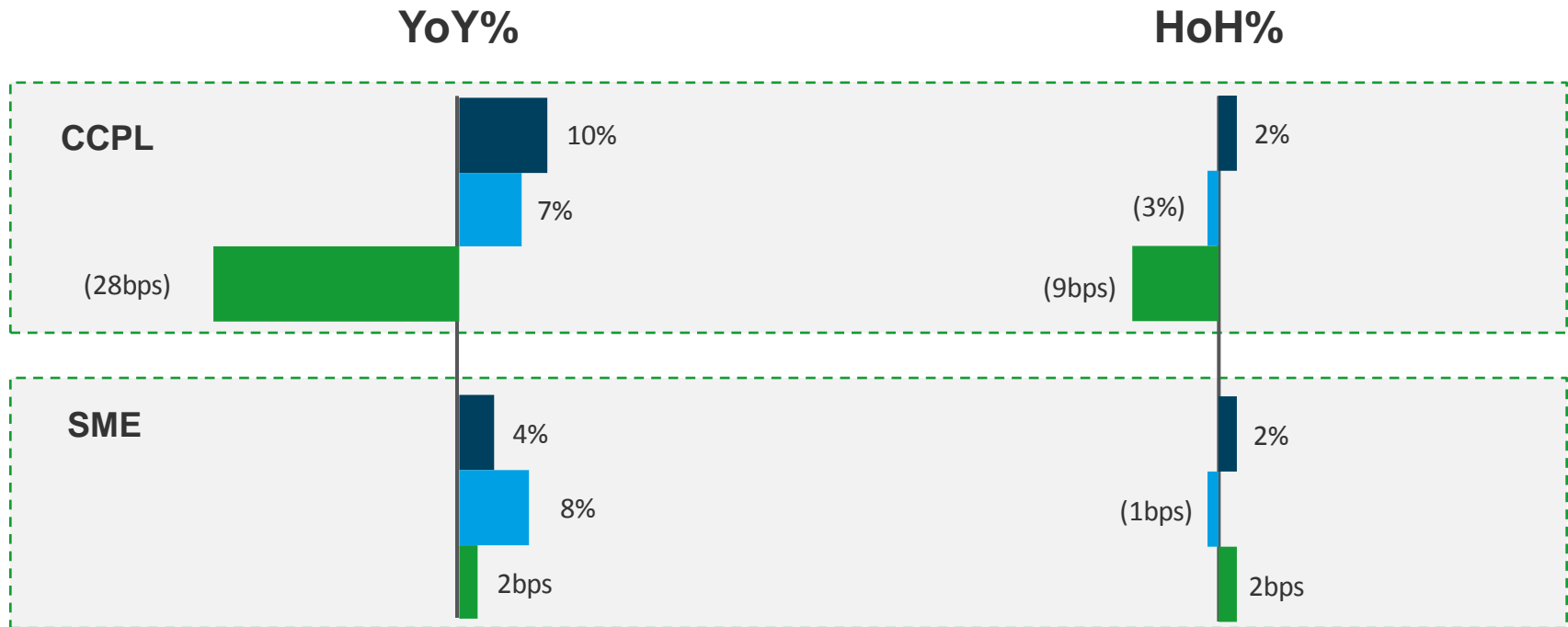
* Prior periods have been restated for Permata (now equity accounted as per IFRS 11)

Consumer Banking income



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

Consumer Banking income (cont'd)



■ Change in income ■ Change in footings* ■ Change in margin

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

Consumer Banking – Impairment trend

		H1 12*	H2 12*	H1 13
Mortgages	LI/ANR**	(0.02%)	0.02%	0.02%
	30dpd/ENR***	0.66%	0.68%	0.54%
	Loan book (US\$bn)	71	73	70
	LI (US\$m)	(9)	8	6
SME	LI/ANR	0.51%	0.63%	0.45%
	90dpd/ENR	0.53%	0.68%	0.77%
	Loan book (US\$bn)	19	20	20
	LI (US\$m)	49	61	46
CCPL	LI/ANR	2.52%	2.93%	4.05%
	30dpd/ENR	2.07%	2.30%	2.45%
	Loan book (US\$bn)	20	22	22
	LI (US\$m)	248	312	444
Total	LI/ANR	0.46%	0.60%	0.78%
	30dpd/ENR	1.01%	1.10%	1.06%
	Loan book (US\$bn)	125	130	128
	LI (US\$m)	290	384	506

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

** Average net receivables ***End period net receivables

Wholesale Banking performance

US\$m	H1 12*	H2 12*	H1 13	YoY%
Income	5,942	5,730	6,305	6
Income (ex. OCA)	5,942	5,730	6,068	2
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
Operating profit	3,028	2,158	3,467	14
Operating profit (ex. OCA)	3,028	2,158	3,230	7

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

Diversified income streams

Total income – US\$m	H1 12*	H2 12*	H1 13	YoY%
Lending & Portfolio Management	421	416	400	(5)
Transaction Banking	1,825	1,811	1,746	(4)
Trade	945	970	932	(1)
Cash Mgt & Custody	880	841	814	(8)
Global Markets	3,696	3,503	4,159	13
Financial Markets	1,989	1,668	2,107	6
ALM	484	353	410	(15)
Corporate Finance	991	1,231	1,238	25
Principal Finance	232	251	167	(28)
Total Wholesale Banking	5,942	5,730	6,068	2
Memo: Fair value gains on OCA	-	-	237	nm
Client income (ex. OCA)	4,750	4,703	5,052	6
% of total (ex. OCA)	80	82	83	

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

Wholesale Banking – Financial Markets

Total income – US\$m	H1 12*	H2 12*	H1 13	YoY%
Foreign Exchange	739	538	835	13
Rates	539	426	552	2
Commodities and Equities	277	244	288	4
Capital Markets	290	301	283	(2)
Credit and Other	144	159	149	3
Fair value gain on OCA	-	-	237	nm
Total Financial Markets	1,989	1,668	2,344	18
Total Financial Markets (ex. OCA)	1,989	1,668	2,107	6
Of which client income	1,506	1,316	1,887	25
Client income (ex.OCA)	1,506	1,316	1,650	10
% of total (ex.OCA)	76	79	78	

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Wholesale Banking – Impairment

US\$m	H1 12*	H2 12*	H1 13	YoY%
Loan impairment	(285)	(237)	(224)	21
Other impairment	(65)	(86)	(11)	83
Total impairment	(350)	(323)	(235)	33

	H1 12*	H2 12*	H1 13	HoH%
Loans and advances to customers (US\$bn)**	154	155	164	7
Gross non performing loans	4,021	4,272	4,457	4
Cover ratio %	50	51	51	

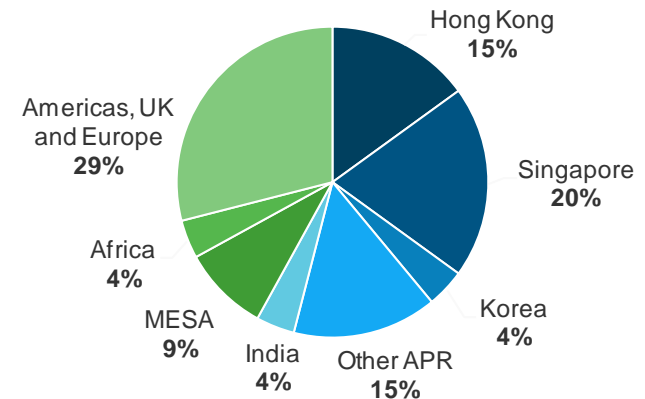
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** Gross of portfolio impairment provision

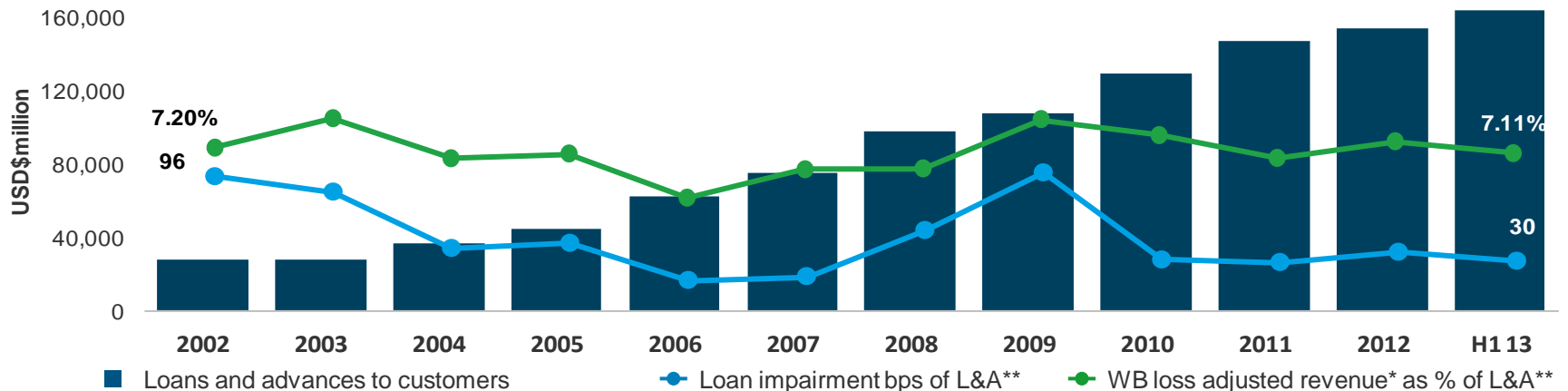
Wholesale Banking – Risk management

- 65% of Wholesale Banking loans less than 1 year maturity
- Low level of exposure to problem asset classes of ABS, leveraged Loans, CRE and Level 3 assets
- Commercial real estate portfolio of \$12.4bn had an average LTV of 38%

Loans and advances to customers by geography



Loan impairment trend



* Loss adjusted revenue calculated as total revenue minus total impairment

** Loans and advances to customers (L&A)

- 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

Leading the way in Asia, Africa and the Middle East

Peter Sands
Group Chief Executive

A resilient performance

- Good underlying momentum
- Disciplined cost and risk management
- Balance sheet strength
- Increased quality and volume of lending to clients
- Growth continues across our diverse business

2013 performance

Underlying performance excludes OCA and goodwill

US\$m	Income			Profit before tax		
	H1 12*	H1 13	YoY%	H1 12*	H1 13	YoY%
Hong Kong	1,688	1,929	14	870	1,031	19
Singapore	1,162	1,123	(3)	546	480	(12)
Korea	950	898	(5)	303	137**	(55)
Other APR	1,832	1,731	(6)	739	602	(19)
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Americas, UK and Europe	1,089	1,147	5	464	480	3
Total	9,371	9,751	4	3,936	4,088	4

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** Korea loss before tax including goodwill impairment is \$863m

Standard Chartered



Standard Chartered



2013 performance

Underlying performance excludes OCA and goodwill

	Income			Profit before tax		
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** Korea loss before tax including goodwill impairment is (\$863)m

US\$m

H1 13

YoY%

Income

898

(5)

Expenses

(549)

(4)

Loan impairment

(193)

(65)

Goodwill impairment

(1,000)

nm

Other impairment

(19)

nm

Profit before tax

(863)

(385)

Profit before tax
ex. goodwill

137

(55)



Korea



Singapore

US\$m

H1 13

YoY%

Income

1,123

(3)

Expenses

(614)

(4)

Total impairment

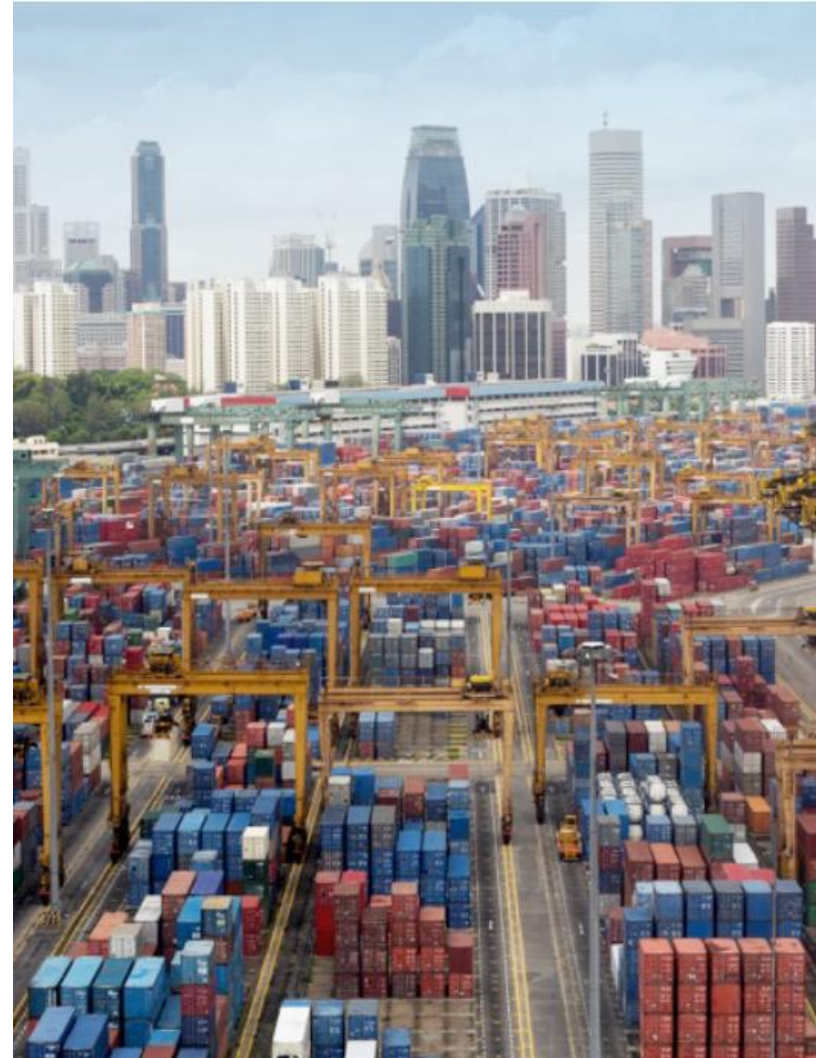
(29)

(4)

Profit before tax

480

(12)



Note: All numbers exclude OCA

Other Asia Pacific: ASEAN



US\$m	Malaysia	
	H1 13	YoY%
Income	350	(5)
Expenses	(173)	(7)
Total impairment	(57)	(73)
Profit before tax	128	(27)

US\$m	Indonesia	
	H1 13	YoY%
Income	221	(21)
Expenses	(118)	(8)
Total impairment	(26)	13
Profit from associates	37	28
Profit before tax	114	(36)



Other Asia Pacific: Greater China

US\$m	Taiwan	
	H1 13	YoY%
Income	282	0
Expenses	(175)	1
Total impairment	(28)	nm
Profit before tax	79	(25)

US\$m	China	
	H1 13	YoY%
Income	448	(9)
Expenses	(383)	(5)
Total impairment	(21)	100
Profit before tax	117	(8)



Note: All numbers exclude OCA

Hong Kong

US\$m

H1 13

YoY%

Income

1,929

14

Expenses

(826)

(8)

Total impairment

(72)

(38)

Profit before tax

1,031

19



Note: All numbers exclude OCA

US\$m

H1 13

YoY%

Income

927

17

Expenses

(364)

5

Impairment

(113)

(18)

Profit before tax

450

45



US\$m

H1 13

YoY%

Income

853

16

Expenses

(421)

(6)

Impairment

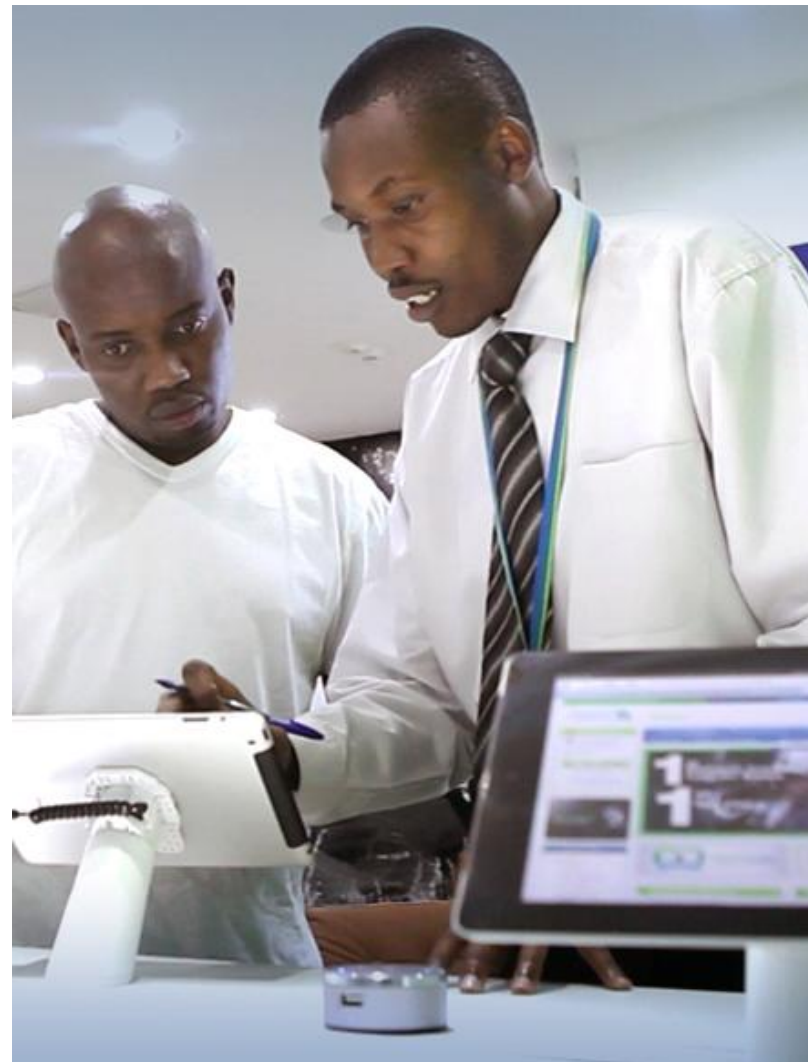
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nm

Profit before tax

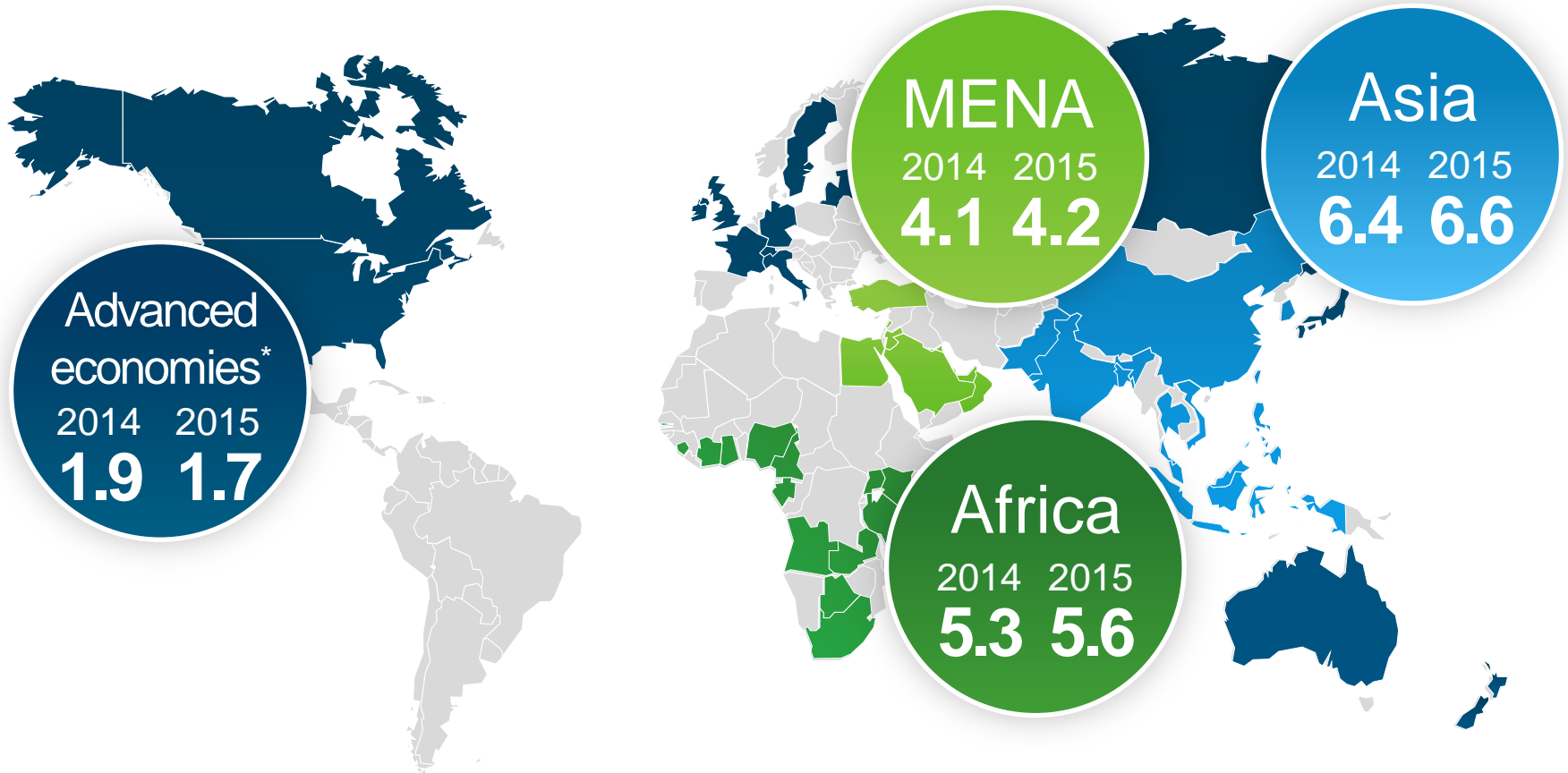
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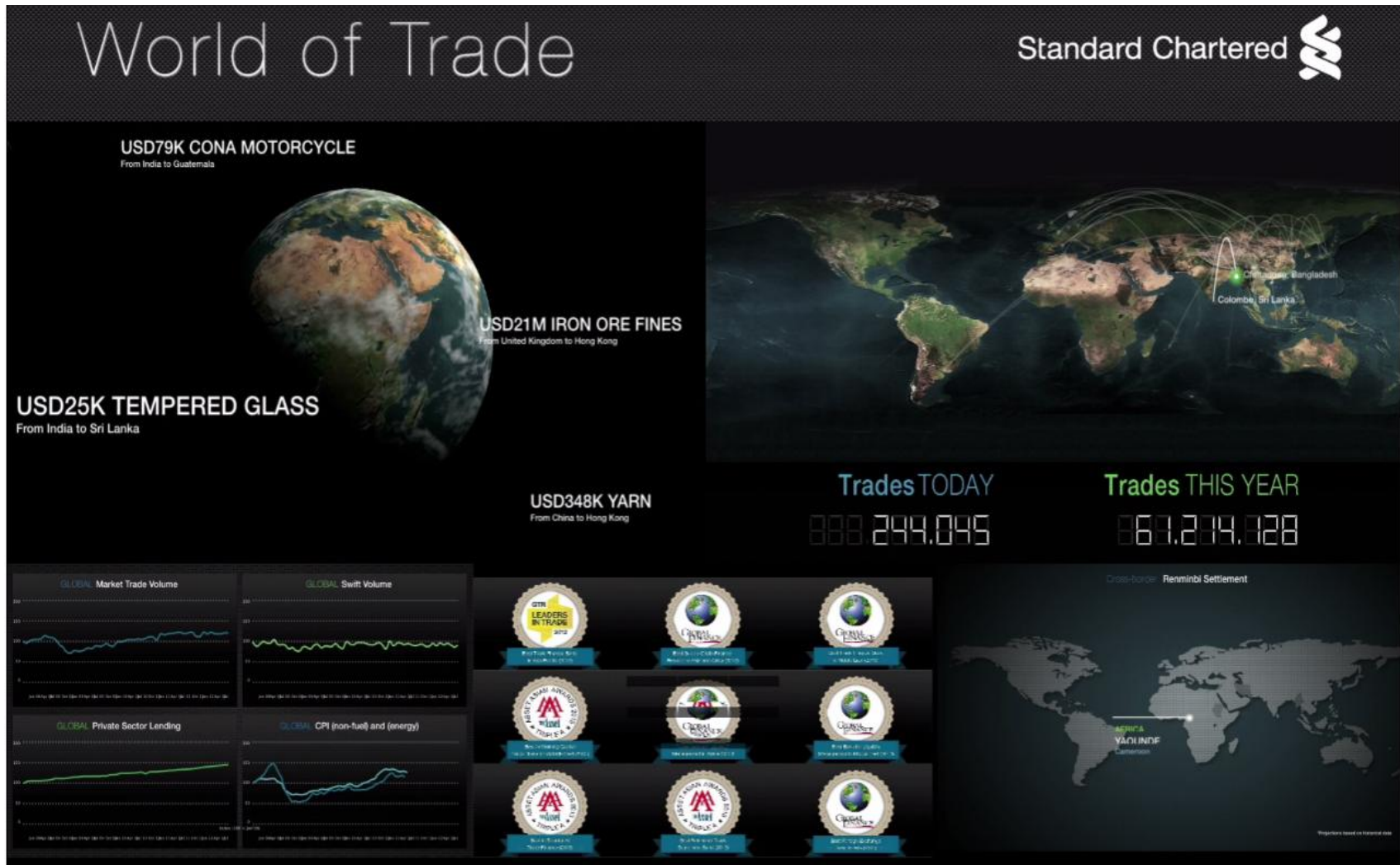
Macro environment

Long-term real GDP growth (%)

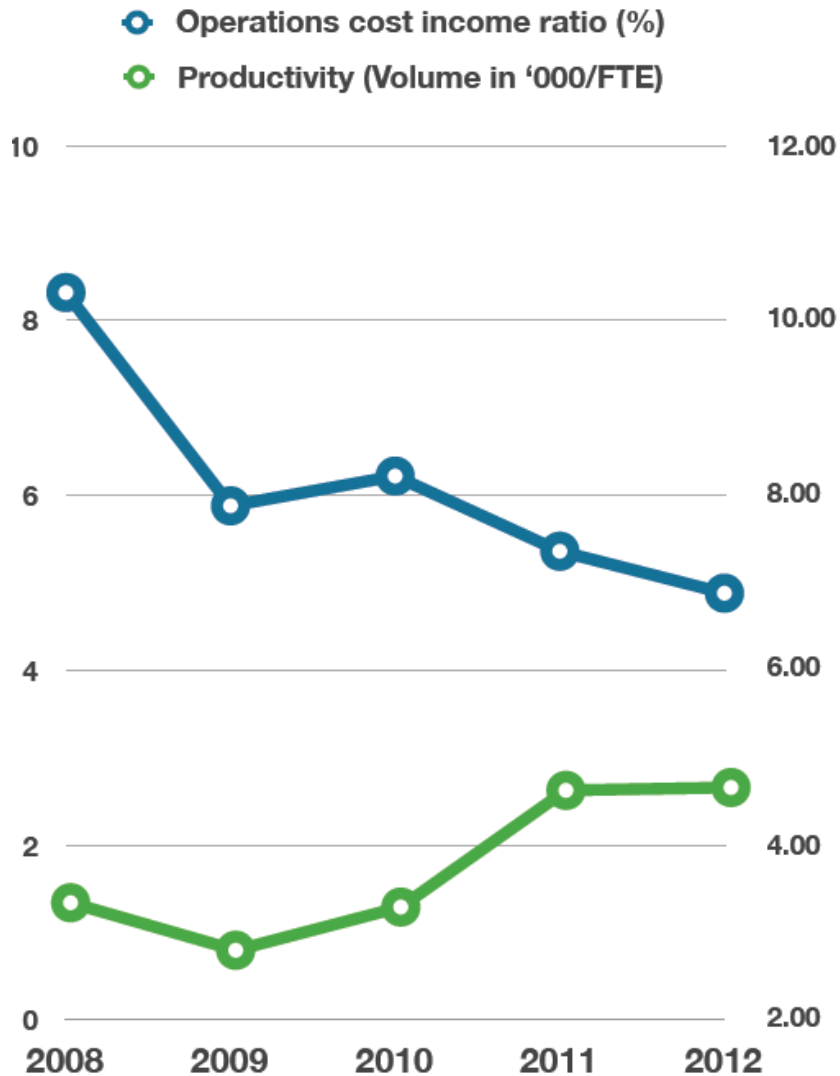


* Advances economies: US, Euro area, Japan, UK, Canada, Switzerland, Australia, New Zealand

Standard Chartered



Improving operations productivity



96%
Client payments
initiated
online*

94%
Security
transactions
initiated
online

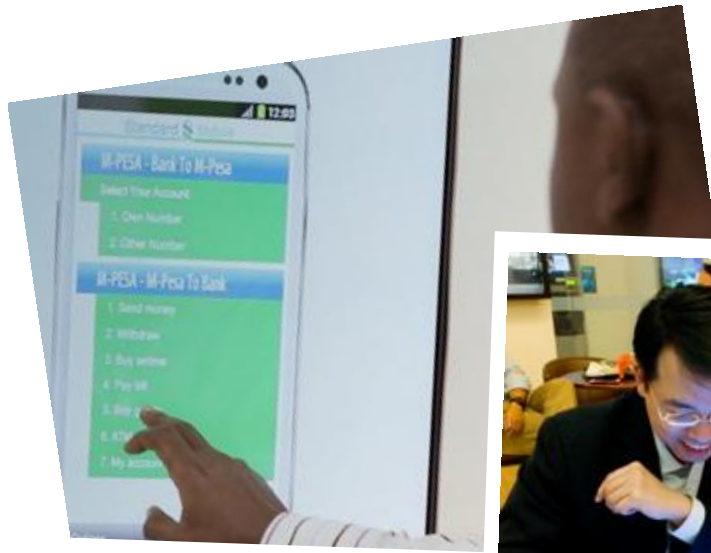
<10%
Cost income
ratio**

92%
E-payments
processed
using STP***

71%
Technology
staff
hubbed

* Payments exclude clearing and cheques ** Operations costs / group income *** Straight through processing

Technology driven innovation



Here for good



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