

Investor trip 2012

Consumer and Wholesale
Banking Day

Leading the way
in Asia, Africa and the Middle East



Investor trip 2012

Wholesale Banking Performance and Strategy

Leading the way
in Asia, Africa and the Middle East



Leading the way in Asia, Africa and the Middle East

Saleem Razvi

Wholesale Banking Management Group
Chief Financial Officer, Wholesale Banking

- Financial results reflect disciplined execution of strategy
- Deep long term client relationships remain at the heart of our strategy
- Differentiated competitive positioning with increasing leverage of the network
- Diverse income streams with Commercial Banking remaining core foundation
- Strong balance sheet and low risk profile maintained
- Regulatory regime is changing but we are well positioned
- Looking forward, strategic fundamentals unchanged; quality execution driving growth

Wholesale Banking overview

- 19,586 employees
- Operating in 70 countries
- 26,000 clients worldwide
- Total income of US\$6.0bn up 10% on H1 11
- Operating profit of US\$3.0bn up 16% on H1 11
- Total assets of US\$489bn
- RoRWA* of 7.4%

Note: As at 30 June 2012; * RoRWA – Revenue return on risk weighted assets

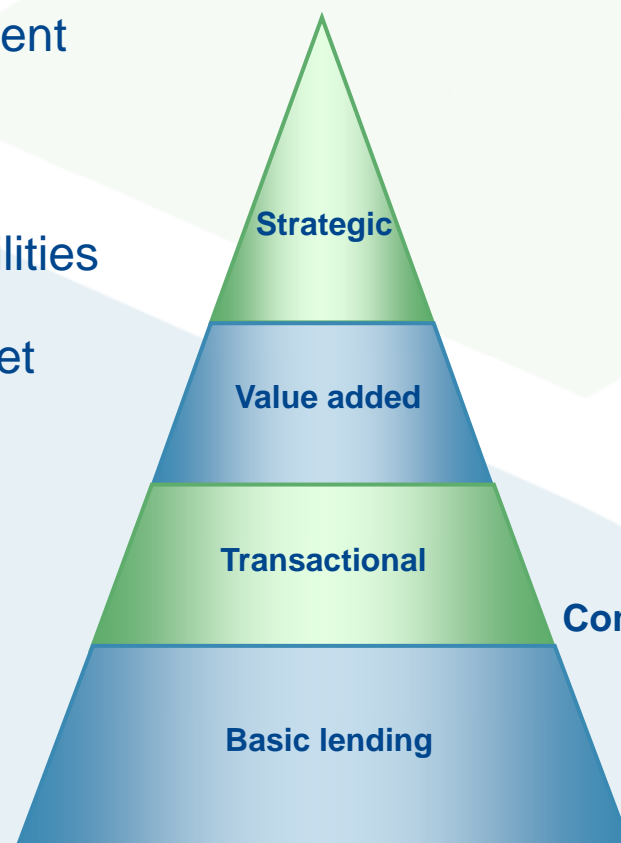
Wholesale Banking strategy

Our strategy

- Deep 'core bank' client relationships
- Local scale and cross border capabilities
- Strong balance sheet management

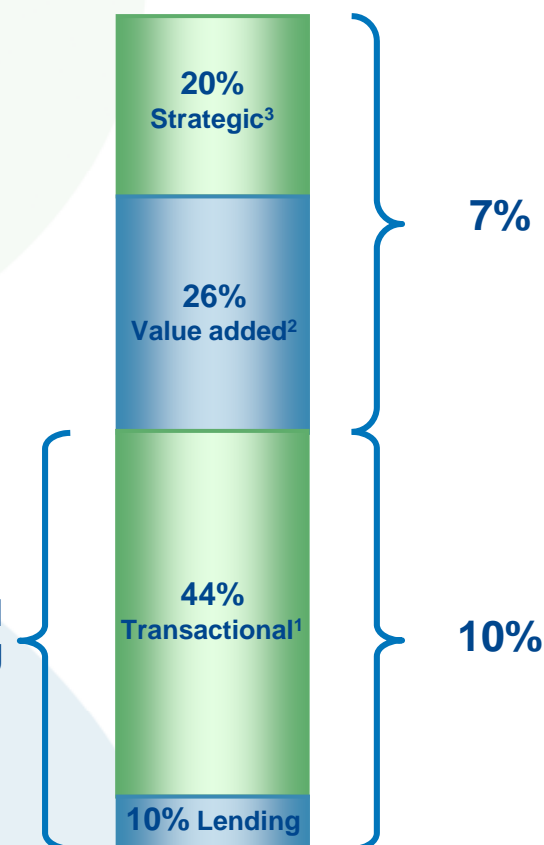
Key enablers

- Infrastructure
- Values and culture



Client income breakdown H1 12

H1 10 - H1 12 CAGR



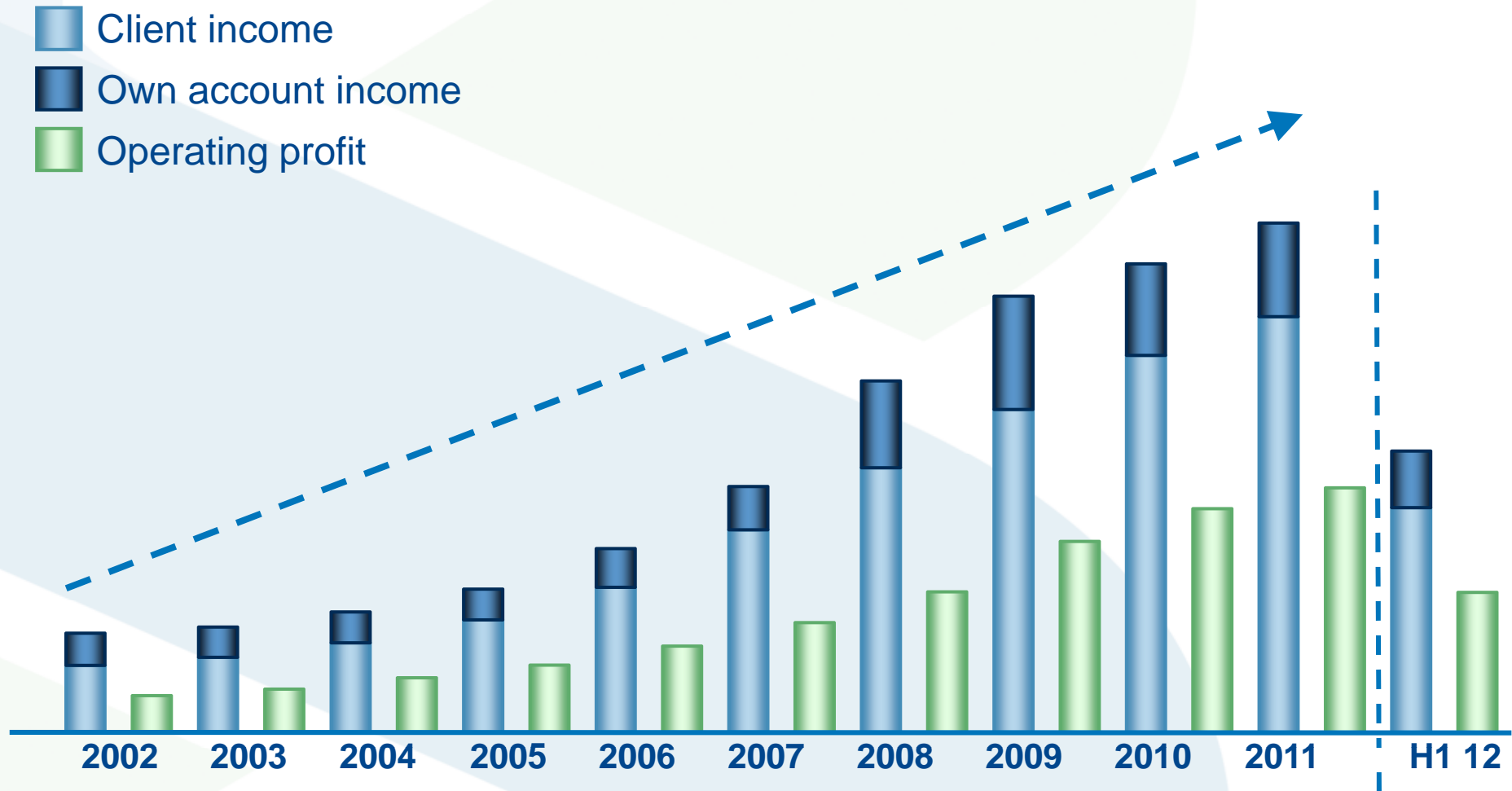
¹Transactional defined as Transaction Banking + flow Foreign Exchange, ²Value Added defined as Financial Markets – flow Foreign Exchange

³Strategic defined as Corporate Finance + Principal Finance, ⁴Commercial Banking defined as Lending + Transactional

Double digit income and operating profit growth underpinned by consistent client income growth



Wholesale Banking income and operating profit



Sustainable income growth supported by diversity

Client segments

- Well balanced income streams
- Each segment diversified by product and geography

Geographies

- Scale in key markets
- Network brings competitive advantage

Products

- Underpinned by stable Commercial Banking income streams
- Adjacencies supporting growth

Deep client relationships driving network income growth

Originated income - network and domestic

H1 10 - H1 12 CAGR %

Network

Domestic

10

5

84

11

12

(6)

74

(21)

3

(3)

13

5

13

3

17

9

33

(1)

(10)

32

UK & Europe

China

Americas

India

Korea

Africa

Singapore

Hong Kong

UAE

Indonesia

■ Network H1 12
■ Domestic H1 12

- Network income up 24%*
- Network income now accounts for over half of client income
- Continued network growth in key origination hubs
- China achieving scale
- India domestic slowdown but continued network growth

* H1 10 - H1 12 CAGR

Commercial Banking contributes over half of client income

**Number of countries with
Commercial Banking**

**Client income
US\$bn**

**H1 08 - H1 12
CAGR**

 Lending  Transactional  Value added  Strategic

Growth delivered across Transaction Banking and Financial Markets businesses

**Transaction Banking
income - US\$bn**

**H1 08 - H1 12
CAGR**

H1 08 H1 09 H1 10 H1 11 H1 12

**Financial Markets
income - US\$bn**

**H1 08 - H1 12
CAGR**

H1 08 H1 09 H1 10 H1 11 H1 12

Corporate Finance has reached scale in key markets...

Number of countries generating income over US\$100m

2002

2011

Number of product lines generating

2002

2011

Total income US\$m

—

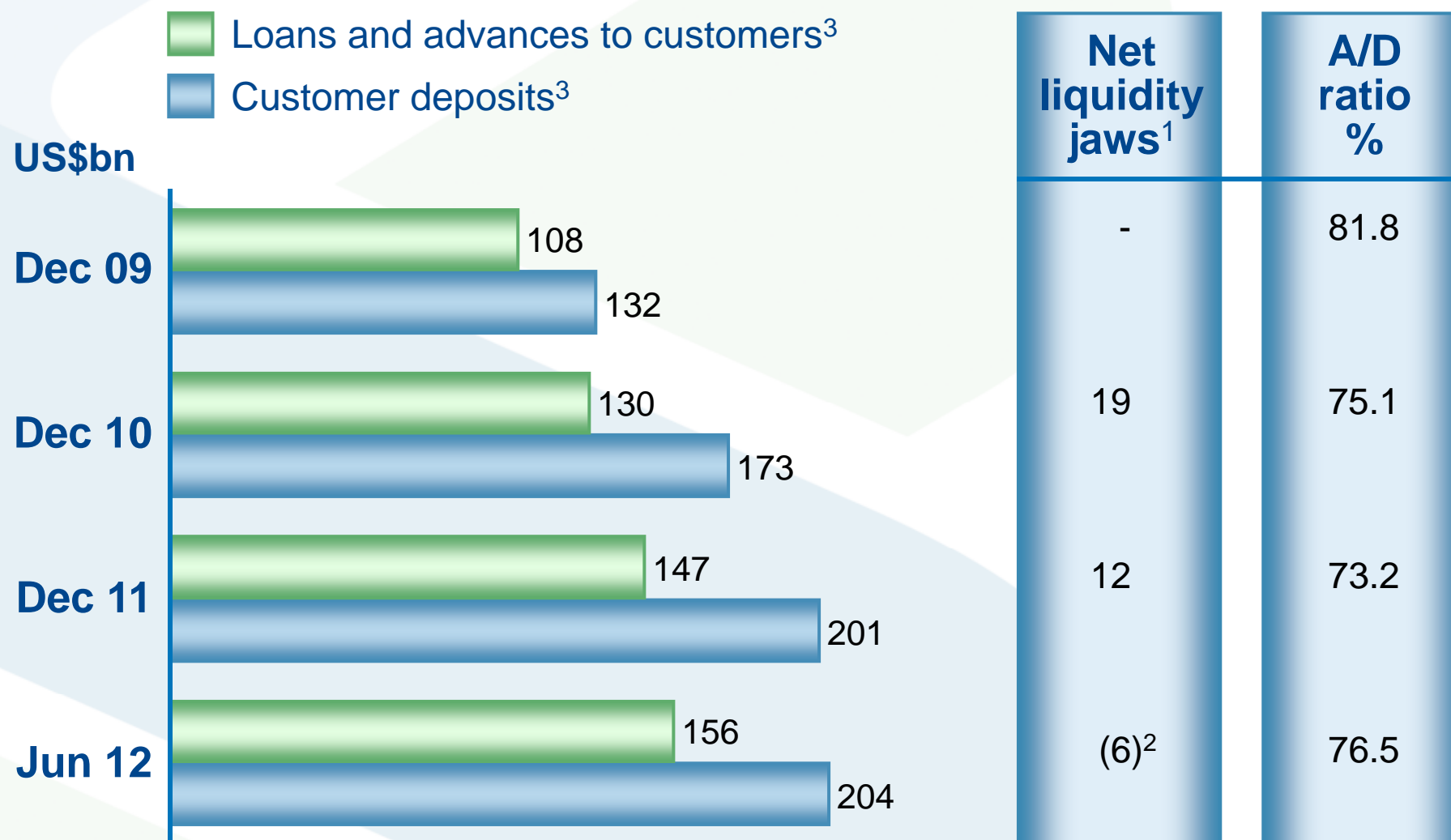
H1 08 H1 09 H1 10 H1 11 H1 12

...with increasingly stable and diversified income streams

Corporate Finance 'Sub-business'	Product / Service	Share of Corporate Finance income*
Strategic Finance	<ul style="list-style-type: none"> Equity Capital Markets Leveraged finance 	39%
Advisory and Infrastructure Finance	<ul style="list-style-type: none"> Mergers and acquisitions advisory Project finance Oil and gas Metals and Mining Export finance 	21%
Structured Trade Finance and Financing Solutions	<ul style="list-style-type: none"> Structured Trade Finance Other structured finance solutions 	22%
Structured Finance	<ul style="list-style-type: none"> Leasing finance including shipping and aircraft Asset-based financing 	18%

*Based on average income for H1 11 and H1 12

Strong balance sheet management and liquidity



¹ Net liquidity jaws = Increase in customer deposits net of increase in loans and advances to customers in the same period

² Net liquidity jaws from Dec 11 to Jun 12

³ Loans and advances to customers and customer deposits shown above are A/D qualifying

Asset origination supported by strong distribution capability

Capital Markets

Bilaterals

- Proven distribution capability supported by quality and diversity of assets
- Creates balance sheet capacity for clients
- Distribution strategy supports return optimisation

Wholesale Banking portfolio remains well diversified by geography and industry

**Loans and advances to customers
geographical distribution H1 12**

**Loans and advances to customers
industry distribution H1 12**

Balance sheet strength supported by asset profile

Tenor of loans and advances to customers

2009 2010 2011 2012

Risk weighted assets efficiency*

2009 2010 2011 2012

*Defined as Wholesale Banking total risk weighted assets / Wholesale Banking total assets

Credit portfolio quality remains strong

Growth in Credit Risk Mitigation (CRM) and Exposure at Default

CRM

EAD

Distribution of EAD by credit grade*

2000

2005

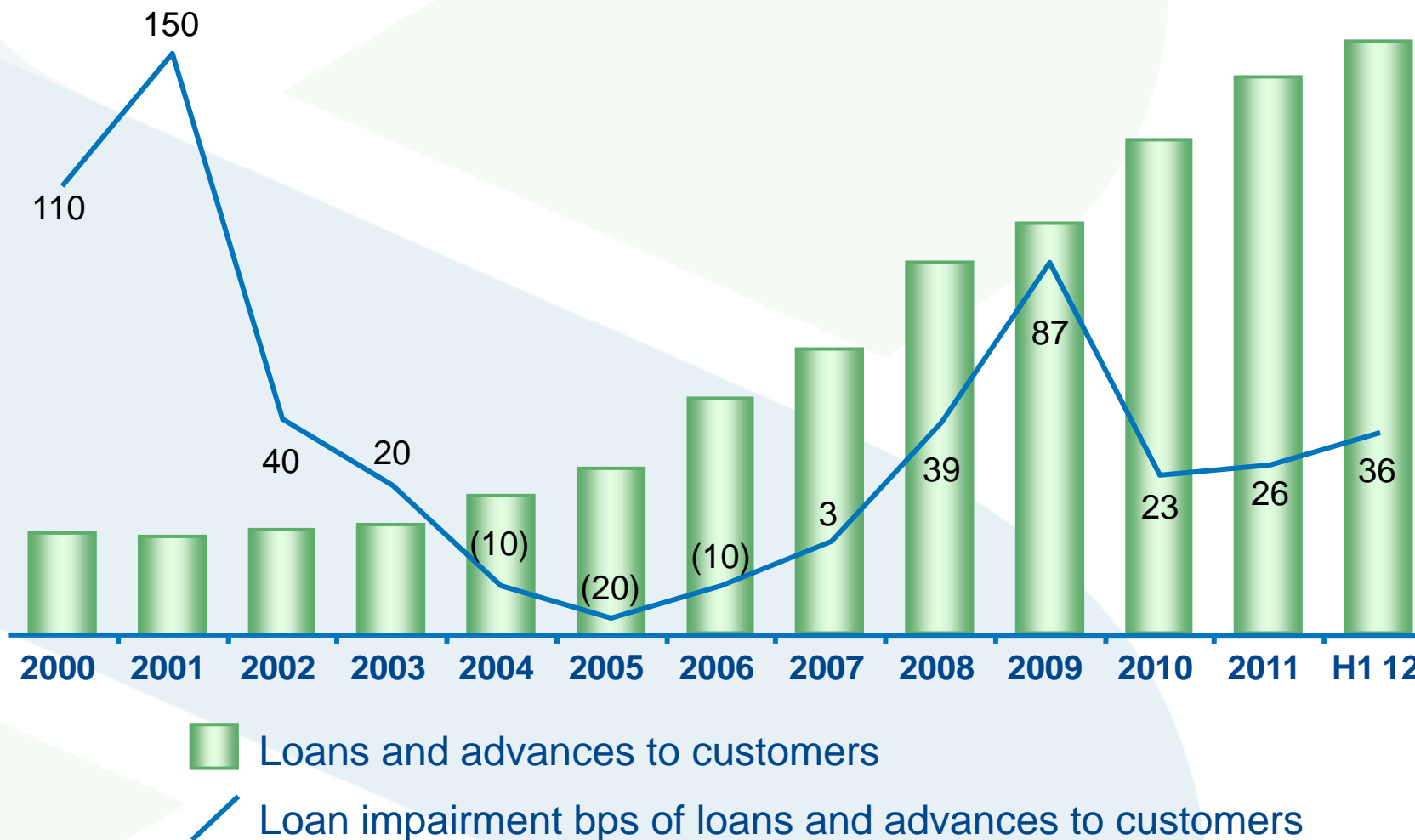
2010

2011

*EAD – Exposure at Default comprises of Central Government and Central Banks, institutions and corporate. Credit grades from 1-5 is equivalent to Moody's Corporate Grades AAA to BBB-, 6-8 is equivalent to BB+ to BB-, 9-11 is equivalent to B+ to B-, 12-14 is NA

Loan impairments have risen but remain at low levels

Wholesale Banking loan impairment



We are well positioned for opportunities in a challenging external environment

Headwinds

- Ongoing Eurozone crisis and global economic uncertainty
- Slowing global trade flows
- More competition from local/regional and selected global banks
- Changing regulatory environment

Opportunities

- Selective increases in market share
- Liquid and flexible balance sheet to support client needs
- Franchise markets continue to outperform developed world
- Leverage adjacencies within Standard Chartered
- Capacity for continued investment in business
- Increasing local currency bond issuance

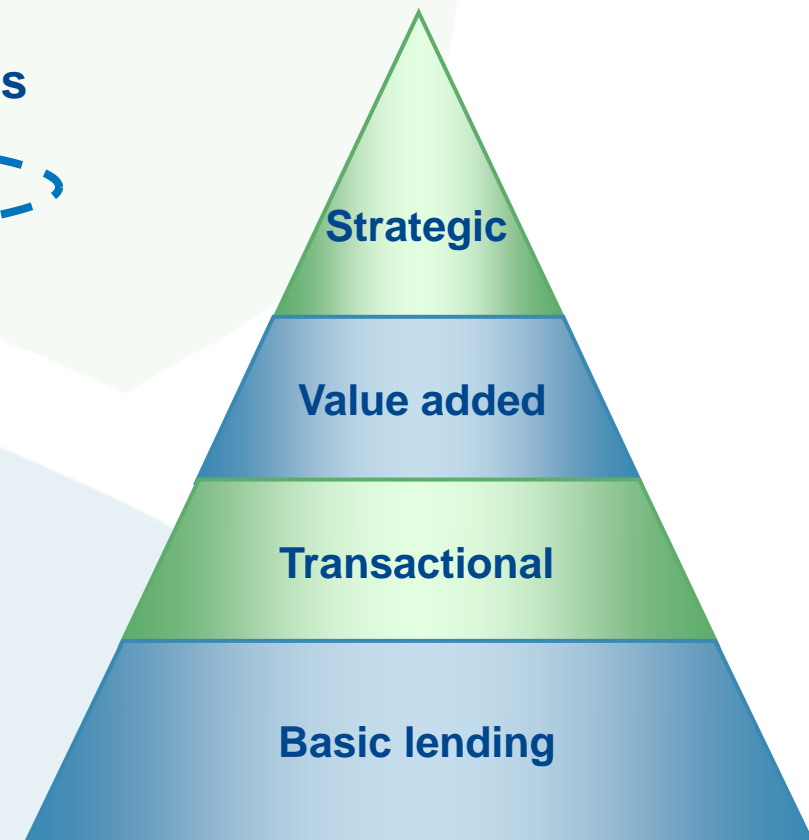
What next - refining our strategy

Our strategy

- Deep 'core bank' client relationships
- International network, local scale
- Strong balance sheet management

Key enablers

- Infrastructure
- Values and culture
- Collective ambition



- Financial results reflect disciplined execution of strategy
- Deep long term client relationships remain at the heart of our strategy
- Differentiated competitive positioning with increasing leverage of the network
- Diverse income streams with Commercial Banking remaining core foundation
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- Regulatory regime is changing but we are well positioned
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Origination and
Client Coverage (OCC)

Leading the way
in Asia, Africa and the Middle East



Leading the way in Asia, Africa and the Middle East

Sean Wallace

Wholesale Banking Management Group

Group Head, Origination and Client Coverage

- Focus on building deep, long term client relationships
- Leverage the unique combination of:
 - Commercial Banking
 - Corporate Finance
 - Network capabilities
- Earn the 'right to grow' through discipline
- Focus on growth opportunities
- Culture is critical to success

People and presence

- ~3,600 OCC professionals*
- 1,700 relationship managers
- Presence in 70 countries

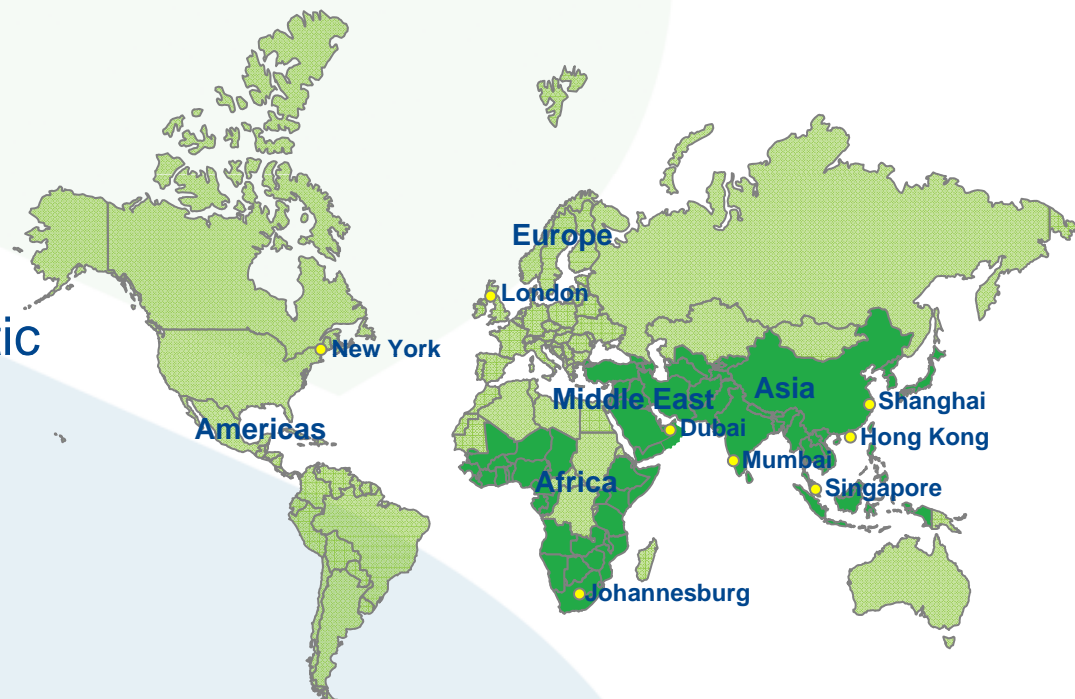
Coverage model

- Client driven - product agnostic
- 4 main client segments

Unique offering

- Commercial Banking
- Corporate Finance
- Network

Geographic footprint



- Core footprint markets
- Network markets
- Key hub locations

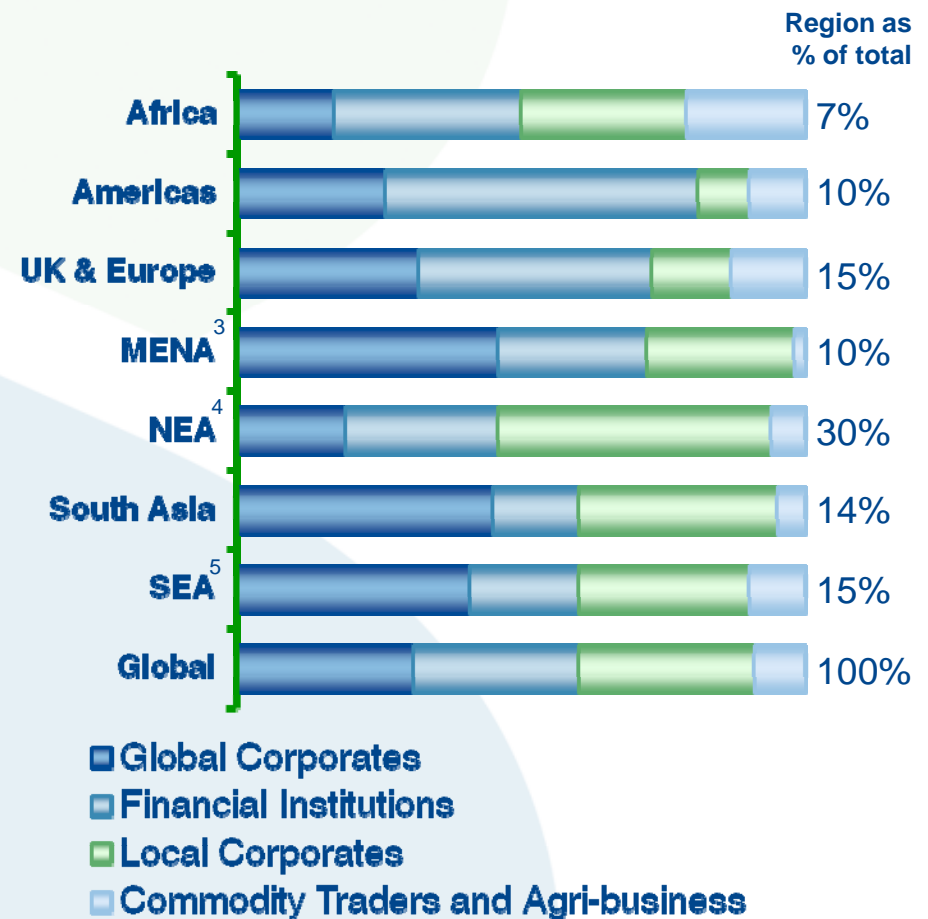
* Based on OCC full time employees as at end of July 2012

Highly diverse client base

Overview of Wholesale Banking client base

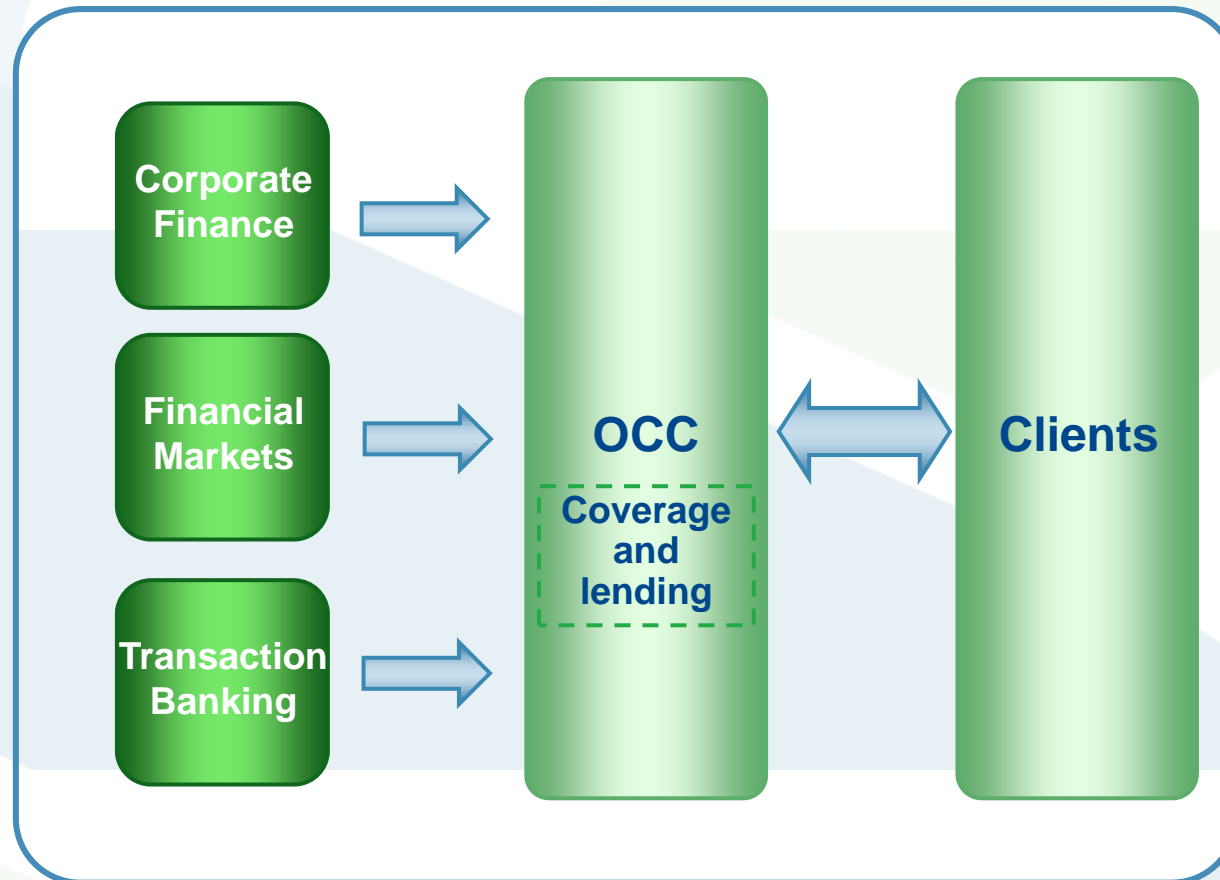
- 26,000 client relationships
- US\$156bn¹ of loans and advances to customers
- Client base is
 - Highly diversified across segments and geographies
 - Well exposed to high growth regions and trade corridors
 - Portfolio of future stars

Distribution of client revenue by region and segment²



¹ As at H1 2012; ² Based on H1 2012 origination revenues; ³ MENA – Middle East and North Africa; ⁴ NEA – North East Asia; ⁵ SEA – South East Asia

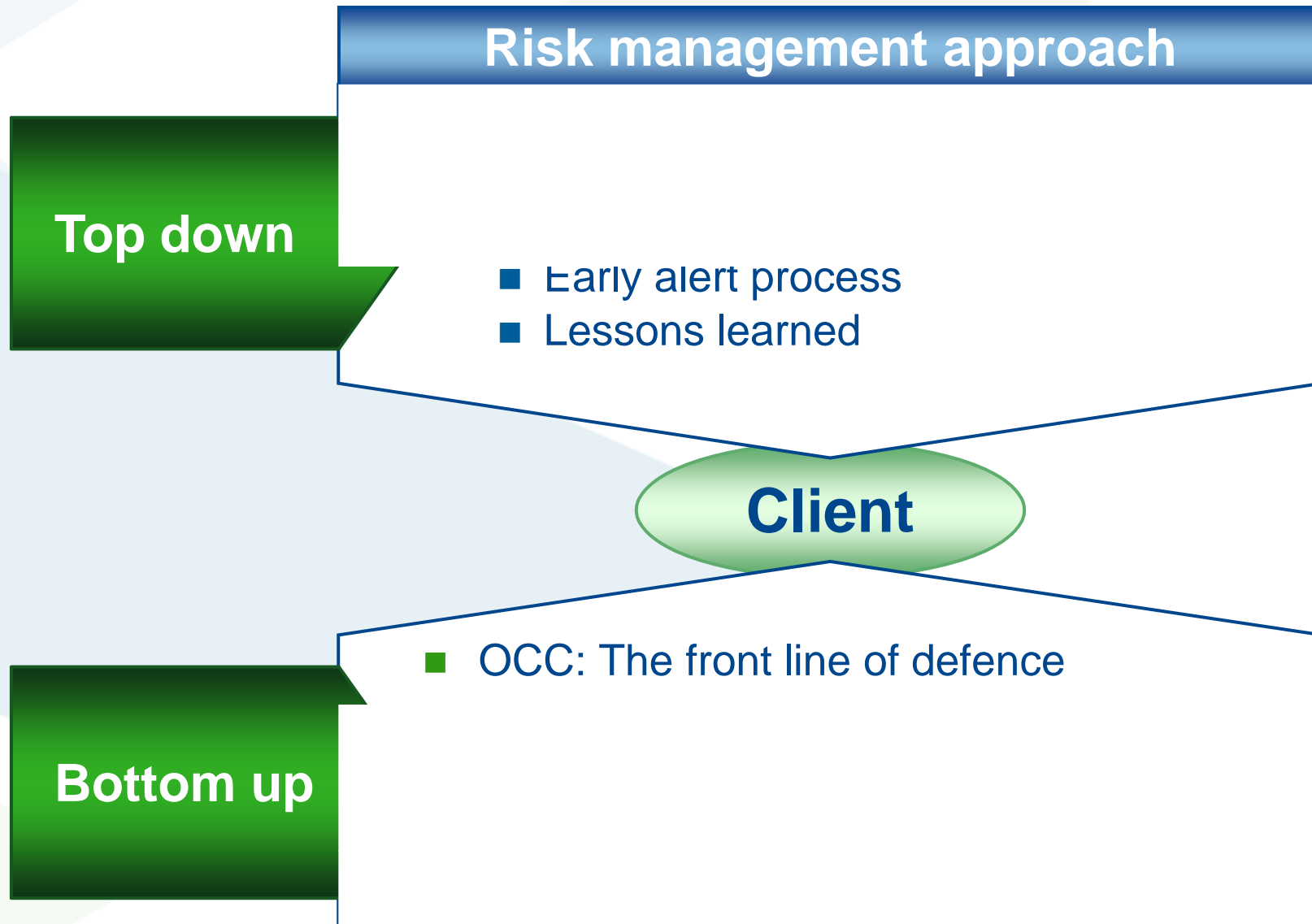
OCC serves as the primary client interface



OCC - focus areas

- Relationship management
- Lending / credit decision
- Front-line risk management
- Client centric
- Product agnostic
- Adjacencies driven
- Network focused

Strong risk management culture across the organisation



Delivering the SCB value proposition – client example

SCB* client impact



Unique mix of:

- Commercial Banking
- Corporate Finance
- Network

We have earned the 'right to grow' through discipline

RWA* /

Net lending as

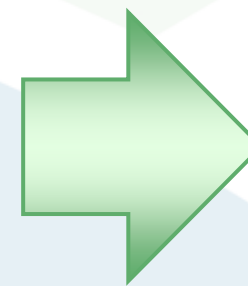
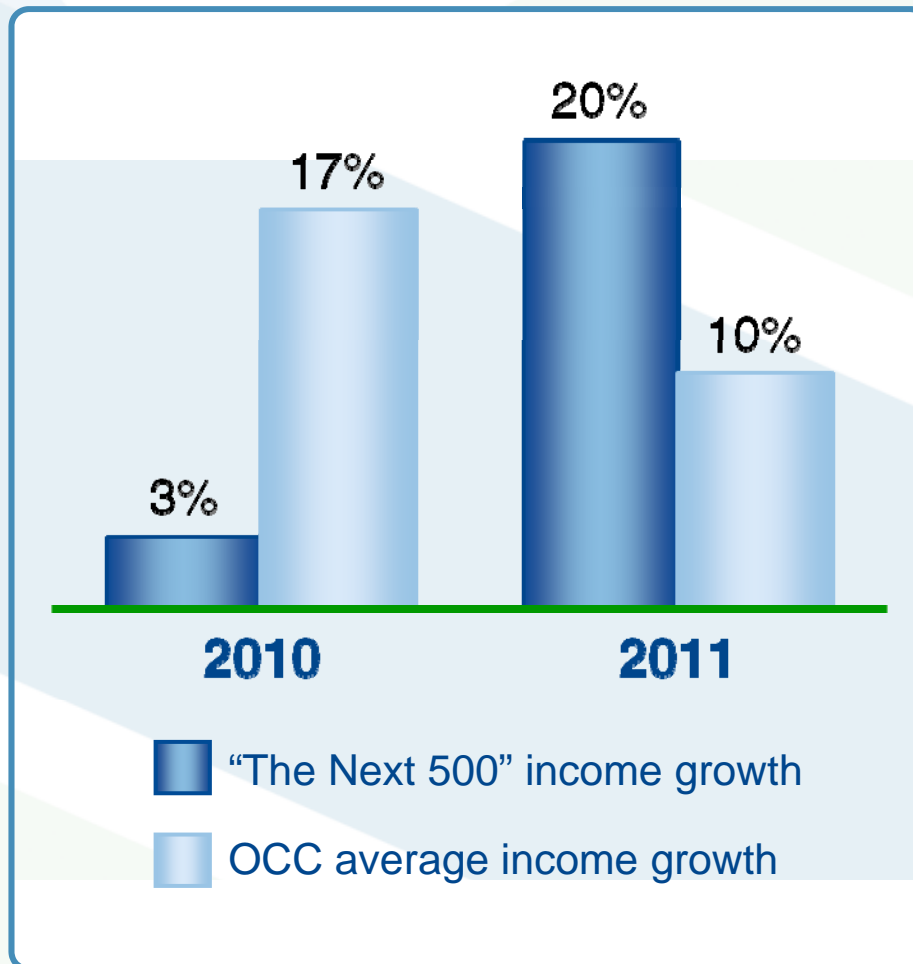
Income /

Basic lending as

*RWA – Risk weighted assets

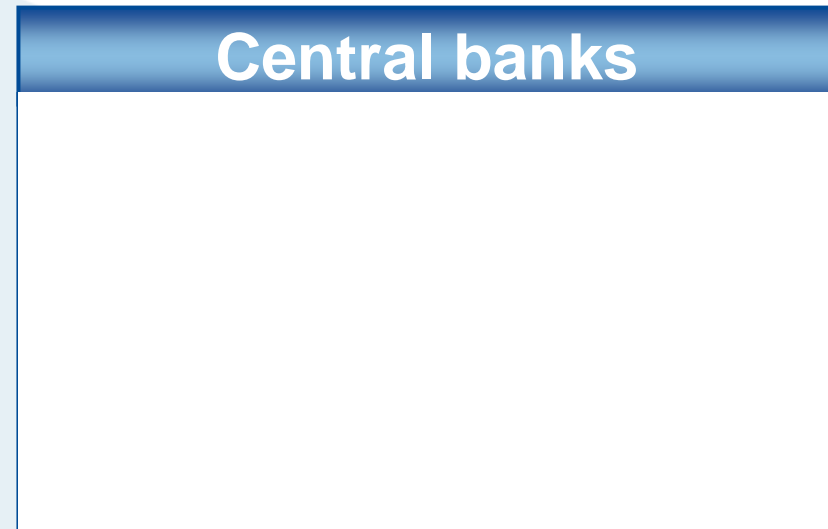
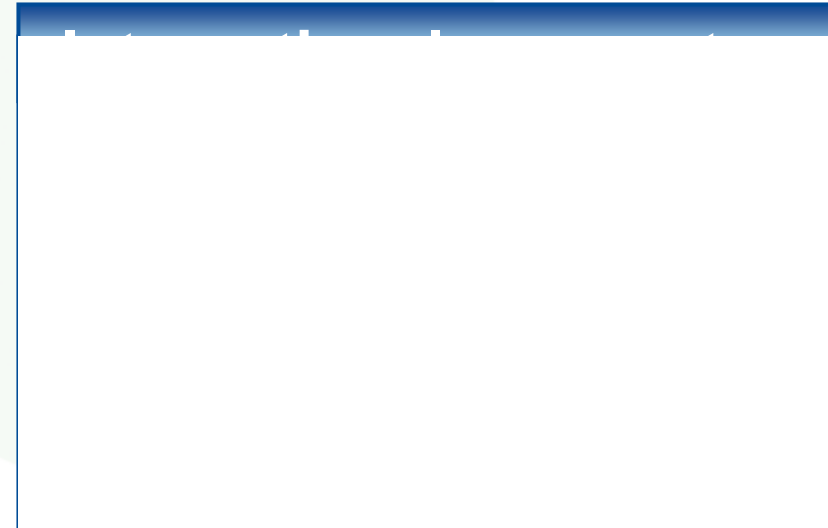
Focus on growth opportunities has improved performance

“The Next 500” vs. OCC average growth rate (%)



Seek new opportunities to up-tier clients across the portfolio

Next tier provides growth opportunity



Note: % comparisons are based on average annual income per client for the respective groups being compared

Network opportunity is large and growing

High growth

- Standard Chartered network income: high growth, high returns, fewer competitors

Network effect

- Focusing on leveraging the network
- Target 11 countries per client (currently 7)

New clients

- Dynamic footprint attracting economic activity
- Significant opportunity to add new 'network' clients

"Investment grade risk, emerging market returns"

Step-change growth opportunities for Local Corporates clients

Client Solutions Team

CHOPPIES

- Leading retailer in Botswana
 - 62** stores; US\$420m income
- Client Solutions Team Opportunity
 - Repurchase of minorities
 - Consolidated credit facilities
 - Cross-sell: risk management, Trade, Foreign Exchange, operating accounts, structured warehouse finance
 - Cash Management - throughput of ~ US\$400m per annum
 - Now the house bank for the Group across Southern Africa

Source: Team analysis, company website; * BCA – Business Credit Applications; ** 50 stores in Botswana and 12 stores in South Africa

Culture is a real differentiator

- The ability to say 'no'
- Network is in the DNA
- Diversity of people and markets
- Client focused

- Focus on building deep, long term client relationships
- Leverage the unique combination of:
 - Commercial Banking
 - Corporate Finance
 - Network capabilities
- Earn the 'right to grow' through discipline
- Focus on growth opportunities
- Culture is critical to success

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Transaction Banking

Leading the way
in Asia, Africa and the Middle East



Leading the way in Asia, Africa and the Middle East

Karen Fawcett

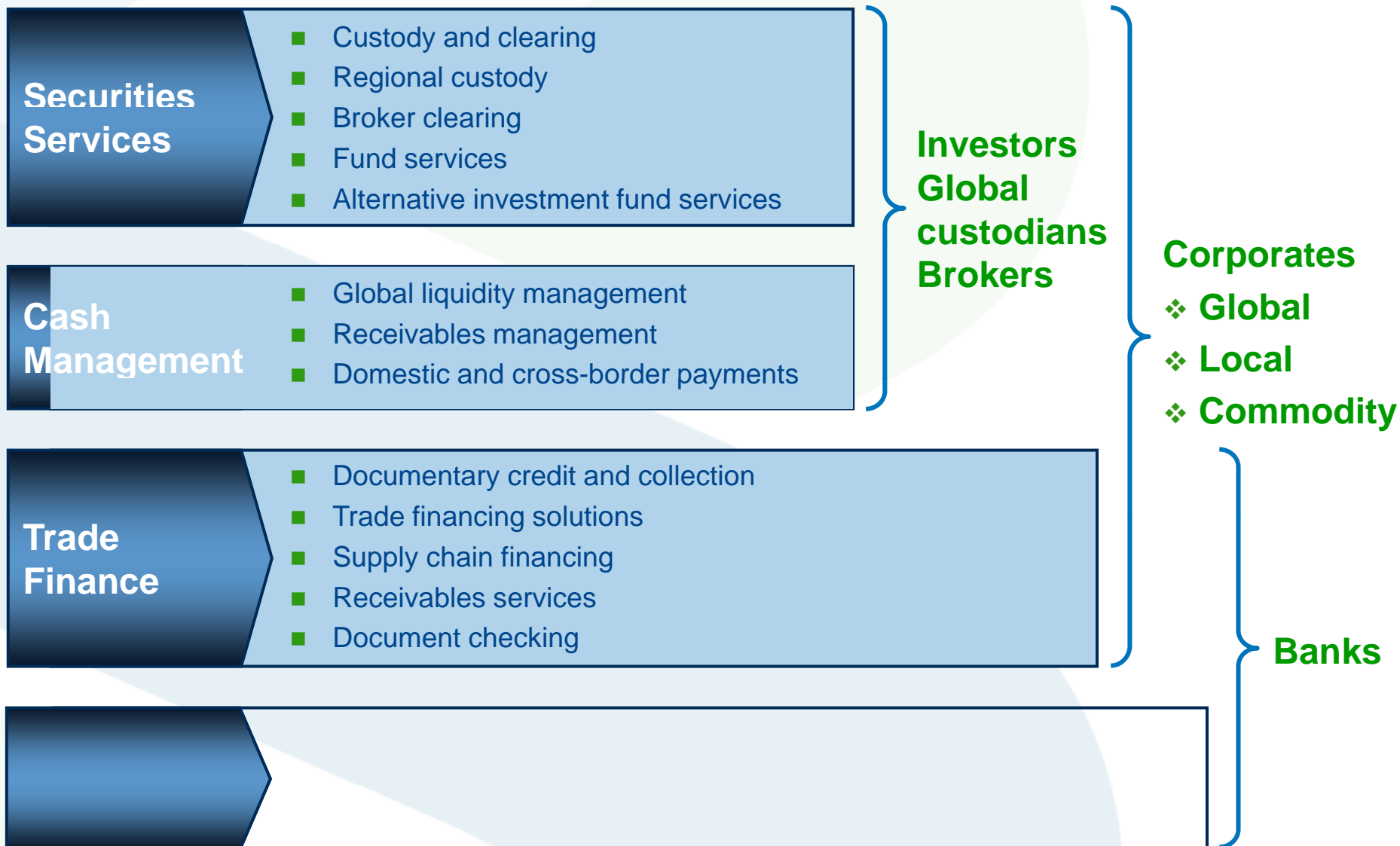
Wholesale Banking Management Group
Group Head, Transaction Banking

- Transaction Banking is critical to the Wholesale Banking strategy and pivotal to our client relationships
- We are actively deepening our client relationships
- We are well positioned, with our network as a competitive advantage versus local and international banks
- We have continually invested for future growth and see significant runway

Who we are – Transaction Banking

- Approximately 1,600 staff
- Presence in 70 markets, network including partners exceeds 95,000 touch points in 109 countries
- US\$1.8bn income in H1 12, of which over 50% is cross border
- Day to day transactional services:
 - Cash Management
 - Trade Finance
 - Clearing Services
 - Securities Services

Our proposition



Sustained and consistent growth in Transaction Banking

Transaction Banking total income

Korea 
South East Asia

- Creates deep 'core bank' client relationships
- Building market leading technology combined with global coverage
- Leading Trade Finance business for and in footprint
- Cash Management 'liquidity engine' for the Bank and support returns

- Short term macro economic slow down combined with longer term movement of activity from west to east
- Substantial shifts in regulation
 - Positives: RMB
 - Negatives: Basel III, FATCA, deposit deregulation
- Constantly advancing technology leading to operational efficiencies
- Competitive intensity but with renewed regional focus

Healthy business growth continues with suppressed margins

Average Trade assets and contingents and Trade margin*

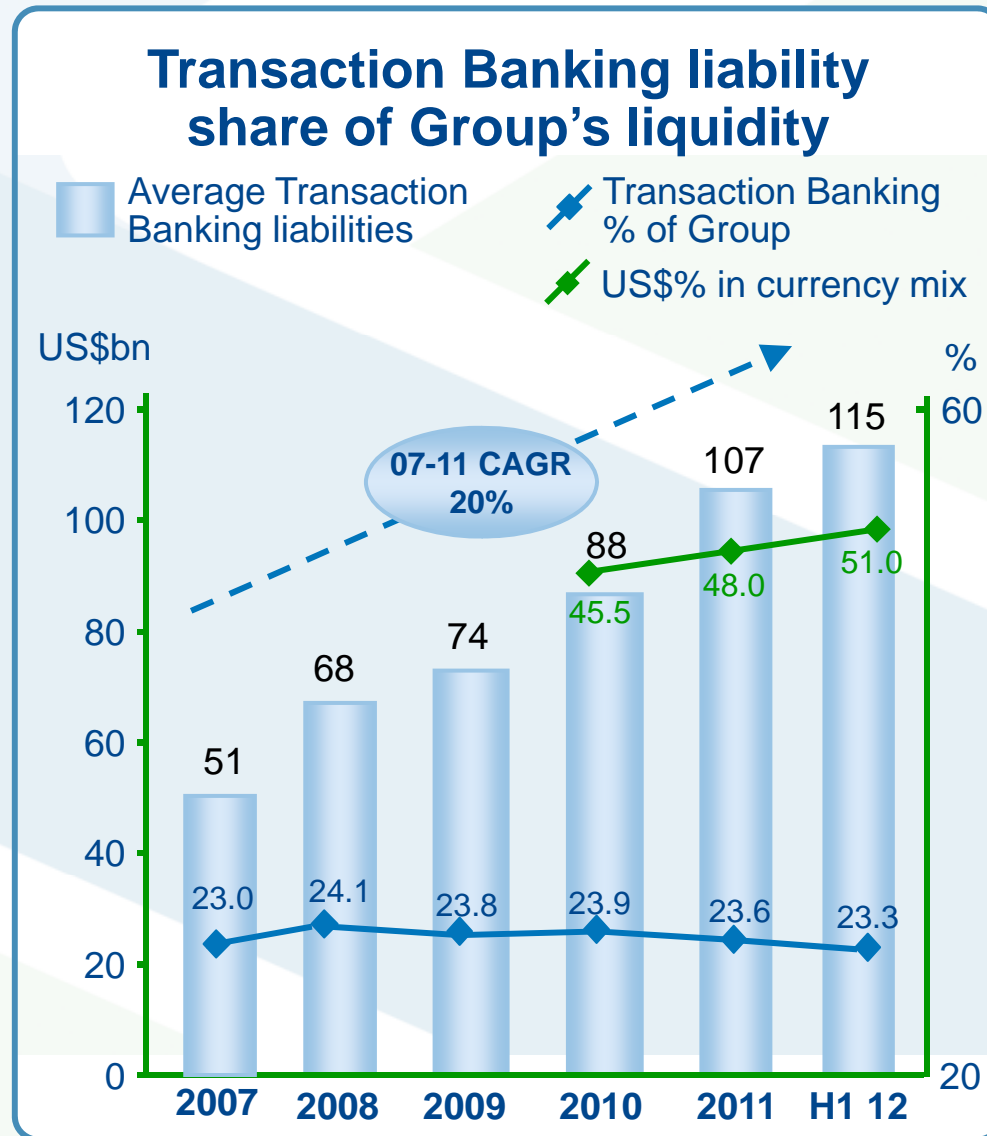


Average Cash and Security Services liabilities and Cash NIM



* Trade margin includes Trade NIM and fees

Liquidity engine of the Bank



- “Sticky” operational deposits
- Funding before lending
- Strong and improving US\$ proportion - 51%

Transaction Banking is a highly profitable business

Wholesale Banking

Client RoRWA*

Transaction Banking

RoRWA

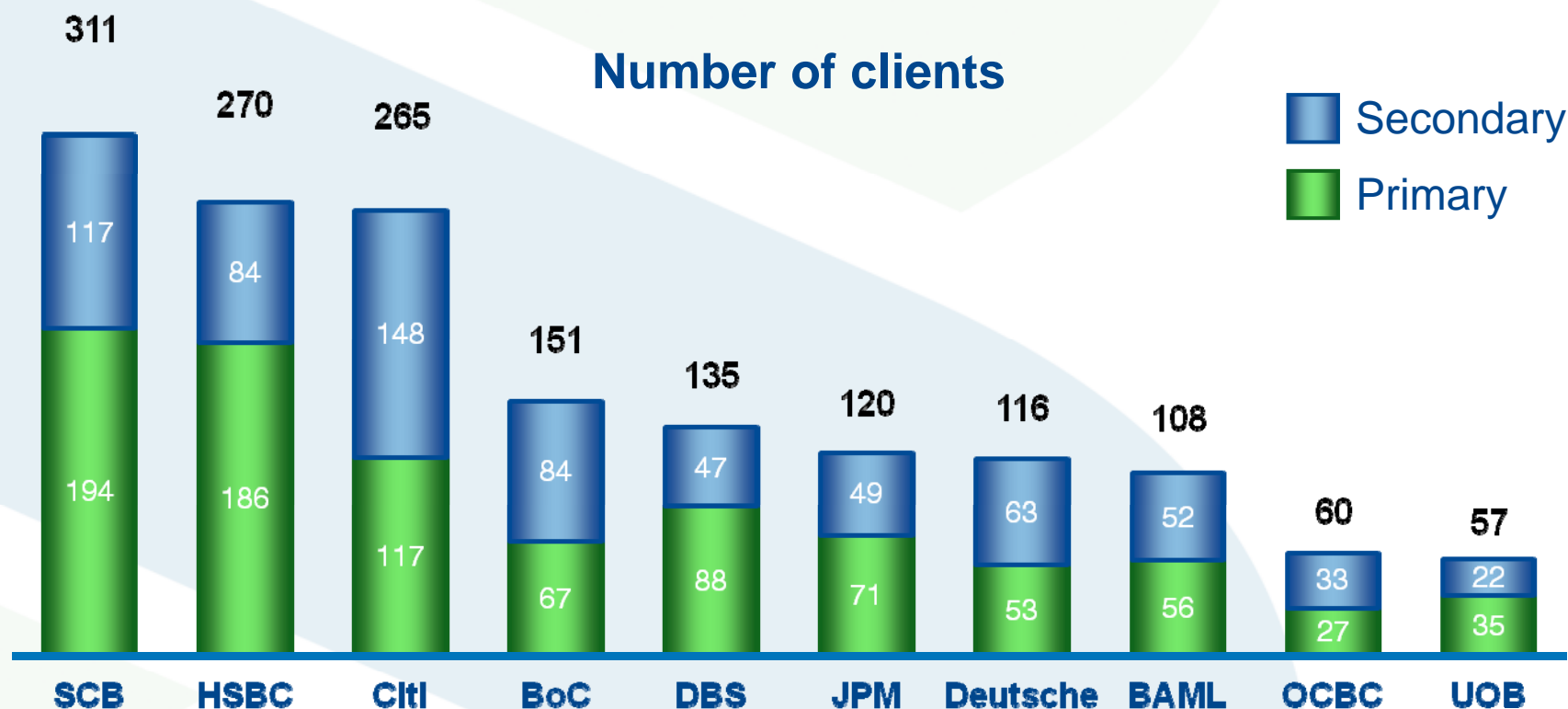
Note: Data is based on a 12 month rolling average; *RoRWA – Revenue return on risk weighted assets

We are important to our clients

Around 30% of Standard Chartered clients use us as primary Transaction Banking provider

#1 Transaction Banking client provider captures 60% of wallet share

#1 Transaction Banking provider = 2 to 3 times #2 Transaction Banking provider



Sources: East & Partners Asian Institutional Transaction Banking Markets Program May 2012; Standard Chartered client surveys
Users: 933 Institutions in Asia - China, Hong Kong, India, Indonesia, Malaysia, Philippines, Singapore, Korea, Taiwan and Thailand

We have deepened relationships with existing clients

Tier 1 clients

One Bank



Located in the right places and beating the competition

Inter-regional trade forecast 10-30 CAGR

Source: Standard Chartered Research; * CIJ = China, India and Japan;
** MENA – Middle East and North Africa

Standard Chartered trade asset growth vs

” “ “ “ “

Sources: Trade data - Reuters

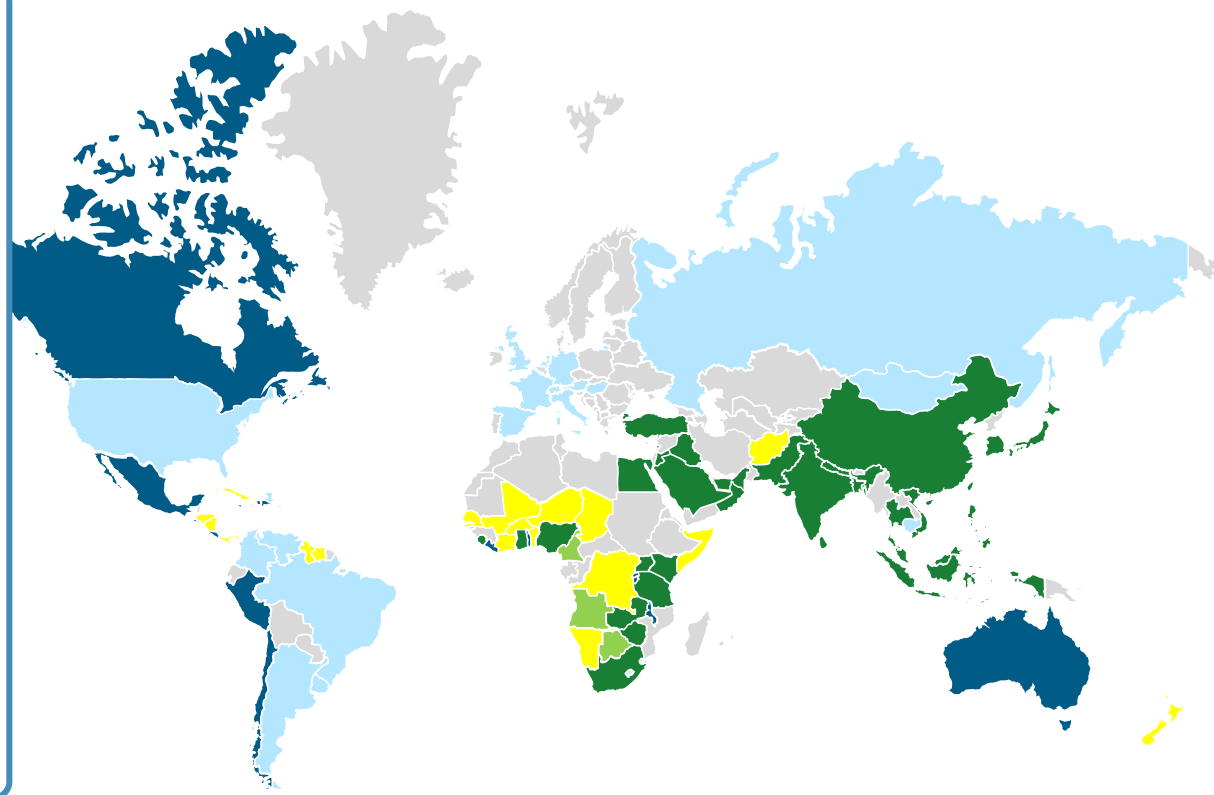
Global network coverage over 95,000 touch points across 109 markets

Standard Chartered branch and partner network

■ Franchise country with alliance banks
■ Franchise country without partners

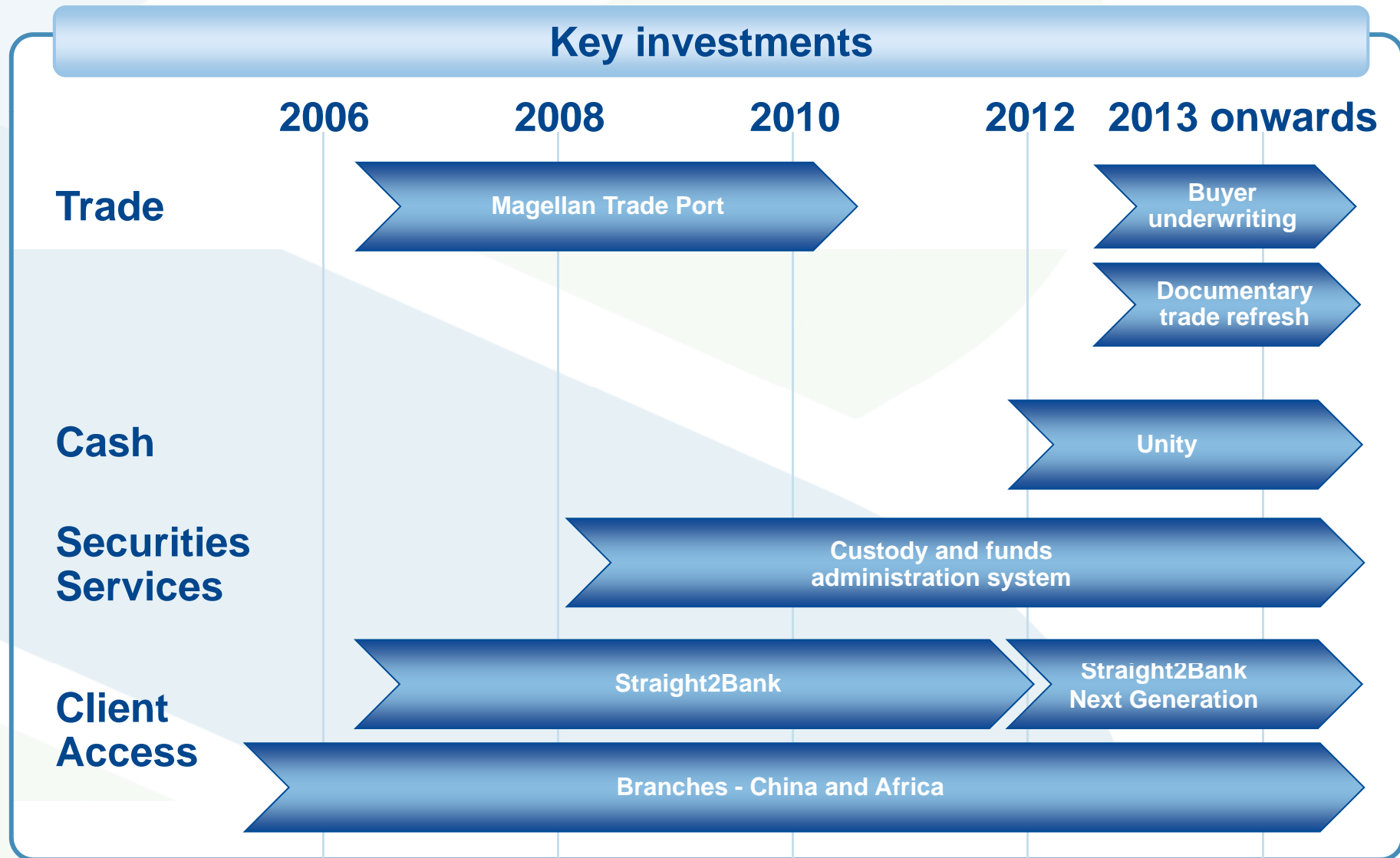
■ Origination country with alliance banks
■ Origination country without partners
■ Non presence country with alliance banks

Bangladesh	40	139
Botswana	18	18
China	90	38,090
Ghana	19	61
Hong Kong SAR	77	777
India	94	30,094
Indonesia	26	1,169
Kenya	28	149
Malaysia	42	42
Nepal	14	14
Nigeria	24	415
Pakistan	150	1,450
Singapore	19	749
South Korea	414	414
Sri Lanka	10	110
Taiwan	88	8,088
Thailand	27	5,780
United Arab Emirates	11	12
Zambia	16	17
Zimbabwe	26	27
50 Other Presence Countries	103	7,901
39 Non Presence Countries		825
Total 109 countries	1,336	96,341
Branches, subsidiaries & offices of SCB* PLC		
Total touch points including partners		

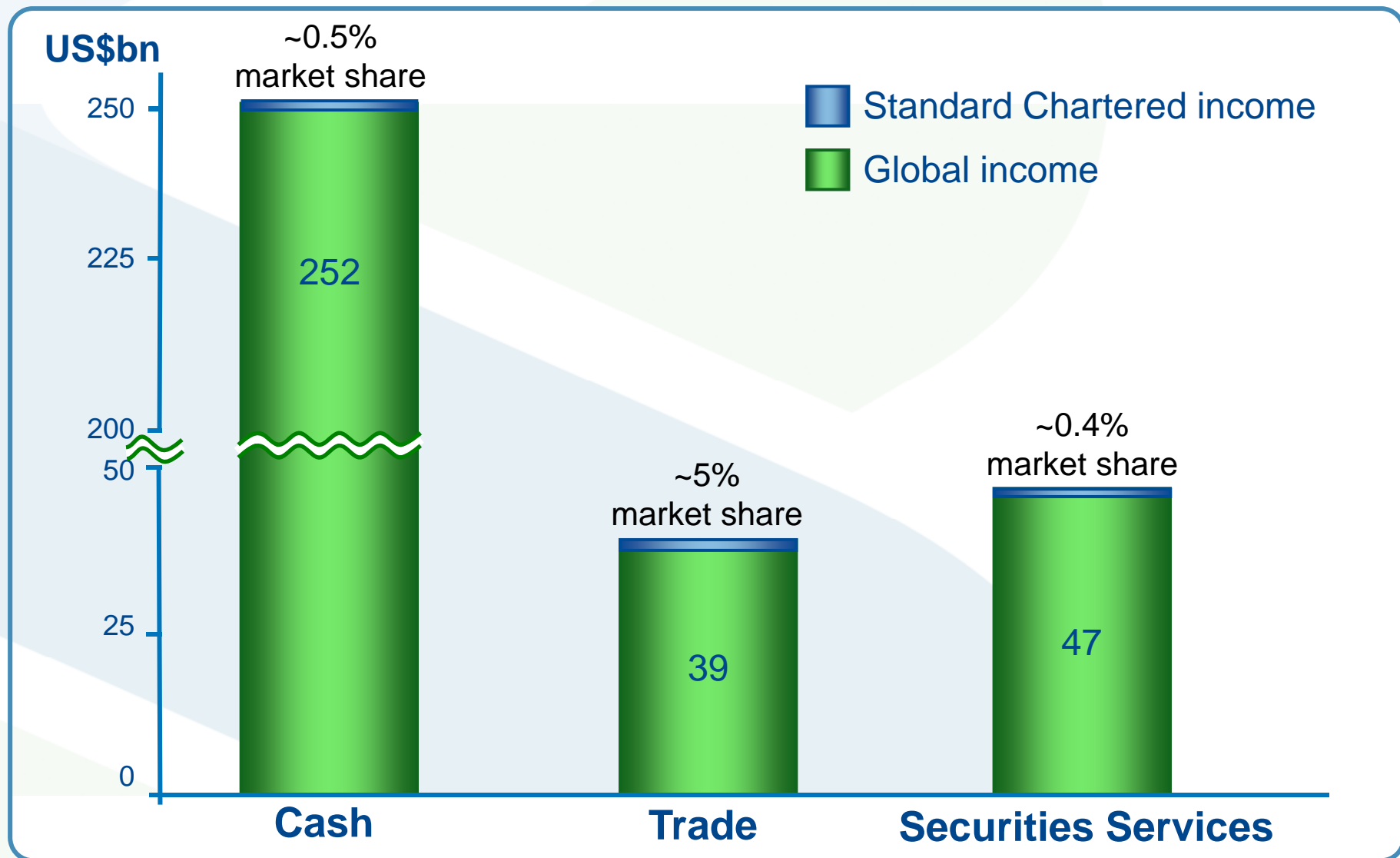


* SCB – Standard Chartered Bank

We have been investing regularly to continue to differentiate our client propositions...



There is considerable upside for growth



Source: Oliver Wyman analysis - July 2011 (based on 2010 annual data)

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- We are actively deepening our client relationships
- We are well positioned with our network as a competitive advantage versus local and international banks
- We have continually invested for future growth and see significant runway

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Financial Markets

Leading the way
in Asia, Africa and the Middle East



Leading the way in Asia, Africa and the Middle East

Lenny Feder

Wholesale Banking Management Group
Group Head, Financial Markets

- Market leading, client focused, flow franchise
- Low risk profile
- Regulatory headwinds, but advantaged on a relative basis
- Continuing to invest across all areas of the business
- Vision - the dominant markets franchise in the world's fastest growing regions with significant untapped growth potential

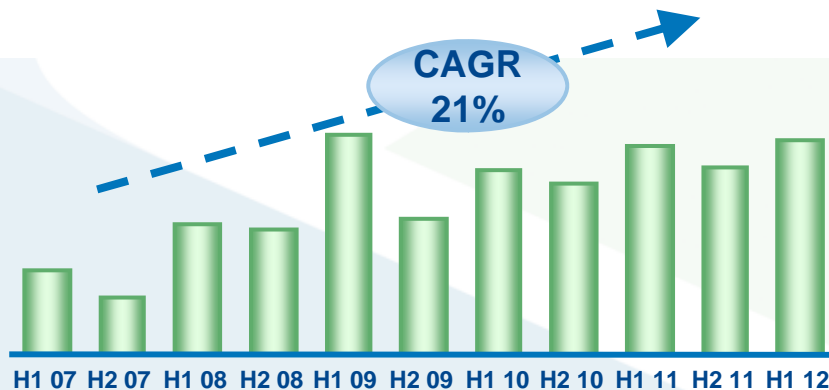
Who we are - Financial Markets

- 1,900 staff who speak 81 languages from 67 countries
- 83% of our people are located in Asia, Africa and the Middle East
- 57 dealing rooms in 41 countries and the largest dealing rooms in Asia and the Middle East
- US\$2.5bn H1 12 total income (including ALM)
- 76% of Financial Markets income is client income
- 1 million transactions per month
- 11,500 clients using Financial Markets products

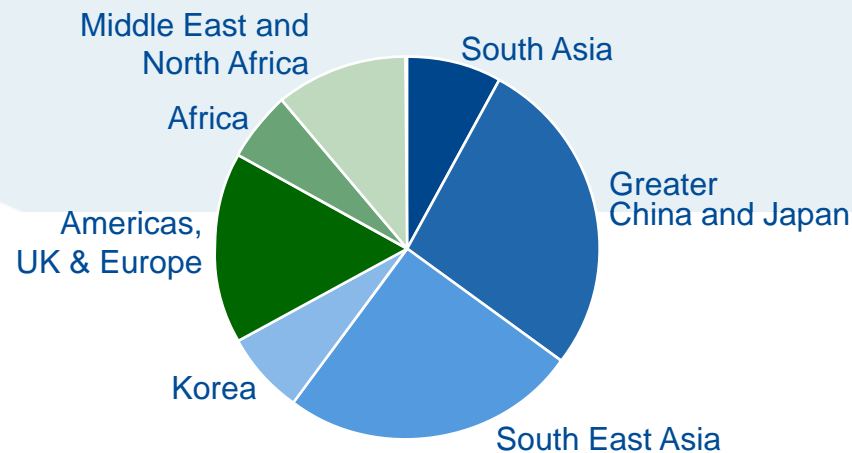
Financial Markets growth is driven by flow type transactions



Financial Markets total income



Geographical income diversity H1 12



- Client focused business with low risk profile
- Income based on 'flow' type transactions
- Core strengths in Foreign Exchange and Capital Markets
- Investment in global product offering, e.g. Equities and Commodities
- Strong 'One Bank' cross-sell capability

Strong outperformance through the crisis

Financial Markets client income

■ Capital Markets

2007 2008 2009 2010 2011 H1 12

Outperformance driven by:

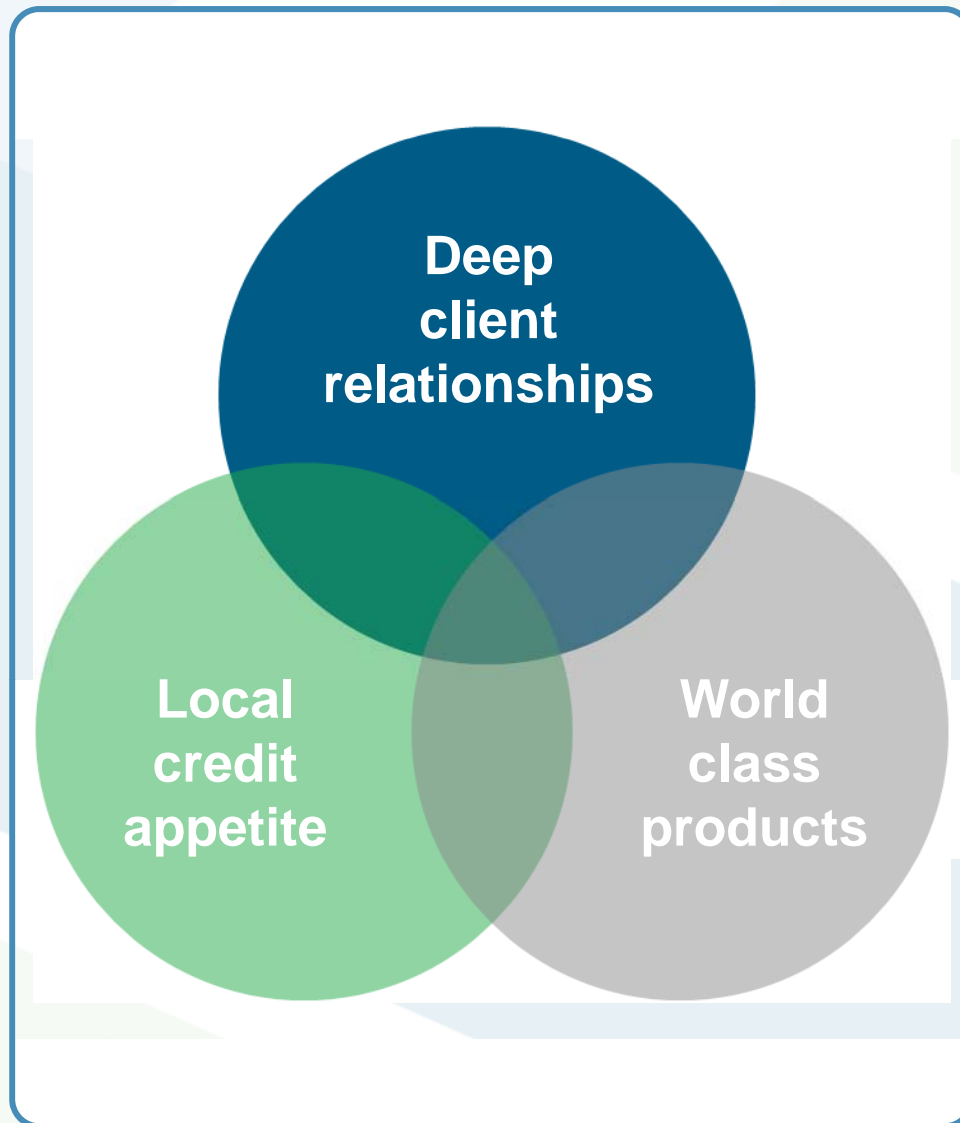
- Right footprint
- Talent upgrades
- Enhanced product offering
- Taken market share

Segment breakdown

Commodity Traders
and Agri-business

Global Corporates

Differentiated competitive advantage



- DNA of connecting markets and developing cross-border networks
- Deep client penetration from top tier to middle market
- More international than the Locals, more local than the Internationals
- Provision of credit via markets products

Who we are - client offering

Client need	Service	Segments
Capital raising	<ul style="list-style-type: none"> ■ Debt Capital Markets ■ Loan Syndications ■ Equities Capital Markets 	<ul style="list-style-type: none"> ■ All client segments
Risk management	<ul style="list-style-type: none"> ■ Foreign Exchange, Interest Rate and Commodity swaps and options 	<ul style="list-style-type: none"> ■ All client segments
Investment products	<ul style="list-style-type: none"> ■ Government and Corporate Bonds ■ Equities ■ Structured Notes 	<ul style="list-style-type: none"> ■ Financial Institutions
Financing	<ul style="list-style-type: none"> ■ Repo ■ Commodities Financing 	<ul style="list-style-type: none"> ■ Financial Institutions ■ Corporates and CTAs*
Transactional	<ul style="list-style-type: none"> ■ Foreign Exchange ■ Deposits 	<ul style="list-style-type: none"> ■ All client segments
Balance sheet management (ALM)	<ul style="list-style-type: none"> ■ Traditional investment philosophy 	

*CTA - Commodity Traders and Agri-business

Client offering - transactional

Foreign Exchange income US\$bn



Money Market liabilities US\$bn



- Foreign Exchange ranking #3 by corporates and #8 by Financial Institutions in Asia by Greenwich
- Corporates contribute 73% of Foreign Exchange client income; opportunity to build Financial Institutions
- Focus on Emerging Market currencies, specifically RMB; opportunity for G10 in Asia
- Rolling out eFX platform; started investing in 2009
- Dedicated, specialised money market sales teams in footprint

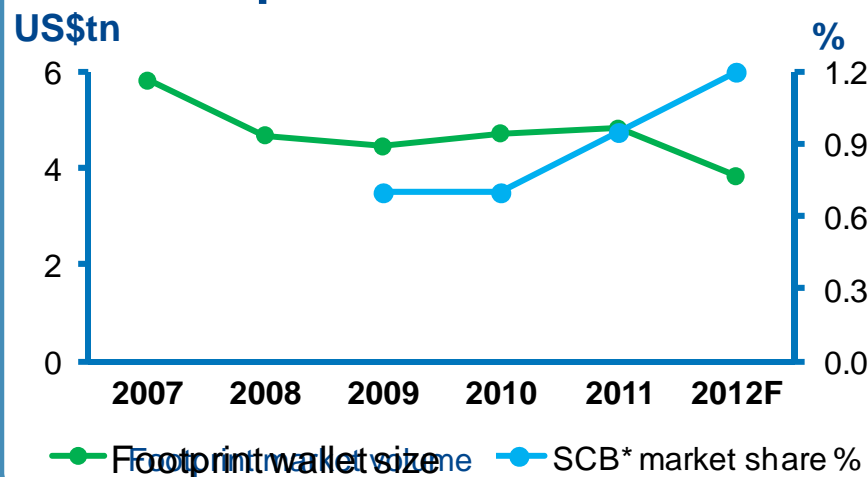
Client offering - investment products



Primary dealerships



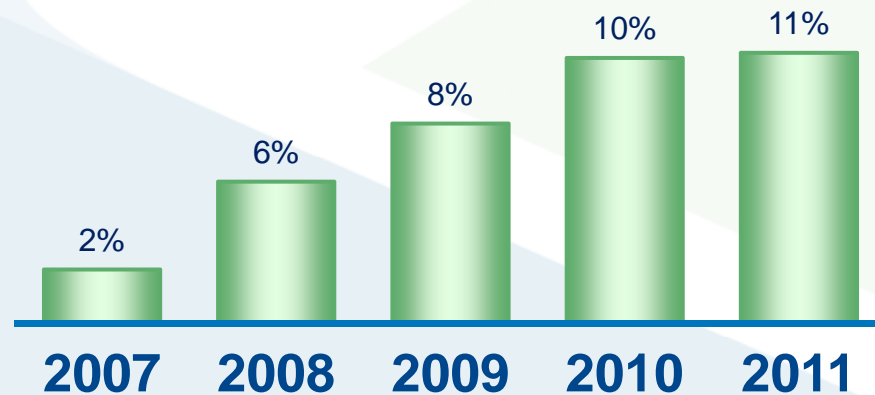
Equities market share



- Top bond market maker aligned with capital markets
- Specialisation in providing access to restricted markets
- Large *On The Ground* research teams
- No structured or correlated credit trading
- Equities is strategically important, but pursuing a conservative build

Source: Bloomberg and McLagan; *SCB - Standard Chartered Bank

Footprint OTC* derivative market share



Awards

	AsiaRisk 2011 Interest Rate Derivatives House of the Year	AsiaRisk 2012 Interest Rate Derivatives House of the Year	AsiaRisk 2012 Credit Derivatives House of the Year
AsiaRisk 2008 Commodity Derivatives House of the Year	AsiaRisk 2009 Commodity Derivatives House of the Year	AsiaRisk 2010 Commodity Derivatives House of the Year	AsiaRisk 2012 Commodity Derivatives House of the Year

- Leading bank in OTC* derivatives in the footprint
- Corporates: risk management solutions to wide breadth of footprint clients
- Foreign Exchange options: corporate and Financial Institution hedging
- Rates: cross-selling on the back of lending and asset-side investor solutions
- Commodities: uniquely connecting flows across the footprint

Source: McKinsey; *OTC - Over The Counter

Client offering - capital raising

Capital raised for clients



League tables

Product	Category	07	09	11	H1 12	Market share
Bonds	Footprint	4	10	5	3	4%
	Asia local currency	1	1	3	3	4%
	Asia ex Japan G3	23	18	3	3	9%
	Footprint high yield	-	-	3	3	11%
	Dim Sum	-	5	2	2	12%
Loans	Footprint	4	8	4	3	4%
	Asia ex Japan	2	8	4	3	5%

Income has doubled in the past three years driven by:

- First mover advantage
- Added talent
- Expanded products: High Yield, G3
- Improved distribution
- Improved thought leadership

Source: Dealogic, Bloomberg

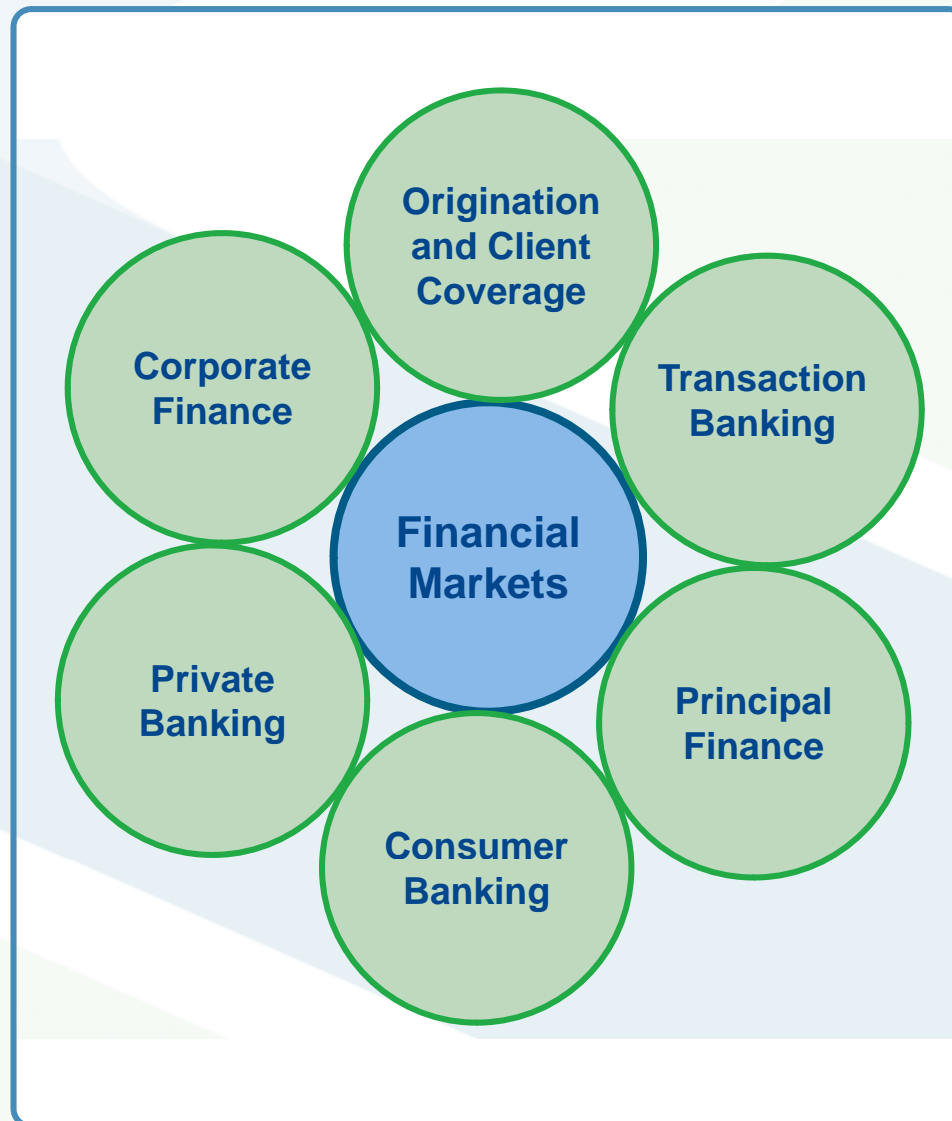
Balance sheet size and ALM income

■ Group assets ↗ ALM income

Sovereign, Supranational
and Agency

- Traditional investment philosophy
- Income has grown in line with balance sheet growth
- Geographic focus is footprint – no direct GIIPS* exposure
- Vanilla product range; repo, covered bonds and AAA asset backed securities are recent product extensions

*GIIPS – Greece, Italy, Ireland, Portugal and Spain



Financial Markets integral to clients through all divisions of the Bank

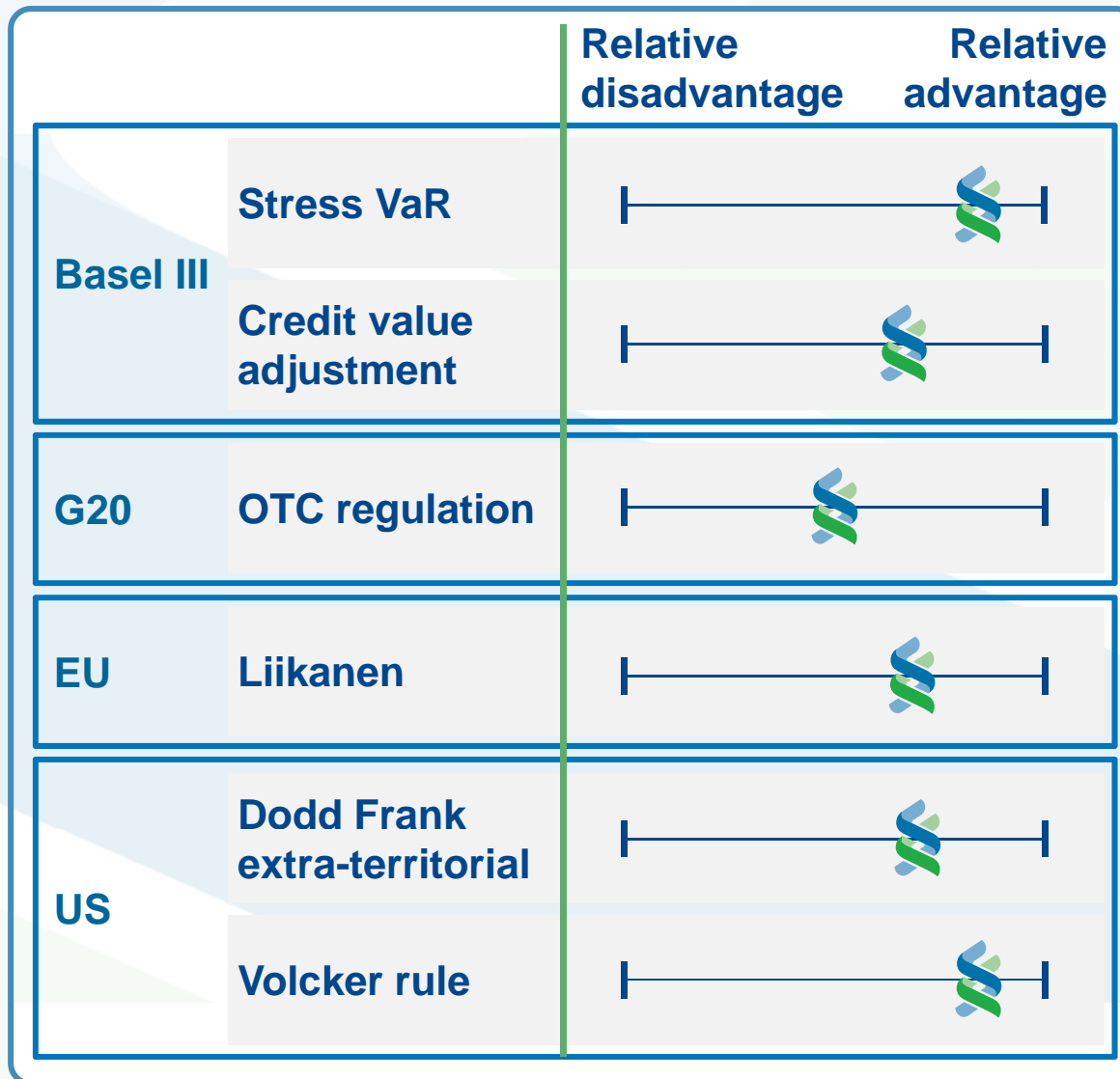
- Transaction Banking linkages via Trade Finance, custody and liability raising
- Corporate Finance transactions embedded with hedges
- Consumer Banking selling of investment products
- Private Banking distributes bond issuances

Value at Risk (VaR) and trading assets 2011



- Low market risk by all metrics
- Vanilla product offering as evidenced by low ratio of trading assets to VaR
- Most income from consistent corporate client flow
- Incentives, supervision and culture

Less impacted by new regulations



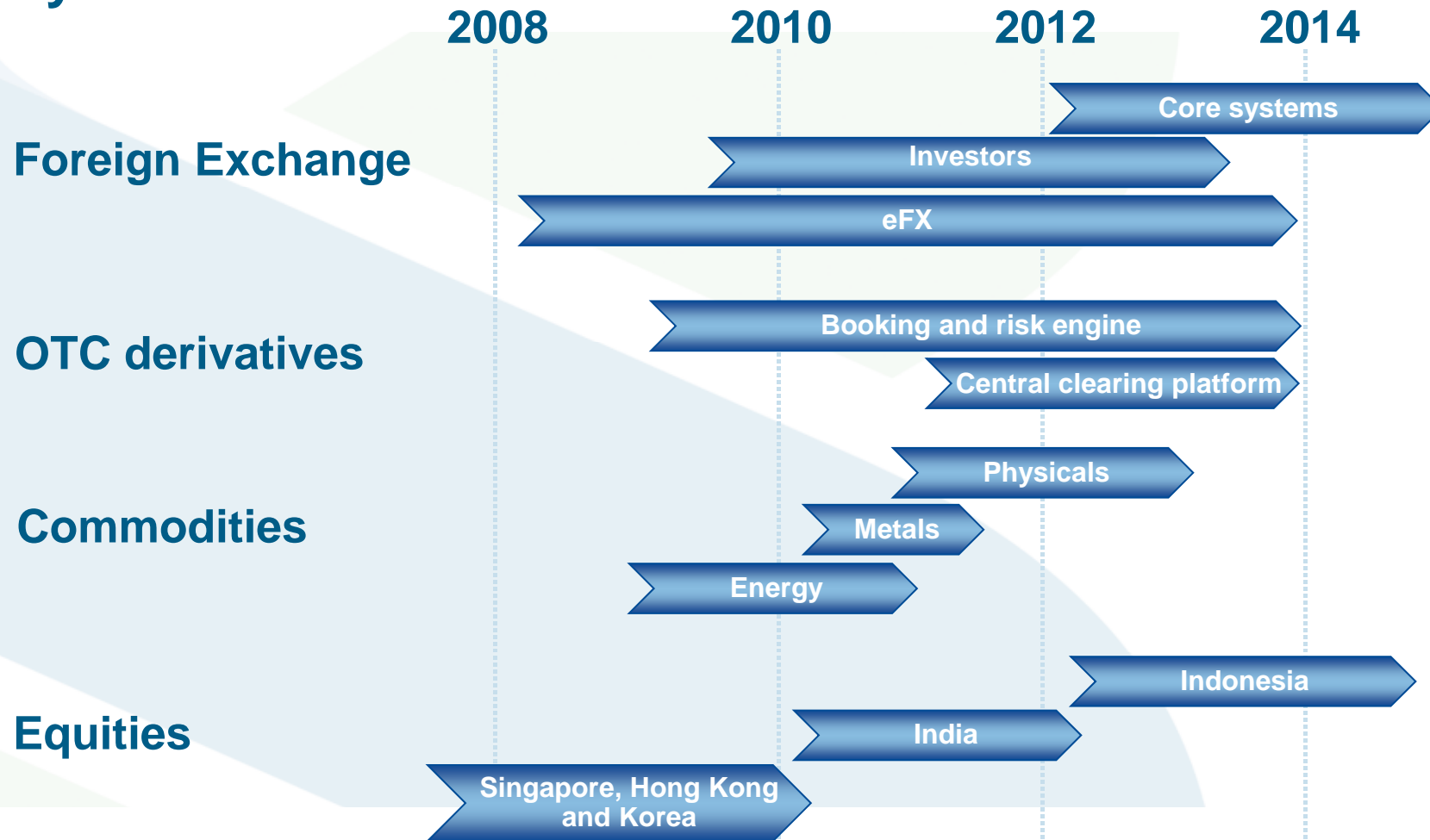
- Significant regulation impacting the business
- However, advantaged on a relative basis
- Basel 2.5 (stress VaR) increased Group RWA* by 1%
- Strategies in place for all regulations
- Intend to be market leader in OTC derivatives client clearing across Asia

Note: Graphical representation for discussion purposes only; * RWA – Risk weighted assets

Continually investing across the business



Key investments



Global daily Foreign Exchange volumes

2001 2010 2020F 2030F

Asian corporate credit growth Outstanding US\$tn

2001 2012F 2017F

Source: Standard Chartered Research; * BRIC – Brazil, Russia, India and China

Commodities cross-sell

- Financial Markets penetration of

2008 2009 2010 2011 2015F

Footprint FICC* and Cash Equities income

2011

2016F

Source: McKinsey

* FICC – Fixed Income Credit and Commodities

- Market leading, client focused, flow franchise
- Low risk profile
- Regulatory headwinds, but advantaged on a relative basis
- Continuing to invest across all areas of the business
- Vision - the dominant markets franchise in the world's fastest growing regions with significant untapped growth potential