

Wholesale Banking

Investors and Analysts Meeting

21 September 2011

Mike Rees

Group Executive Director & CEO
Wholesale Banking

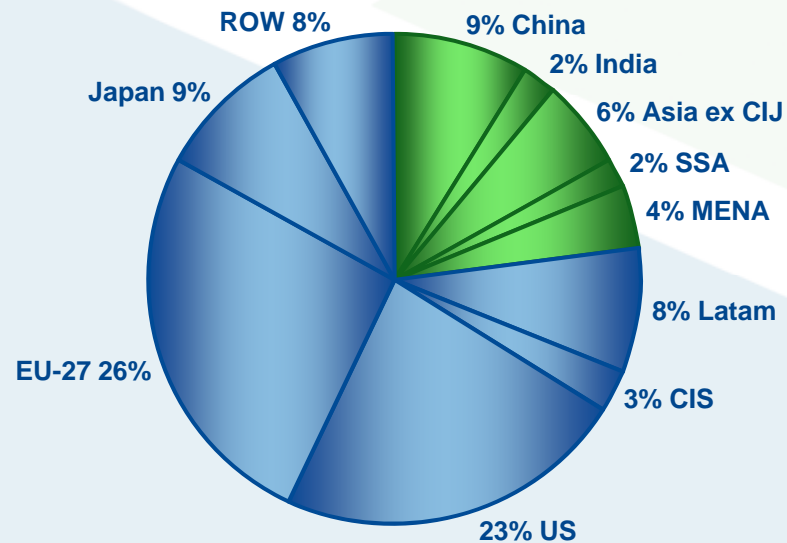


Key messages

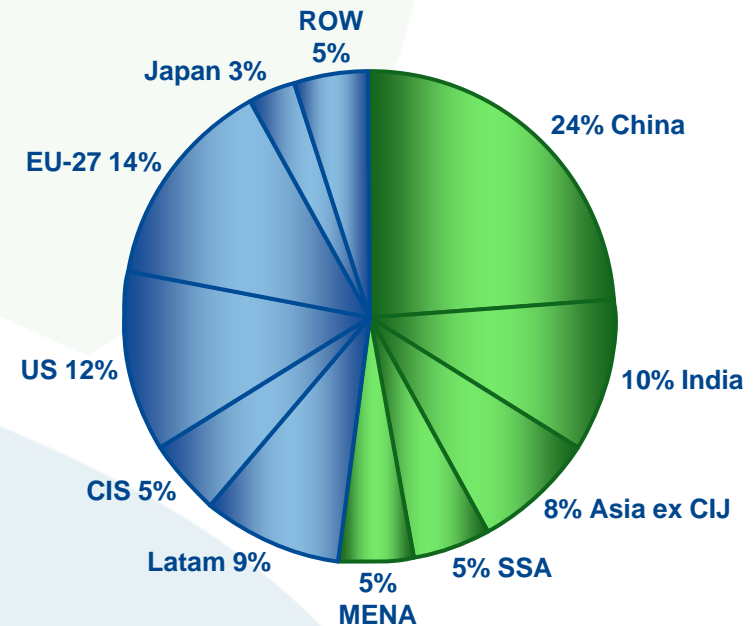
- We operate in attractive markets
- We have a clear and consistent strategy with significant growth potential
- Our Commercial Banking foundation provides us with the platform to deliver enhanced capabilities
- We have deepened our client relationships and delivered market leading transactions
- We are well-positioned and well invested for future growth as competition returns to our markets

Projected change in nominal GDP distribution

*Nominal GDP 2010, US\$ 63trn
(US\$ trn, % of global)*



*Nominal GDP 2030, US\$ 308trn
(US\$ trn, % of global)*



Asia, Africa and Middle East

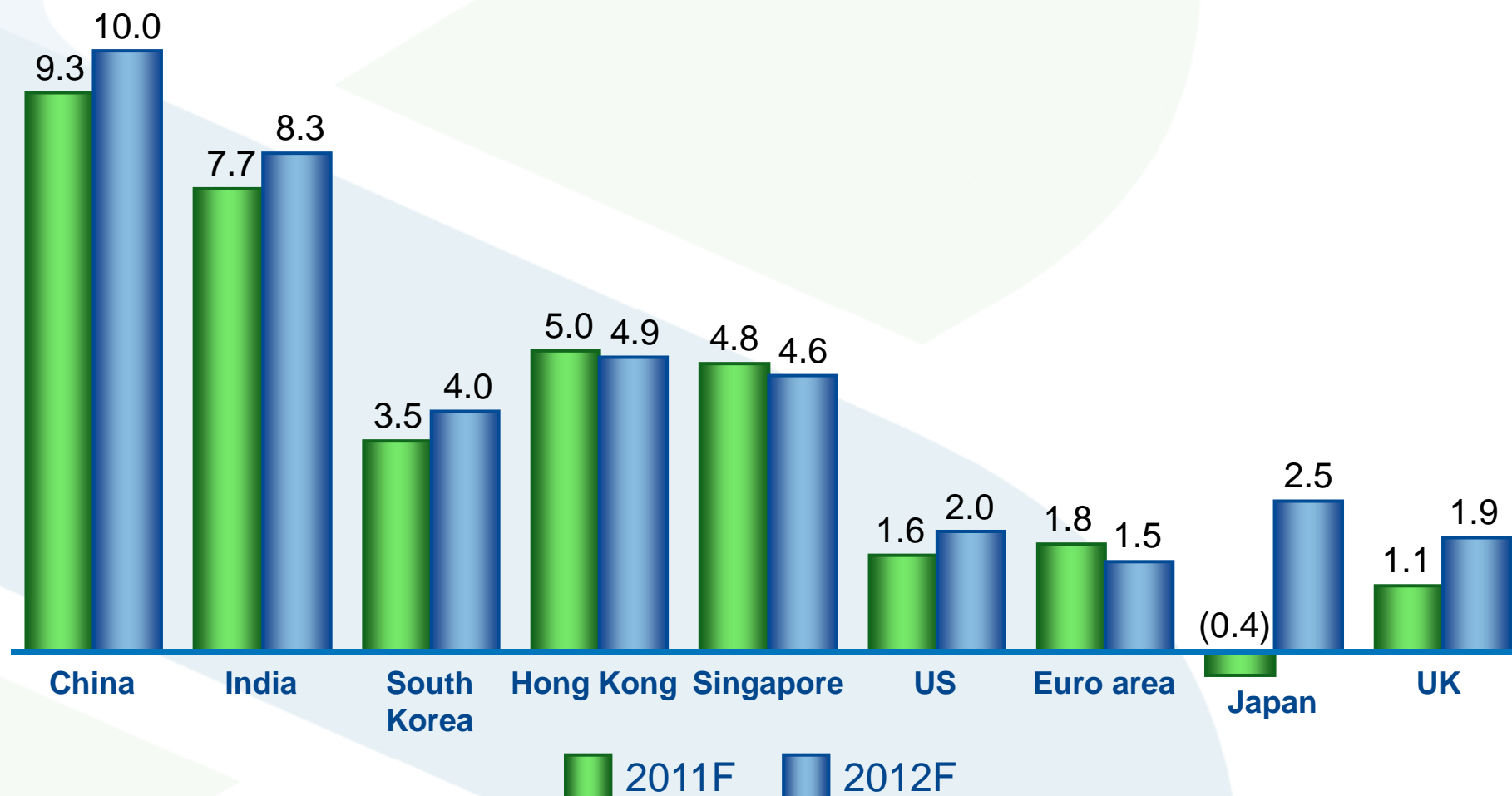


Rest of world

*Estimated Nominal Global GDP 2011
US\$ 69trn*

Our core markets are sustaining premium levels of GDP growth

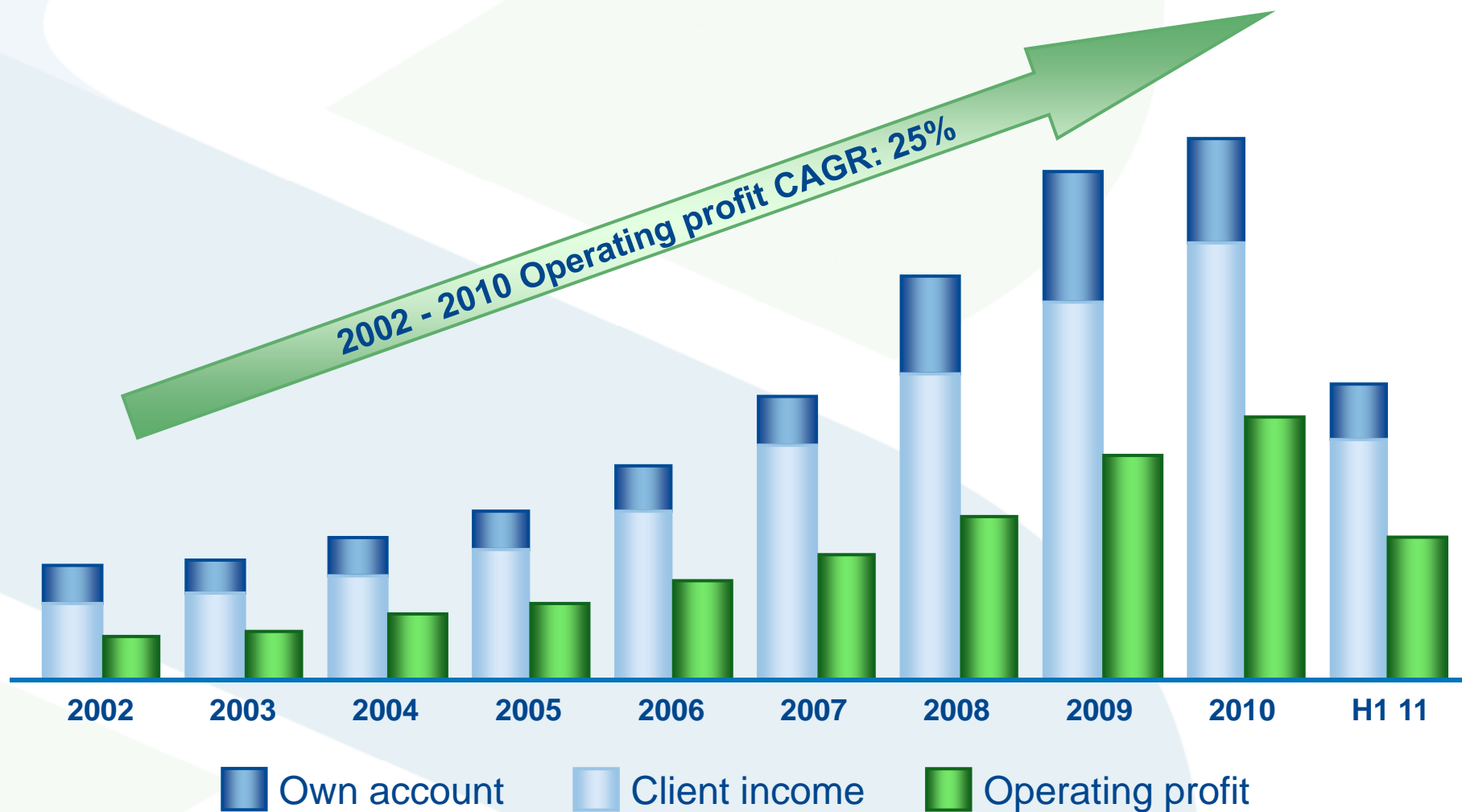
Real GDP Growth Forecasts %



Source: Standard Chartered Global Research

Operating profit and income growth

Wholesale Banking total income and operating profit (US\$bn)



NOTE: Operating profit and Own account are external figures

**Strategic
intent**

The **Bank of choice** for
corporate and institutional clients **for and in**
Asia, Africa and the Middle East

**Brand
promise**

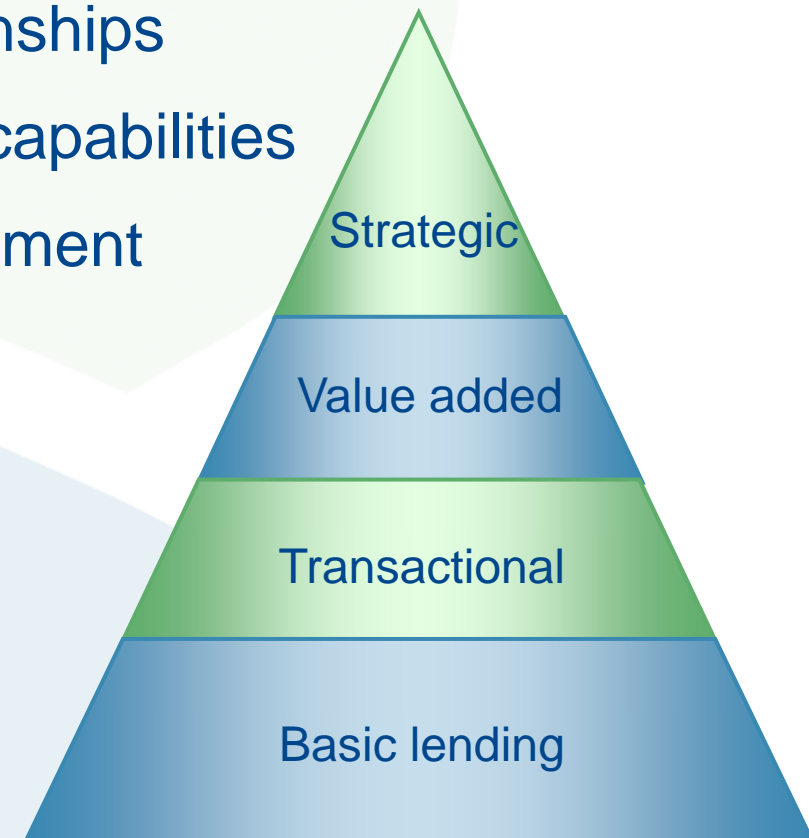
Here for good

Our Strategy

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

Key Enablers

- Infrastructure
- Values and culture



Continuous product build out

Wholesale Banking Products Total Income, US\$m and H1 07 - H1 11 CAGR (%)

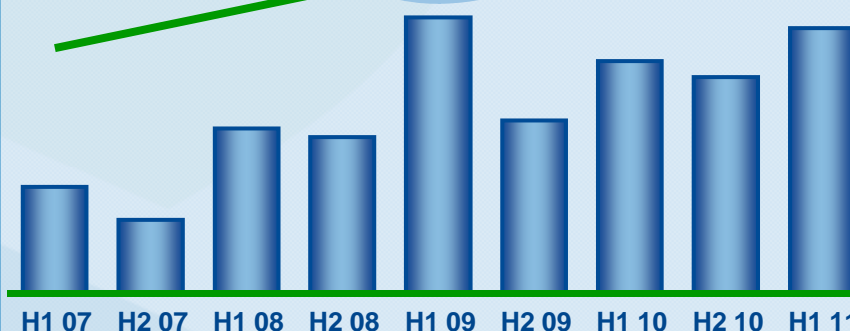
Transaction Banking

14%



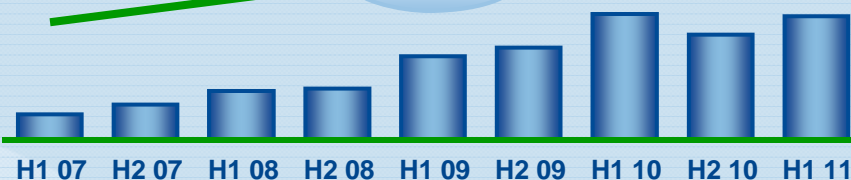
Financial Markets

26%

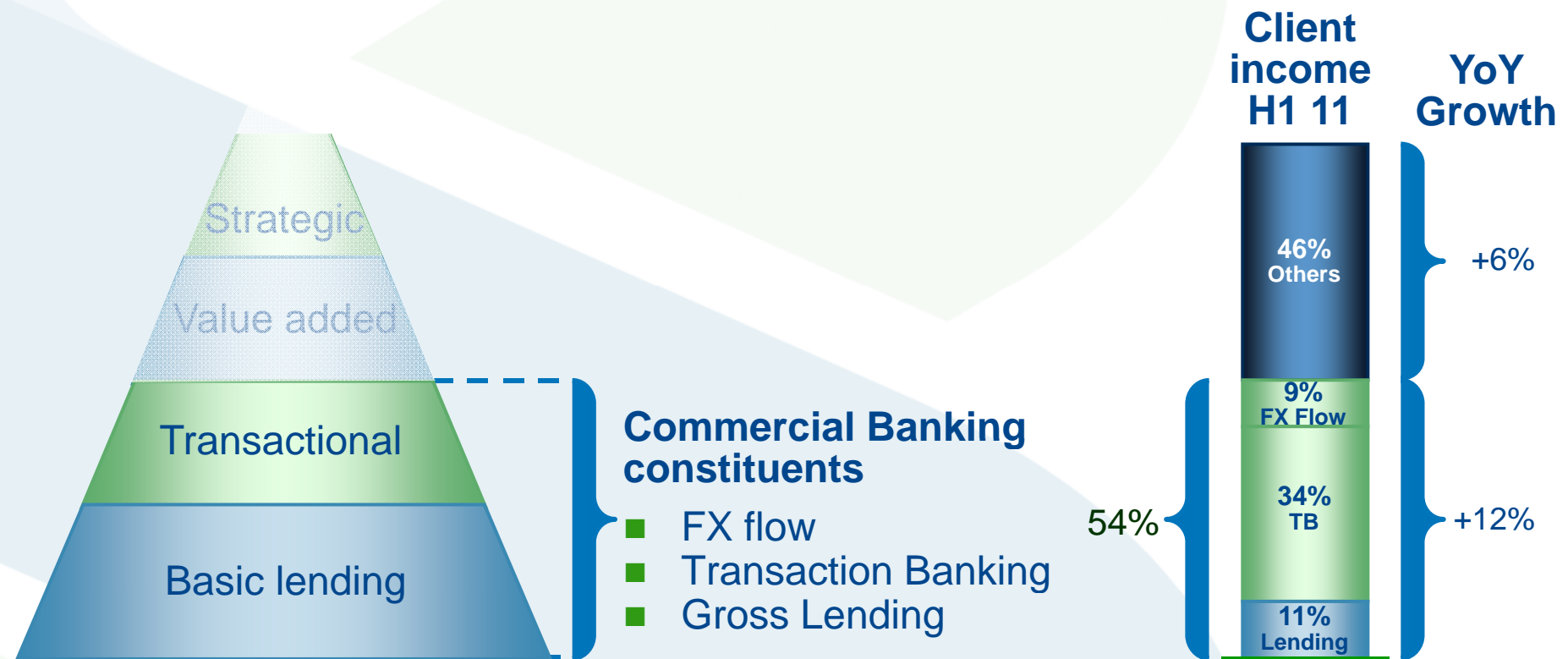


Corporate Finance

48%



Commercial banking is key to developing our client franchises



Source: WB Finance

Commercial Banking = OCC Lending + Transaction Banking + Cash FX; Value Added = FM – Cash FX; Strategic = CF + PF

Wholesale Banking Transaction Banking



Total income by product US\$m	FY 07	FY 08	FY 09	FY 10	H1 11	FY 07- FY 10 CAGR
Trade	699	1,023	1,289	1,467	767	28%
Cash Mgt & Custody	1,334	1,640	1,248	1,303	785	(1)%
Total Transaction Banking	2,033	2,663	2,537	2,770	1,552	11%

Growth in trade A&C remained strong and above market levels

SCB trade asset growth vs. global import/export values

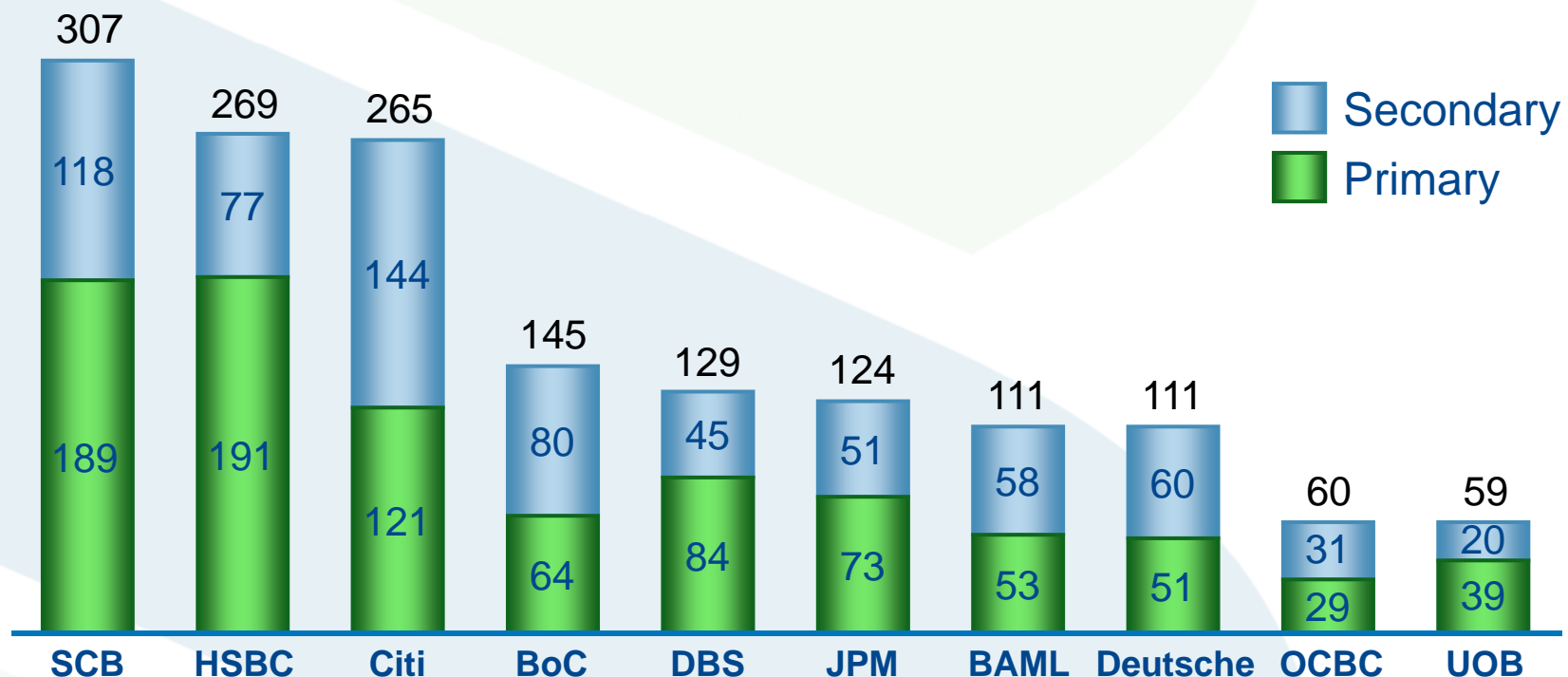


Sources: SCB Trade Assets and Contingents (A&C): WB Finance; Trade data: Reuters

Transaction Banking - market share in Asia continues to increase



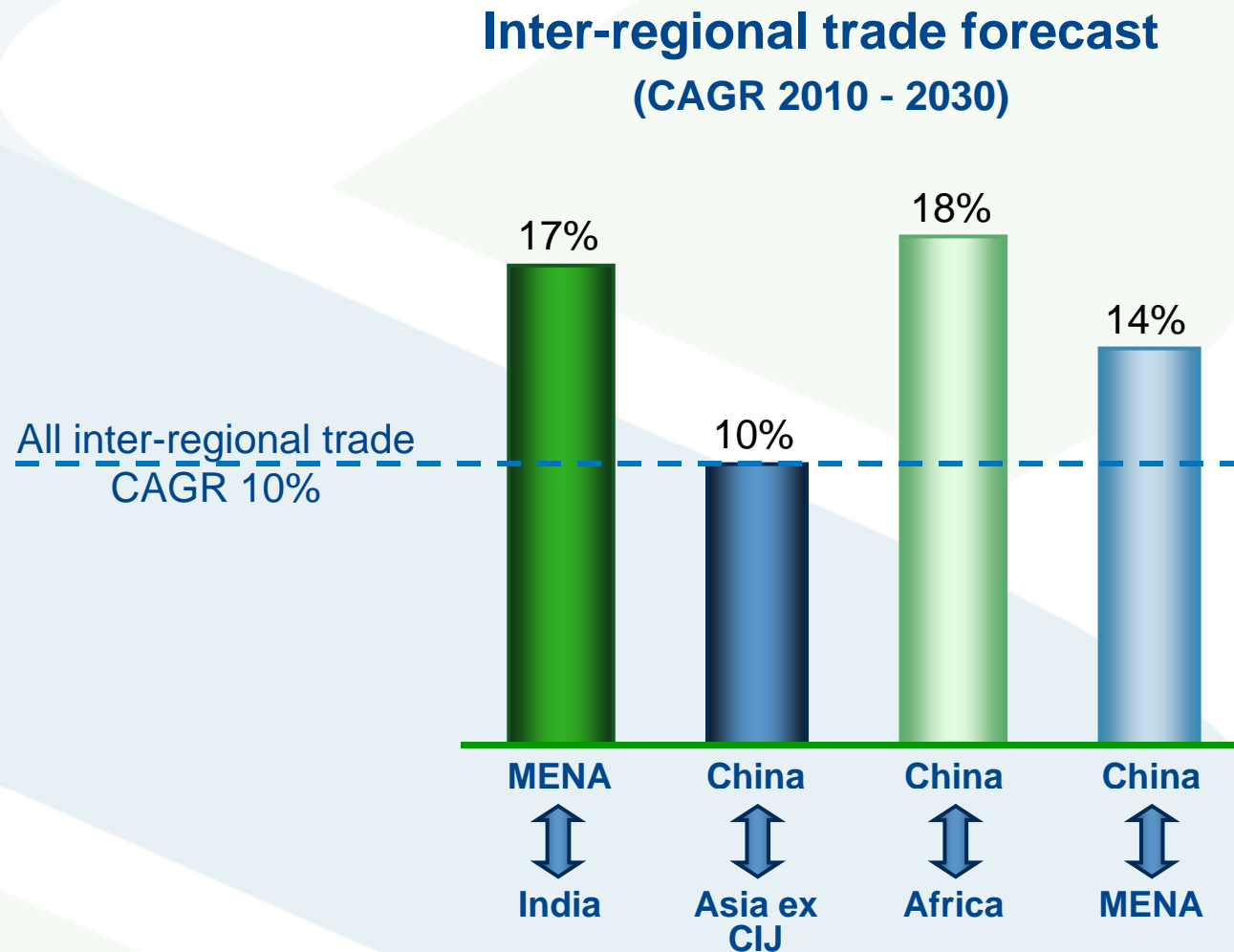
Primary and secondary transaction banker - Top 10 banks (No of customers)



Source: East & Partners Asian Institutional Transaction Banking Markets Program May '11

Users: 933 Institutions in Asia - China, Hong Kong, India, Indonesia, Malaysia, Philippines, Singapore, Korea, Taiwan, Thailand

Growth in our key regional trade corridors is forecast to outpace inter regional trade growth

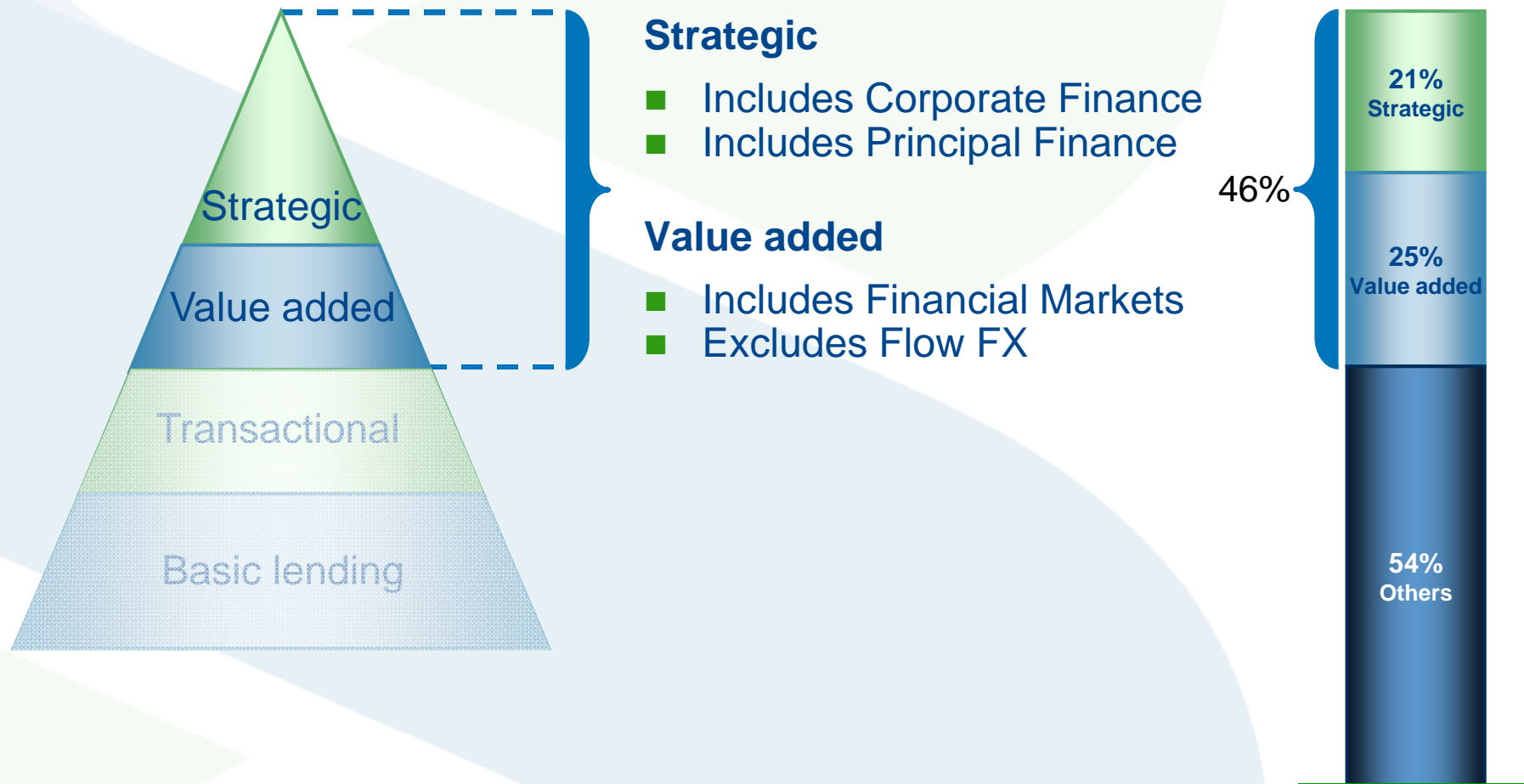


Source: Standard Chartered Research; CIJ = China, India and Japan

We continue to diversify our income into Strategic and Value added products



Client income H1 11



Source: SCB data

Commercial Banking = OCC Lending + Transaction Banking + Cash FX; Value Added = FM – Cash FX; Strategic = CF + PF

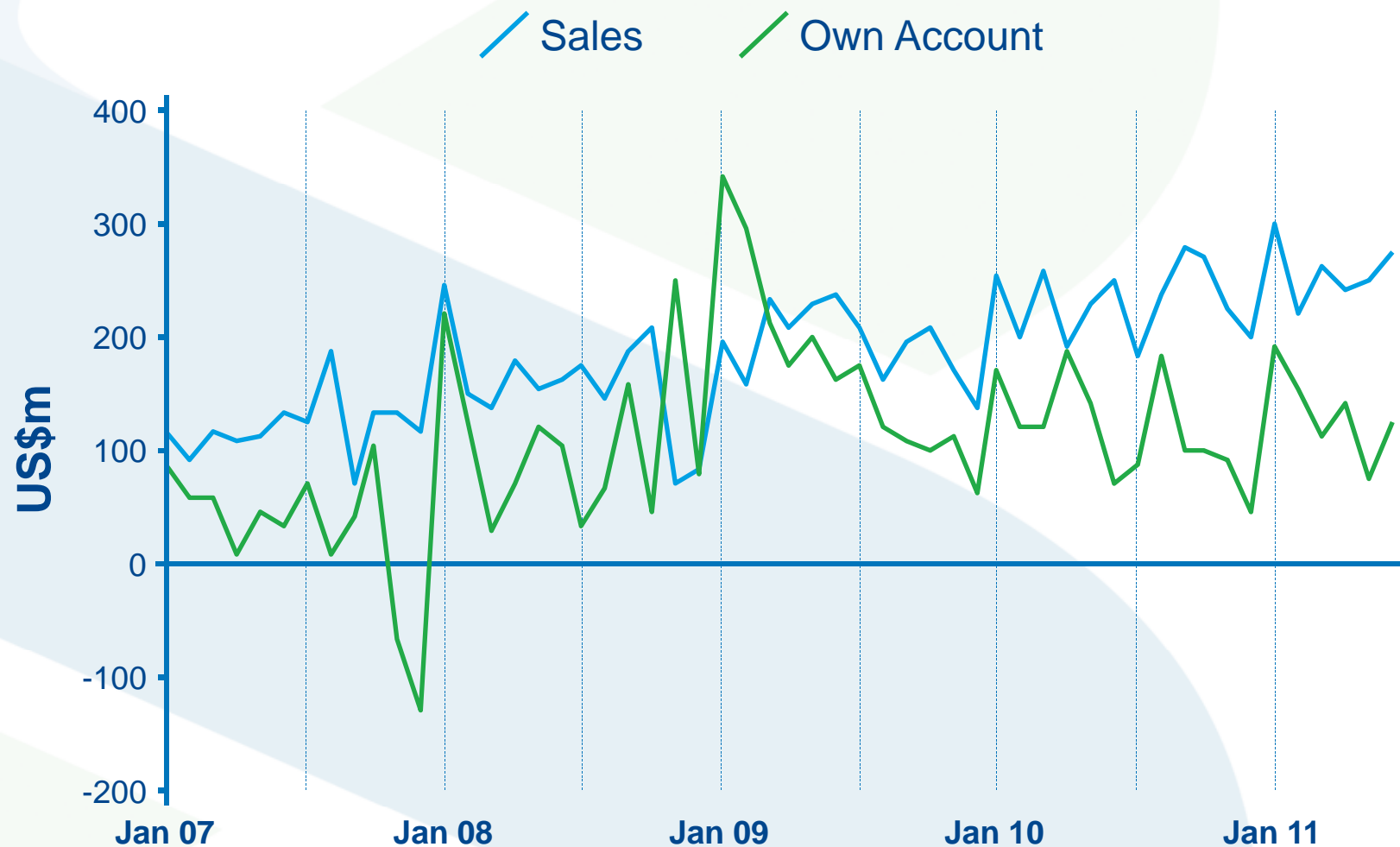
Wholesale Banking Financial Markets



Total income by product US\$m	FY 07	FY 08	FY 09	FY 10	H1 11	FY 07- FY 10 CAGR
FX	1,017	1,194	1,349	1,200	769	6%
Rates	158	748	879	837	450	74%
Commodities and Equities	49	141	389	411	319	103%
Capital Markets	259	234	409	541	271	28%
Credit and Other	(160)	48	285	314	142	NA
Total Financial Markets	1,323	2,365	3,311	3,303	1,951	36%

FM trading is primarily based upon leveraging client flows

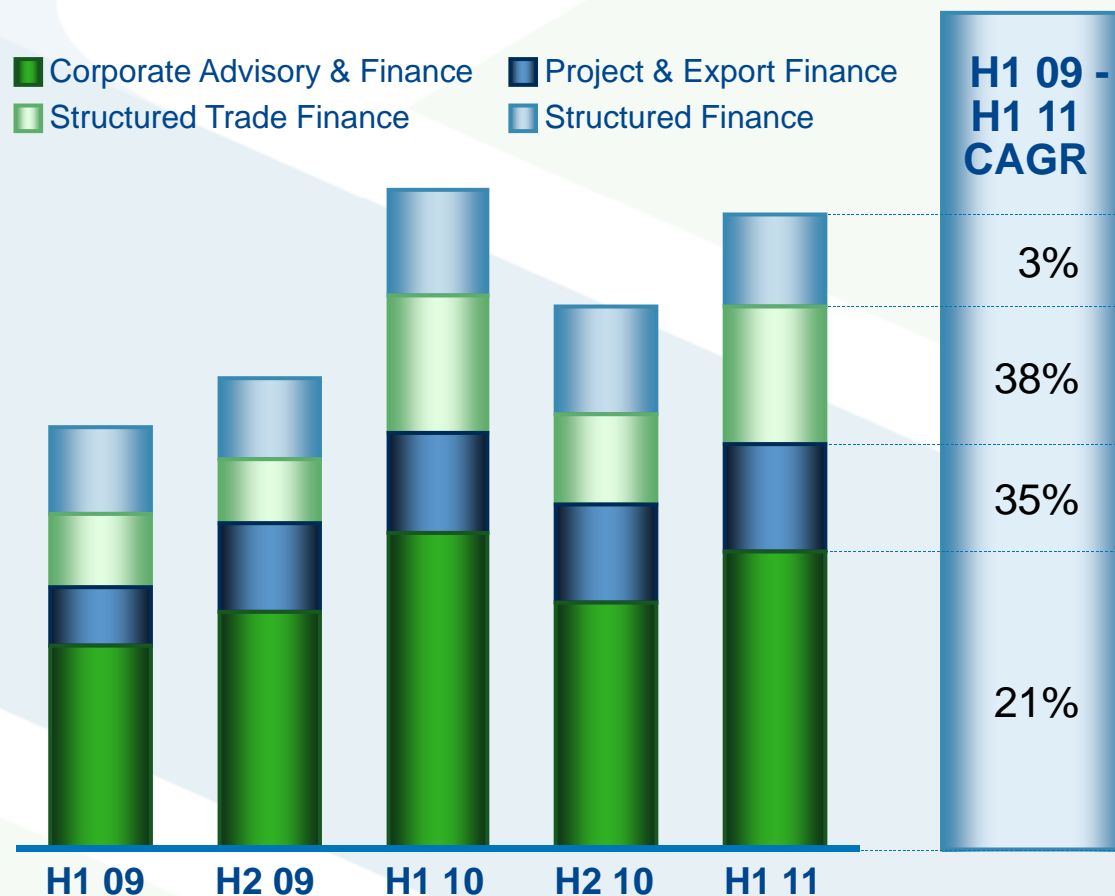
FM Sales and Own Account Income trend H1 07 - H1 11



Note: Sales Income equals Client Sales Income including Brokerage and Origination Income

Corporate Finance is growing consistently across products

Corporate Finance income growth H1 09 vs. H1 11 (US\$m)



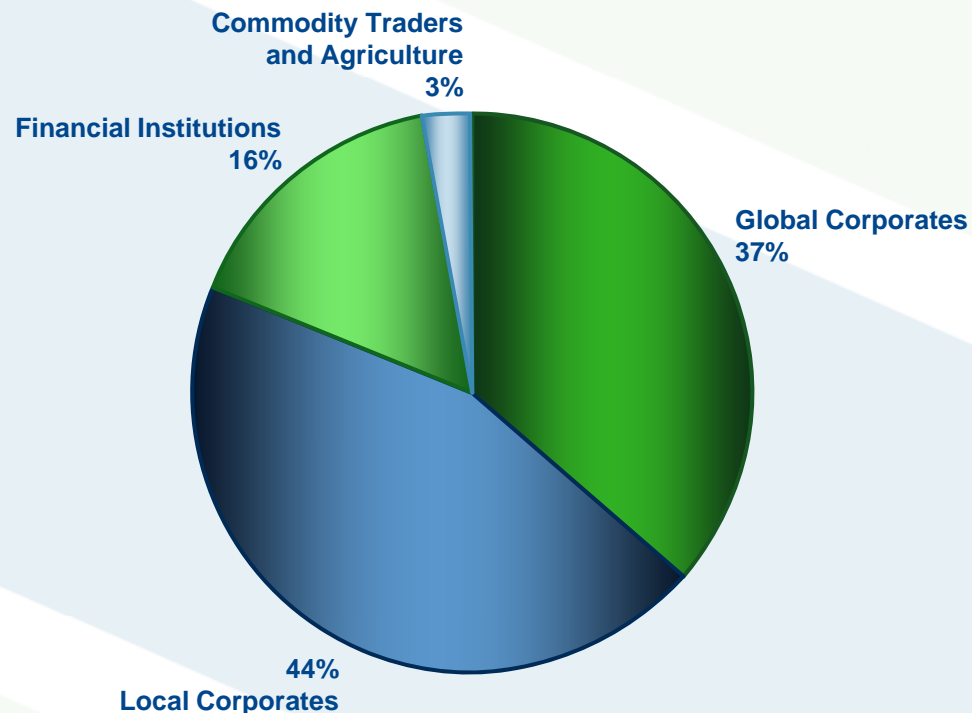
Diversification of CF income

- NII accounts for 50% of Corporate Finance income (vs. 41% H1 10)
- 18% uptick in NII YoY
- 61% of NFI from small-mid sized deals (vs. 44% H1 10)¹

¹ Fee income refers to only upfront NFI arising out of new deals

India client segments and client groups

India – client segments



- Clients diversified into Global Corporates (37%), Local Corporates (44%), Financial Institutions (16%) and CTA (3%)
- Close watch on economy and investor sentiment
- Tight underwriting criteria
- Robust early alert process and cautious stance

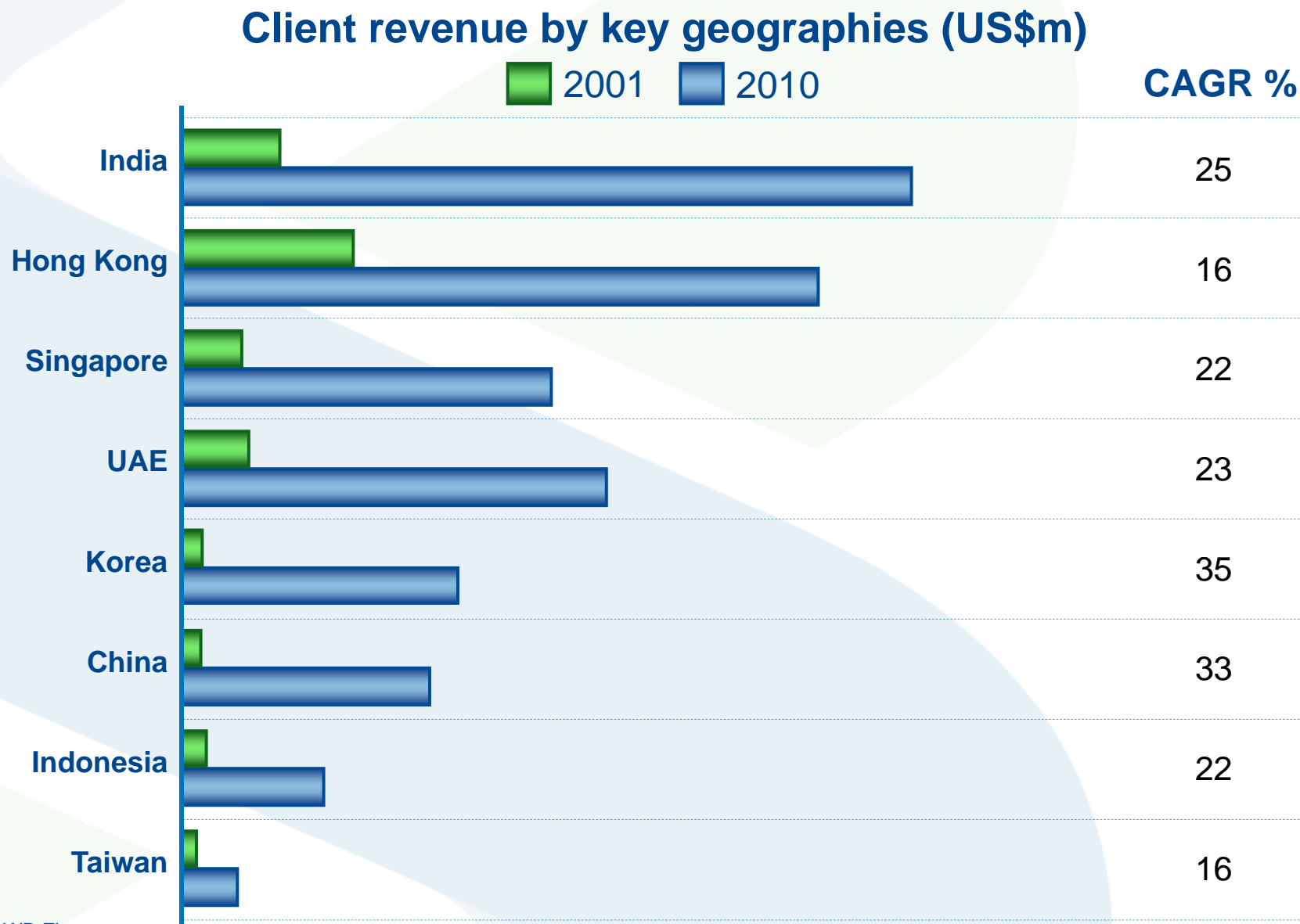
Wholesale Banking impairment

US\$m	H1 10	H2 10	H1 11	H1 11 vs H1 10 %	H1 11 vs H2 10 %
Loan impairment	(138)	(167)	(201)	46	20
Other impairment	(46)	(18)	(68)	48	nm
Total impairment	(184)	(185)	(269)	46	45
Loans and advances to customers (US\$bn)*	117.2	130.0	142.7	22	10
% IIP** on new accounts	52	74	15		
Cover ratio (%)	56	50	53		
Uncovered net at risk (%)	32	37	34		

* Excludes portfolio impairment provision

Individual impairment provision

Building local scale



Source: WB Finance

Our performance has been recognised by the market



Asia Risk Commodity Rankings 2011

Asia Risk Institutional Rankings 2011

- #1 for Currency Derivatives in Asia
- #1 for Cross Currency Swaps in RMB, INR, SGD
- #1 for Currency Forwards in RMB, INR and SGD
- #1 for Currency Options in HKD
- #1 for Interest Rate Swaps in RMB, IDR, INR, THB

Deal of the Year 2011

- Sovereigns, Supras and Agencies Deal of the Year in Middle East (Bonds) - Govt of Dubai Dual Tranche
- Deal of the Year in the Middle East (Loans) - Qatar Aviation Lease Co.

AsiaMoney Fixed Income Poll 2011

- Best Interest Rates Research & Market Coverage for CNH
- Best Sales Services in Credit Derivatives for HKD and CNY

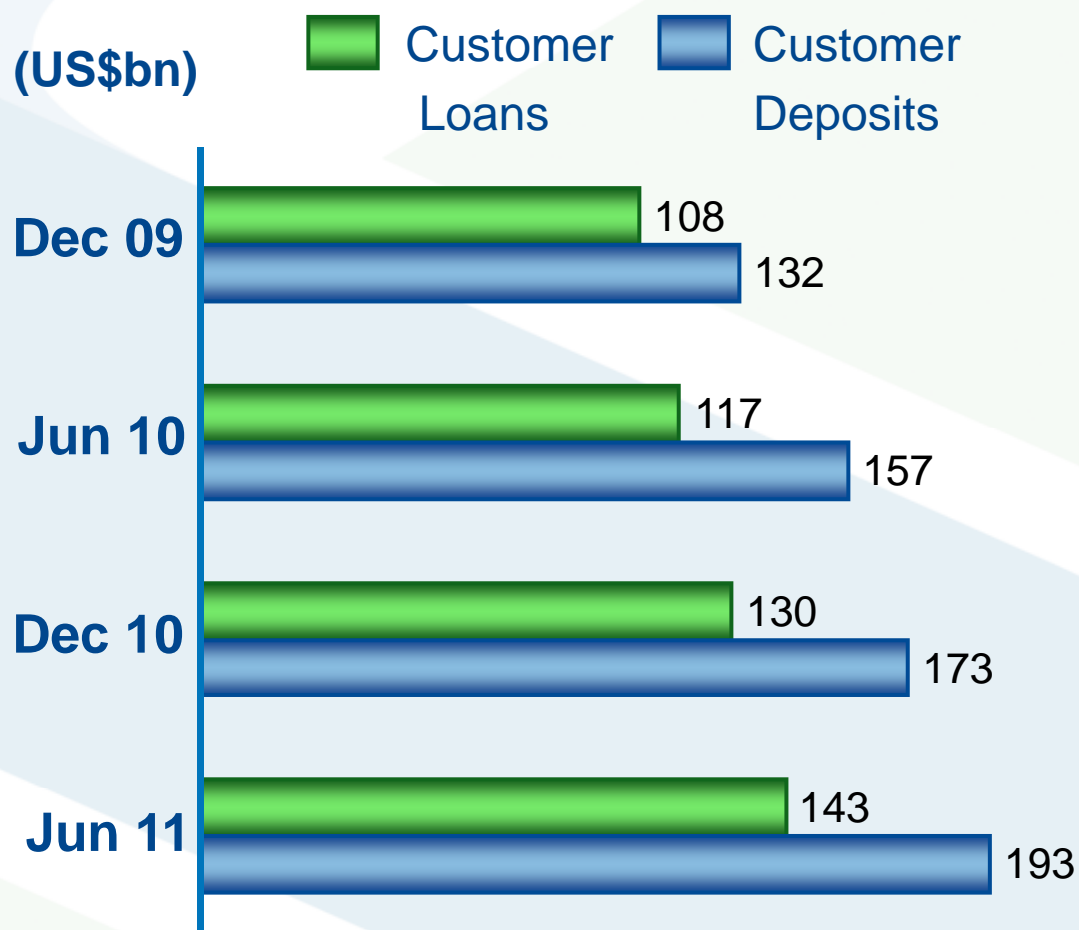
Asia Risk Corporate Rankings 2011

- #1 for Interest Rate Derivatives
- #1 for Vanilla Hedging in Currency Derivatives in G7 ex-yen, RMB, HKD, IDR, KRW, PHP and THB

Global Finance Best Foreign Exchange Provider 2011

Asset Asian Awards 2011

Strong Balance Sheet management

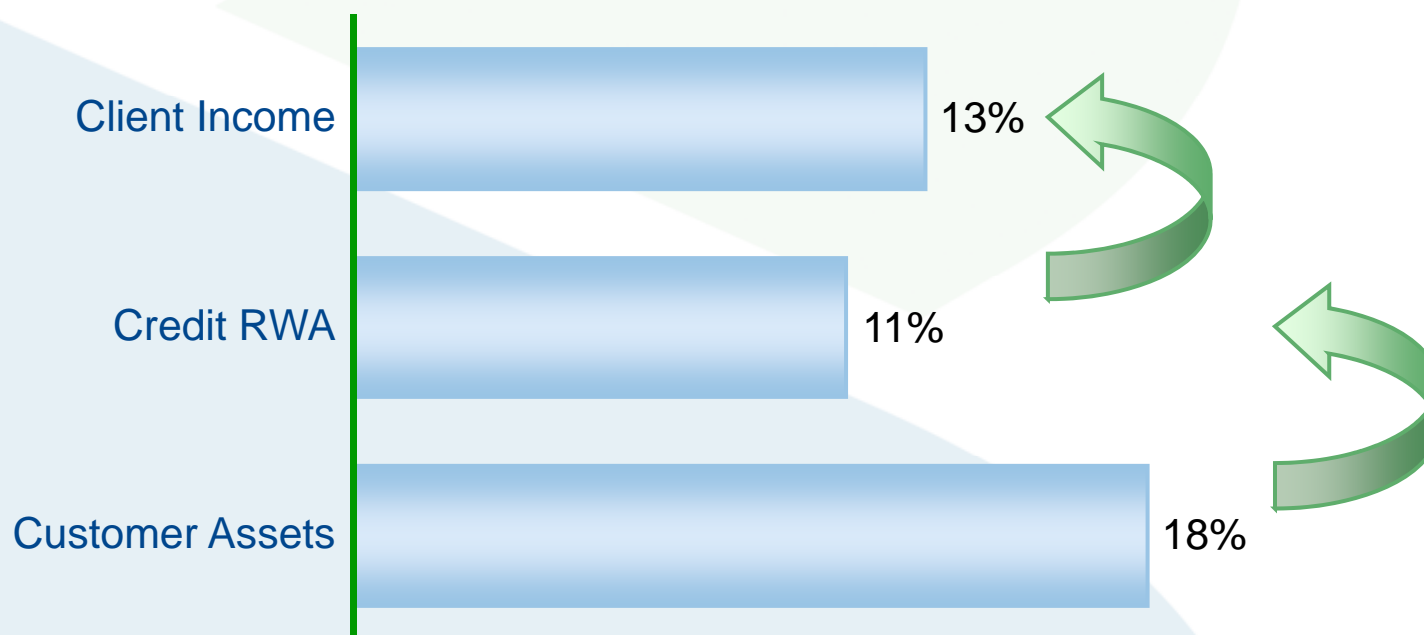


Net liquidity JAWS * (US\$bn)	A/D ratio
-	81.8
16	74.5
3	75.1
7	74.1

Net Liquidity JAWS = Increase in customer deposits net of increase in customer loans in the same period
Customer loans and customer deposits shown above are A/D qualifying customer loans and deposits

Capital optimisation remains a key area of focus

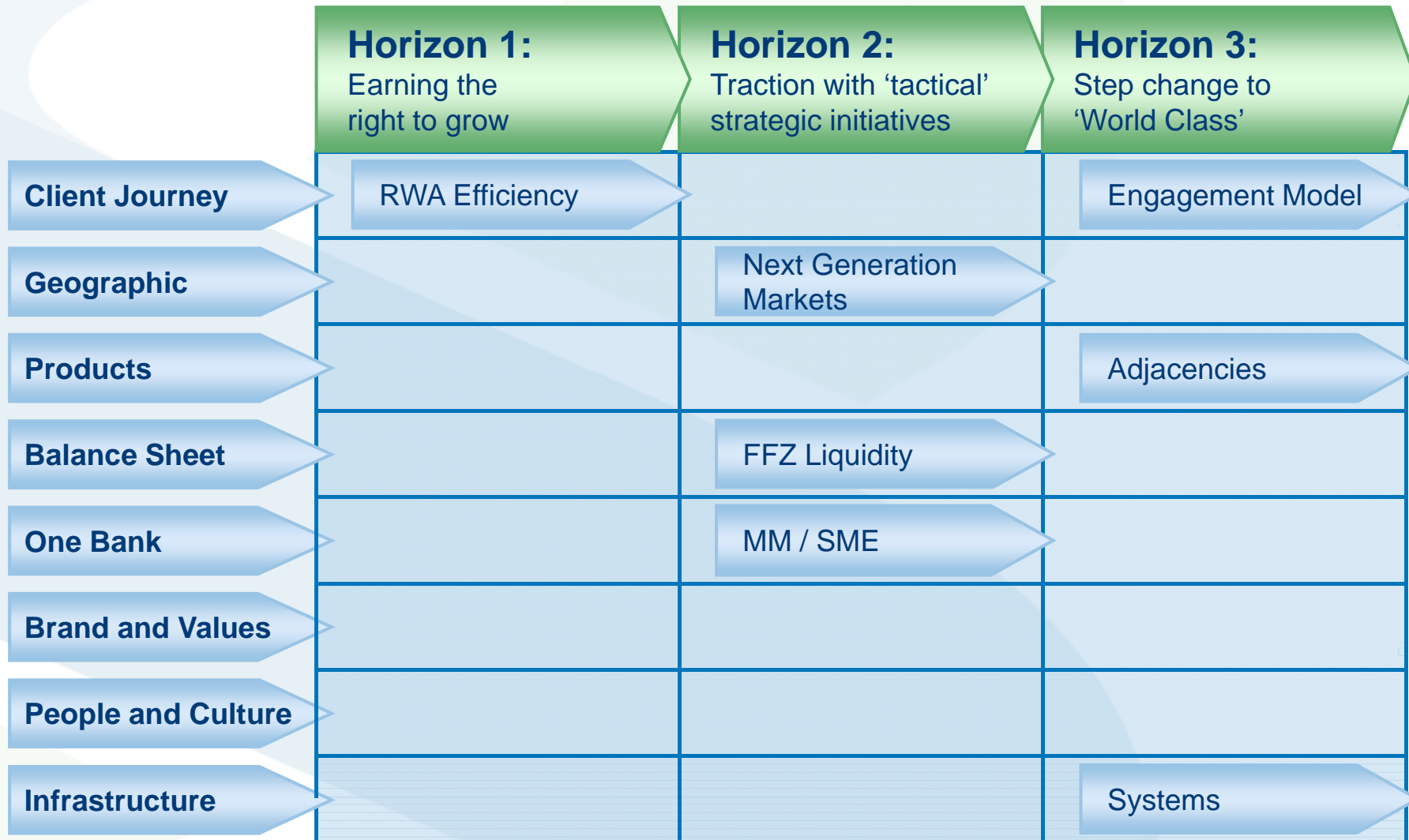
Client Income, Credit RWA and Customer Assets Growth H1 09 - H1 11 (CAGR %)



Wholesale Banking RoRWA increased from 6.7% (H1 09) to 7.2% (H1 11)

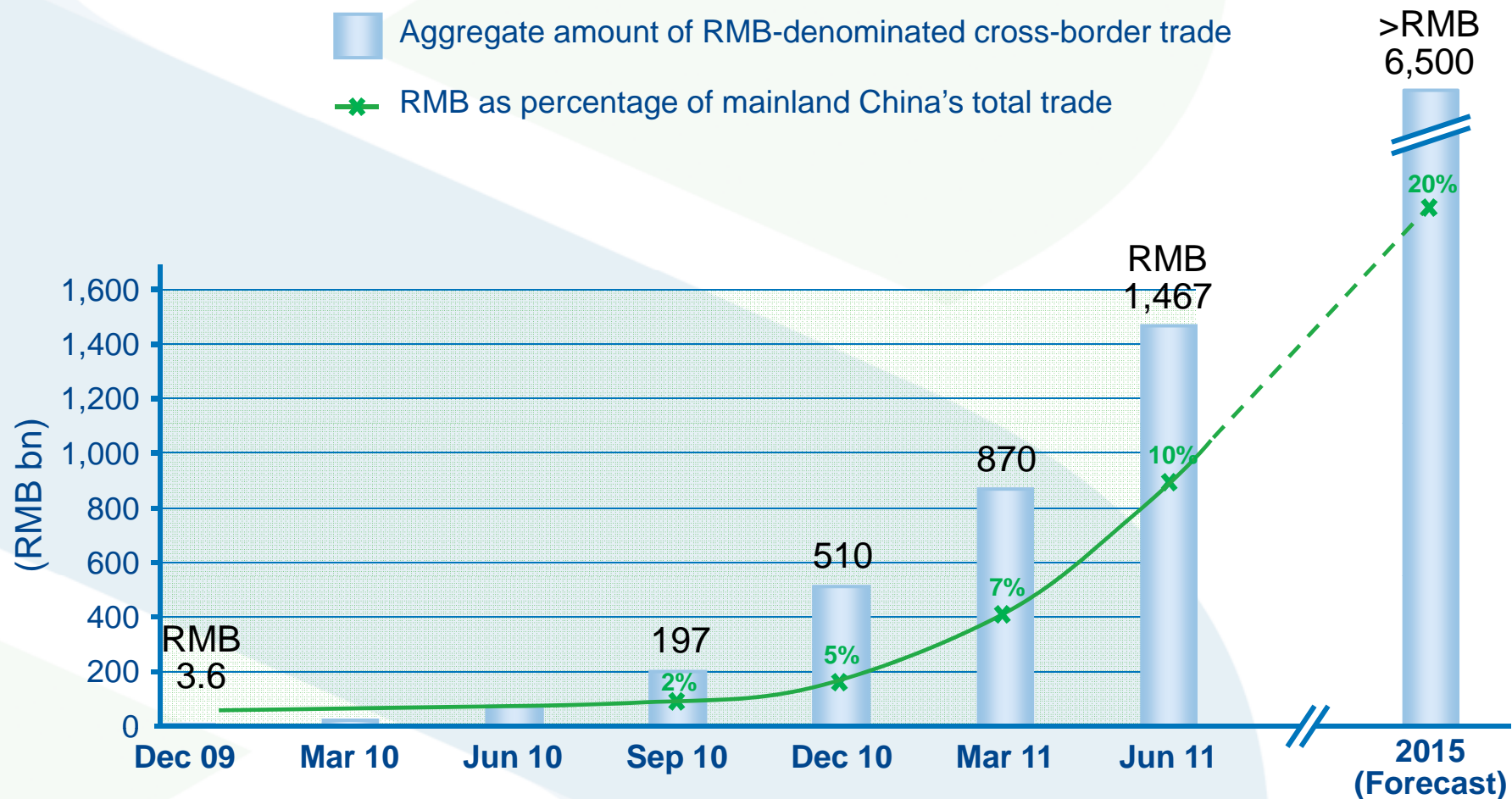
Source: SCB data. Client Income excludes GSAM; Client Income used to calculate RoRWA is based on a 12 month rolling average

Execution through Eight Initiatives



Huge opportunity on RMB internationalisation...




RMB trade settlement: zero to 1.5 trillion RMB in less than two years



Source: People's Bank of China, Hong Kong Monetary Authority, Standard Chartered Research

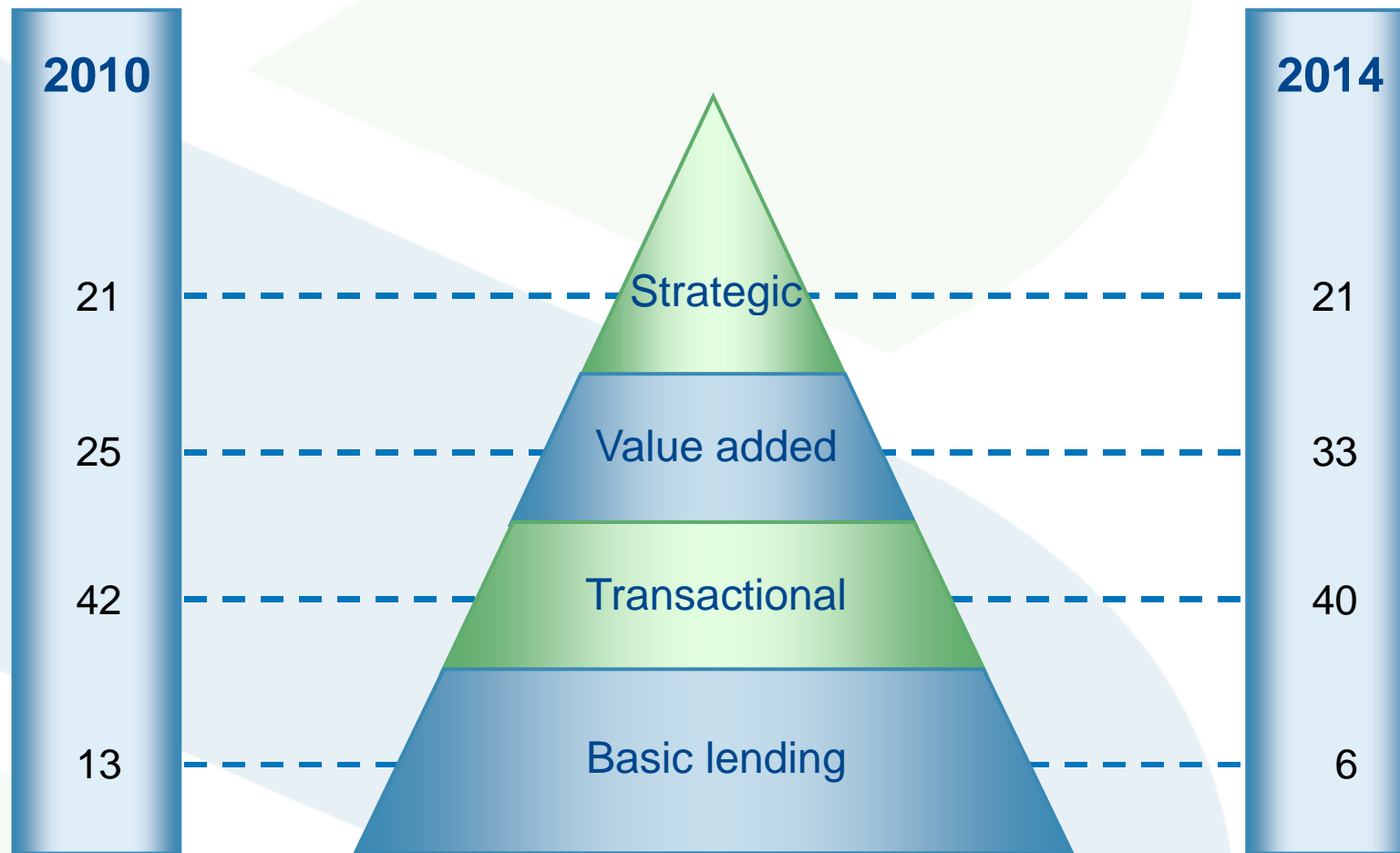
...and we are at the leading edge of innovation in RMB internationalisation



- RMB Services now cover **30 markets** (H1 11)  19 markets (FY 2010)
- Total amount of Liabilities **RMB 33.2 bn** (H1 11)  +115% (FY 2010)
- **3rd** largest RMB clearing bank in China, behind Bank of China and ICBC  4th largest clearing bank in China (FY 2010)
- SCB China won the Best RMB Cross-Border Settlement
- Bank Award from Trade Finance Magazine and the China Trade Finance Web

Commercial Banking will remain at the heart of the business

Client income by product (%)



Key messages

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