

# **1H'21 / 2Q'21**

## **Results Presentation**

3 August 2021



standard  
chartered

# Contents



**Bill Winters**  
Group Chief Executive

3  
and 15



**Andy Halford**  
Group Chief Financial Officer

4

## Appendix

|                                                                                                                        |    |
|------------------------------------------------------------------------------------------------------------------------|----|
| Summary of guidance, macroeconomic indicators, interest rate sensitivity, other income, critical enablers, C&O, stands | 28 |
| Information for fixed income investors                                                                                 | 35 |
| Sustainability                                                                                                         | 47 |
| Notes, abbreviated terms and important notice                                                                          | 52 |



# Our first half of 2021 was one of recovery, albeit an uneven one

## We enter 2H'21 with positive momentum, purpose and confidence

### 1H'21 summary

- **We delivered a resilient and encouraging performance in 1H'21**
  - Profit before tax has recovered strongly from a year ago, up 37%<sup>1</sup>...
  - ... mainly driven by improved loan impairments, with income down 5%
- **Continued strong underlying business momentum**
  - Record first half performance in Wealth Management up 23%<sup>2</sup>
  - Transaction Banking Trade income up 16%, the strongest half since 2018
  - Loans and advances to customers up 6% in 1H'21
  - Affluent AUM up \$10bn / 4% in 1H'21<sup>3</sup>
- **Areas of strategic focus continue to progress well**
- **We are more confident in achieving our RoTE targets**
- **We are working our capital harder**
  - We intend to operate dynamically within the full CET1 13-14% target range with an eye to the opportunities for growth, as well as credit and economic conditions and the strength of our earnings, as we continue our focus on safely improving our overall return on capital
  - Resumption of interim dividend of \$94m or 3c per share, and grow full year dividend over time
  - \$250m share buy-back to start imminently<sup>4</sup>



**Andy Halford**

Group Chief Financial Officer



# The Group delivered a resilient and encouraging performance in 1H'21...

## ... with strong underlying business momentum

| (\$bn)                                | 1H'20      | 1H'21      | YoY <sup>1</sup> | Ccy <sup>1</sup> |
|---------------------------------------|------------|------------|------------------|------------------|
| Net interest income                   | 3.5        | 3.4        | (4)%             | (6)%             |
| Other income (ex-DVA)                 | 4.4        | 4.2        | (4)%             | (6)%             |
| <b>Operating Income (ex-DVA)</b>      | <b>7.9</b> | <b>7.6</b> | <b>(4)%</b>      | <b>(6)%</b>      |
| DVA                                   | 0.1        | (0.0)      | Nm <sup>1</sup>  | Nm <sup>1</sup>  |
| <b>Operating income</b>               | <b>8.0</b> | <b>7.6</b> | <b>(5)%</b>      | <b>(7)%</b>      |
| Operating expenses                    | (4.7)      | (5.1)      | (8)%             | (4)%             |
| Bank Levy                             | -          | (0.0)      | Nm <sup>1</sup>  | Nm <sup>1</sup>  |
| <b>Pre-provision operating profit</b> | <b>3.3</b> | <b>2.5</b> | <b>(24)%</b>     | <b>(24)%</b>     |
| Credit impairment                     | (1.6)      | 0.0        | Nm <sup>1</sup>  | Nm <sup>1</sup>  |
| Other impairment                      | 0.1        | (0.0)      | Nm <sup>1</sup>  | Nm <sup>1</sup>  |
| Profit from associates                | 0.1        | 0.1        | 76%              | 76%              |
| <b>Underlying profit before tax</b>   | <b>2.0</b> | <b>2.7</b> | <b>37%</b>       | <b>41%</b>       |
| Restructuring                         | (0.1)      | (0.1)      | (37)%            | (37)%            |
| Goodwill impairment                   | (0.3)      | -          | Nm <sup>1</sup>  | Nm <sup>1</sup>  |
| Other items                           | 0.0        | -          | Nm <sup>1</sup>  | Nm <sup>1</sup>  |
| <b>Statutory profit before tax</b>    | <b>1.6</b> | <b>2.6</b> | <b>57%</b>       | <b>62%</b>       |
| <b>Risk-weighted assets</b>           | <b>263</b> | <b>280</b> | <b>7%</b>        |                  |
| Net interest margin (NIM) (%)         | 1.40       | 1.22       | (18)bps          |                  |
| CET1 ratio (%)                        | 14.3       | 14.1       | (20)bps          |                  |
| Liquidity coverage ratio (LCR) (%)    | 149        | 146        | (3)%pts          |                  |
| <b>Underlying RoTE (%)</b>            | <b>6.0</b> | <b>9.3</b> | <b>330bps</b>    |                  |

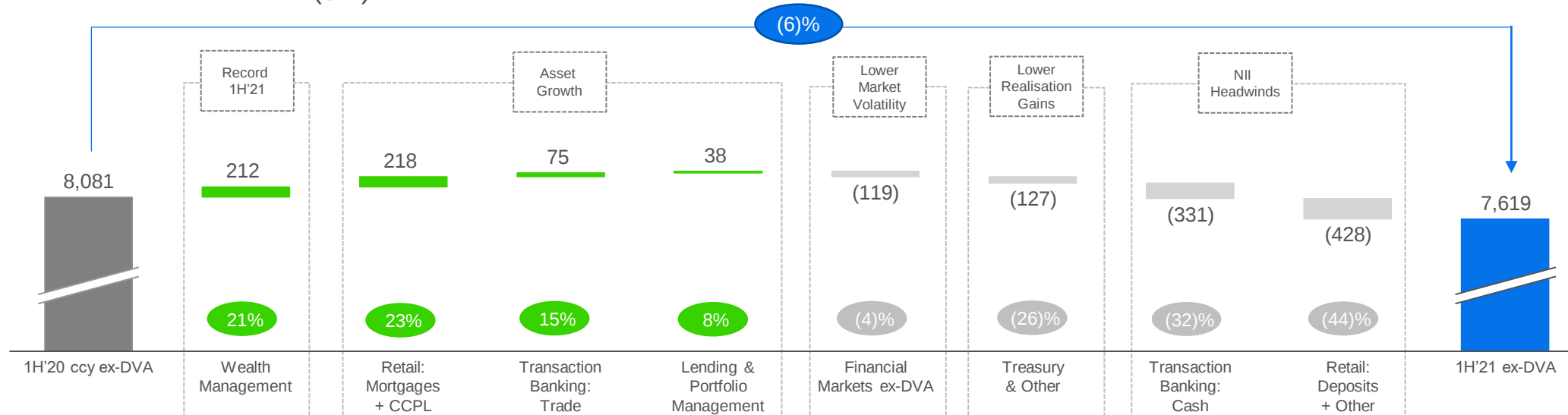
- Income momentum offset by low interest rates and lower levels of market volatility
- Expenses 8% higher, 4% at ccy
  - Increased normalised performance-related pay accrual and investment in digital initiatives
- Credit impairment net release of \$(47)m
  - Stage 1&2 net release of \$(105)m; Stage 3 \$58m
    - Management overlay release of \$(51)m to \$301m
  - High-risk assets<sup>2</sup> down \$2bn in 1H'21
- Client demand continues to drive growth in 1H'21
  - Loans and advances to customers up \$16bn / 6%
  - Risk-weighted assets up \$11bn / 4%
- Capital is strong; CET1 above the 13-14% range
  - Resumption of interim dividend of 3c per share
  - New \$250m share buy-back to start imminently<sup>3</sup>

→ **Introduction**  
 Income  
 Segment/region  
 Expenses  
 Risk  
 Capital  
 Guidance  
 Strategy



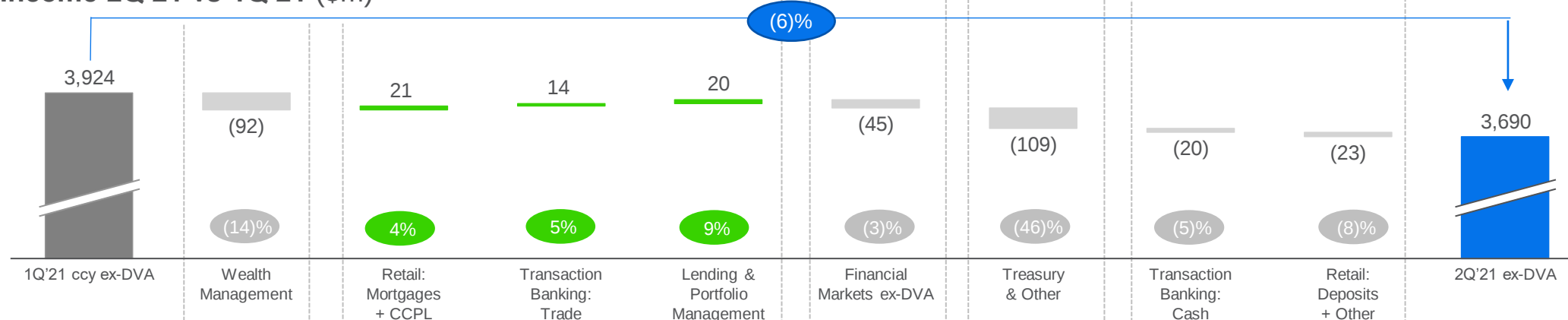
# 1H'21 YoY: NII headwinds, lower FM and Treasury realisation gains... ... record WM and strong asset growth; QoQ NII headwinds abating

## Income 1H'21 vs 1H'20 (\$m)



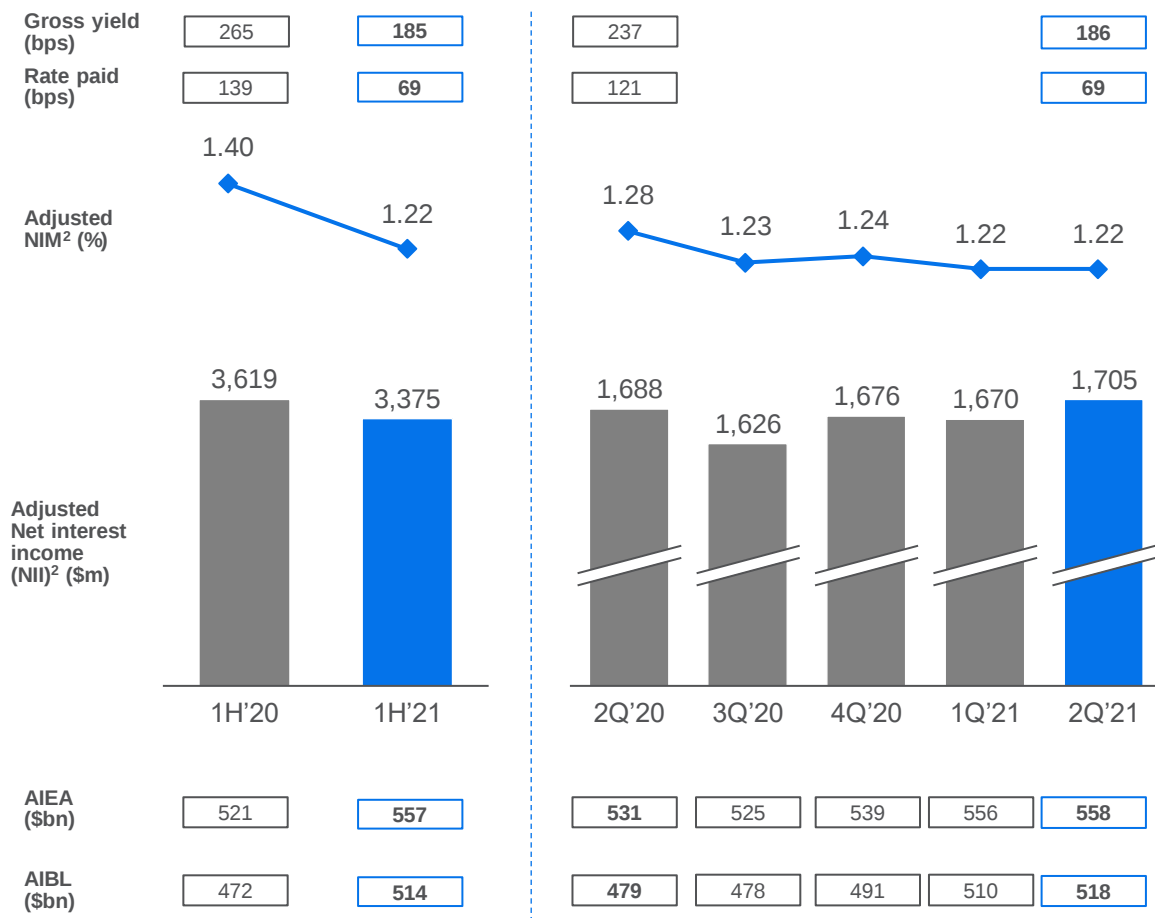
Introduction  
→ **Income**  
Segment/region  
Expenses  
Risk  
Capital  
Guidance  
Strategy

## Income 2Q'21 vs 1Q'21 (\$m)



# 1H'21 NII impacted by 18bps YoY reduction in NIM

Strong asset growth, with AIEA up \$19bn / 4% in 1H'21<sup>1</sup>



- Adjusted NII down 7% YoY
  - NIM down 18bps / 13% YoY
    - ~\$500m headwind to NII vs 1H'20<sup>3</sup>
- Adjusted NIM flat QoQ
  - +5bps: \$73m interest income adjustment
  - (2)bps: HIBOR compression and IPO funds
  - (2)bps: 1Q'21 Treasury realisations and shift from securities to cash as yields reduced
  - (1)bps: Treasury repo financing activity in 2Q'21, RoTE accretive
- Expected drivers of NII in 2H'21
  - Normalised<sup>4</sup> NIM 117bps should be broadly stable for the remainder of the year
  - There is likely to be an additional interest income adjustment<sup>4</sup> in 2H'21
  - Continued client demand
  - Treasury assets tenor extension

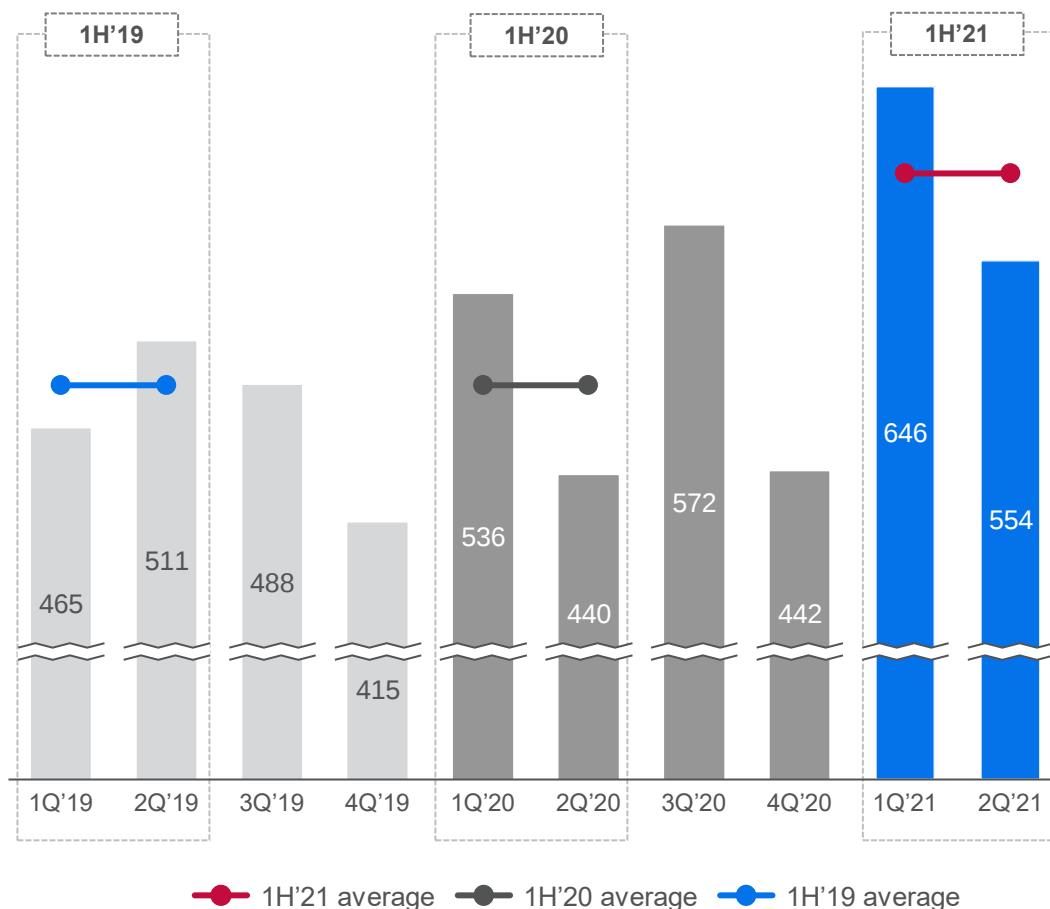
Introduction  
 → **Income**  
 Segment/region  
 Expenses  
 Risk  
 Capital  
 Guidance  
 Strategy



# A record performance in Wealth Management...

## ... with strong momentum going into 2H'21

WM income (\$m)



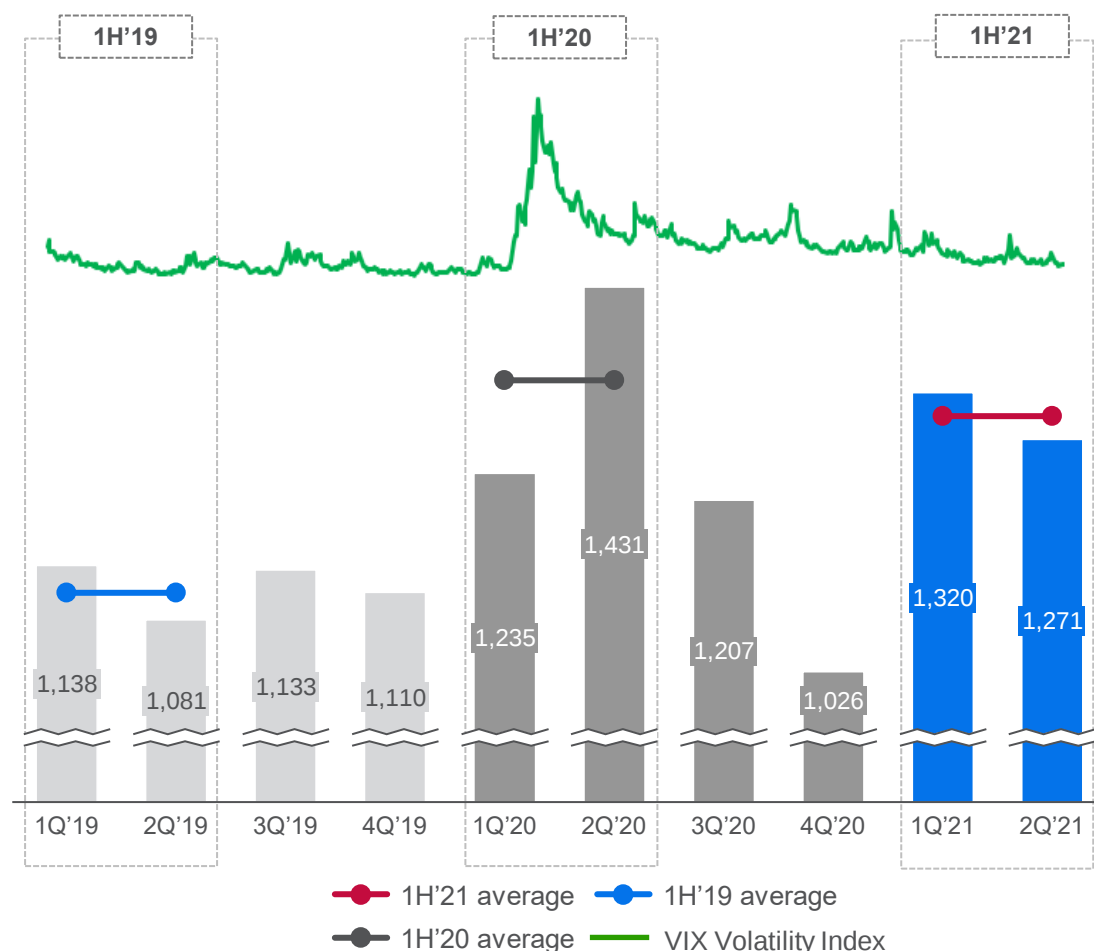
- 1H'21 income up 23%, 2Q'21 up 26%
  - Record quarter in 1Q'21 and 1H'21
  - 16% of Group income, up 4%pts YoY
  - CAGR since 2009: 8%
- Ranked top 3 wealth manager in Asia<sup>1</sup>
- Launched MyRM in Singapore and UAE
- Well-positioned for Wealth Management Connect pilot scheme for GBA
- AAME wealth assets are predicted to grow 8% CAGR 2018 – 23 (RoW 2%)<sup>2</sup>

Introduction  
 → **Income**  
 Segment/region  
 Expenses  
 Risk  
 Capital  
 Guidance  
 Strategy



# FM comparatives impacted by unprecedented volatility levels in 1H'20... ... but exiting 2Q'21 strongly

FM ex-DVA income (\$m) and market volatility



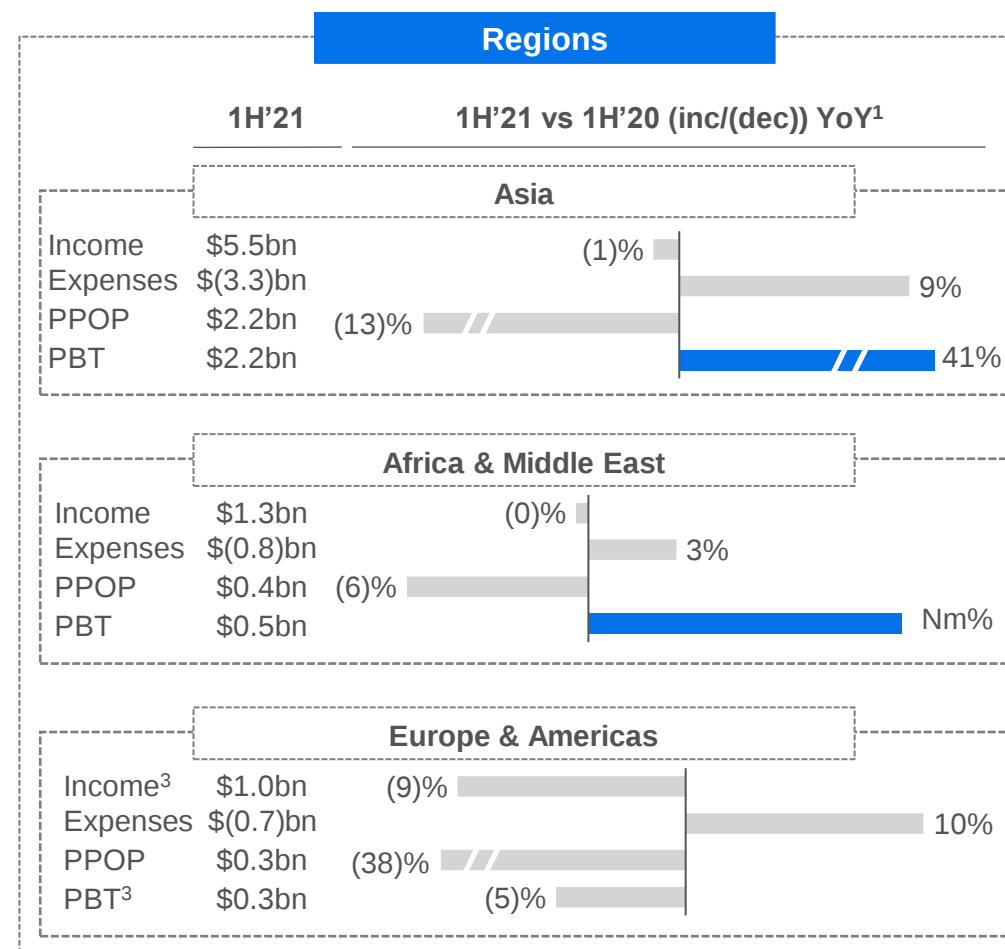
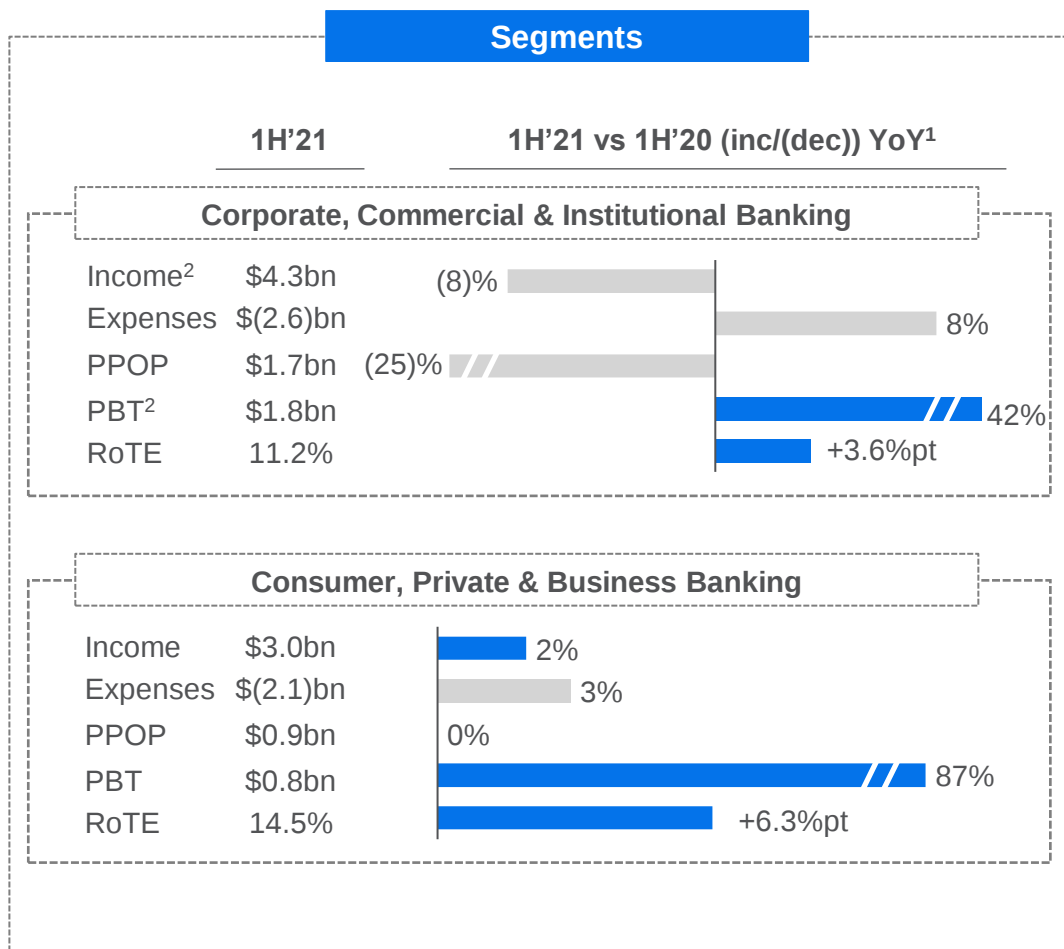
- 1H'21 FM ex-DVA income down 3%, 2Q'21 down 11% YoY
  - 1H'21 > 1H'19 Qtr avg
  - 2Q'21 up 18% vs 2Q'19
  - Strong double-digit growth in Credit Trading and Financing Solutions & Issuance offset by lower Macro Trading
  - June strongest month so far in 2021
  - Strong financing pipeline
- The integration of FM and CF, to expand originate-to-distribute capabilities, is progressing well
- 20% YoY increase in volume executed via the Automated Risk Management platform<sup>1</sup>

Introduction  
 → **Income**  
 Segment/region  
 Expenses  
 Risk  
 Capital  
 Guidance  
 Strategy



# Improving returns driven by lower impairments offset by NII headwinds

## ...CPBB recovery driven by WM, CCIB facing tough income comparatives

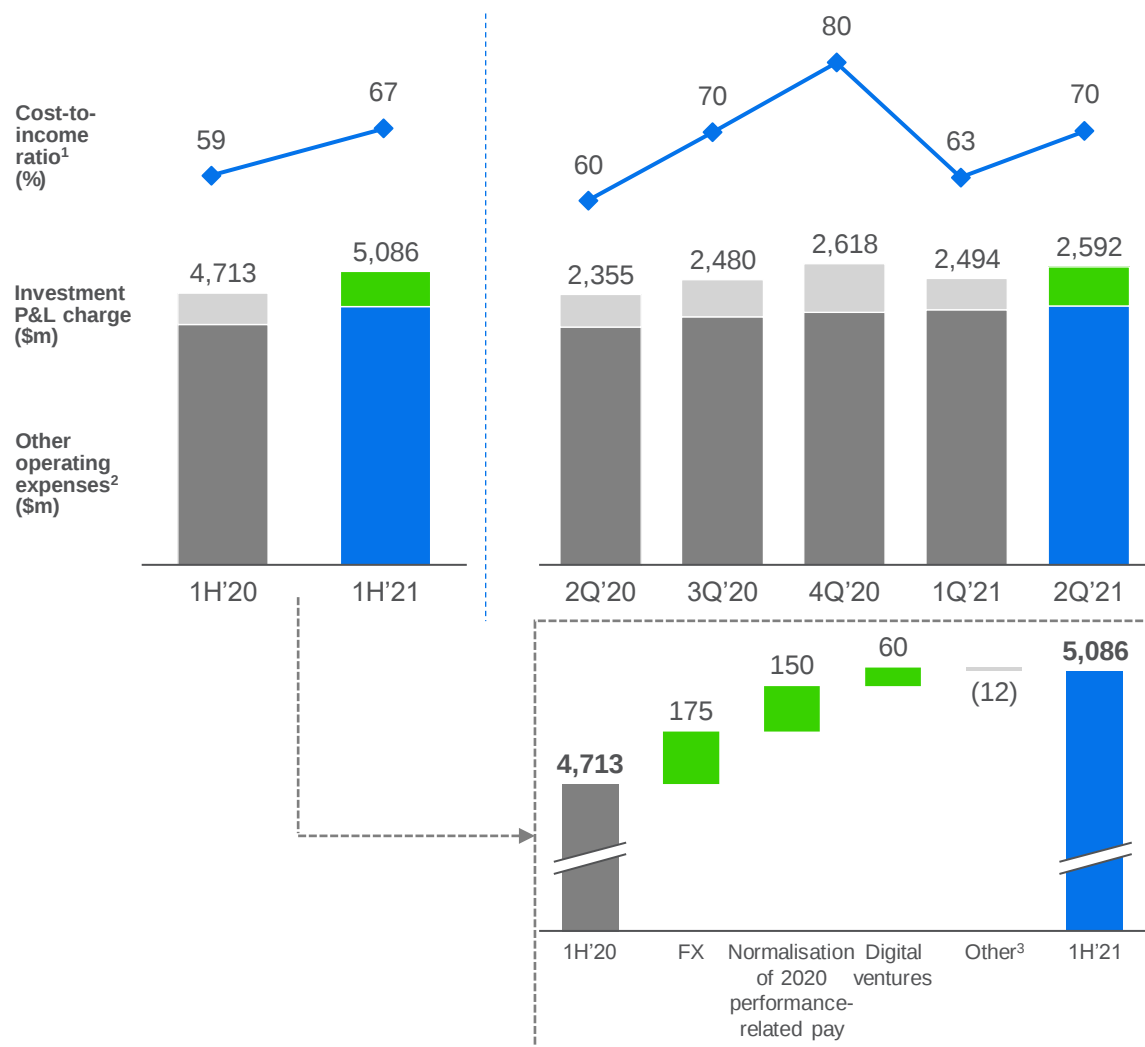


Introduction  
Income  
→ **Segment/region**  
Expenses  
Risk  
Capital  
Guidance  
Strategy



# Expenses increased in 1H'21 as we continue to invest

FY'21 expenses should remain <\$10bn excl. FX; may increase for performance pay



- Expenses 8% higher YoY; 4% ccy
- FX impact ~50% of YoY increase; ~\$300m impact for FY'21
- Performance-related pay has normalised after reduction in 2020
- Spend on digital ventures e.g. Mox<sup>4</sup> has more than doubled, and is ~30% of the Group's YoY cost growth on a constant currency basis
- Cash investment spend up 22% YoY driven by 57% increase in strategic initiatives
- Restructuring charges of ~\$0.5bn likely, mainly in FY'21

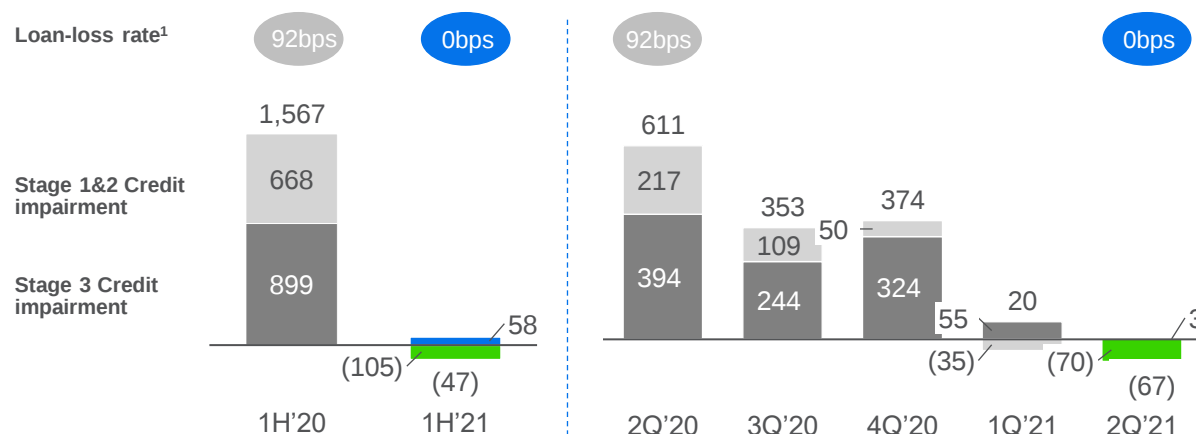
Introduction  
Income  
Segment/region  
→ **Expenses**  
Risk  
Capital  
Guidance  
Strategy



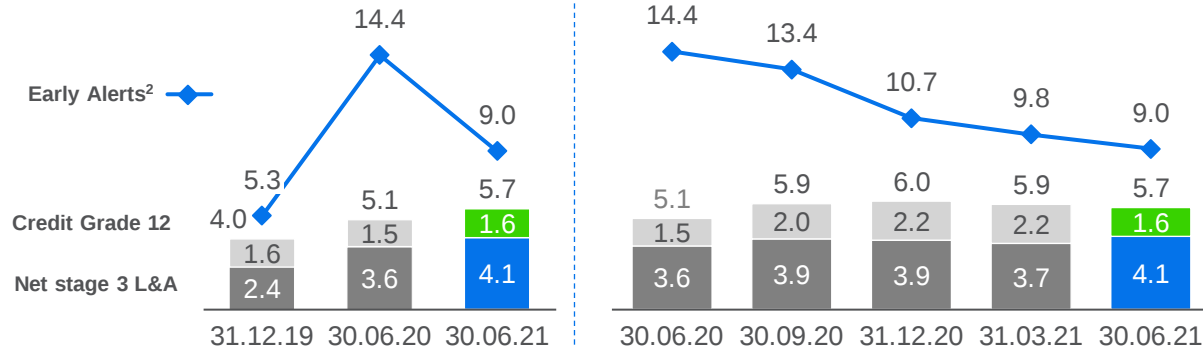
# We expect credit impairment to remain low for the remainder of the year

## We remain cautiously optimistic

### Credit impairment (\$m) / Loan-loss rate



### Credit quality (\$bn)



- Credit impairment down \$1,614m
  - Stage 1 & 2 net release of \$(105)m
    - \$51m release in overlay to \$301m
  - Stage 3 \$58m
    - 2Q'21 \$3m down \$52m QoQ
    - Includes \$20m charge in relation to IFRS9 interest income adjustment
- High-risk assets down \$1bn QoQ<sup>3</sup>
  - Early Alerts down \$1.7bn since 31.12.2020; back to pre-pandemic levels excl. Aviation and Hotels & Tourism
- Strong cover ratio of 75%<sup>4</sup>
- 'Vulnerable sectors'<sup>5</sup> are just 8% of Group L&A
- Loans subject to relief<sup>6</sup> down \$0.5bn QoQ to \$1.7bn
- Days-past-due<sup>7</sup> up slightly in 2Q'21

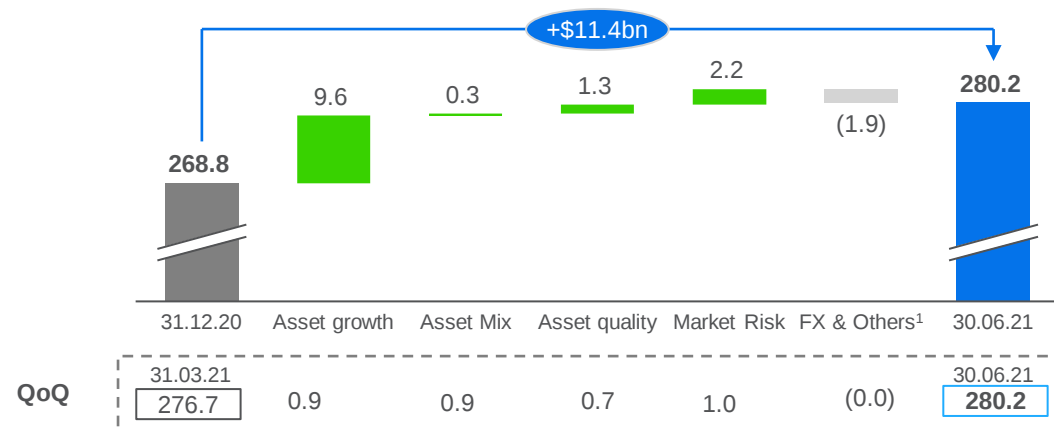
Introduction  
Income  
Segment/region  
Expenses  
→ **Risk**  
Capital  
Guidance  
Strategy



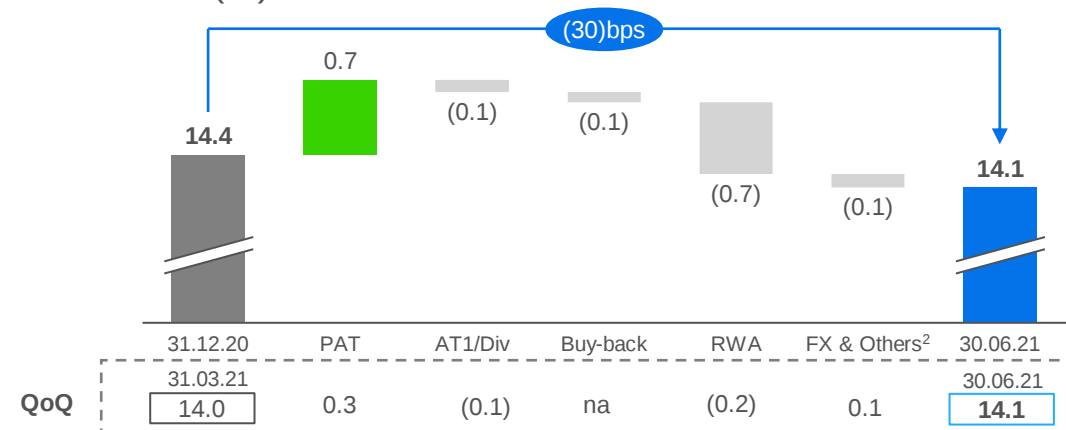
# RWA growth continues to be driven primarily by client demand

We have capacity to fund both growth and capital returns

## Risk-weighted assets (RWA) (\$bn)



## CET1 ratio (%)



- RWA up \$11bn (4%) from 31.12.20
  - Mainly client demand led asset growth
  - \$2bn market risk growth
  - Up \$4bn (1%) QoQ
- Growth slowing in 2Q'21 despite continued asset growth: up 1% QoQ vs L&A up 2%
- Mid-single digit YoY growth expected for FY'21 with impact of optimisation initiatives in 2H'21 supporting further client demand led growth
- Resumption of interim dividend of 3c per share
- New \$250m share buy-back to start imminently<sup>3</sup>
- CET1 30.6.21 pro-forma ex-software of 13.8%<sup>4</sup>
- UK leverage ratio 5.2% well above the minimum requirement of 3.7%

Introduction  
Income  
Segment/region  
Expenses  
Risk  
→ **Capital**  
Guidance  
Strategy



# Looking ahead

## Guidance

- With the current level of normalised NIM and strong customer demand likely to continue in 2H'21, we still expect FY'21 income to be similar to that achieved in FY'20 on a constant currency basis...
- ... and to return to our medium-term guidance of 5-7% growth from 2022
- We still expect expenses to remain below \$10bn in 2021 excluding the impact of 2021 currency translation, though they may increase slightly driven by performance-related pay
- Excluding the impact of any unforeseeable events we expect credit impairment to remain low for the remainder of the year
- We intend to operate dynamically within the full CET1 13-14% target range with an eye to the opportunities for growth, as well as credit and economic conditions and the strength of our earnings, as we continue our focus on safely improving our overall return on capital

Introduction  
Income  
Segment/region  
Expenses  
Risk  
Capital  
→ **Guidance**  
Strategy



# Bill Winters

## Group Chief Executive



# We are more confident in achieving our RoTE targets

## Encouraging progress made in the first half of 2021

**RoTE  
Targets:**

**>7% by  
2023**

**>10%  
medium-  
term**

### Good momentum and an improving outlook



Strong underlying business momentum...  
... against a challenging backdrop



Our loan portfolios are clearly in great shape...  
... and we should see a slower return to our medium-term loss rate



We intend to operate dynamically within the full CET1 13-14% target range,  
creating RoTE upside...  
... and giving us capacity to maximise capital returns to shareholders



Our larger markets are recovering and performing...  
...and the growth opportunities are significant

Introduction  
Income  
Segment/region  
Expenses  
Risk  
Capital  
Guidance  
→ **Strategy**

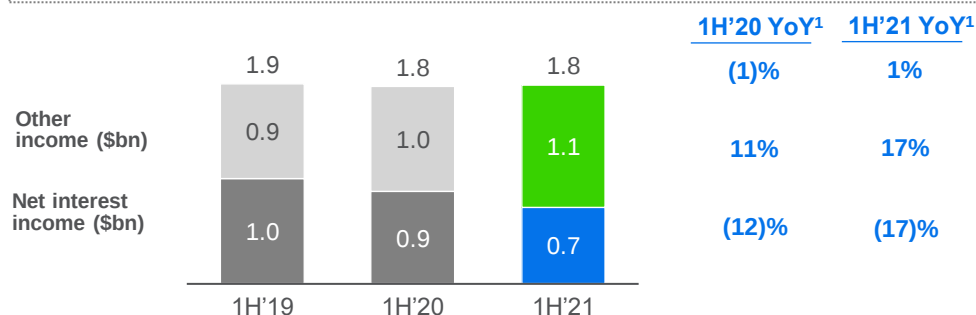


# Focus on Hong Kong

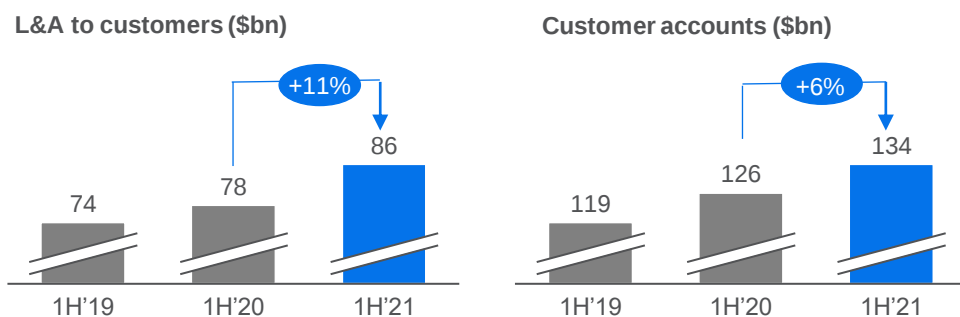
Strong underlying income momentum, improving returns and driving innovation

## Financial Highlights

### Strong growth in Other income offsetting NIM headwinds



### Positive balance sheet momentum continued in 1H'21



## Key highlights

- **RoTE** in 1H'21 is almost back to 1H'19 record level
- **Revenue** at 2019 levels with shift into other income
  - Now 62% of total, to offset HIBOR compression
- Strong loan growth outpacing market growth
- Increased market share in mortgages and unsecured lending
- Good momentum going into 2H'21
- **Very well positioned in GBA**
  - Best RMB Bank in Hong Kong<sup>2</sup> for 8 years in a row
  - Top Custodian Bank for 4 years in a row<sup>3</sup>
- **Enhancing digital capabilities**
  - Mox<sup>4</sup>: launched Mox Credit
  - Best Digital Bank in Hong Kong<sup>5</sup>
- **Committed to sustainable finance**
  - Ranked top bookrunner for Asian green and sustainable high yield bond issuances

Introduction  
Income  
Segment/region  
Expenses  
Risk  
Capital  
Guidance  
→ **Strategy**



# Focus on China

Good returns, fast growing and well set to benefit from China's opening

## Structural shifts

- 1 Global asset redenomination into RMB amid China opening**
  - RMB share of global bank reserves: 2020 2% vs 2030E ~5-10%<sup>1</sup>
  - Foreign portfolio holdings of Chinese stocks and bonds: 2020 <3% of global assets vs ~15% Mid- to long-term<sup>2</sup>

- 2 Supply chain / trade flow shifts with China at the epicentre**
  - China to account for ~50% of global trade flow increase between 2019-2023<sup>3</sup>

- 3 Strong growth in mainland wealth and increasing offshore investment**
  - Growth in China liquid assets: 2020 \$20trn to 2025E \$31trn; +9% CAGR<sup>4</sup>
  - Increase in Chinese HNWIs with overseas investments: 2011 19% vs 2019 52%<sup>4</sup>

- 4 Continued domestic and offshore growth underpinned by dual circulation**
  - Hong Kong plays a unique “connector” role

## Our strategic advantages

- **Strong financial performance**
  - Record profit before tax in 1H'21
    - 1H'21 > Full Year profits in any prior year
    - Double digit RoTE and income up 20%
  - Broad based growth across segments and products
  - Largest network market in the Group
- **Competitive advantage**
  - Most broadly licensed foreign bank<sup>5</sup>
  - Best RMB Bank and Best Transaction Bank<sup>6</sup>
  - Leading foreign bank in Bond Connect
- **Strong position in GBA**
  - New regional centre in Guangzhou
  - Well equipped to support clients through the Wealth Management Connect pilot scheme
- **Differentiating through innovation and digitisation**
  - Successfully scaled up strategic partnership in mass retail

Introduction  
Income  
Segment/region  
Expenses  
Risk  
Capital  
Guidance  
→ **Strategy**



# Focus on the optimisation markets

Despite significant challenges we continue to make good progress in 1H'21

|                                                                                                                                    | India<br>                                                                                                                                                                                                                                                                                                                        | Korea<br>                                                                                                                                                                                                                                                                                                                               | UAE<br>                                                                                                                                                                                                                                                                                                                                                                                       | Indonesia<br>                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Income CAGR % (2018 - 2020)                                                                                                        | 15%                                                                                                                                                                                                                                                                                                                                                                                                               | 2%                                                                                                                                                                                                                                                                                                                                                                                                                         | (5)%                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 9%                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>1H'21 Profit before tax</b>                                                                                                     | <b>\$284m</b>                                                                                                                                                                                                                                                                                                                                                                                                     | <b>\$201m</b>                                                                                                                                                                                                                                                                                                                                                                                                              | <b>\$125m</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>\$13m</b>                                                                                                                                                                                                                                                                                                                                                                                                          |
| 1H'21 YoY %                                                                                                                        | 19%                                                                                                                                                                                                                                                                                                                                                                                                               | 5%                                                                                                                                                                                                                                                                                                                                                                                                                         | (1H'20 \$(72)m)                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | (72)%                                                                                                                                                                                                                                                                                                                                                                                                                 |
| CAGR 2018 - 2020 %                                                                                                                 | 55%                                                                                                                                                                                                                                                                                                                                                                                                               | 16%                                                                                                                                                                                                                                                                                                                                                                                                                        | nm% <sup>1</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | (15)%                                                                                                                                                                                                                                                                                                                                                                                                                 |
|                                                                                                                                    | <i>Strong recovery post COVID-19 2<sup>nd</sup> wave</i>                                                                                                                                                                                                                                                                                                                                                          | <i>Record profits<sup>3</sup></i>                                                                                                                                                                                                                                                                                                                                                                                          | <i>Strong turnaround to improving returns</i>                                                                                                                                                                                                                                                                                                                                                                                                                                    | <i>Challenging environment</i>                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Aggregate Profit before tax<sup>2</sup></b><br><b>1H'21 \$623m</b><br>+54% YoY<br><b>2020 \$559m</b><br>+17% CAGR (2018 – 2020) | <b>Affluent</b> <ul style="list-style-type: none"> <li>1H'21 income +18%</li> </ul> <b>Balance sheet/capital</b> <ul style="list-style-type: none"> <li>CASA +16%</li> <li>Sub-optimal RWA down 27% YoY</li> </ul> <b>Sustainability</b> <ul style="list-style-type: none"> <li>Sustainable finance income ~x2</li> </ul> <b>Digital</b> <ul style="list-style-type: none"> <li>Digital adoption = 73%</li> </ul> | <b>Affluent</b> <ul style="list-style-type: none"> <li>1H'21 income +22%</li> <li>1H'21 WM income +63%</li> </ul> <b>Expenses</b> <ul style="list-style-type: none"> <li>Closed 3 more branches in 1H'21</li> <li>Expenses down 5% CAGR 2018 - 2020</li> </ul> <b>Balance sheet / capital</b> <ul style="list-style-type: none"> <li>\$45m capital return</li> <li>L&amp;A to customers up \$10bn / 28% on 2018</li> </ul> | <b>Affluent</b> <ul style="list-style-type: none"> <li>1H'21 WM income up 26%</li> <li># of Priority clients up 16% in 1H'21</li> </ul> <b>Expense management</b> <ul style="list-style-type: none"> <li>1H'21 expense down 10%; down 5% CAGR 2018 - 2020</li> </ul> <b>Credit quality</b> <ul style="list-style-type: none"> <li>1H'20 included large single name impairment</li> </ul> <b>Digital</b> <ul style="list-style-type: none"> <li>Digital adoption = 75%</li> </ul> | <b>Affluent</b> <ul style="list-style-type: none"> <li># of Affluent clients up 12%</li> <li>WM AUM up 19%</li> <li>Customer accounts up 33% YoY</li> </ul> <b>FM income</b> <ul style="list-style-type: none"> <li>Macro trading income down ~75%</li> </ul> <b>Digital</b> <ul style="list-style-type: none"> <li>Nexus, banking-as-a-service platform announced with 2 partners: Bukalapak and Sociolla</li> </ul> |

Introduction  
Income  
Segment/region  
Expenses  
Risk  
Capital  
Guidance  
→ **Strategy**



# Network: unlocking the power of our unique footprint



## CCIB's network business

- RoTE<sup>2</sup> of 13.1%, +1.9%pts vs CCIB
- New client tiering in place to deliver distinct client propositions
- Global trade volumes have recovered to pre-COVID-19 levels, up 39% YoY<sup>4</sup>
- Digital capabilities launched in 46 markets<sup>5</sup>
- Accelerated roll-out of S2B NextGen<sup>6</sup>
- Opened Saudi Arabia branch
-  Recipient of 59 awards<sup>7</sup>

| KPIs                                                       | 1H'19   | 1H'20   | 1H'21          | 1H'21<br>YoY <sup>1</sup> |
|------------------------------------------------------------|---------|---------|----------------|---------------------------|
| Network income (\$bn) <sup>2</sup>                         | \$2.4bn | \$2.3bn | <b>\$2.2bn</b> | (3)%                      |
| % of CCIB transactions<br>digitally initiated <sup>3</sup> | Na      | 41%     | <b>48%</b>     | 7%pts                     |

Introduction  
 Income  
 Segment/region  
 Expenses  
 Risk  
 Capital  
 Guidance  
 → **Strategy**



# Affluent: reinforcing our strong credentials

## Mass retail: substantially and economically scaling up



### Affluent client business

- Affluent client base continues to grow
  - Added 162k new affluent clients in 1H'21<sup>2</sup>
    - ~2/3 from Mass Retail
  - Added ~11k new international banking clients vs ~10k for FY'20
- Wealth Management income up 23% YoY
- AUM now \$246bn, up \$10bn in 2021
- Net New Money ~4X YoY
- Launched MyRM in Singapore and UAE
- Personalised Investment Ideas launched in China; now available in top 4 markets

| KPIs                                    | 1H'19    | 1H'20    | 1H'21           | 1H'21 YoY <sup>1</sup> |
|-----------------------------------------|----------|----------|-----------------|------------------------|
| Number of affluent clients <sup>3</sup> | 1.7m     | 1.9m     | <b>2.0m</b>     | 6%                     |
| Affluent income (\$bn) <sup>3</sup>     | \$1.82bn | \$1.79bn | <b>\$1.86bn</b> | 4%                     |



### Mass retail business

- Nexus: partnering with Bukalapak and Sociolla in Indonesia to provide digital banking services to >100m users
- Actively exploring digital banking and partnerships models in Singapore
  - We intend to use Mox<sup>6</sup> as the technology for a Singapore digital bank
- Continue to grow CCPL: L&A up 4% YoY
- Reviewing inorganic growth opportunities

| KPIs                                                | 1H'19 | 1H'20 | 1H'21       | 1H'21 YoY <sup>1</sup> |
|-----------------------------------------------------|-------|-------|-------------|------------------------|
| Number of clients <sup>4</sup>                      | 7.4m  | 7.8m  | <b>7.7m</b> | (2)%                   |
| % of digital sales for retail products <sup>5</sup> | 24%   | 67%   | <b>71%</b>  | 4%pts                  |

Introduction  
Income  
Segment/region  
Expenses  
Risk  
Capital  
Guidance  
→ **Strategy**



# Sustainability: making a difference in the world where it matters the most



## Sustainability

- Launched sustainable supply chain benchmarking tool
- Announced Climate Impact X (CIX)<sup>1</sup>, a global exchange and marketplace for carbon credits
- Partnering with Doconomy<sup>2</sup> to introduce a digital tool to help clients manage their everyday climate impact
- Sustainable Finance:
  - Issued first USD Sustainability Bond
  - Executed first ESG-linked derivative
  - Income up 55% YoY
  - Assets up 78% in 1H'21

| KPIs                                               | FY'19 | FY'20 | 1H'21 |
|----------------------------------------------------|-------|-------|-------|
| Reduction in carbon footprint YoY (%) <sup>3</sup> | 1%    | 37%   | 21%   |
| % sustainability aspirations achieved <sup>4</sup> | 93%   | 78%   | 88%   |

Introduction  
Income  
Segment/region  
Expenses  
Risk  
Capital  
Guidance  
→ **Strategy**



# Focus on digital and virtual banking

Multi faceted strategy of self build, partnering and strategic investment

## Africa digital bank



- Launched in Côte d'Ivoire in 2018, now in 9 African markets<sup>1</sup>
  - On-line and mobile platform

- Since launch:

| # Clients | % clients < 35 yrs old |
|-----------|------------------------|
| ~660k     | 75%                    |

- Cost of acquisition has reduced ~2/3<sup>rd</sup>s
- ~95% client acquisition is fully digital
- ~95% of transactions are on digital or alternative channels
- Targeting to launch in Pakistan in 2H'21



- Launched in Hong Kong in September 2020 with partners PCCW, HKT and Trip.com
  - Mobile only platform

- Since launch:

| # Clients | % clients < 35 yrs old |
|-----------|------------------------|
| ~135k     | 50%                    |

- Highest rated financial app in HK on the Apple App Store
- ~\$700m of deposits
- 1st virtual bank in HK to launch credit card (in May)
  - Acquired 36k Mox Credit clients in first 2 months
- Targeting ~200k clients by FY'21

## Strategic Investments

- Investments made for insight, value creation and scale



- Part of a consortium with LINE Group and Taipei Fubon Commercial Bank
- LINE messenger app used by 21m people in Taiwan, ~90% of the population
- Recently received a virtual banking license in Taiwan



- Part of a consortium led by Viva Republica
- Toss app used by 20m people in Korea, ~30% of population
- Received preliminary approval to launch Korea's 3<sup>rd</sup> internet only bank

Introduction  
Income  
Segment/region  
Expenses  
Risk  
Capital  
Guidance  
→ **Strategy**



# Focus on new business ventures

Off to an exciting start with a number of innovative propositions in the pipeline



BaaS business, allowing digital ecosystems to offer lending, credit cards & savings products to their customer base under their own brand

Investment:

**Bukalapak**

Partnership with:

**sociolla**



B2B digital commerce platform connecting buyers and sellers, addressing the growth challenges of SMEs through financial and business services

**\$32m**  
GTV<sup>1</sup>

**60k+**  
Users

Anchor partners:

**SAMSUNG** 



Mobile app in Singapore that helps consumers find the best credit card deals to maximise savings

**180k**  
Users

**#1**  
Lifestyle App in SG

Partnership with:

 **mastercard.**  **UOB**  
 **Maybank**  **income**




Next generation payment platform for e-commerce players through omni-channel payments solutions

*April 2021: announced the merger of CurrencyFair and Assembly*



End-to-end institutional-grade custodian for digital assets / crypto-currency

Investment:

**METACO**

Investment in custody:

 **NORTHERN TRUST**

JV partnership in Markets:

 **OSL**



Open digital platform in Singapore targeted at Mass Retail and Affluent client segment to help them through their retirement journey covering aspects of health, wealth & lifestyle

**6k**  
Users since launch in May 2021

**#19**  
In Google Play store

Partnership with:

 **FRANKLIN TEMPLETON**

Introduction  
Income  
Segment/region  
Expenses  
Risk  
Capital  
Guidance  
→ **Strategy**



# Its time to take a stand

The world is being reset and we need to transform further and fast

**What we want to stand for:** Our stands represent our aspiration – the difference we want to make

## Accelerating Zero

*Helping emerging markets in our footprint reduce carbon emissions as fast as possible, without slowing development, putting the world on a sustainable path to **net zero by 2050***

## Lifting Participation

*Improving the lives of **1bn people** and their communities by unleashing the full potential of women and small businesses in our core markets*

## Resetting Globalisation

*Supporting **500k companies** to improve working and environmental standards and giving everyone the chance to participate in the world economy, so growth becomes fairer and more balanced*

Introduction  
Income  
Segment/region  
Expenses  
Risk  
Capital  
Guidance  
→ **Strategy**



# In conclusion



## Capital and ROTE

- We are more confident in achieving our RoTE targets
- Capital strength gives us options for growth
- ~\$600m capital returns actioned or announced so far this year
- We intend to operate dynamically within the full CET1 13-14% target range



## Business momentum

- Record Wealth Management in 1H'21
- Strong customer asset growth up 6% in 1H'21
- Our big markets are firing and have runway
- Demonstrable progress on Affluent, Network, Mass Retail and Sustainability

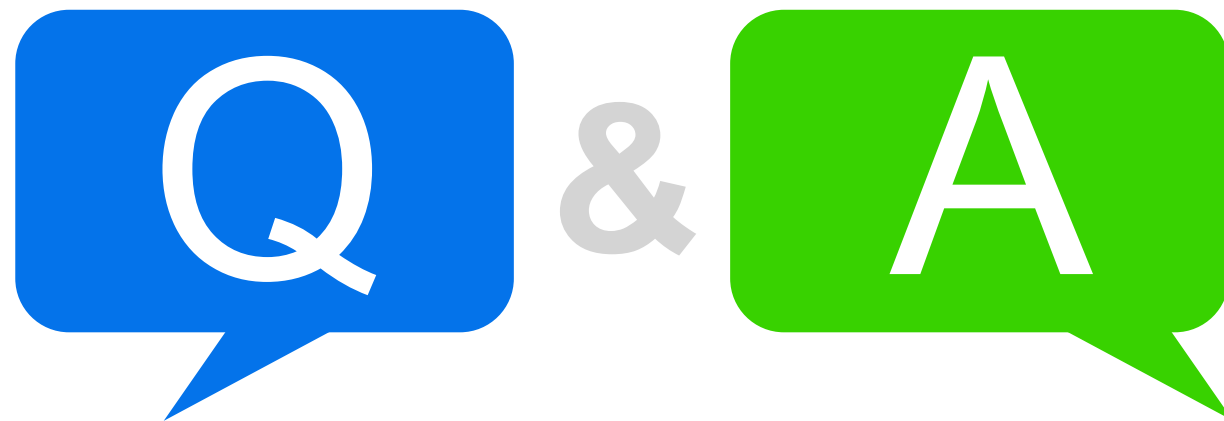


## Innovation and disruption

- Digital bank offerings now in several markets with scale – more to come
- Partners give access to significant numbers of new customers. More to come in 2H'21
- Developing CCPL partnerships as part of Mass Retail strategy
- A broad spectrum of new business ventures
- Value creation will be in earnings and equity

Introduction  
Income  
Segment/region  
Expenses  
Risk  
Capital  
Guidance  
→ **Strategy**





# Appendix

## **Summary of guidance, macroeconomic indicators, interest rate sensitivity, other income, critical enablers, C&O, stands**

Information for fixed income investors

Sustainability

Notes, abbreviated terms and important notice



# Summary of guidance

|                   | 2021 guidance                                                                                                                                                                                                                                                                                                                                                                                                       | Medium-term guidance                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Income            | <ul style="list-style-type: none"> <li>With the current level of normalised<sup>1</sup> NIM and strong customer demand likely to continue in 2H'21, we still expect FY'21 income to be similar to that achieved in FY'20 on a constant currency basis</li> </ul>                                                                                                                                                    | <ul style="list-style-type: none"> <li>We expect to return to 5-7% growth per annum from 2022</li> <li>We assume minimal rate rises of ~30bps from 2021-2025</li> </ul>                                                                                                                                                                                                                                              |
| Expenses / Tax    | <ul style="list-style-type: none"> <li>FY21 expenses should remain below \$10bn excluding 2021 currency translation impact, though they may increase slightly driven by performance-related pay</li> <li>Currency translation impact for FY'21 vs FY'20 is expected to be ~\$300m</li> <li>The UK bank levy will be chargeable only on the Group's UK balance sheet and is expected to reduce to ~\$100m</li> </ul> | <ul style="list-style-type: none"> <li>Expenses (ex-UK bank levy) are expected to grow at or below the rate of inflation</li> <li>Strong positive income-to-cost jaws</li> <li>Restructuring charges of ~\$0.5bn likely, mainly in FY'21</li> <li>Effective Tax Rate is expected to fall below 30%</li> </ul>                                                                                                        |
| Credit impairment | <ul style="list-style-type: none"> <li>Excluding the impact of any unforeseeable events we expect credit impairment to remain low for the remainder of the year</li> </ul>                                                                                                                                                                                                                                          | <ul style="list-style-type: none"> <li>Loan-loss rate is assumed to normalise to 35-40bps; likely to come slower than originally anticipated</li> </ul>                                                                                                                                                                                                                                                              |
| RWA               | <ul style="list-style-type: none"> <li>Mid-single digit YoY growth expected for FY'21 with the impact of optimisation initiatives in 2H'21 supporting further client demand led growth</li> </ul>                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>RWA growth &lt; Asset growth</li> <li>Day 1 impact of Basel 3 finalisation is now expected to be around the bottom end of our 5-10% guidance<sup>2</sup></li> </ul>                                                                                                                                                                                                           |
| Capital           | <ul style="list-style-type: none"> <li>We intend to operate dynamically within the full CET1 13-14% target range with an eye to the opportunities for growth, as well as credit and economic conditions and the strength of our earnings, as we continue our focus on safely improving our overall return on capital</li> </ul>                                                                                     | <ul style="list-style-type: none"> <li>We intend to operate dynamically within the full CET1 13-14% target range with an eye to the opportunities for growth, as well as credit and economic conditions and the strength of our earnings, as we continue our focus on safely improving our overall return on capital</li> <li>We expect to be able to increase the full-year dividend per share over time</li> </ul> |
| RoTE              | <ul style="list-style-type: none"> <li>We will seek approval to return surplus capital not deployed to fund profitable growth</li> </ul>                                                                                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>We expect to deliver &gt;7% RoTE by 2023 as we progress towards our &gt;10% RoTE target</li> <li>We will seek approval to return surplus capital not deployed to fund profitable growth</li> <li>A +50bps point parallel shift in global rates could accelerate our ability to achieve a 10% RoTE by around a year</li> </ul>                                                 |

New guidance at 2Q'21



# Stage 1 and 2 credit impairments

Changes to baseline forecasts<sup>1</sup> for key footprint markets: 1Q'21 to 2Q'21

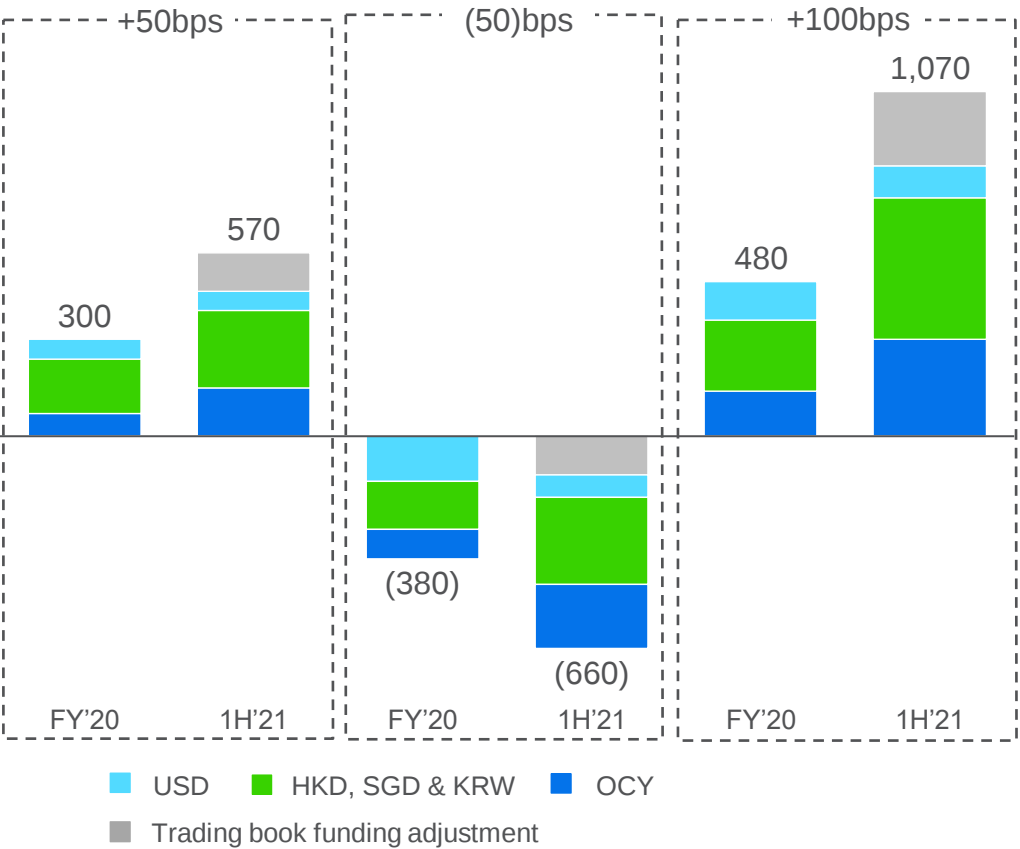
|                                                     | 1Q'21 ⇒ 2Q'21 <sup>1</sup> |             |             |             |              | Crude price<br>Brent, bbl |
|-----------------------------------------------------|----------------------------|-------------|-------------|-------------|--------------|---------------------------|
|                                                     | China                      | Hong Kong   | Korea       | Singapore   | India        |                           |
| GDP (YoY): 2021 Forecast                            | 8.0% ⇒ 8.0%                | 4.0% ⇒ 6.9% | 3.3% ⇒ 3.9% | 5.2% ⇒ 6.3% | 11.5% ⇒ 8.5% | \$51.0 ⇒ \$63.9           |
| GDP (YoY): 2022 Forecast                            | 5.6% ⇒ 5.6%                | 3.0% ⇒ 3.0% | 2.4% ⇒ 2.6% | 4.4% ⇒ 4.4% | 5.0% ⇒ 5.0%  | \$58.0 ⇒ \$58.5           |
| GDP (YoY): 5 year average base forecast             | 5.3% ⇒ 5.3%                | 2.8% ⇒ 2.9% | 2.8% ⇒ 2.7% | 3.3% ⇒ 2.8% | 7.1% ⇒ 5.1%  | \$57.0 ⇒ \$58.7           |
| Unemployment: 5 year average base forecast          | 3.4% ⇒ 3.4%                | 4.8% ⇒ 4.2% | 3.5% ⇒ 3.5% | 3.4% ⇒ 3.2% | N/A ⇒ N/A    |                           |
| 3 month interest rate: 5 year average base forecast | 2.6% ⇒ 2.7%                | 0.8% ⇒ 1.0% | 1.0% ⇒ 1.3% | 0.7% ⇒ 0.9% | 4.6% ⇒ 5.3%  |                           |
| House prices (YoY): 5 year average base forecast    | 4.8% ⇒ 5.0%                | 3.8% ⇒ 3.5% | 2.5% ⇒ 3.2% | 4.1% ⇒ 3.8% | 7.0% ⇒ 7.0%  |                           |



# Interest Rate Risk in the Banking Book

## Sensitivity increased to reflect actual experience

Annualised benefit to banking book NII from instantaneous parallel shifts in interest rates across all currencies (\$m)<sup>1, 2</sup>

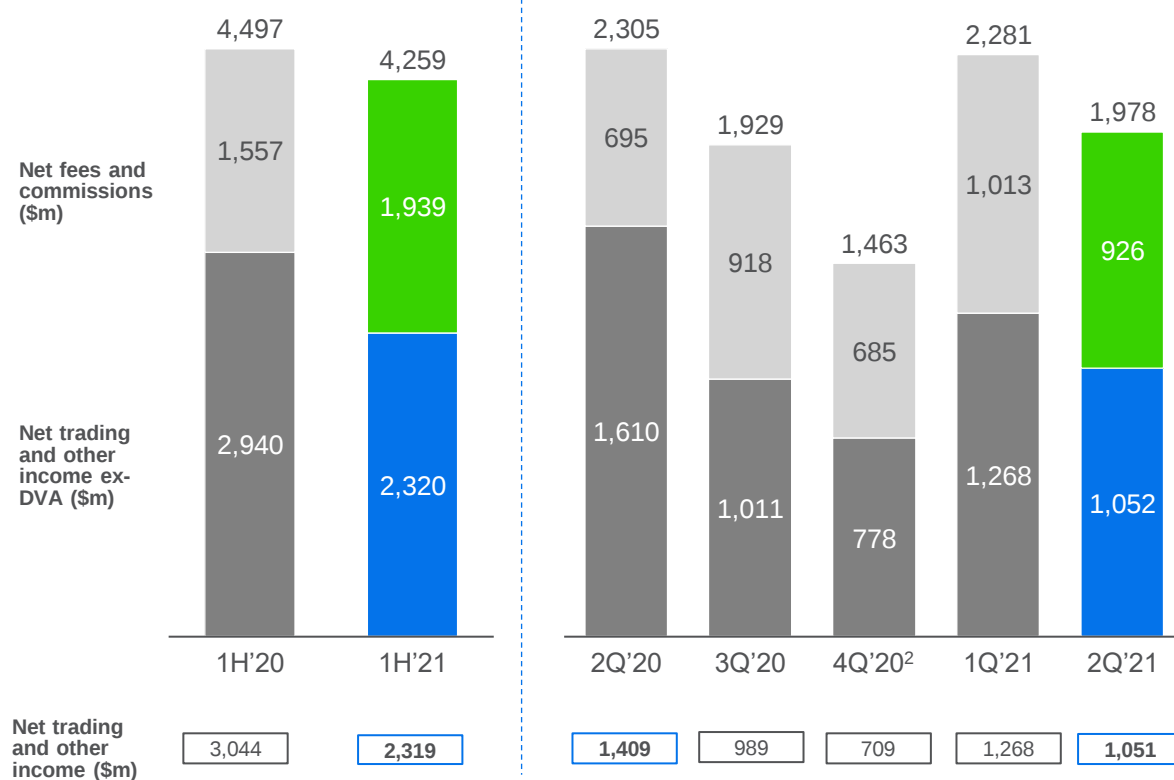


- Following a review of the actual impact of falling interest rates in 2020, we have made the following changes for 1H'21 which will increase the reported sensitivity:
  - Modelling assumptions updated to reflect actual CASA pass-through rates
  - Sensitivity adjusted to include income earned by the Banking Book on funding the Trading Book to align with NIM calculation, removing the previous dampening effect from assuming no income upside from rising interest rates on this position



# Other income ex-DVA was down 5%<sup>1</sup>

## Income, statutory basis (\$m)



- Net fees and commissions up 25% YoY
  - CPBB up 28% YoY driven by Wealth Management
  - CCIB up 19% YoY driven by Transaction Banking and Financial Markets
  - 2Q'21 up 33% YoY
- Net trading and other income down 21% ex-DVA
  - Lower Financial Markets
  - Lower Treasury realisation gains



# Critical enablers overview



## Innovation

- Partnering with Northern Trust to launch **Zodia Custody**, a cryptocurrency custodian for institutional investors
- Partnering with Franklin Templeton with the launch of **Autumn**, a first-in-market wealth, health and lifestyle consumer platform
- Establishing an institutional digital asset brokerage and exchange platform with BC Group
- Announced a strategic collaboration with Airtel Africa to drive financial inclusion across key markets in Africa
- Hosting **Innovation & Digitisation** Webinar on 24<sup>th</sup> September



## New ways of working

- Project speed to market times have improved by ~50% YoY
- Significant reduction in project approval time, down ~50%
- Agile operating model embedded Group wide



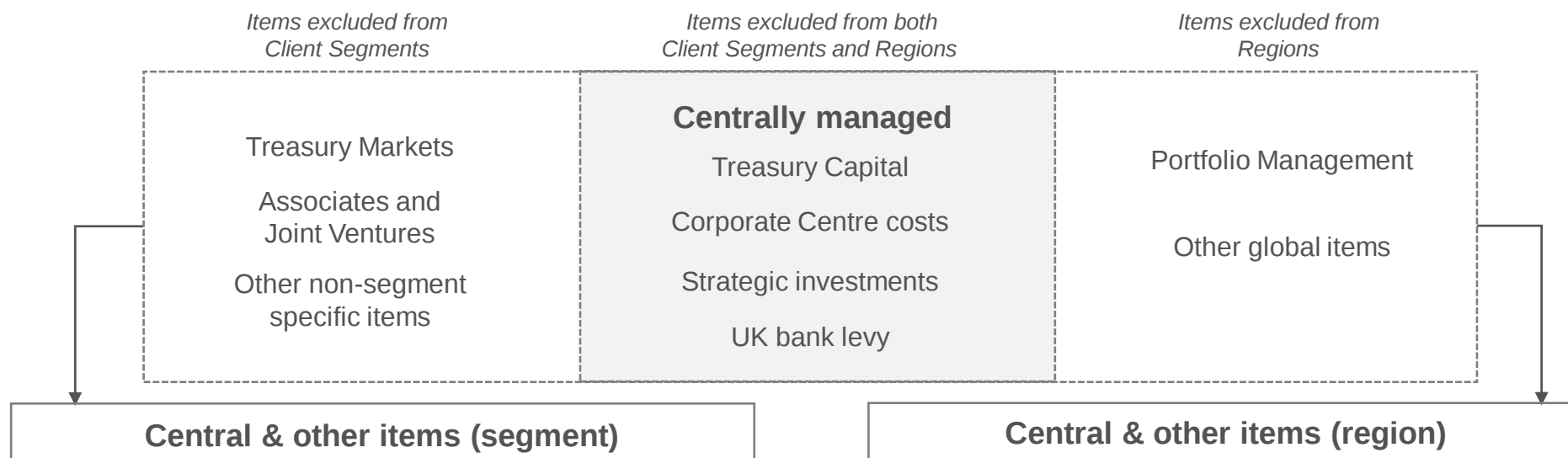
## People and culture

- Flexible working available in 50% of markets
  - ~85% colleagues across 8 markets on flexi-working
- Launched 9 future skills academies with 1.3m learning activities completed by 27k colleagues
- New performance management approach piloted in 3 business areas
- Unmind App launched with focus on mental health

Introduction  
Income  
Segment/region  
Expenses  
Risk  
Capital  
Guidance  
→ **Strategy**



# Central & other adversely impacted by interest rate reductions



|                                         | 1H'21            | 1H'20     | YoY% <sup>1</sup> |
|-----------------------------------------|------------------|-----------|-------------------|
| Income                                  | <b>\$0.4bn</b>   | \$0.5bn   | (26)              |
| Expenses                                | <b>\$(0.4)bn</b> | \$(0.3)bn | (43)              |
| Profit / (loss) before tax <sup>2</sup> | <b>\$0.1bn</b>   | \$0.3bn   | (68)              |
| RWA                                     | <b>\$49bn</b>    | \$44bn    | 12                |

- Income down due to lower Treasury realisation gains
- Increased expenses reflecting normalisation of performance-related pay accruals

|                            | 1H'21            | 1H'20     | YoY% <sup>1</sup> |
|----------------------------|------------------|-----------|-------------------|
| Income                     | <b>\$(0.1)bn</b> | \$0.2bn   | Nm <sup>1</sup>   |
| Expenses                   | <b>\$(0.3)bn</b> | \$(0.2)bn | (9)               |
| Profit / (loss) before tax | <b>\$(0.4)bn</b> | \$(0.1)bn | Nm <sup>1</sup>   |
| RWA                        | <b>\$(3)bn</b>   | \$(3)bn   | (5)               |

- Income down mainly due to lower rates
- Increased expenses reflecting normalisation of performance-related pay accruals



# Appendix

Summary of guidance, macroeconomic indicators, interest rate sensitivity, other income, key enablers, critical enablers, C&O, stands

## **Information for fixed income investors**

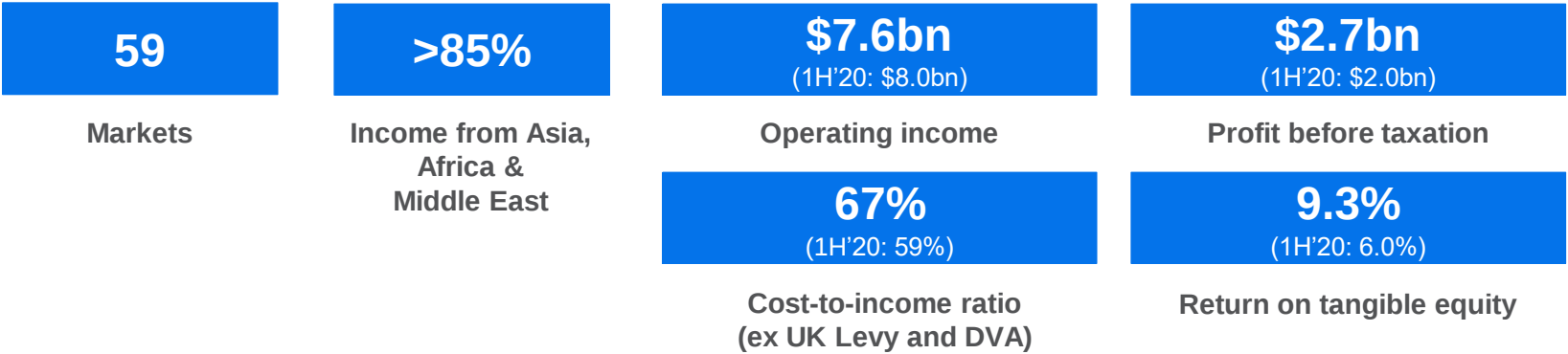
Sustainability

Notes, abbreviated terms and important notice

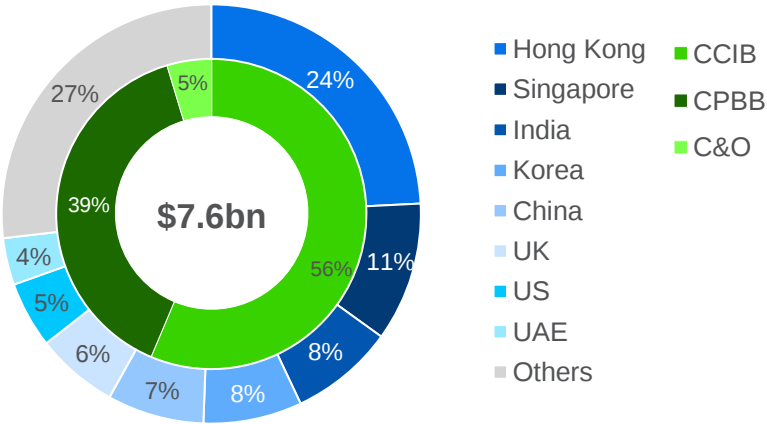


# Resilient performance<sup>1</sup> founded on a unique franchise

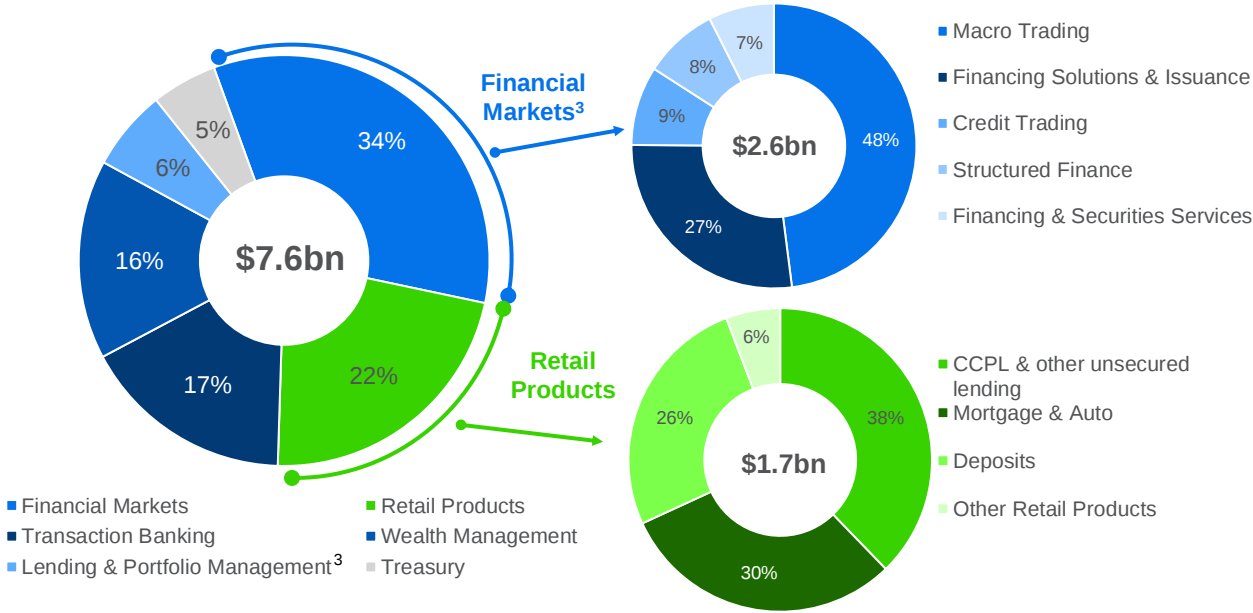
Over 160 years in some of the world's most dynamic markets



Group income diversified by market and segment<sup>2</sup>

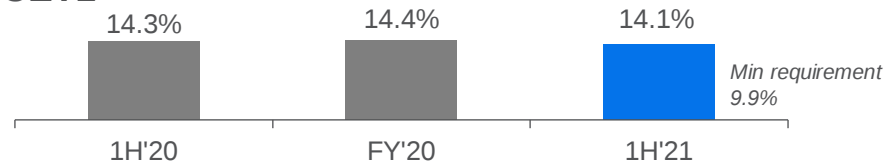


Group income diversified by product<sup>2</sup>

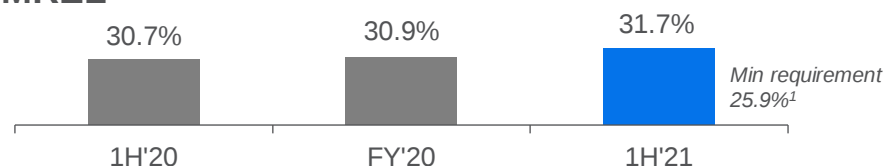


# Balance sheet strength through volatile times

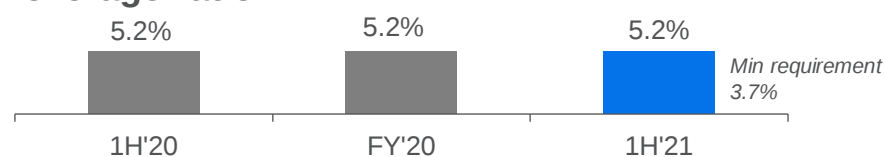
## CET1



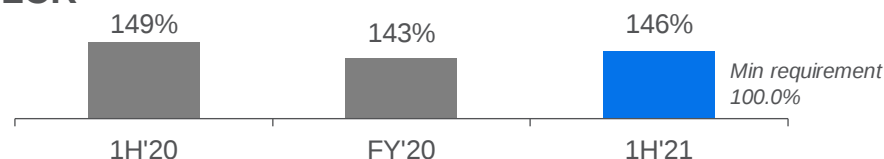
## MREL



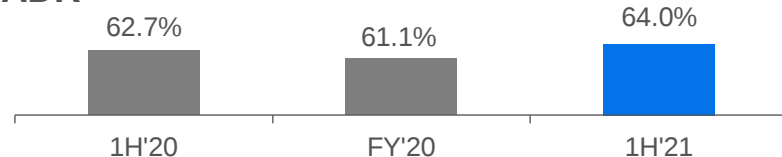
## Leverage ratio



## LCR



## ADR



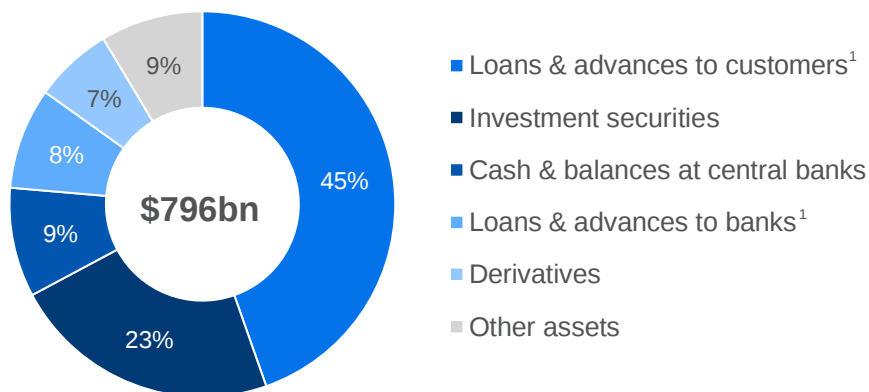
- CET1 capacity in support of organic growth, investment opportunities and shareholder distributions
- MREL issuance of \$7.2bn in 1H'21 across capital structure, strong buffer to 2022 requirement
- Leverage ratio stable: significant headroom to minimum requirements
- LCR resilient: continued focus on improving funding quality to support LCR optimisation
- ADR has capacity, and provides strong foundation, for future growth



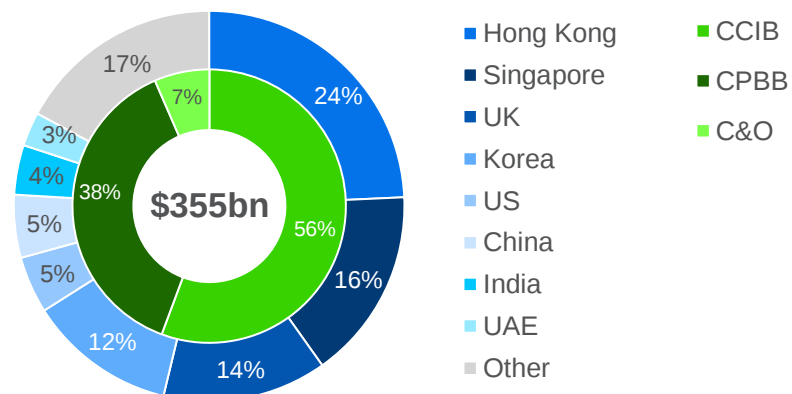
# Balance sheet

## Business and geography diversity underpins resilience

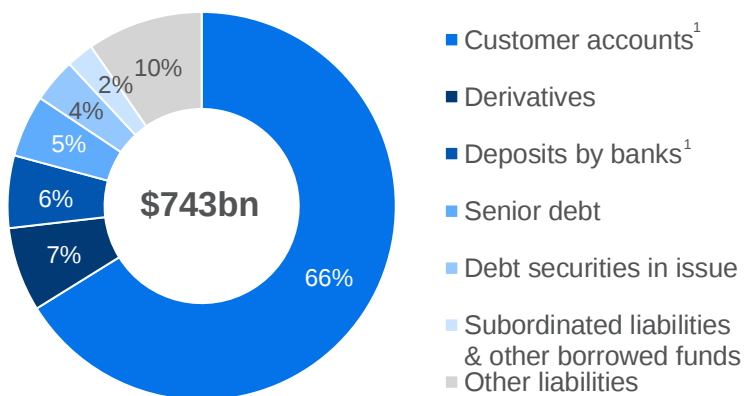
1H'21 Balance sheet assets<sup>1</sup>



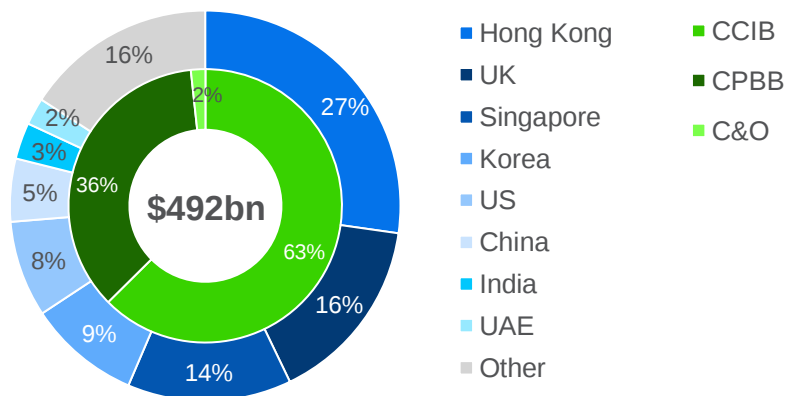
1H'21 Customer loans & advances<sup>1,2</sup> by market and segment



1H'21 Balance sheet liabilities<sup>1</sup>



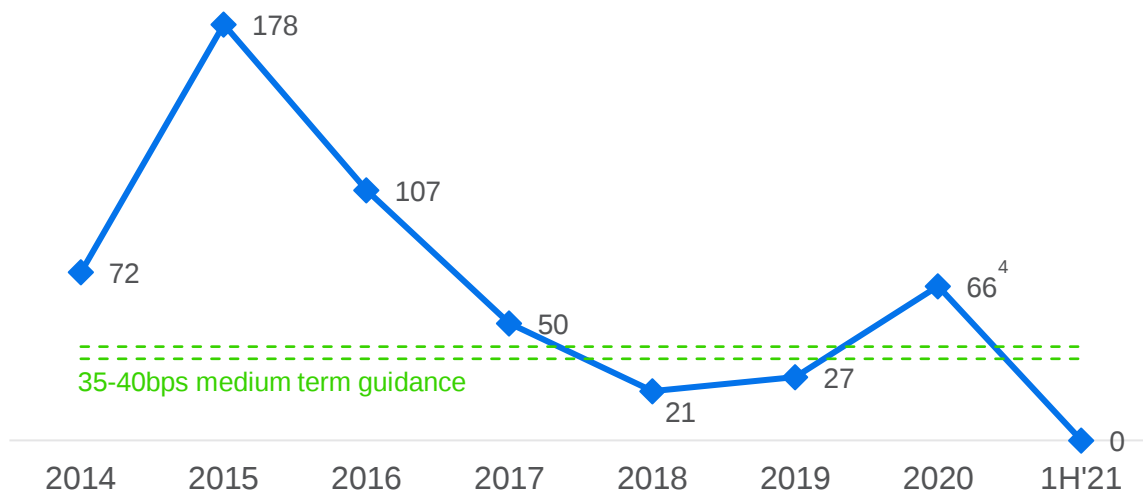
1H'21 Customer accounts<sup>1,2</sup> by market and segment



# Stronger foundations supporting resilient performance

| Key risk indicators                                     | 1H'21<br>(IFRS 9) | FY'14<br>(IAS 39) | 1H'21-FY'14<br>Movement |
|---------------------------------------------------------|-------------------|-------------------|-------------------------|
| Investment grade as a % of corporate exposure           | 63%               | 42%               | ↑                       |
| Top 20 corporates as a % of Tier 1 capital              | 58%               | 83%               | ↓                       |
| Total cover ratio (excl / incl collateral) <sup>1</sup> | 55% / 75%         | 52% / 62%         | ↑                       |
| Loan-to-value of mortgage portfolio                     | 43%               | 49%               | ↓                       |
| Affluent income <sup>2</sup> % of CPBB                  | 63%               | 44%               | ↑                       |

## Loan loss rates<sup>3</sup> (bps)



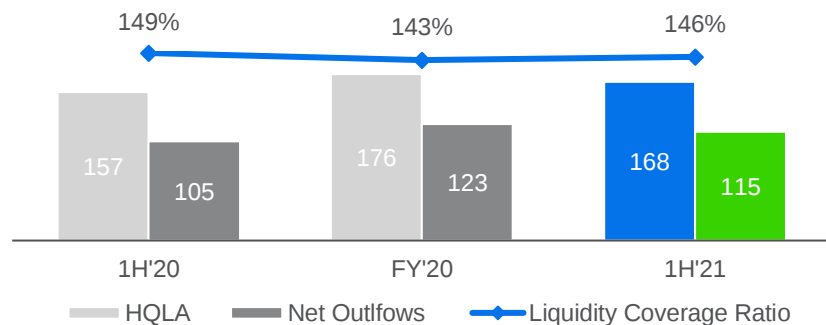
- Key portfolio indicators improved since FY'14 reflecting:
  - Investment grade focus for new origination, reduction in single name concentrations
  - Strengthening the Group's risk culture & tightened risk appetite
  - Highly diverse by industry sector, product and geography
  - Reduction of exposure to more volatile and vulnerable sectors
- Stronger risk foundations result in lower loan loss rates and resilient performance through pandemic



# Funding and Liquidity

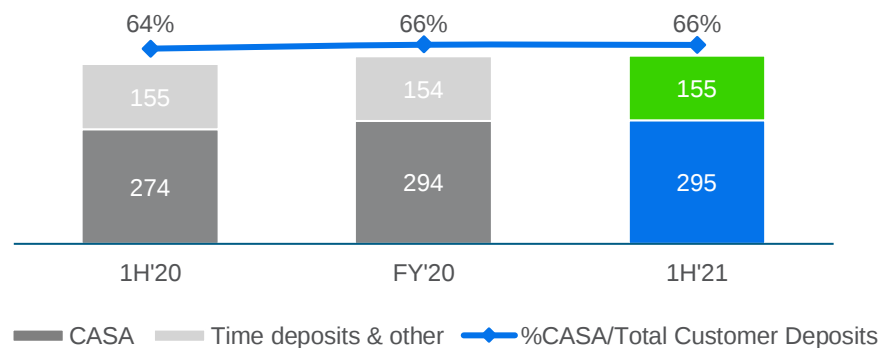
The Group's liquidity position remained resilient in 1H'21

Liquidity coverage ratio (\$bn)



- LCR has remained resilient during 1H'21: well above regulatory minimum requirements
- Continued LCR optimisation supported by better liability quality and tenor extension, reducing net outflows in 1H'21

Total customer deposits<sup>1,2</sup> (\$bn)



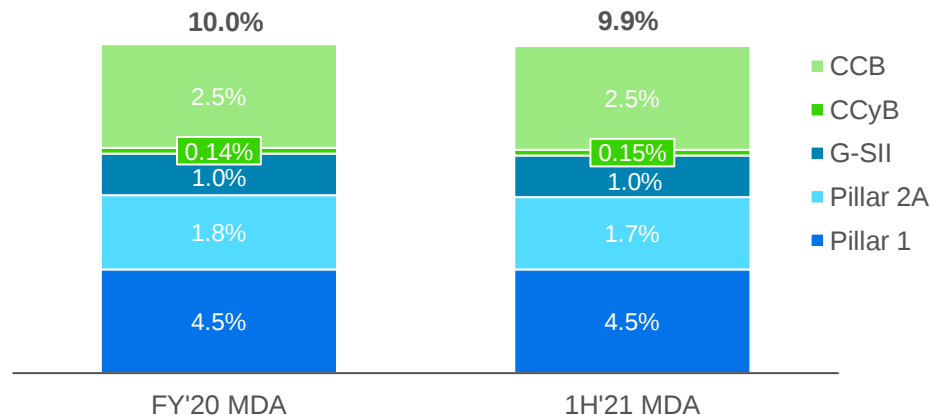
- Funding quality remains stable with CASA to TD mix flat HoH
- Strong customer deposit base continues to support the Group's growth aspirations



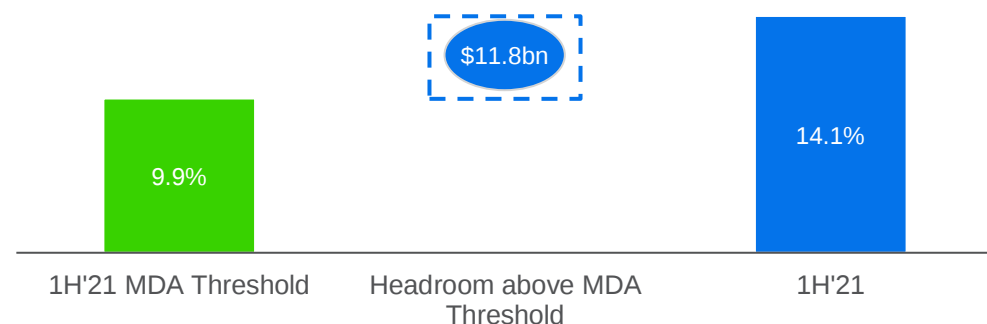
# CET1

Strongly positioned: absolutely and relative to requirements<sup>1</sup>

CET1 minimum requirement reduced in the period



CET1 position materially above revised MDA<sup>2</sup> threshold



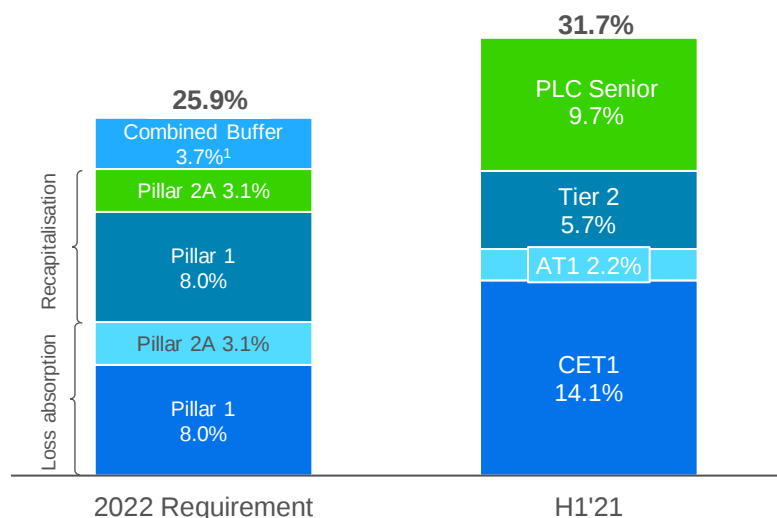
- Minimum CET1 requirement reduced by 7bps due to change in Pillar 2A calculation
- We intend to operate dynamically within the full CET1 13-14% target range with an eye to the opportunities for growth, as well as credit and economic conditions and the strength of our earnings, as we continue our focus on safely improving our overall return on capital
- Removal of software benefit (~31 bps as at 1H'21) expected from January 2022
- Standard Chartered PLC distributable reserves at 1H'21 of \$14.1bn



# MREL transition

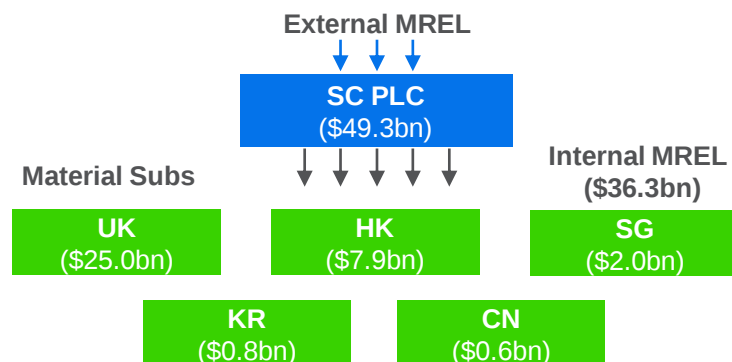
## Well positioned for future growth and requirements

### External MREL position ahead of known 2022 requirement



- 1H'21 MREL position of 31.7% of \$280bn RWA meets expected 2022 MREL requirement with a buffer of ~580bps
- Hold Co issuance strategy results in little non-compliant capital in MREL
- Group total MREL of \$88.8bn

### Internal MREL met via internal issuance



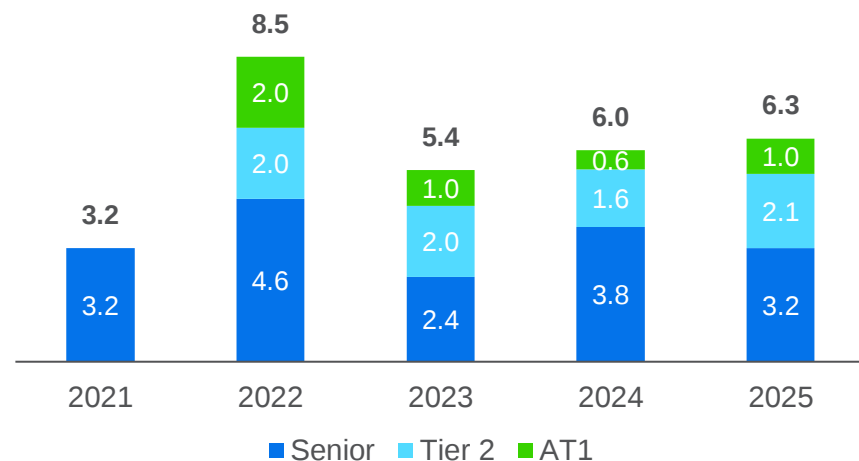
- Internal MREL
  - Required for Group's five material subsidiaries
  - Scaled in 75-90% range: FSB TLAC term sheet<sup>2</sup>
  - Expected sum < the Group's external MREL
- Internal Instruments: AT1, Tier 2 and Senior Non-Preferred



# Debt Issuance

## Good progress on delivery of 2021 funding programme

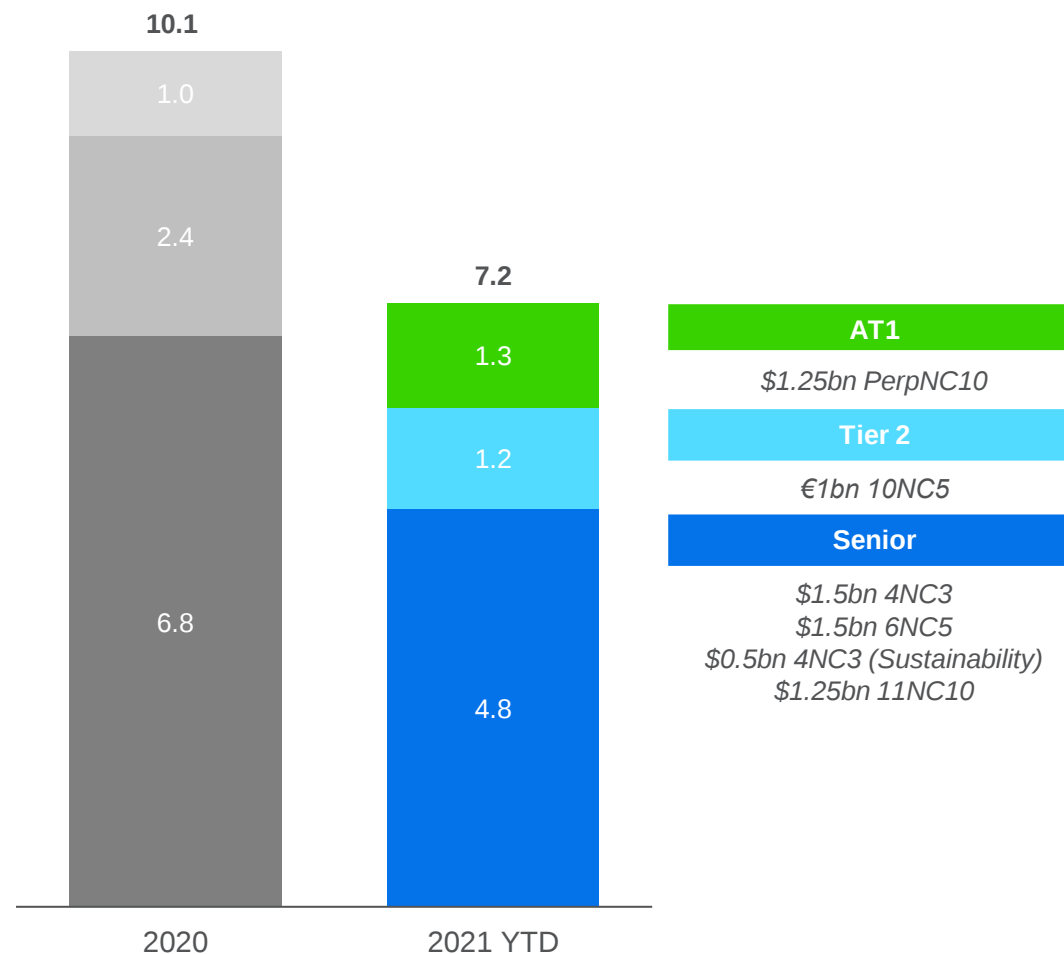
Maturity profile of existing stock (\$bn)<sup>1</sup>



Existing stock - Currency mix (\$bn)<sup>2</sup>

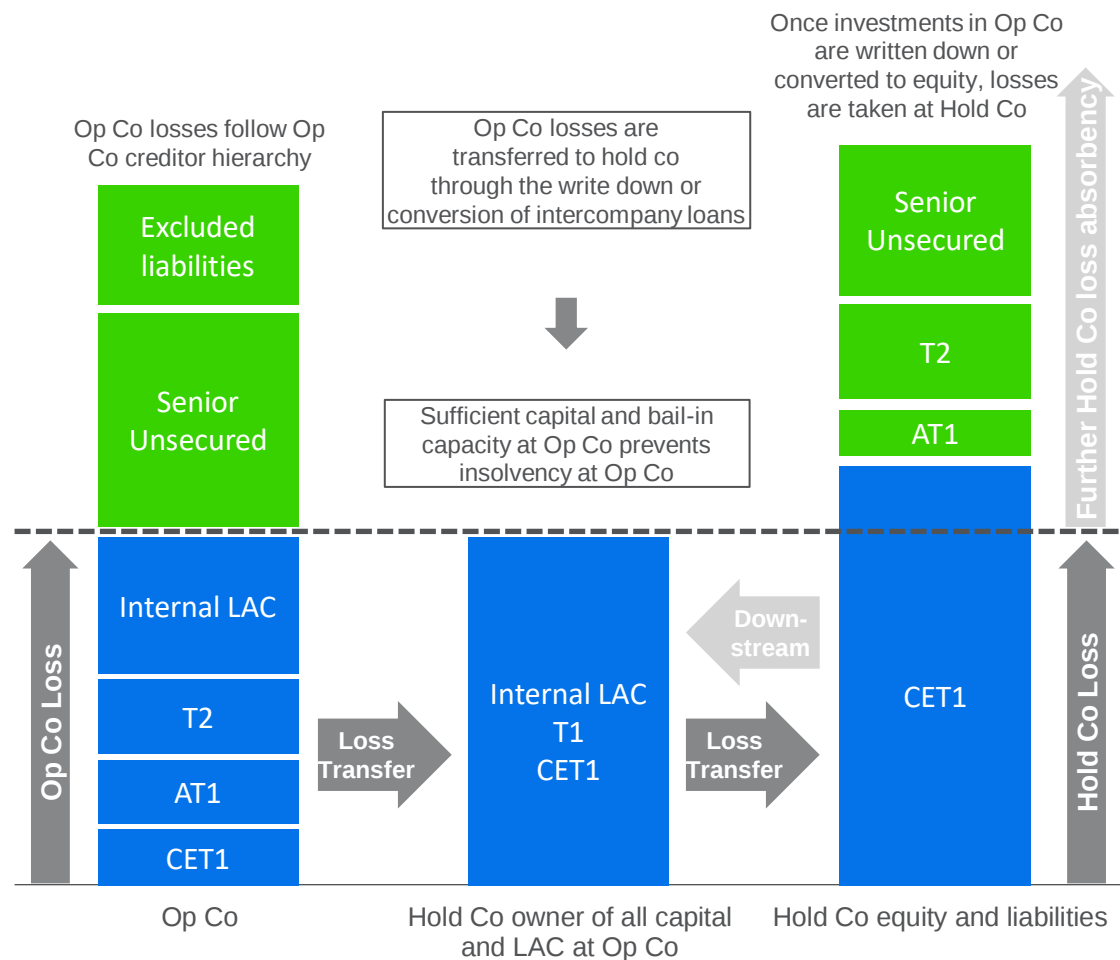
|        | USD  | EUR | GBP | Other | USD Total |
|--------|------|-----|-----|-------|-----------|
| Senior | 20.6 | 2.9 | 0.8 | 2.7   | 27.0      |
| Tier 2 | 10.9 | 3.9 | 0.9 | 0.0   | 15.7      |
| AT1    | 6.8  | -   | 0.3 | 0.6   | 7.6       |
| Total  | 38.3 | 6.8 | 2.0 | 3.3   | 50.4      |

2021 YTD issuance (\$bn)



# Resolution example

## Significant loss absorbing capacity (LAC)



- Internal LAC (iLAC) intended to recapitalise Operating Company (Op Co), avoid Op Co failure and maintain critical economic functions
- iLAC requirement set in conjunction with the Bank of England and relevant local regulators
- If losses transmitted from Op Co cannot be absorbed by Holding Company (Hold Co), then Hold Co is placed into resolution
- If Hold Co is placed into resolution, externally-issued liabilities will be written-down or converted to equity
- At 1H'21:
  - Group total MREL of \$88.8bn
  - SC Bank LAC of \$44.1bn



# Strong credit ratings maintained through COVID

Delivery of Group strategy to defend and, over time, improve credit ratings

## Senior long- and short-term ratings

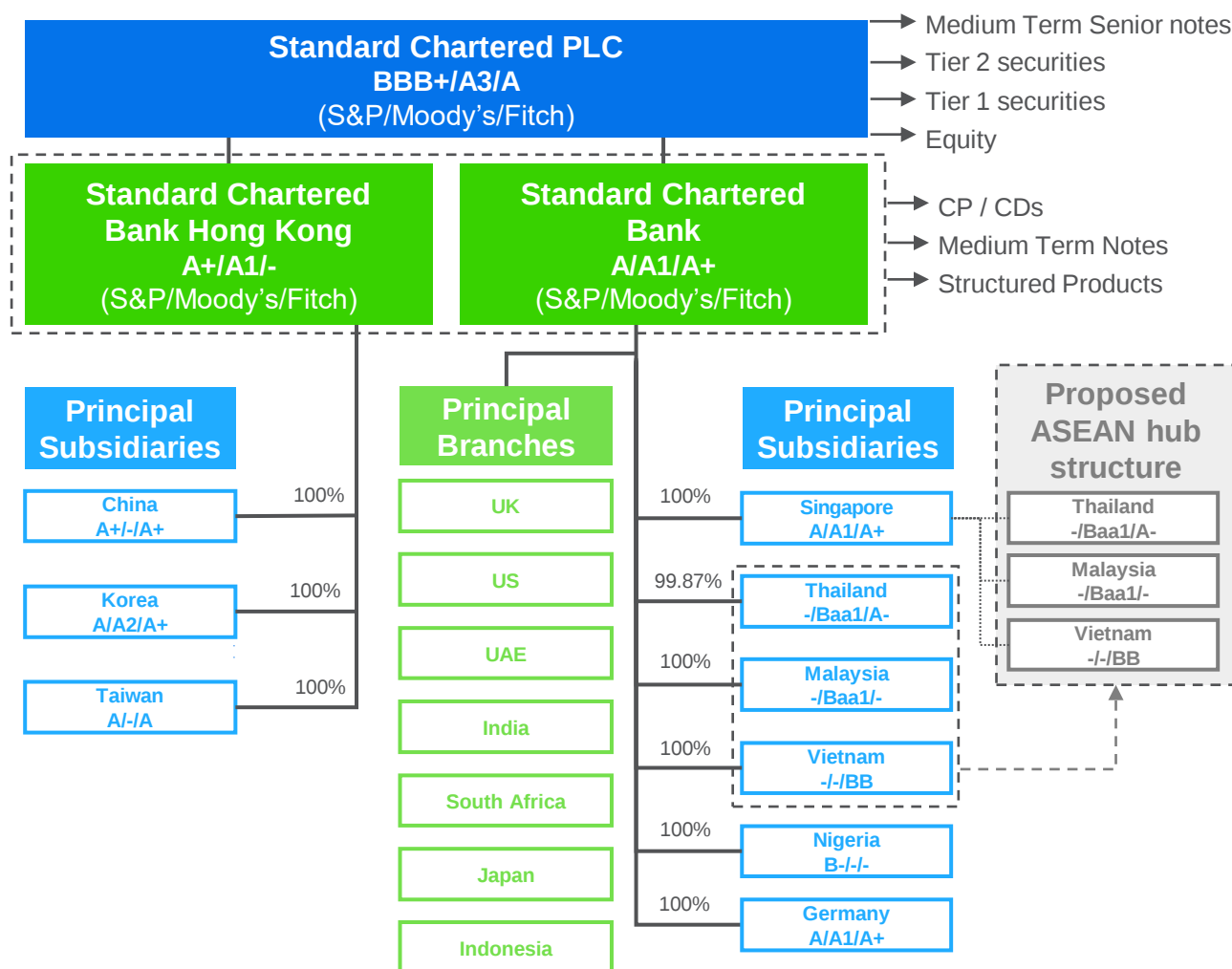
|                                            | <b>S&amp;P</b>     | <b>Moody's</b>         | <b>Fitch</b>    |
|--------------------------------------------|--------------------|------------------------|-----------------|
| <b>Standard Chartered PLC</b>              | <b>BBB+</b><br>A-2 | <b>A3</b><br>Not rated | <b>A</b><br>F1  |
| <b>Standard Chartered Bank</b>             | <b>A</b><br>A-1    | <b>A1</b><br>P-1       | <b>A+</b><br>F1 |
| <b>Standard Chartered Bank (Hong Kong)</b> | <b>A+</b><br>A-1   | <b>A1</b><br>P-1       | Not rated       |
| <b>Outlook</b>                             | <b>Stable</b>      | <b>Stable</b>          | <b>Negative</b> |

- Well-rated with strong credit fundamentals, absolutely and relative to peers:
  - Well-established network is a franchise strength; Greater China exposure a relative strength due to strong recovery
  - Recognition of strong risk management, controlled risk appetite, reduced loan concentrations and improved exposure quality
  - Funding and liquidity are key strengths
- Moody's methodology change on debt buffers reduced PLC rating by one notch to A3
- S&P affirmed ratings on successful efforts to de-risk the portfolio with greater emphasis on risk adjusted returns



# Standard Chartered Group

## Simplified legal structure, proposed creation of ASEAN hub



- Proposed creation of the ASEAN hub based in Singapore in 2H'21, subject to regulatory approvals
  - follows full subsidiarisation of the Singapore business in 2019
  - reflects Group status as the only “Significantly Rooted Foreign Bank” in Singapore
  - supports growth of the business franchise in ASEAN
  - aligns management and entity structures within ASEAN
- PRA and FCA remain lead regulators in the supervision of the Group
- No change to the Group’s BoE led Single Point of Entry preferred resolution strategy



# Appendix

Summary of guidance, macroeconomic indicators, interest rate sensitivity,  
other income, key enablers, critical enablers, C&O, stands

Information for fixed income investors

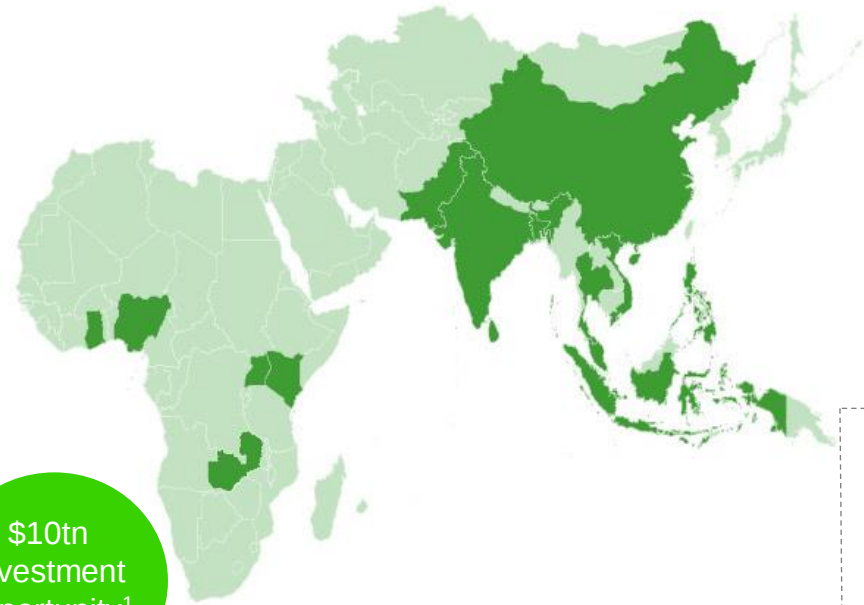
## Sustainability

Notes, abbreviated terms and important notice



# We will lead with a differentiated sustainability offering...

... making a difference in the world where it matters most



\$10tn  
investment  
opportunity<sup>1</sup>



## Our impact

- EM are most at risk from climate change...
  - ... but have the biggest opportunity to move to low carbon
  - Solar in India avoids >7x the CO2 of a similar project in France<sup>2</sup>
- There isn't enough financing to meet the UN SDGs
  - <60% being met in EM; just 10% in Africa
  - \$2.5tn gap per year to meet 17 UN SDGs by 2030<sup>3</sup>
  - \$10tn gap in 15 of our footprint markets (SDGs 6, 7 & 9)<sup>4</sup>
- We are in a unique position to mobilise finance...
  - 91% of our SF assets are in EM<sup>5</sup>
  - 86% in least developed countries<sup>6</sup>



# We are part of the solution

## Our commitments

- \$1bn at cost financing for companies providing goods and services to fight COVID-19
- Net zero by 2050 for financed emissions
- No new direct thermal coal financing
- Transitioning to <5%<sup>1</sup> coal dependent clients by 2030
  - January 2021, no clients 100% dependent on coal
  - <80% by 2024, <60% in 2025 and <40% in 2027
- Financing commitments – 2020 to 2024
  - Facilitate \$75bn for sustainable infrastructure and renewable energy
  - \$15bn for small business clients
  - \$3bn for microfinance institutions
- Net zero by 2030 for our operations

## 1H'21 achievements

- ~\$770m credit approved to help clients producing goods and services in the fight against COVID-19<sup>2</sup>
- Facilitated \$8.4bn for sustainable infrastructure and renewable energy
- \$315m extended to microfinance institutions
- January 2021 coal target met; exiting 4 clients subject to outstanding contractual arrangements
- Updated five sensitive sector and two thematic position statements
- Issued inaugural USD denominated \$500m sustainability bond
- Enhanced review of 304 clients and 300 transactions to identify potential risks to our position statements
- 88% of Sustainability Aspirations achieved<sup>3</sup>



# Building a leading Sustainable Finance franchise

Catalysing the UN SDGs where it matters the most

## Market leading solutions

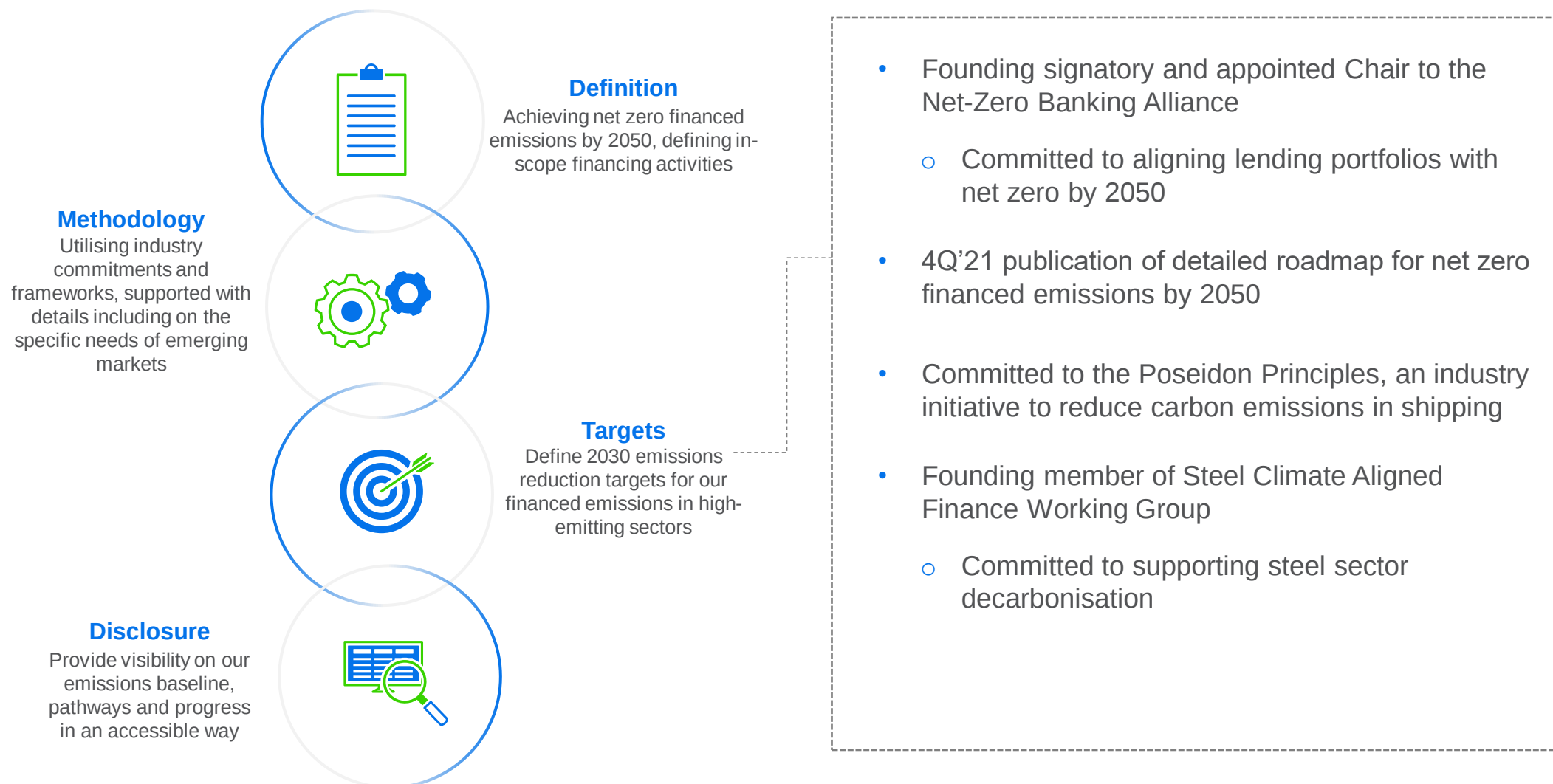
- Launched a new sustainable trade finance proposition and a sustainable supply chain benchmarking tool
- Announced Climate Impact X (CIX)<sup>1</sup>, a global exchange and marketplace for carbon credits
- Sustainability incentive repos collateralised with ESG bonds and supporting demand for ESG assets
- Executed first ESG-linked derivative
- #1 commercial provider of blended finance<sup>2</sup>
- Innovative solutions and other global firsts:
  - First sustainable deposit product linked to the UN SDGs, now >\$2bn
  - First sustainability linked transition sukuk for a major airline
  - First sovereign “blue” bond to support a sustainable marine and fisheries project

## Trade and transition opportunity

- \$1.6tn exports for supply chains in 12 EM for early movers that align with MNC’s net zero plans<sup>3</sup>
  - Our new sustainable trade finance proposition builds sustainability goals into supply chain suite
    - Guarantees, letters of credit, invoice financing, receivables services already available
- 55% of the transition finance needed to meet Paris Agreement goals by 2050 is in Asia<sup>4</sup>
- Achieving net zero requires transition of 8 of the most carbon intensive sectors
  - Commitment to facilitate \$75bn for sustainable infrastructure and renewable energy
  - Offering sector specific guidance to clients, tailored by region
  - Transition frameworks already published for Metals & Mining and Oil & Gas portfolios



# Progress to accelerate to net zero for financed emissions by 2050



# Appendix

Summary of guidance, macroeconomic indicators, interest rate sensitivity,  
other income, key enablers, critical enablers, C&O, stands

Information for fixed income investors

Sustainability

**Notes, abbreviated terms and important notice**



# Notes

These notes refer to the metrics and defined terms on the following pages

| Page | Explanatory note or definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3    | <ol style="list-style-type: none"> <li>1H'21 year-on-year underlying profit before tax growth</li> <li>1H'21 Wealth Management income is the record half since the Group started disclosing operating income by product on a quarterly basis in 2014</li> <li>Affluent AUM encompasses Premium, Priority and Private Banking clients Wealth Management AUM and Retail Deposits</li> <li>Share buy-back to start imminently subject to regulatory approval</li> </ol>                                                                                                                                                                                                                                                                                    |
| 5    | <ol style="list-style-type: none"> <li>YoY = year-on-year variance is better/(worse) other than for RWA, CET1 ratio and LCR, which is increase/(decrease) / Ccy = constant currency / Nm = Not meaningful</li> <li>High-risk assets in this context means exposures classified in EA(NPP), CG12 and Net Stage 3</li> <li>Share buy-back to start imminently subject to regulatory approval</li> </ol>                                                                                                                                                                                                                                                                                                                                                   |
| 7    | <ol style="list-style-type: none"> <li>AIEA balance 2Q'21 vs 4Q'20</li> <li>Income Statutory basis; the Group in 2019 changed its accounting policy for net interest income and basis of preparation of its net interest margin to better reflect the underlying performance of its banking book. See notes to the financial statements in the 2019 Annual Report for further details</li> <li>NIM Headwind: NII impact of 1H'21 YoY decline in normalised NIM = AIEA at 1H'20 of \$521bn x 20bps (normalised 1H'21 NIM vs 1H'20 NIM) for 181 days</li> <li>Excludes a \$73 million adjustment, reported in 2Q'21, in relation to interest earned on impaired assets as required by IFRS9 Financial Instruments: Recognition and Measurement</li> </ol> |
| 8    | <ol style="list-style-type: none"> <li>Ranked top 3 wealth managers in Asia: Asian Private Banker, Asia 2020 Wealth Continuum AUM</li> <li>Source: GlobalData Plc; Assets &gt; \$150k; CAGR 2018 to 2023; Markets = Hong Kong, Korea, Taiwan, China, UAE, Qatar, Pakistan, Oman, Bahrain, Bangladesh, India, Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam, Nigeria, Kenya, South Africa</li> </ol>                                                                                                                                                                                                                                                                                                                                    |
| 9    | <ol style="list-style-type: none"> <li>Standard Chartered Bank's Automated Risk Management platform: Volume executed on the platform 1H'21 vs 1H'20</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 10   | <ol style="list-style-type: none"> <li>YoY = Year-on-year (1H'21 vs 1H'20) % variance is increase/(decrease)</li> <li>Corporate, Commercial &amp; Institutional Banking income was down 6% and profit before tax was up 55% excluding negative movement in DVA</li> <li>Europe &amp; Americas income was down 4% and profit before tax was up 13% excluding negative movement in DVA</li> </ol>                                                                                                                                                                                                                                                                                                                                                         |



# Notes

These notes refer to the metrics and defined terms on the following pages

| Page | Explanatory note or definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11   | <ol style="list-style-type: none"> <li>1. Cost-to-income ratio is calculated as Income ex-DVA / Operating expense ex-UK bank levy</li> <li>2. Excludes the UK bank levy and investments</li> <li>3. Other includes incremental 2021 performance related pay accrual</li> <li>4. Mox by Standard Chartered in partnership with PCCW, HKT and Trip.com</li> </ol>                                                                                                                                                                                                                                                                                                                                        |
| 12   | <ol style="list-style-type: none"> <li>1. Loan-loss rate is on a year-to-date annualised basis</li> <li>2. Early Alerts (Non-Purely Precautionary) (EA(NPP)) are on a net nominal basis</li> <li>3. High-risk assets in this context means exposures classified in EA(NPP), CG12 and Net Stage 3</li> <li>4. Cover ratio for 30.06.21 after collateral</li> <li>5. 'Vulnerable sector' exposures that were first disclosed at 1Q'20 – refer to pages 77 and 78 of the 1H'21 Results for further details</li> <li>6. Loans subject to relief – see page 65 of the Half Year Report 2021 for further details</li> <li>7. CPBB accounts that are 30 or 90 Days Past Due</li> </ol>                        |
| 13   | <ol style="list-style-type: none"> <li>1. RWA FX &amp; Others includes: Operational RWA +\$0.3bn, FX \$(1.9)bn, CRR II software +\$0.3bn, Optimisation Initiatives \$(0.7)bn</li> <li>2. FX &amp; Others includes: (11)bps in higher regulatory deductions, (5)bps in IFRS9, FVOCI reserve movements (5)bps partly offset by CRR II Software +9bps</li> <li>3. Subject to regulatory approval</li> <li>4. The total benefit to CET1 from the revised treatment of software assets as at 30.06.21 is 31bps. On 9 July, the PRA published a policy statement on implementing Basel standards which confirmed qualifying software assets would need to be deducted from CET1 from January 2022</li> </ol> |
| 17   | <ol style="list-style-type: none"> <li>1. YoY = year-on-year variance is better/(worse)</li> <li>2. The Asset Triple A Treasury and Trade Awards 2021</li> <li>3. Bond Connect Awards</li> <li>4. Mox by Standard Chartered in partnership with PCCW, HKT and Trip.com</li> <li>5. Asiamoney awards for 2020</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                |



# Notes

These notes refer to the metrics and defined terms on the following pages

| Page | Explanatory note or definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 18   | <ol style="list-style-type: none"> <li>1. Source: Morgan Stanley estimates</li> <li>2. Source: Bridgewater Associates estimates</li> <li>3. Source: BCG Report: “Redrawing the Map of Global Trade”</li> <li>4. Source: GlobalData Plc: China liquid assets 2020 to 2025E</li> <li>5. Locally incorporated entity in nine products across CCIB and CPBB</li> <li>6. The Asset Triple A Treasury and Trade Awards 2021</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 19   | <ol style="list-style-type: none"> <li>1. UAE profit before tax in 2018 was a loss of \$12m</li> <li>2. Aggregate profit before tax for India, Korea, UAE and Indonesia</li> <li>3. Profit before tax excluding gain on sale or property in 2013</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 20   | <ol style="list-style-type: none"> <li>1. YoY = year-on-year variance is better/(worse)</li> <li>2. Network income / RoTE: CCIB income / RoTE generated outside of a client’s headquarter country (excluding risk management, trading and ship leasing)</li> <li>3. Proportion of CCIB transactions executed through the Group’s digital platforms; 2019 includes indicative data for FM digitally initiated transactions</li> <li>4. SWIFT Documentary Letters of Credit global volumes (MT 700) \$ volumes for Standard Chartered 1H’21 vs 1H’20</li> <li>5. Markets in which at least one new digital application/feature has been launched in 1H’21</li> <li>6. Straight2Bank is a fully integrated online banking service for transactions, hedging and information needs with a customisable suite of tools</li> <li>7. The Asset Triple A Treasury and Trade Awards 2021</li> </ol> |
| 21   | <ol style="list-style-type: none"> <li>1. YoY = year-on-year variance is better/(worse)</li> <li>2. New to Affluent clients from January 2021 to May 2021</li> <li>3. Affluent income / RoTE / AUM from Priority, Premium and Private Banking clients; Number of active Priority, Premium and Private Banking clients</li> <li>4. Total number of mass retail clients</li> <li>5. Proportion retail products executed via digital platforms; 1H’21 % excluding impact of the Ant Financial JV in China was 41% (up 4%pt YoY)</li> <li>6. Mox by Standard Chartered in partnership with PCCW, HKT and Trip.com</li> </ol>                                                                                                                                                                                                                                                                   |



# Notes

These notes refer to the metrics and defined terms on the following pages

| Page | Explanatory note or definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 22   | <ol style="list-style-type: none"> <li>1. Standard Chartered, DBS, SGX and Temasek announced plans on the 20<sup>th</sup> May 2021 to develop a carbon exchange and marketplace, Climate Impact X; providing organisations with high-quality carbon credits to address hard-to-abate emissions</li> <li>2. Standard Chartered has entered into an agreement with Doconomy, a Sweden-based impact tech company, to introduce a digital tool that helps clients track, measure and manage the impact on carbon emissions and freshwater consumption based on goods and services they have purchased, as identified through their credit and debit card transactions</li> <li>3. FY'19 and FY'20 based upon Scope 1, 2 and 3 tonnes CO<sub>2</sub>; 1H'21 based upon Scope 1 and 2 only as Scope 3 emissions are not available on a quarterly basis</li> <li>4. In 2020 the Group released updated Sustainability Aspirations with 37 new annual and multi-year performance targets (vs 29 targets previously disclosed)</li> </ol> |
| 23   | <ol style="list-style-type: none"> <li>1. Africa digital bank launched in: Côte d'Ivoire, Kenya, Uganda, Ghana, Tanzania, Botswana, Zambia, Zimbabwe and Nigeria</li> <li>2. Mox by Standard Chartered in partnership with PCCW, HKT and Trip.com</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 24   | <ol style="list-style-type: none"> <li>1. GTV: Gross transaction value</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 29   | <ol style="list-style-type: none"> <li>1. Excludes a \$73 million adjustment, reported in 2Q'21, in relation to interest earned on impaired assets as required by IFRS9 Financial Instruments: Recognition and Measurement</li> <li>2. The Group had previously indicated the Day 1 impact of the finalisation of the Basel 3 reforms to be 5-10% of current RWAs. The current expectation for 'Day 1' is 1st January 2023, however there remains regulatory uncertainty concerning both the quantum and timing of such impact</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 30   | <ol style="list-style-type: none"> <li>1. Source: Standard Chartered Global Research as at 30.05.21 (India as at 01.06.21)</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 31   | <ol style="list-style-type: none"> <li>1. NII sensitivity estimate based on instantaneous parallel shift (increase or decrease) across all currencies. Estimate subject to significant modelling assumptions and subject to change</li> <li>2. Refer to page 97 of the Half Year Report 2021. IRRBB assumptions include that the size and mix of the balance sheet remain constant and that there are no specific management actions in response to the change in rates. For 1H'21, the reported sensitivity includes income earned by the Banking Book on funding the Trading Book which was previously excluded from the reporting scope.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                           |
| 32   | <ol style="list-style-type: none"> <li>1. Statutory basis net fees and commissions + net trading &amp; other income, excluding DVA 1H'21 vs 1H'20 change; Statutory basis net fees and commissions + net trading &amp; other income as a % of total income (excluding DVA)</li> <li>2. Net fees &amp; commissions included a \$(104)m year-to-date (YTD) catch-up in 4Q'20 in relation to fee guarantees paid on CLOs. In previous quarters, this expense was reported as an interest expense but from 4Q'20 onwards it will be reported as a fee debit. The YTD catch-up reduced fees and commissions by \$104m and increased statutory net interest income by \$104m. There is no impact on total income or NIM</li> </ol>                                                                                                                                                                                                                                                                                                     |



# Notes

These notes refer to the metrics and defined terms on the following pages

| Page | Explanatory note or definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 34   | <ol style="list-style-type: none"> <li>1. YoY = year-on-year variance is better/(worse) other than for RWA which is increase/ (decrease) / Nm = Not meaningful</li> <li>2. Profit before tax includes Profit from associates and joint ventures</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 36   | <ol style="list-style-type: none"> <li>1. Figures are presented on an underlying basis</li> <li>2. Breakdown of pie charts might not add to 100% due to rounding</li> <li>3. The Group has integrated the majority of its Corporate Finance business within Financial Markets. The remaining elements of the Group's Corporate Finance business – primarily M&amp;A advisory – have been transferred into Lending and Portfolio Management.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 37   | <ol style="list-style-type: none"> <li>1. Fully-phased minimum requirements from 1 January 2022 with Pillar 2A at June 2021 level</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 38   | <ol style="list-style-type: none"> <li>1. Breakdown of pie charts might not add to 100% due to rounding</li> <li>2. Loans &amp; advances to customers and Customer accounts includes reverse repurchase agreements and repurchase agreements respectively and financial instruments held at fair value through profit or loss</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 39   | <ol style="list-style-type: none"> <li>1. FY'14 includes both individual and portfolio impairment provisions. H1'21 includes Stage 3 provisions. Following adoption of IFRS9, the definition of nonperforming loans and Stage 3 loans has been aligned</li> <li>2. Affluent income is that generated from Priority and Premium clients in the Retail Banking segment and from clients in the Private Banking segment. FY'14 affluent segment contribution to Retail Banking income is based on client income</li> <li>3. Total credit impairment including restructuring portfolio for loans and advances to customers over average loans and advances to customers. Credit impairment under IFRS 9, effective from 1 January 2018, covers a broader asset base than loan impairment under IAS 39. Loan loss rates between 2014 and 2017 were prepared on an IAS 39 basis.</li> <li>4. Includes management overlay contributing 11bps</li> </ol> |
| 40   | <ol style="list-style-type: none"> <li>1. Excludes repurchase agreements and other similar secured borrowing. Customer deposits include \$8,543m of customer accounts held at FVTPL.</li> <li>2. CASA includes Retail CASA and TB Operating Account Balances</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 41   | <ol style="list-style-type: none"> <li>1. Absolute buffers are as at 30.06.21. The MDA thresholds assume that the maximum 2.1% of the Pillar 1 and Pillar 2A requirement has been met with AT1</li> <li>2. As set out in the PRA's capital buffers rules, firms that do not meet their combined buffer shall face restrictions on their distributions, and be subject to a Maximum Distributable Amount (MDA)</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |



# Notes

These notes refer to the metrics and defined terms on the following pages

| Page | Explanatory note or definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 42   | <ol style="list-style-type: none"> <li>1. Combined Buffer comprises the Capital Conservation Buffer, G-SII Buffer and any Countercyclical Buffer</li> <li>2. Financial Stability Board's (FSB) "Principles on Loss-absorbing and Recapitalisation Capacity of G-SIBs in Resolution" Total Loss-absorbing Capacity (TLAC) Term Sheet: <a href="https://www.fsb.org/wp-content/uploads/TLAC-Principles-and-Term-Sheet-for-publication-final.pdf">https://www.fsb.org/wp-content/uploads/TLAC-Principles-and-Term-Sheet-for-publication-final.pdf</a></li> </ol>                                                                                                                                                                                                                                                                                                   |
| 43   | <ol style="list-style-type: none"> <li>1. Standard Chartered PLC modelled on earlier of call date or maturity date as at 30.06.21</li> <li>2. Standard Chartered PLC only as at 30.06.21</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 48   | <ol style="list-style-type: none"> <li>1. Source: Opportunity 2030 Standard Chartered SDG Investment Map 2020. Dark green denotes 15 markets in our footprint with a combined USD10trillion gap in funding required to meet the UN Sustainable Development Goals</li> <li>2. Source: Sustainable Finance impact report Standard Chartered July 2019- July 2020</li> <li>3. Source: Opportunity 2030 Standard Chartered SDG Investment Map 2020</li> <li>4. Source: Opportunity 2030 Standard Chartered SDG Investment Map 2020. SDG 6: Clean Water and Sanitation, SDG 7: Affordable and Clean Energy and SDG 9: Industry, Innovation and Infrastructure</li> <li>5. Source: Sustainable Finance impact report Standard Chartered July 2019- July 2020</li> <li>6. Source: Sustainable Finance impact report Standard Chartered July 2019- July 2020</li> </ol> |
| 49   | <ol style="list-style-type: none"> <li>1. Revenues from thermal coal, measured by EBITDA at Group level</li> <li>2. As at 30.06.2021</li> <li>3. In 2020 the Group released updated Sustainability Aspirations with 37 new annual and multi-year performance targets (vs 29 targets previously disclosed)</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 50   | <ol style="list-style-type: none"> <li>1. Standard Chartered, DBS, SGX and Temasek announced plans on the 20th May 2021 to develop a carbon exchange and marketplace, Climate Impact X; providing organisations with high-quality carbon credits to address hard-to-abate emissions</li> <li>2. Source: State of Blended Finance 2020 report from Convergence released in October 2020</li> <li>3. Source: Carbon Dated report Standard Chartered 2021: impact of multinational companies' net zero plans in their supply chain</li> <li>4. Source: GFMA &amp; BCG Report: Climate Finance Markets &amp; the Real Economy December 2020</li> </ol>                                                                                                                                                                                                              |



# Selected technical and abbreviated terms

| Term                           | Definition                                                                                                                                                                                                                       |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Affluent activities</b>     | Personal banking services offered to affluent and emerging affluent customers                                                                                                                                                    |
| <b>AIBL</b>                    | Average interest-bearing liabilities                                                                                                                                                                                             |
| <b>AIEA</b>                    | Average interest-earning assets                                                                                                                                                                                                  |
| <b>bps</b>                     | Basis points                                                                                                                                                                                                                     |
| <b>Ccy</b>                     | A performance measure on a constant currency basis is presented such that comparative periods are adjusted for the current year's functional currency rate                                                                       |
| <b>CCIB</b>                    | The Group's Corporate, Commercial & Institutional Banking segment                                                                                                                                                                |
| <b>CET1</b>                    | Common Equity Tier 1 capital, a measure of CET1 capital as a percentage of RWA                                                                                                                                                   |
| <b>CG12</b>                    | Credit Grade 12 accounts. Credit grades are indicators of likelihood of default. Credit grades 1 to 12 are assigned to performing customers, while credit grades 13 and 14 are assigned to non-performing or defaulted customers |
| <b>C&amp;O</b>                 | Central & others segments                                                                                                                                                                                                        |
| <b>CPBB</b>                    | The Group's Consumer, Private & Business Banking segment                                                                                                                                                                         |
| <b>DPD</b>                     | Days-Past-Due: one or more days that interest and/or principal payments are overdue based on the contractual terms                                                                                                               |
| <b>DVA</b>                     | Debit Valuation Adjustment: the Group calculates DVA on its derivative liabilities to reflect changes in its own credit standing                                                                                                 |
| <b>EA (NPP) / Early Alerts</b> | Early Alerts: a non-purely precautionary early alert account is one which exhibits risk or potential weaknesses of a material nature requiring closer monitoring, supervision, or attention by management                        |
| <b>EM</b>                      | Emerging Markets                                                                                                                                                                                                                 |
| <b>FM</b>                      | The Group's Financial Markets business                                                                                                                                                                                           |
| <b>L&amp;A</b>                 | Loans & Advances                                                                                                                                                                                                                 |

| Term                        | Definition                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Loan-loss rate (LLR)</b> | Total credit impairment for loans and advances to customers over average loans and advances to customers                                                                                                                                                                                                                                                                     |
| <b>na</b>                   | Not applicable                                                                                                                                                                                                                                                                                                                                                               |
| <b>Network activities</b>   | Corporate and institutional banking services offered to clients utilising the Group's unique network in 59 markets across Asia, Africa and the Middle East                                                                                                                                                                                                                   |
| <b>NFI</b>                  | Non-Funded Income                                                                                                                                                                                                                                                                                                                                                            |
| <b>NII</b>                  | Net Interest Income                                                                                                                                                                                                                                                                                                                                                          |
| <b>NIM</b>                  | Net Interest Margin: net interest income adjusted for interest expense incurred on amortised cost liabilities used to fund the Financial Markets business, divided by average interest-earning assets excluding financial assets measured at fair value through profit or loss                                                                                               |
| <b>Nm</b>                   | Not meaningful                                                                                                                                                                                                                                                                                                                                                               |
| <b>PBT</b>                  | Underlying profit before tax                                                                                                                                                                                                                                                                                                                                                 |
| <b>PPOP</b>                 | Pre-Provision Operating Profit: income net of expenses but before impairments                                                                                                                                                                                                                                                                                                |
| <b>P&amp;L</b>              | Profit and loss statement                                                                                                                                                                                                                                                                                                                                                    |
| <b>QoQ</b>                  | Quarter-on-Quarter change                                                                                                                                                                                                                                                                                                                                                    |
| <b>RoTE</b>                 | Return on Tangible Equity: the ratio of the current year's profit available for distribution to ordinary shareholders to the weighted average tangible equity, being ordinary shareholders' equity less the average goodwill and intangible assets for the reporting period. Where target RoTE is stated, this is based on profit and equity expectations for future periods |
| <b>RWA</b>                  | Risk-Weighted Assets are a measure of the Group's assets adjusted for their associated risks                                                                                                                                                                                                                                                                                 |
| <b>tn</b>                   | Trillion                                                                                                                                                                                                                                                                                                                                                                     |
| <b>WM</b>                   | The Group's Wealth Management business                                                                                                                                                                                                                                                                                                                                       |
| <b>YoY</b>                  | Year-on-Year change                                                                                                                                                                                                                                                                                                                                                          |
| <b>%pt</b>                  | Percentage point                                                                                                                                                                                                                                                                                                                                                             |



# Important notice

This document contains or incorporates by reference “forward-looking statements” regarding the belief or current expectations of Standard Chartered PLC (the “Company”), the board of the Company (the “Directors”) and other members of its senior management about the strategy, businesses and performance of the Company and its subsidiaries (the “Group”) and the other 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. Recipients should not place reliance on, and are cautioned about relying on, any 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 associated with implementation of Basel III and uncertainty over the timing and scope of regulatory changes in various jurisdictions in which the Group operates; 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 or other strategic actions, including engaging in acquisitions, disposals or other strategic transactions; reputational, compliance, conduct, information and cyber security and financial crime risks; global macroeconomic and geopolitical 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 the UK Banking Act 2009 and other similar legislation or regulations; risks associated with the discontinuance of IBORs and transition to alternative reference rates; 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 among other financial institutions or corporate borrowers; 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; risks arising out of health crises and pandemics, such as the COVID-19 (coronavirus) outbreak; climate related transition and physical risks; business model disruption risks; the implications of a post-Brexit and the disruption that may result in the United Kingdom and globally from the withdrawal of the United Kingdom from the European Union; and failure to generate sufficient level of profits and cash flows to pay future dividends. Please refer to the Company’s latest Annual Report for a discussion of certain other risks and factors which may impact the Group’s future financial condition and performance.

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 or make any updates or revisions to any forward-looking statement contained herein whether as a result of new information, future events or otherwise.

Nothing in this document shall constitute, in any jurisdiction, an offer or solicitation to sell or purchase any securities or other financial instruments, nor shall it constitute a recommendation or advice in respect of any securities or other financial instruments or any other matter.

