Leading the way
in Asia, Africa and the Middle East

Mervyn Davies
Chairman
Performance highlights

Income: US$6.99bn (33% increase)

Operating profit before tax: US$2.59bn (31% increase)

Normalised EPS: 120.4c (20% increase)

Dividend (per share): 25.67c (11% increase)
A different bank

- Strong and sustainable business
- Clear and consistent strategy
- Resilient in difficult times
Leading the way
in Asia, Africa and the Middle East

Richard Meddings
Group Finance Director
## Group performance

<table>
<thead>
<tr>
<th>US$m</th>
<th>H1 2007</th>
<th>H2 2007</th>
<th>H1 2008</th>
<th>YOY %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>5,263</td>
<td>5,804</td>
<td>6,987</td>
<td>33</td>
</tr>
<tr>
<td>Expenses</td>
<td>(2,918)</td>
<td>(3,297)</td>
<td>(3,900)</td>
<td>34</td>
</tr>
<tr>
<td>Operating profit before provisions</td>
<td>2,345</td>
<td>2,507</td>
<td>3,087</td>
<td>32</td>
</tr>
<tr>
<td>Loan impairment</td>
<td>(361)</td>
<td>(400)</td>
<td>(465)</td>
<td>29</td>
</tr>
<tr>
<td>Other impairment</td>
<td>(3)</td>
<td>(54)</td>
<td>(26)</td>
<td></td>
</tr>
<tr>
<td>(Loss)/profit from associates</td>
<td>(1)</td>
<td>2</td>
<td>(10)</td>
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</tr>
<tr>
<td>Profit before tax</td>
<td>1,980</td>
<td>2,055</td>
<td>2,586</td>
<td>31</td>
</tr>
<tr>
<td>Profit attributable to ordinary shareholders</td>
<td>1,370</td>
<td>1,443</td>
<td>1,785</td>
<td>30</td>
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## Underlying Group performance*

<table>
<thead>
<tr>
<th>US$m</th>
<th>H1 2007</th>
<th>H2 2007</th>
<th>H1 2008</th>
<th>YOY %</th>
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</thead>
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<td>6,722</td>
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<tr>
<td>Expenses</td>
<td>(2,918)</td>
<td>(3,297)</td>
<td>(3,637)</td>
<td>25</td>
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<tr>
<td>Operating profit before provisions</td>
<td>2,345</td>
<td>2,507</td>
<td>3,085</td>
<td>32</td>
</tr>
<tr>
<td>Loan impairment</td>
<td>(361)</td>
<td>(400)</td>
<td>(454)</td>
<td>26</td>
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<tr>
<td>Other impairment and losses</td>
<td>(4)</td>
<td>(52)</td>
<td>(31)</td>
<td></td>
</tr>
<tr>
<td>Operating profit before tax</td>
<td>1,980</td>
<td>2,055</td>
<td>2,600</td>
<td>31</td>
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<tr>
<td>Normalised cost income ratio (%)</td>
<td>54.7%</td>
<td>57.3%</td>
<td>56.4%</td>
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*excludes American Express Bank
Sources of income growth

US$m

<table>
<thead>
<tr>
<th></th>
<th>H1 2007</th>
<th>Organic</th>
<th>Inorganic</th>
<th>H1 2008</th>
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<tr>
<td>Wholesale</td>
<td>5,263</td>
<td>1,459</td>
<td>265</td>
<td>6,987</td>
</tr>
<tr>
<td>Consumer</td>
<td>5,263</td>
<td></td>
<td></td>
<td>6,987</td>
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<tr>
<td>Corporate items not allocated</td>
<td>142</td>
<td>405</td>
<td>1,177</td>
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## Performance by geography

<table>
<thead>
<tr>
<th></th>
<th>H1 2007</th>
<th>H2 2007</th>
<th>H1 2008</th>
<th>YOY %</th>
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<tbody>
<tr>
<td>Hong Kong</td>
<td>514</td>
<td>679</td>
<td>656</td>
<td>28</td>
</tr>
<tr>
<td>Singapore</td>
<td>205</td>
<td>241</td>
<td>317</td>
<td>55</td>
</tr>
<tr>
<td>Malaysia</td>
<td>97</td>
<td>139</td>
<td>152</td>
<td>57</td>
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<td>Korea</td>
<td>195</td>
<td>129</td>
<td>209</td>
<td>7</td>
</tr>
<tr>
<td>Other APR</td>
<td>281</td>
<td>291</td>
<td>353</td>
<td>26</td>
</tr>
<tr>
<td>India</td>
<td>320</td>
<td>370</td>
<td>606</td>
<td>89</td>
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<tr>
<td>MESA</td>
<td>289</td>
<td>302</td>
<td>386</td>
<td>34</td>
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<tr>
<td>Africa</td>
<td>111</td>
<td>187</td>
<td>157</td>
<td>41</td>
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<tr>
<td>Americas, UK &amp; Group</td>
<td>(32)</td>
<td>(283)</td>
<td>(250)</td>
<td>nm</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>1,980</strong></td>
<td><strong>2,055</strong></td>
<td><strong>2,586</strong></td>
<td><strong>31</strong></td>
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### Consumer Banking performance

<table>
<thead>
<tr>
<th>US$m</th>
<th>H1 2007</th>
<th>H1 2008</th>
<th>YOY %</th>
<th>Underlying YOY %*</th>
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</thead>
<tbody>
<tr>
<td>Income</td>
<td>2,772</td>
<td>3,177</td>
<td>15</td>
<td>10</td>
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<tr>
<td>Expenses</td>
<td>(1,612)</td>
<td>(1,961)</td>
<td>22</td>
<td>12</td>
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<tr>
<td>Operating profit before impairment</td>
<td>1,160</td>
<td>1,216</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Loan impairment</td>
<td>(372)</td>
<td>(412)</td>
<td>11</td>
<td>8</td>
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<tr>
<td>Other impairment</td>
<td>0</td>
<td>(2)</td>
<td>2</td>
<td>7</td>
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</table>

*excludes American Express Bank
## Consumer Banking income

<table>
<thead>
<tr>
<th>Region</th>
<th>H1 2007</th>
<th>H2 2007</th>
<th>H1 2008</th>
<th>YOY %</th>
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</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>545</td>
<td>643</td>
<td>628</td>
<td>15</td>
</tr>
<tr>
<td>Singapore</td>
<td>206</td>
<td>265</td>
<td>298</td>
<td>45</td>
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<tr>
<td>Malaysia</td>
<td>129</td>
<td>145</td>
<td>133</td>
<td>3</td>
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<tr>
<td>Korea</td>
<td>607</td>
<td>535</td>
<td>605</td>
<td>0</td>
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<tr>
<td>Other APR</td>
<td>564</td>
<td>603</td>
<td>611</td>
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<tr>
<td>India</td>
<td>184</td>
<td>224</td>
<td>249</td>
<td>35</td>
</tr>
<tr>
<td>MESA</td>
<td>352</td>
<td>399</td>
<td>355</td>
<td>1</td>
</tr>
<tr>
<td>Africa</td>
<td>140</td>
<td>170</td>
<td>172</td>
<td>23</td>
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<tr>
<td>Americas, UK &amp; Group</td>
<td>45</td>
<td>50</td>
<td>126</td>
<td>180</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,772</strong></td>
<td><strong>3,034</strong></td>
<td><strong>3,177</strong></td>
<td><strong>15</strong></td>
</tr>
</tbody>
</table>
Underlying Consumer Banking expenses*

Components of expense growth (%)

- 8 Investment for future growth
- 3 Regulatory/Control
- 1 BAU/Volume

12

*excludes American Express Bank
## Consumer Banking loan impairment

<table>
<thead>
<tr>
<th>US$m</th>
<th>H1 2007</th>
<th>H2 2007</th>
<th>H1 2008</th>
<th>YOY %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual impairment provision</td>
<td>(396)</td>
<td>(381)</td>
<td>(416)</td>
<td>5</td>
</tr>
<tr>
<td>Portfolio impairment provision</td>
<td>24</td>
<td>17</td>
<td>4</td>
<td>(83)</td>
</tr>
<tr>
<td>Total impairment charge</td>
<td>(372)</td>
<td>(364)</td>
<td>(412)</td>
<td>11</td>
</tr>
<tr>
<td>Loans and advances to customers (US$bn)</td>
<td>79.5</td>
<td>82.3</td>
<td>84.4</td>
<td>6</td>
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</table>
### Wholesale Banking performance

<table>
<thead>
<tr>
<th>US$m</th>
<th>H1 2007</th>
<th>H1 2008</th>
<th>YOY %</th>
<th>Underlying YOY %*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>2,487</td>
<td>3,664</td>
<td>47</td>
<td>42</td>
</tr>
<tr>
<td>Expenses</td>
<td>(1,298)</td>
<td>(1,939)</td>
<td>49</td>
<td>42</td>
</tr>
<tr>
<td>Operating profit before impairment</td>
<td>1,189</td>
<td>1,725</td>
<td>45</td>
<td>43</td>
</tr>
<tr>
<td>Loan impairment</td>
<td>11</td>
<td>(53)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other impairment</td>
<td>(3)</td>
<td>(24)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>1,197</td>
<td>1,648</td>
<td>38</td>
<td>35</td>
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</tbody>
</table>

*excludes American Express Bank
Wholesale Banking income

**Client income growth by segment (%)**

- Commodity Traders: 51%
- Global Corporates: 31%
- Financial Institutions: 50%
- Local Corporates: 44%

**Income growth by product (%)**

- Trade & Lending: 35%
- Cash Management & Custody: 28%
- Global Markets: 61%
Underlying Wholesale Banking expenses*

US$m

H1 2007: 1,298
H2 2007: 1,516
H1 2008: 1,839

Up 42%

Components of expense growth (%)

2  Investment for future growth
6  Regulatory/Control
34  BAU/Volume
42  

*excludes American Express Bank
# Wholesale Banking loan impairment

<table>
<thead>
<tr>
<th>US$m</th>
<th>H1 2007</th>
<th>H2 2007</th>
<th>H1 2008</th>
<th>YOY %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific impairment provisions</td>
<td>(38)</td>
<td>(56)</td>
<td>(63)</td>
<td>66</td>
</tr>
<tr>
<td>Recoveries</td>
<td>55</td>
<td>40</td>
<td>32</td>
<td>(42)</td>
</tr>
<tr>
<td>Portfolio impairment provisions</td>
<td>(6)</td>
<td>(20)</td>
<td>(22)</td>
<td></td>
</tr>
<tr>
<td><strong>Total net release/(charge)</strong></td>
<td>11</td>
<td>(36)</td>
<td>(53)</td>
<td></td>
</tr>
<tr>
<td>Loans and advances to customers (US$bn)*</td>
<td>73.8</td>
<td>75.3</td>
<td>93.4</td>
<td>27</td>
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</table>

*before portfolio impairment provision
### Korea

<table>
<thead>
<tr>
<th>US$m</th>
<th>H1 2007</th>
<th>H1 2008</th>
<th>YOY%</th>
<th>constant currency YOY%</th>
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</thead>
<tbody>
<tr>
<td>Income</td>
<td>801</td>
<td>867</td>
<td>8</td>
<td>14</td>
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<tr>
<td>Expenses</td>
<td>(560)</td>
<td>(568)</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Loan impairment</td>
<td>(46)</td>
<td>(90)</td>
<td>96</td>
<td>107</td>
</tr>
<tr>
<td>Operating profit before tax</td>
<td>195</td>
<td>209</td>
<td>7</td>
<td>13</td>
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</table>
## American Express Bank

### H1 2008 Performance*

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<th></th>
<th>CB</th>
<th>WB</th>
<th>Total</th>
</tr>
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<td><strong>US$m</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>135</td>
<td>130</td>
<td>265</td>
</tr>
<tr>
<td>Expenses</td>
<td>(123)</td>
<td>(75)</td>
<td>(198)</td>
</tr>
<tr>
<td>Loan/other impairment</td>
<td>(13)</td>
<td>(3)</td>
<td>(16)</td>
</tr>
<tr>
<td><strong>Profit pre integration expense</strong></td>
<td>(1)</td>
<td>52</td>
<td>51</td>
</tr>
<tr>
<td>Integration Expense</td>
<td>(40)</td>
<td>(25)</td>
<td>(65)</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>(41)</td>
<td>27</td>
<td>(14)</td>
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</tbody>
</table>

*Performance reflects ownership of American Express Bank from 29 February 2008*
### Group balance sheet

<table>
<thead>
<tr>
<th>US$bn</th>
<th>H1 2007</th>
<th>H2 2007</th>
<th>H1 2008</th>
<th>YOY %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer loans</td>
<td>151.9</td>
<td>154.3</td>
<td>174.7</td>
<td>15</td>
</tr>
<tr>
<td>Customer deposits</td>
<td>160.2</td>
<td>179.8</td>
<td>205.5</td>
<td>28</td>
</tr>
<tr>
<td>Customer loans to deposits %</td>
<td>95</td>
<td>86</td>
<td>85</td>
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## Exposure to Asset Backed Securities

<table>
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<tbody>
<tr>
<td><strong>RMBS</strong></td>
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<tr>
<td>US Sub-prime</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>US Alt A</td>
<td>96</td>
<td>89</td>
<td>59</td>
</tr>
<tr>
<td>US Prime</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>UK/Other</td>
<td>1,825</td>
<td>1,562</td>
<td>1,499</td>
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<td><strong>CDOs</strong></td>
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<tr>
<td>ABS</td>
<td>291</td>
<td>264</td>
<td>79</td>
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<tr>
<td>Other CDOs</td>
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<td>394</td>
<td>335</td>
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<tr>
<td><strong>CMBS</strong></td>
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<tr>
<td>US CMBS</td>
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<tr>
<td>Other CMBS</td>
<td>980</td>
<td>904</td>
<td>796</td>
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<tr>
<td><strong>Other ABS</strong></td>
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<tr>
<td>Other ABS</td>
<td>2,085</td>
<td>2,221</td>
<td>2,059</td>
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<tr>
<td><strong>Total</strong></td>
<td>5,856</td>
<td>5,586</td>
<td>4,961</td>
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<tr>
<td>Charge to AFS reserve</td>
<td>83</td>
<td>186</td>
<td>4,961</td>
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<tr>
<td>Charge to P&amp;L</td>
<td>282*</td>
<td>130</td>
<td>130</td>
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</table>

*Includes US$116m loss incurred on the exchange of capital notes held Whistlejacket
Capital management

%  

<table>
<thead>
<tr>
<th></th>
<th>Tier 1</th>
<th>Tier 2 and 3</th>
<th>Core Tier 1</th>
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<tbody>
<tr>
<td>Dec 2007</td>
<td>7.2</td>
<td>6.9</td>
<td>2.6</td>
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<tr>
<td></td>
<td>9.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dec 2007</td>
<td>6.6</td>
<td>6.4</td>
<td>2.2</td>
</tr>
<tr>
<td></td>
<td>8.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jun 2008</td>
<td>6.1</td>
<td>6.4</td>
<td>2.4</td>
</tr>
<tr>
<td></td>
<td>8.5</td>
<td></td>
<td></td>
</tr>
</tbody>
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Basel II
Outlook for 2008

- Excellent momentum across multiple businesses and geographies
- Outlook remains uncertain
- Well positioned to capture opportunities
Leading the way
in Asia, Africa and the Middle East

Peter Sands
Group Chief Executive
Growth foundations

- Clear consistent strategy
- Focus on the basics - liquidity, capital, risks and costs
- Distinctive culture and values
## External environment

<table>
<thead>
<tr>
<th>Inflation %</th>
<th>2008F*</th>
<th>2009F*</th>
</tr>
</thead>
<tbody>
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<td>China</td>
<td>6.5</td>
<td>3.0</td>
</tr>
<tr>
<td>India</td>
<td>10.9</td>
<td>3.6</td>
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<tr>
<td>Korea</td>
<td>4.7</td>
<td>3.1</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>5.2</td>
<td>2.9</td>
</tr>
<tr>
<td>Singapore</td>
<td>6.2</td>
<td>4.0</td>
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<tr>
<td>Malaysia</td>
<td>4.5</td>
<td>4.0</td>
</tr>
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<td>Indonesia</td>
<td>9.3</td>
<td>7.8</td>
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<td>Vietnam</td>
<td>23.0</td>
<td>9.5</td>
</tr>
<tr>
<td>Taiwan</td>
<td>2.9</td>
<td>2.5</td>
</tr>
<tr>
<td>Thailand</td>
<td>6.4</td>
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<tr>
<td>US</td>
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<td>1.8</td>
</tr>
<tr>
<td>UK</td>
<td>3.1</td>
<td>2.3</td>
</tr>
<tr>
<td>Eurozone</td>
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<td>2.4</td>
</tr>
<tr>
<td>Japan</td>
<td>1.2</td>
<td>0.9</td>
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</table>

Source: *Standard Chartered forecasts July 2008*
## Asian growth forecast

<table>
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<tr>
<th>GDP %</th>
<th>2007</th>
<th>2008F*</th>
<th>2009F*</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>11.9</td>
<td>9.9</td>
<td>8.6</td>
</tr>
<tr>
<td>India</td>
<td>9.0</td>
<td>7.4</td>
<td>8.5</td>
</tr>
<tr>
<td>Korea</td>
<td>5.0</td>
<td>4.5</td>
<td>5.0</td>
</tr>
<tr>
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Source: *Standard Chartered forecasts July 2008*
Investment

- Investing for future growth
- Reinvesting returns, accelerating revenue growth
- Pacing investment in line with income growth
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