Leading the way in Asia, Africa and the Middle East

Credit Suisse
Asia Investor Conference
Forward looking statement

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

These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company and/or its Group and are difficult to predict, that may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements. Such risks and uncertainties 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 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 and engaging in acquisitions; global macroeconomic 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; 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 amongst other financial institutions or corporate borrowers; cross-border 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 and failure to generate sufficient level of profits and cash flows to pay future dividends.

Any forward-looking statement contained in this presentation based on past or current trends and/or activities of Standard Chartered should not be taken as a representation that such trends or activities will continue in the future. No statement in this presentation is intended to be a profit forecast or to imply that the earnings of the Company for the current year or future years will necessarily match or exceed the historical or published earnings of the Company. Each forward-looking statement speaks only as of the date of the particular statement. Standard Chartered expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Standard Chartered’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.
Leading the way in Asia, Africa and the Middle East

Julian Fong
CFO, Asia & Global Head of Country Finance
Who we are

- Over 150 year heritage
- Over 1,700 branches & offices
- Presence in 68 markets
- Over 89,000 employees
- Primary listings in London, Hong Kong and Mumbai
- Credit ratings AA- / A1 / AA- (S&P / Moody’s / Fitch respectively)
- Around 90% of income from Asia, Africa and Middle East
- Lead regulated by the UK Financial Services Authority
- Market cap: US$65bn (March 2013)
### 2012 Performance highlights

<table>
<thead>
<tr>
<th>Category</th>
<th>2012</th>
<th>Normalised*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>US$19.1bn</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Jaws</strong></td>
<td>(2%)</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>US$6.9bn</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Dividend per share</strong></td>
<td>84.0c</td>
<td>10.5%</td>
</tr>
<tr>
<td><strong>Earnings per share</strong></td>
<td>199.7c</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Return on equity</strong></td>
<td>12.2%</td>
<td>12.8%</td>
</tr>
</tbody>
</table>

*Normalised as per details on page 86 of the 2012 press release*
## Consumer Banking performance

<table>
<thead>
<tr>
<th>US$m</th>
<th>2011</th>
<th>H1 12</th>
<th>H2 12</th>
<th>2012</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>6,791</td>
<td>3,515</td>
<td>3,687</td>
<td>7,202</td>
<td>6</td>
</tr>
<tr>
<td>Expenses</td>
<td>(4,605)</td>
<td>(2,307)</td>
<td>(2,416)</td>
<td>(4,723)</td>
<td>3</td>
</tr>
<tr>
<td>Operating profit before impairment</td>
<td>2,186</td>
<td>1,208</td>
<td>1,271</td>
<td>2,479</td>
<td>13</td>
</tr>
<tr>
<td>Loan impairment</td>
<td>(524)</td>
<td>(300)</td>
<td>(397)</td>
<td>(697)</td>
<td>33</td>
</tr>
<tr>
<td>Other impairment</td>
<td>(12)</td>
<td>(9)</td>
<td>5</td>
<td>(4)</td>
<td>(67)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>1,650</td>
<td>899</td>
<td>879</td>
<td>1,778</td>
<td>8</td>
</tr>
</tbody>
</table>
Wholesale Banking performance

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>H1 12</th>
<th>H2 12</th>
<th>2012</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>10,846</td>
<td>5,996</td>
<td>5,783</td>
<td>11,779</td>
<td>9</td>
</tr>
<tr>
<td>Expenses</td>
<td>(5,147)</td>
<td>(2,656)</td>
<td>(3,343)</td>
<td>(5,999)</td>
<td>17</td>
</tr>
<tr>
<td>Operating profit</td>
<td>5,699</td>
<td>3,340</td>
<td>2,440</td>
<td>5,780</td>
<td>1</td>
</tr>
<tr>
<td>Loan impairment</td>
<td>(384)</td>
<td>(283)</td>
<td>(241)</td>
<td>(524)</td>
<td>36</td>
</tr>
<tr>
<td>Other impairment</td>
<td>(99)</td>
<td>(65)</td>
<td>(55)</td>
<td>(120)</td>
<td>21</td>
</tr>
<tr>
<td>Operating profit</td>
<td>5,216</td>
<td>2,992</td>
<td>2,144</td>
<td>5,136</td>
<td>(2)</td>
</tr>
</tbody>
</table>
Diversity a differentiator

Operating income by geography

- Americas, UK & Europe: 12%
- Hong Kong: 18%
- Africa: 8%
- MESA: 12%
- India: 8%
- Singapore: 11%
- Korea: 10%
- Other APR: 21%

Operating income by product

- Consumer Banking: 38%
- Wholesale Banking: 62%
- Principal Finance: 12%
- ALM: 4%
- Credit and Other: 2%
- Capital Markets: 3%
- Commodities and Equities: 3%
- Rates: 5%
- Foreign Exchange: 7%
- Cash Management and Custody: 9%
- Trade: 10%
- Other APR: 21%

* Cards, Personal Loans and Unsecured Lending
Strong foundations

**Basics of good banking**

**Principles**
- A conscious strategy to build balance sheet strength
- Balance sheet as a competitive differentiator
- Focus on organic equity generation to self fund growth

**Capital & Liquidity**
- Strongly capitalised
- Highly liquid
- Geographies independently liquid
- Minimal refinancing needs
- Ahead of new regulatory metrics

**Risk**
- Clearly defined risk appetite
- Geographic, sector and business line diversity
- Conservative balance sheet
- WB short tenor, low concentrations, CB well secured

**Financial Metrics**
- Double digit income growth
- Neutral to positive jaws
- Double digit EPS
- Mid teens ROE over medium term
Group balance sheet

- Customer deposit funded franchise (A/D ratio of 74.1% and Liquid asset ratio of 30.4%)
- Net interbank lender and US$194bn of liquid assets
- Basel III NSFR* and LCR** requirements already met
- No direct sovereign exposure to Greece, Ireland, Italy, Portugal or Spain
- Limited exposure to problem asset classes

*Net stable funding ratio  ** Liquidity coverage ratio  ***Current accounts and savings accounts
Capital generation

**Capital ratios %**

<table>
<thead>
<tr>
<th></th>
<th>Tier 2</th>
<th>Core Tier 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 08</td>
<td>6.6</td>
<td>15.1</td>
</tr>
<tr>
<td>H1 11</td>
<td>2.4</td>
<td>17.9</td>
</tr>
<tr>
<td>H2 11</td>
<td>6.1</td>
<td>17.6</td>
</tr>
<tr>
<td>H1 12</td>
<td>11.9</td>
<td>16.9</td>
</tr>
<tr>
<td>H2 12</td>
<td>11.8</td>
<td>17.4</td>
</tr>
</tbody>
</table>

**RWA* US$bn**

<table>
<thead>
<tr>
<th></th>
<th>H1 11</th>
<th>H2 11</th>
<th>H1 12</th>
<th>H2 12</th>
<th>Jan-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>19</td>
<td>21</td>
<td>22</td>
<td>24</td>
<td>29</td>
</tr>
<tr>
<td>Core Tier 1</td>
<td>214</td>
<td>221</td>
<td>233</td>
<td>247</td>
<td>302</td>
</tr>
</tbody>
</table>

**Core tier 1 capital reconciliation %**

<table>
<thead>
<tr>
<th></th>
<th>RWA* growth</th>
<th>Dividend</th>
<th>Profit</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>11.8</td>
<td>(1.4)</td>
<td>1.4</td>
<td>11.7</td>
</tr>
</tbody>
</table>

**Debt and capital issuance US$bn**

<table>
<thead>
<tr>
<th></th>
<th>H1 11</th>
<th>H2 11</th>
<th>H1 12</th>
<th>H2 12</th>
<th>Jan-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit risk</td>
<td>2.3</td>
<td>2.6</td>
<td>2.8</td>
<td>3.9</td>
<td>4.0</td>
</tr>
<tr>
<td>Operational risk</td>
<td>(1.4)</td>
<td>(0.5)</td>
<td>(0.5)</td>
<td>(0.5)</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Market risk</td>
<td>214</td>
<td>221</td>
<td>233</td>
<td>247</td>
<td>302</td>
</tr>
</tbody>
</table>

*Risk Weighted Assets*
Risk

**Consumer Banking**
- 82% of Consumer Banking portfolio is fully or partially secured
- Only 11% of the SME portfolio is unsecured
- Average LTV on mortgage portfolio of 48%

**Wholesale Banking**
- 62% of Wholesale Banking loans less than 1 year maturity
- Well diversified book by geography and industry
- Continue to distribute assets

**Average LTV on mortgage portfolio (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Average LTV</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>51</td>
</tr>
<tr>
<td>2011</td>
<td>49</td>
</tr>
<tr>
<td>2012</td>
<td>48</td>
</tr>
</tbody>
</table>

**Loans and advances to customers by industry**

- Commerce: 22%
- Manufacturing: 26%
- Mining & Quarrying: 10%
- Governments: 15%
- Financing, Insurance & business services: 15%
- Electricity, gas & water: 3%
- Transport & communication: 9%
- Commercial real estate: 7%
- Others: 7%
Consistent delivery

Profit and income (US$bn)

- Operating income
- Operating profit before tax

10 year income CAGR 15%
10 year profit CAGR 18%

Dividend and tax 2003 - 2012 to date (US$m)

- Dividend
- Tax

Total dividend US$ 12bn
Total tax US$ 11bn
Our competitive differentiation

Our Strategic Intent
The world’s best international bank

Leading the way in Asia, Africa and the Middle East

Our Brand Promise
Here for good

External Factors
- A turbulent global economy
  Slower growth, rising inequality, policy interventions, shocks
- Rapid technological change
  Digitisation, new channels and payment mechanisms

Priorities
- Build stronger relationships with our clients and customers
  Prove we are here for good
- Innovate and digitise
- Intensify collaboration across the network
- Get fitter and more flexible in the way we work
- Accelerate the next generation of leaders
- Deliver superior financial performance

Our Values
- Courageous
  We take measured risks and stand up for what is right
- Responsive
  We deliver relevant, timely solutions for clients and customers
- International
  We value diversity and work as One Bank
- Creative
  We innovate and adapt, continuously improving the way we work
- Trustworthy
  We are reliable, open and honest

Our Distinctive Strengths
- Collaborative Network
  Combining global capability and local knowledge
- Clients and Customers
  Building deep and long term relationships
- Disciplined Growth
  Delivering results without compromising balance sheet strength or control of risks and costs

Our Commitments
- Colleagues
  A great place to work, enabling individuals to grow and teams to win
- Society
  A force for good, promoting sustainable economic and social development
- Investors
  A distinctive investment, delivering consistently superior performance
- Regulators
  A responsible partner with exemplary governance and ethics

Avalanche of regulatory change
- Cost, complexity, fragmentation, impact on capital/liquidity

Sustained political and public hostility towards banks
- Pressure to demonstrate social purpose, intolerance of further failure

Intense competition
- Strong local banks, return of major global players, the rise of non-banks
Our markets

GDP growth %

USA 2013 2.3
China 2013 8.3
India 2013 6.0
Indonesia 2013 6.5
Nigeria 2013 6.6
Europe 2013 -0.5

Standard Chartered footprint 2013 6.2

Legend:
- Lower growth
- Higher growth
Our markets

Trade flows

25% CAGR 2000 - 2011

Standard Chartered presence countries
Non-presence countries - Sub-Saharan Africa
Our markets

Trade flows

2001
US$ 18bn

2011
US$ 241bn
Our markets

RMB internationalisation

- Trade settled in RMB
  - 2010: 5.1%
  - 2012: 12.6%

- Offshore RMB market (indexed)
  - 2010: 100
  - 2012: 748
Outlook

- We remain focused on consistent delivery against our four financial objectives
- Good momentum in both Consumer Banking and Wholesale Banking
- Remain focused on balance sheet foundations
- Well positioned in growth markets
Q&A