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.
Sir John Peace
Chairman
The core of our strategy

“We bank the people and companies driving investment, trade and the creation of wealth across Asia, Africa and the Middle East.”
Andy Halford
Group Finance Director
## Performance summary

<table>
<thead>
<tr>
<th></th>
<th>US$m</th>
<th>YoY $¹</th>
<th>HoH $¹</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit before tax</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>(482)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Markets</td>
<td>(432)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Korea (ex. Financial Markets)</td>
<td>(170)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income drag from FM &amp; Korea</strong></td>
<td>(602)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>China commodities</td>
<td>(175)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic investments</td>
<td>(71)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Profit</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US$ 9.3bn</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td>US$ 3.3bn</td>
<td>(20)</td>
<td>14</td>
</tr>
<tr>
<td>Financial Markets</td>
<td>US$ 2.4bn</td>
<td>(20)</td>
<td>18</td>
</tr>
<tr>
<td>Korea (ex. Financial Markets)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Normalised earnings</strong></td>
<td>US$ 2.4bn</td>
<td>(20)</td>
<td>18</td>
</tr>
<tr>
<td><strong>Normalised return on equity</strong></td>
<td>10.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Normalised return on equity</strong></td>
<td>10.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Common Equity Tier 1 ratio</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Normalised EPS</strong></td>
<td>96.5c</td>
<td>(21)</td>
<td></td>
</tr>
<tr>
<td><strong>Dividend per share</strong></td>
<td>28.8c</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

Note: Income excludes Own Credit Adjustments (OCA); Other impairment excludes impairment of goodwill in respect of Korea; EPS: Earnings Per Share; FM: Financial Markets
1) Better / (Worse); * On a B3 end point basis
## Group performance

<table>
<thead>
<tr>
<th>US$m</th>
<th>H1 13</th>
<th>H2 13</th>
<th>H1 14</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Client income</td>
<td>9,751</td>
<td>8,920</td>
<td>9,269</td>
<td>(5)</td>
</tr>
<tr>
<td>Own account income</td>
<td>8,648</td>
<td>8,224</td>
<td>8,373</td>
<td>(3)</td>
</tr>
<tr>
<td>Expenses</td>
<td>(5,034)</td>
<td>(5,159)</td>
<td>(5,083)</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Working profit</strong></td>
<td>4,717</td>
<td>3,761</td>
<td>4,186</td>
<td>(11)</td>
</tr>
<tr>
<td>Loan impairment</td>
<td>(730)</td>
<td>(887)</td>
<td>(846)</td>
<td>(16)</td>
</tr>
<tr>
<td>Other impairment</td>
<td>(11)</td>
<td>(118)</td>
<td>(185)</td>
<td>nm</td>
</tr>
<tr>
<td>Profit from associates</td>
<td>112</td>
<td>114</td>
<td>113</td>
<td>1</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>4,088</td>
<td>2,870</td>
<td>3,268</td>
<td>(20)</td>
</tr>
</tbody>
</table>

*Note: Income excludes Own Credit Adjustments (OCA); Other impairment excludes goodwill impairment in respect of Korea; nm = not meaningful*
Client segments income

<table>
<thead>
<tr>
<th>US$m</th>
<th>H1 13</th>
<th>H2 13</th>
<th>H1 14</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate and Institutional clients</td>
<td>5,577</td>
<td>5,079</td>
<td>5,334</td>
<td>(4)</td>
</tr>
<tr>
<td>Commercial clients</td>
<td>812</td>
<td>699</td>
<td>616</td>
<td>(24)</td>
</tr>
<tr>
<td>Private Banking clients</td>
<td>301</td>
<td>285</td>
<td>314</td>
<td>4</td>
</tr>
<tr>
<td>Retail clients</td>
<td>3,061</td>
<td>2,857</td>
<td>3,005</td>
<td>(2)</td>
</tr>
<tr>
<td><strong>Total Operating Income</strong></td>
<td><strong>9,751</strong></td>
<td><strong>8,920</strong></td>
<td><strong>9,269</strong></td>
<td>(5)</td>
</tr>
</tbody>
</table>

**US$m**

- **Financial Markets** (381)
- **Principal Finance** (107)
- **Financial Markets** (51)
- **Korea** (77)
- **(196)**
- **(56)**

**H1 13**

- Corporate and Institutional clients: 9,751
- Commercial clients: 243
- Private Banking clients: 13
- Retail clients: 196
- Total: 9,269

**H1 14**

- Corporate and Institutional clients: 9,751
- Commercial clients: 243
- Private Banking clients: 13
- Retail clients: 196
- Total: 9,269
### Product income

#### US$m

<table>
<thead>
<tr>
<th></th>
<th>H1 13</th>
<th>H2 13</th>
<th>H1 14</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction Banking</td>
<td>1,964</td>
<td>1,947</td>
<td>1,918</td>
<td>(2)</td>
</tr>
<tr>
<td>Financial Markets</td>
<td>2,212</td>
<td>1,644</td>
<td>1,780</td>
<td>(20)</td>
</tr>
<tr>
<td>Corporate Finance</td>
<td>1,238</td>
<td>1,281</td>
<td>1,241</td>
<td>0</td>
</tr>
<tr>
<td>Wealth Management</td>
<td>755</td>
<td>694</td>
<td>817</td>
<td>8</td>
</tr>
<tr>
<td>Retail Products</td>
<td>2,588</td>
<td>2,458</td>
<td>2,435</td>
<td>(6)</td>
</tr>
<tr>
<td>Others</td>
<td>994</td>
<td>896</td>
<td>1,078</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total Operating Income</strong></td>
<td><strong>9,751</strong></td>
<td><strong>8,920</strong></td>
<td><strong>9,269</strong></td>
<td><strong>(5)</strong></td>
</tr>
</tbody>
</table>

#### Notes
- CCPL = Credit Cards and Personal Loans; ALM = Asset and Liability Management; FX = Foreign Exchange
- Others: ALM, Principal Finance and Lending and Portfolio Management
Expenses

- Disciplined cost management, up 1% YoY or US$ 49m, despite
  - Inflationary pressures across our markets
  - Continued investments
  - Increase in regulatory and compliance costs

- Continued tight cost control

- Staff costs account for c.70% of total costs

Expense growth US$m

<table>
<thead>
<tr>
<th></th>
<th>H1 13</th>
<th>H2 13</th>
<th>H1 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses</td>
<td>5,034</td>
<td>5,159</td>
<td>5,083</td>
</tr>
</tbody>
</table>

Expense split

- Staff costs 68%
- Premises costs 9%
- General administrative 17%
- Depreciation and amortisation 6%
## Impairment

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>H1 13</th>
<th>H2 13</th>
<th>H1 14</th>
<th>YoY %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate and Institutional</td>
<td>(197)</td>
<td>(291)</td>
<td>(266)</td>
<td>(35)</td>
</tr>
<tr>
<td>Commercial clients</td>
<td>(43)</td>
<td>(114)</td>
<td>(100)</td>
<td>(133)</td>
</tr>
<tr>
<td>Private Banking clients</td>
<td>(8)</td>
<td>-</td>
<td>-</td>
<td>nm</td>
</tr>
<tr>
<td>Retail clients</td>
<td>(482)</td>
<td>(482)</td>
<td>(480)</td>
<td>0</td>
</tr>
<tr>
<td>Loan impairment</td>
<td>(730)</td>
<td>(887)</td>
<td>(846)</td>
<td>(16)</td>
</tr>
<tr>
<td>Other impairment¹</td>
<td>(11)</td>
<td>(118)</td>
<td>(185)</td>
<td>nm</td>
</tr>
<tr>
<td>Total impairment</td>
<td>(741)</td>
<td>(1,005)</td>
<td>(1,031)</td>
<td>(39)</td>
</tr>
</tbody>
</table>

### Notes:
1) Excludes US$ 1bn of Korea goodwill in H1 2013

- Small number of impaired accounts
- Portfolio highly diversified
- Well collateralised and short tenor
- Broadly stable loss rates

### Other Impairment

- China commodities: (US$m) (175)
- Strategic investments: (US$m) (71)
Geographic performance

**MENAP**

- Income: (2)%
- Profit before tax: (0)%

**China**

- Income: 15%
- Profit before tax: 65%

**Hong Kong**

- Income: 3%
- Profit before tax: (16)%

**Korea**

- Income: (26)%
- Profit before tax: (193)%

**Africa**

- Income: 3%
- Profit before tax: (11)%

**India**

- Income: (16)%
- Profit before tax: (10)%

**Singapore**

- Income: (8)%
- Profit before tax: (5)%

Note: H1 13 - H1 14 YoY%
Group balance sheet – Liabilities

- Customer deposit funded franchise
- CASA up 4% since year end (54% of total)
- A/D ratio of 78.1%
- Liquid asset ratio of 30.5%
- Issued around US$ 7bn of Tier 2 and senior notes
- NSFR and LCR requirements met

**Total deposits US$bn**

<table>
<thead>
<tr>
<th></th>
<th>FY 12</th>
<th>HY 13</th>
<th>FY 13</th>
<th>HY 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASA</td>
<td>201</td>
<td>203</td>
<td>200</td>
<td>192</td>
</tr>
<tr>
<td>Time deposits</td>
<td>215</td>
<td>216</td>
<td>227</td>
<td>237</td>
</tr>
</tbody>
</table>

**Liquidity ratios %**

<table>
<thead>
<tr>
<th></th>
<th>FY 12</th>
<th>HY 13</th>
<th>FY 13</th>
<th>HY 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquid asset ratio</td>
<td>74%</td>
<td>77%</td>
<td>76%</td>
<td>78%</td>
</tr>
<tr>
<td>A/D ratio</td>
<td>31%</td>
<td>28%</td>
<td>30%</td>
<td>31%</td>
</tr>
</tbody>
</table>

CASA = Current Account and Savings Accounts; NSFR = Net Stable Funding Ratio; LCR = Liquidity Coverage Ratio; A/D ratio = Advances to Deposit ratio
Customer loans up 3% since year end

Supported client growth and financing needs

Continued to de-risk Retail unsecured

Low exposures to problem asset class

Mortgage volumes impacted by property market cooling measures
Well capitalised with CET 1 ratio of 10.7%

Capital accretive ex model and foreseeable dividend changes

Assertive RWA management

Leverage ratio 4.8%

Note: Asset growth net of $5.2bn RWA redeployment in H1 2014; AFS: Available for sale securities
Summary

- External environment remains challenging
- Momentum ahead of the second half last year
- Financial Markets remains uncertain
- Managing costs and risks tightly
- Continue to be:
  - Well capitalised
  - Highly liquid
  - Diverse
Peter Sands
Group Chief Executive
## Historical income performance

### Income growth (YoY%)

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater China</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>yellow</td>
<td>yellow</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>yellow</td>
</tr>
<tr>
<td>North East Asia</td>
<td>green</td>
<td>yellow</td>
<td>yellow</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>red</td>
<td>yellow</td>
</tr>
<tr>
<td>ASEAN</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>red</td>
<td>yellow</td>
</tr>
<tr>
<td>South Asia</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>red</td>
<td>red</td>
<td>red</td>
<td>green</td>
<td>red</td>
</tr>
<tr>
<td>MENAP</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>yellow</td>
<td>yellow</td>
<td>green</td>
<td>green</td>
<td>red</td>
<td>yellow</td>
</tr>
<tr>
<td>Africa</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>yellow</td>
</tr>
<tr>
<td>Americas</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>red</td>
<td>red</td>
<td>red</td>
<td>green</td>
<td>red</td>
</tr>
<tr>
<td>Europe</td>
<td>yellow</td>
<td>red</td>
<td>red</td>
<td>red</td>
<td>red</td>
<td>red</td>
<td>red</td>
<td>red</td>
<td>red</td>
</tr>
<tr>
<td>Group</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>green</td>
<td>red</td>
</tr>
</tbody>
</table>

- **≥ 5%**: Yellow
- **≤ 0%**: Red
- **< 5%**: Green
“We bank the people and companies driving investment, trade and the creation of wealth across Asia, Africa and the Middle East.”

**Execution in H1 2014 - Examples**

- Set out 5 strategic aspirations – relationships, investment, trade, wealth and relevant scale
- Implemented far-reaching reorganisation
  - Aligned the group to the strategic priorities
  - Broke down silos
  - Defined new segment strategies
- Reviewed businesses against the ‘5 tests’
  - Exiting subscale, non-strategic businesses
  - Reconfiguring businesses to align to the sharpened strategy
- Took decisive action to redeploy capital from low return relationships and businesses
- Stepped up ‘Raising the bar on conduct’ e.g.
  - Financial Crime Risk Mitigation Program
  - Customer Due Diligence remediation
  - Substantially increase resources
- Sharpened investment spend prioritisation and cost discipline
- Reallocating sales and marketing resources
  - Exited third party client sales
  - Shifted FM resources from structured / trading to sales / flow
- Defined integrated “roadmap” for implementation of strategy
Financial Markets

<table>
<thead>
<tr>
<th>US$m</th>
<th>H1 13</th>
<th>H2 13</th>
<th>H1 14</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign Exchange</td>
<td>835</td>
<td>578</td>
<td>636</td>
<td>(24)</td>
</tr>
<tr>
<td>Rates</td>
<td>552</td>
<td>365</td>
<td>371</td>
<td>(33)</td>
</tr>
<tr>
<td>Commodities and Equities</td>
<td>288</td>
<td>219</td>
<td>262</td>
<td>(9)</td>
</tr>
<tr>
<td>Capital Markets</td>
<td>283</td>
<td>275</td>
<td>284</td>
<td>0</td>
</tr>
<tr>
<td>Credit and Other</td>
<td>254</td>
<td>207</td>
<td>227</td>
<td>(11)</td>
</tr>
<tr>
<td>Total Financial Markets</td>
<td>2,212</td>
<td>1,644</td>
<td>1,780</td>
<td>(20)</td>
</tr>
</tbody>
</table>

- Client driven business
- Regulatory changes and low volatility environment
- Strong volume growth, gaining market share
- Strong returns

**Notional volume increase % YoY**

**Cash FX**
- FY 13: 21
- HY 14: 24
- Notional volume increase: (37%)

**FX Options**
- FY 13: 37
- HY 14: 45
- Notional volume increase: (45%)

**Income composition**

- Corporates: 59%
- Financial Institutions: 41%
- Non-Banks: 56%
- Banks: 44%

*Note: FX = Foreign Exchange*
Korea

<table>
<thead>
<tr>
<th>US$m</th>
<th>H1 13</th>
<th>H1 14</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>898</td>
<td>669</td>
<td>(26)</td>
</tr>
<tr>
<td>Expenses</td>
<td>(549)</td>
<td>(587)</td>
<td>(7)</td>
</tr>
<tr>
<td>Working profit</td>
<td>349</td>
<td>82</td>
<td>(76)</td>
</tr>
<tr>
<td>Total impairment</td>
<td>(212)</td>
<td>(209)</td>
<td>1</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>137</td>
<td>(127)</td>
<td>(193)</td>
</tr>
</tbody>
</table>

**Actions taken in H1 2014**

- Reshaping the business
  - Headcount down 9% YoY (~590)
  - Branches down 47 YoY to 314
- Sold Consumer Finance and Savings Bank
- De-risking Retail unsecured

**Strengthening offshore client support**

- 2013 year end – 18 desks in 11 markets
- H1 14 - added 3 desks in Hong Kong, Thailand & Vietnam
- H2 14 – to add 3 desks in US, UK and South Africa
Growth in our markets

Source: IMF, WTO, McKinsey Global Banking Pools (Based on July 29 2014 version)

1. Real GDP, Trade and Banking Revenue Pool growths are based on weighted average of SCB’s top 12 markets (weighted as per SCB’s 2013 RWAs).
2. Banking revenue pool excludes ‘Mergers & Acquisitions’ and ‘Discretionary Pension Distribution’ related revenues.
3. Trade growth based on USD value of total merchandise trade (Imports + Exports).
Our aspirations

**Relationships**
- Build trusted relationships with the people, companies and institutions shaping our markets’ future

**Investment**
- Play a leading role in facilitating investment and deepening financial markets in our economies

**Trade**
- Become the undisputed leader in commercial payment and financing for and in Asia, Africa and the Middle East

**Wealth**
- Be recognised as a leader in growing and protecting our clients’ wealth

**Relevant scale**
- Establish sufficient scale, balance sheet and franchise strength to be relevant and influential in our key markets
Organisation structure

Peter Sands
Group Chief Executive

Clients and Products

Mike Rees
Deputy Group Chief Executive

Geographies

Jaspal Bindra
Greater China, ASEAN, North East Asia, South Asia

V. Shankar
MENAP, Africa, Europe, The Americas

Greater China

MENAP

ASEAN

Africa

North East Asia

Europe

South Asia

The Americas

Clients

Corporate and Institutional Clients

Global Corporates

Local Corporates

Financial Institutions

Commercial and Private Banking Clients

Commercial Banking

Private Banking

Retail Clients

Priority and International

Personal and Preferred

Small Business

Products

Corporate Finance

Financial Markets

Transaction Banking

Wealth Products

Retail Products

Delivery

Business Chief Operating Officer

Group Business Head Geographies

Functions

Andy Halford
Group Finance Director

People, Compliance and Communication

Risk

Operations

Governance

General Counsel

Strategy

Corporate Development

Standard Chartered

Standard Chartered
## Corporate and Institutional Clients

### Redeploying RWA to improve profitability

<table>
<thead>
<tr>
<th></th>
<th>H1 13</th>
<th>H1 14</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>5,577</td>
<td>5,334</td>
<td>(4)</td>
</tr>
<tr>
<td>Expenses</td>
<td>(2,500)</td>
<td>(2,546)</td>
<td>(2)</td>
</tr>
<tr>
<td>Working profit</td>
<td>3,077</td>
<td>2,788</td>
<td>(9)</td>
</tr>
<tr>
<td>Total impairment</td>
<td>(225)</td>
<td>(435)</td>
<td>(93)</td>
</tr>
<tr>
<td>Profit from associates</td>
<td>79</td>
<td>90</td>
<td>14</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>2,931</td>
<td>2,443</td>
<td>(17)</td>
</tr>
</tbody>
</table>

### Income split by product

- **Transaction Banking**: 30%
- **Financial Markets**: 31%
- **Corporate Finance**: 23%
- **Credit & Other**: 14%
- **Commodities & Equities**: 15%
- **Capital Markets**: 17%
- **Others**: 16%
- **FX**: 32%
- **Rates**: 22%

Note: Significant majority of RWA efficiencies are from the Corporate and Institutional client segment

- **Around 60% of Group income**
- **87% client income**
- **Building deeper relationships**
- **Focusing on cross border, network business**
Market position

#1 Transaction Banker across Asia

#1 in Corporate Derivatives in Asia

#2 Project Finance House

Top 5 Syndicated Lead Arranger – Asia and Africa

#2 In Asia for FICC

Global market position

Source: Market research, CHIPS data; East & Partners Asian Institutional Transaction Banking Markets Program
Organisation structure
### Commercial Clients

<table>
<thead>
<tr>
<th>US$m</th>
<th>H1 13</th>
<th>H1 14</th>
<th>YoY%</th>
<th>YoY $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>812</td>
<td>616</td>
<td>(24)</td>
<td>(261)</td>
</tr>
<tr>
<td>Expenses</td>
<td>(374)</td>
<td>(362)</td>
<td>3</td>
<td>(107)</td>
</tr>
<tr>
<td>Working profit</td>
<td>438</td>
<td>254</td>
<td>(42)</td>
<td>(51)</td>
</tr>
<tr>
<td>Total impairment</td>
<td>(29)</td>
<td>(100)</td>
<td>(245)</td>
<td>(57)</td>
</tr>
<tr>
<td>Profit from associates</td>
<td>17</td>
<td>11</td>
<td>(35)</td>
<td></td>
</tr>
<tr>
<td>Profit before tax</td>
<td>426</td>
<td>165</td>
<td>(61)</td>
<td></td>
</tr>
</tbody>
</table>

- 50,000 clients across 19 markets
- 90% of revenue from top 9 markets
- Deepening linkages between business owners and Private Banking

**Income split by product**

- Transaction Banking 49%
- Financial Markets 19%
- Others 20%
- Wealth Mgt 10%
- Corporate Finance 2%
### Private Banking Clients

#### Key Figures (US$m)

<table>
<thead>
<tr>
<th>Category</th>
<th>H1 13</th>
<th>H1 14</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>301</td>
<td>314</td>
<td>4</td>
</tr>
<tr>
<td>Expenses</td>
<td>(213)</td>
<td>(227)</td>
<td>(7)</td>
</tr>
<tr>
<td>Working profit</td>
<td>88</td>
<td>87</td>
<td>(1)</td>
</tr>
<tr>
<td>Total impairment</td>
<td>(8)</td>
<td>(16)</td>
<td>(100)</td>
</tr>
<tr>
<td>Profit from associates</td>
<td>1</td>
<td>-</td>
<td>nm</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>81</td>
<td>71</td>
<td>(12)</td>
</tr>
</tbody>
</table>

#### Private Banking

**Consumer AUM - US$bn**

- **H1 13**: 54
- **H1 14**: 61

**Net new money - US$bn**

- **H1 13**: 1.3
- **H1 14**: 1.5

#### Private Banking Income Growth in Key Centers

- **UAE**
  - PVB Income: +17%

- **Singapore**
  - PVB Income: +11%

- **Hong Kong**
  - PVB Income: +21%

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- Significant market growth opportunity
- Aspiration to double AUM by 2020
- Investing to better serve client needs
- Rationalising sub-scale booking centres (e.g. Geneva)

Note: nm = not meaningful; 1) H1 14 on H1 13
## Retail Clients

<table>
<thead>
<tr>
<th>US$m</th>
<th>H1 13</th>
<th>H1 14</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>3,061</td>
<td>3,005</td>
<td>(2)</td>
</tr>
<tr>
<td>Expenses</td>
<td>(1,947)</td>
<td>(1,948)</td>
<td>0</td>
</tr>
<tr>
<td>Working profit</td>
<td>1,114</td>
<td>1,057</td>
<td>(5)</td>
</tr>
<tr>
<td>Total impairment</td>
<td>(479)</td>
<td>(480)</td>
<td>0</td>
</tr>
<tr>
<td>Profit from associates</td>
<td>15</td>
<td>12</td>
<td>(20)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>650</td>
<td>589</td>
<td>(9)</td>
</tr>
</tbody>
</table>

- Strong growth in Hong Kong, Singapore and Africa
- Taking action in Korea, de-risking and reshaping
  - Sale of Consumer Finance and Savings Bank
  - PDRS remains elevated
  - Greater emphasis on High Value Segment and Wealth
  - Exiting third party direct sales

### Retail clients profit before tax ex. Korea (US$m)

<table>
<thead>
<tr>
<th></th>
<th>H1 2013</th>
<th>H1 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>3,061</td>
<td>3,005</td>
</tr>
<tr>
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<td>589</td>
</tr>
</tbody>
</table>

### Retail clients profit before tax ex. Korea (US$m)

- Increase of 12% from H1 2013 to H1 2014

### Increasing focus on high value segment (US$m)

- Increase of 2% from H1 2013 to H1 2014
Linking clients / products / infrastructure

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Corporate Finance

Financial Markets

Transaction Banking

Wealth Products

Retail Products
Linking clients / products / infrastructure
Improving efficiency

Trade Finance
Indexed operations costs vs volumes

- Technology driven innovation
- Investing in systems and driving productivity
- Greater straight through processing
- Costs saves and improved risk management
- In 2013 alone, saved 400 operations staff
- FX system (Razor) now available 24/7 across 43 markets

Note: H1 2014 annualised
Raising the bar on conduct

"We’ve told the world that we’re Here for good... we need to prove it in every interaction we have and every decision we make."
RMB

Standard Chartered Renminbi Globalisation Index (RGI)

- Best Renminbi Trade Settlement Bank 2012-2014
- The Best Renminbi Bank Hong Kong 2014
- First automated two-way cross-border RMB sweeping
- First offshore listed CNY bond issuance, cleared and settled in Singapore

RMB internationalisation

- 9th most actively traded currency globally
- Daily trading volume nearly quadrupled to US$120bn (between 2010-2013)
- 17% of China’s trade currently settled in RMB

Liberalisation actions in H1 2014

- Launch of Shanghai Pilot Free Trade Zone
- Widening of the RMB trading band
- Abolishment of the lending rate
- Shanghai-Hong Kong Stock Connect
- RMB clearing service in Seoul
- Appointment of the first clearing bank outside Asia for RMB in London

Source: The Asset Triple A Awards: Best Renminbi Trade Settlement Bank 2012-2014; The Best Renminbi Bank Hong Kong 2014
Outlook

- External environment remains challenging
- Momentum ahead of the second half last year
- Financial Markets remains uncertain
- Managing costs and risks tightly
- Continue to be:
  - Well capitalised
  - Highly liquid
  - Diverse