Forward looking statements

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, 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. 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 and engaging in acquisitions; reputational risk; pension risk; 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 among 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 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 any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Important Notice

This document does not constitute, in any jurisdiction, an offer or solicitation to sell or purchase any securities, nor does it constitute a recommendation or advice in respect of any securities or any other matter.
Bill Winters
Group Chief Executive
Reflections on my first year at the Bank

- We have a valuable, differentiated franchise with strong client relationships
- The strategy remains right for the Group
- We have made good progress on strategic actions and there is a lot more to do
- The economies have slowed during 2016 and the outlook is more cautious
- Opportunities are compelling and we have the right people and network
- Management team fully in place, entire Group focused on disciplined execution
- All decisions being made with a view to build returns above our cost of capital
Andy Halford
Group Chief Financial Officer
### Group performance summary

<table>
<thead>
<tr>
<th>$m</th>
<th>H1 15</th>
<th>H2 15</th>
<th>H1 16</th>
<th>H1 16 vs H1 15 %</th>
<th>H1 16 vs H2 15 %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(4,589)</td>
<td>(4,443)</td>
<td>(3,988)</td>
<td>13</td>
<td>10</td>
</tr>
<tr>
<td>Regulatory expenses</td>
<td>(453)</td>
<td>(553)</td>
<td>(546)</td>
<td>(21)</td>
<td>1</td>
</tr>
<tr>
<td>UK bank levy</td>
<td>-</td>
<td>(440)</td>
<td>-</td>
<td>nm</td>
<td>nm</td>
</tr>
<tr>
<td><strong>Pre-provision operating profit</strong></td>
<td>3,453</td>
<td>1,508</td>
<td>2,276</td>
<td>(34)</td>
<td>51</td>
</tr>
<tr>
<td>Loan impairment</td>
<td>(1,652)</td>
<td>(2,356)</td>
<td>(1,096)</td>
<td>34</td>
<td>53</td>
</tr>
<tr>
<td>Other impairment</td>
<td>(86)</td>
<td>(225)</td>
<td>(213)</td>
<td>(148)</td>
<td>5</td>
</tr>
<tr>
<td>Profit from associates</td>
<td>109</td>
<td>83</td>
<td>27</td>
<td>(75)</td>
<td>(67)</td>
</tr>
<tr>
<td><strong>Profit / (loss) before tax (underlying)</strong></td>
<td>1,824</td>
<td>(990)</td>
<td>994</td>
<td>(46)</td>
<td>200</td>
</tr>
<tr>
<td>Restructuring</td>
<td>-</td>
<td>(1,845)</td>
<td>(115)</td>
<td>nm</td>
<td>nm</td>
</tr>
<tr>
<td>Debt buyback</td>
<td>-</td>
<td>-</td>
<td>84</td>
<td>nm</td>
<td>nm</td>
</tr>
<tr>
<td>Own credit adjustment</td>
<td>55</td>
<td>440</td>
<td>(70)</td>
<td>nm</td>
<td>nm</td>
</tr>
<tr>
<td>Other exceptional items</td>
<td>219</td>
<td>(1,226)</td>
<td>-</td>
<td>nm</td>
<td>nm</td>
</tr>
<tr>
<td><strong>Profit / (loss) before tax (reported)</strong></td>
<td>2,098</td>
<td>(3,621)</td>
<td>893</td>
<td>(57)</td>
<td>125</td>
</tr>
<tr>
<td>Normalised ROE (%)</td>
<td>5.4%</td>
<td>(6.2%)</td>
<td>2.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Normalised EPS (Cents)</td>
<td>46.3</td>
<td>(52.4)</td>
<td>14.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend per share (Cents)</td>
<td>13.7</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Common Equity Tier 1 (%)</strong></td>
<td>11.5%</td>
<td>12.6%</td>
<td>13.1%</td>
<td>+160bps</td>
<td>+50bps</td>
</tr>
</tbody>
</table>

- Income slightly down on H2 15, now broadly stable
- Strong cost control is funding investment
- Loan impairment lower, though remains elevated
- Returned to underlying profit but returns still weak
- Loss making performance in Principal Finance
- Capital is strong
- No interim ordinary dividend proposed

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1) Better / (Worse); 2) Includes Group legal, compliance and regulatory costs; 3) Exceptional items include net gains / (losses) on businesses disposed / held for sale (H2 2015: $(1)m, H1 2015: $219m), valuation methodology changes (H2 2015: $863m) and goodwill impairment (H2 2015: $362m); 4) Adjusted for the impact of bonus element included in the November 2015 rights issue
Quarterly income and balance sheet trends have broadly stabilised

- Income has broadly stabilised in the first half at around Q4 15 levels
- Stopped sequential quarterly income decline
- Achieved despite:
  - Tighter risk tolerances
  - Actions on low returning RWAs
  - Poor Principal Finance performance
  - Economies have slowed during 2016 and the outlook is more uncertain
- Both customer loans and advances and customer deposits up since year end

### Operating income ($m)

<table>
<thead>
<tr>
<th></th>
<th>Q1 15</th>
<th>Q2 15</th>
<th>Q3 15</th>
<th>Q4 15</th>
<th>Q1 16</th>
<th>Q2 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>4,421</td>
<td>4,075</td>
<td>3,682</td>
<td>3,262</td>
<td>3,345</td>
<td>3,465</td>
</tr>
</tbody>
</table>

### Customer loans and advances ($bn)

<table>
<thead>
<tr>
<th></th>
<th>Q1 15</th>
<th>Q2 15</th>
<th>Q3 15</th>
<th>Q4 15</th>
<th>Q1 16</th>
<th>Q2 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>295</td>
<td>282</td>
<td>270</td>
<td>261</td>
<td>258</td>
<td>266</td>
</tr>
</tbody>
</table>

### Customer deposits ($bn)

<table>
<thead>
<tr>
<th></th>
<th>Q1 15</th>
<th>Q2 15</th>
<th>Q3 15</th>
<th>Q4 15</th>
<th>Q1 16</th>
<th>Q2 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits</td>
<td>401</td>
<td>389</td>
<td>367</td>
<td>359</td>
<td>366</td>
<td>372</td>
</tr>
</tbody>
</table>
## Client segment financial performance

### Underlying profit / (loss) before tax ($m)

<table>
<thead>
<tr>
<th>Segment</th>
<th>H1 15</th>
<th>H2 15</th>
<th>H1 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate &amp; Institutional Banking</td>
<td>784</td>
<td>(379)</td>
<td>239</td>
</tr>
<tr>
<td>Commercial Banking</td>
<td>20</td>
<td>(663)</td>
<td>(12)</td>
</tr>
<tr>
<td>Private Banking</td>
<td>1</td>
<td>98</td>
<td>51</td>
</tr>
<tr>
<td>Retail Banking</td>
<td>615</td>
<td>304</td>
<td>431</td>
</tr>
</tbody>
</table>

### Key Performance Indicators

- **Corporate & Institutional Banking**
  - Challenging conditions
  - Principal Finance losses
  - Focus on network income
  - Cost efficiency and RWA optimisation on track
  - Broadening client and industry coverage
  - Grew Q2 trade balances

- **Commercial Banking**
  - Transferred Local Corporates
  - RMB volatility and weaker trade activity
  - Lower loan impairment
  - Income and balance sheet broadly stabilised
  - Added ~2K new clients

- **Private Banking**
  - Weaker wealth demand
  - Non-repeat of H1 15 loan impairment
  - Multi-year $250m investment underway
  - Building relationship manager team strength
  - Added ~500 new clients

- **Retail Banking**
  - Growing income % from Priority clients
  - Sequentially lower loan impairment
  - Cost efficiency on track
  - Driving client acquisition
  - Executed on multiple strategic alliances
Geographic financial performance

Underlying profit / (loss) before tax ($m)

**Greater China & North Asia**
- H1 15: 1,126
- H2 15: 397
- H1 16: 722

**ASEAN & South Asia**
- H1 15: 112
- H2 15: (470)
- H1 16: 377

**Africa & Middle East**
- H1 15: 359
- H2 15: (171)
- H1 16: 342

**Europe & Americas**
- H1 15: 169
- H2 15: 147
- H1 16: 24

**Underlying profit / (loss) before tax ($m)**

**Greater China & North Asia**
- H1 15: 1,126
- H2 15: 397
- H1 16: 722

**ASEAN & South Asia**
- H1 15: 112
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- H1 16: 377

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- H1 15: 359
- H2 15: (171)
- H1 16: 342

**Europe & Americas**
- H1 15: 169
- H2 15: 147
- H1 16: 24

- Slower China macro
- Momentum stabilising in Hong Kong
- Korea broadly breakeven
- Reshaping in China
- Lower costs and loan impairment

- Returned to underlying profit
- Good expense control
- Lower commodity-related loan impairment
- External environment remains challenging

- Returned to underlying profit
- Income growth HoH
- Good expense control
- Lower loan impairment
- Investing into Africa

- Loss of income from Liquidation Portfolio
- Carries cost of regulatory remediation programme
- Impairment higher HoH
- Winning multi-market cash mandates
- Key network contributor
Central and other items

Drivers of results in Central and Other Items

- Variability in ALM income
- Variability in Principal Finance income and impairment
- Changes in key interest rates, e.g. in Korea, India, and Pakistan in H1 16
- Changes in the UK bank levy: currently estimated to be around $380 million in 2016
- Variability in profits from associates and joint ventures

Central & Other Items (Client segment)

<table>
<thead>
<tr>
<th></th>
<th>H1 15</th>
<th>H2 15</th>
<th>H1 16</th>
<th>$m</th>
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<tbody>
<tr>
<td>Income</td>
<td>368</td>
<td>6</td>
<td>(32)</td>
<td></td>
</tr>
<tr>
<td>Expense</td>
<td>(254)</td>
<td>(223)</td>
<td>(177)</td>
<td></td>
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<tr>
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<td>-</td>
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<td>-</td>
<td></td>
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<td>(209)</td>
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<tr>
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<td>4</td>
<td>(99)</td>
<td>(104)</td>
<td></td>
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<tr>
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<td>(139)</td>
<td>(163)</td>
<td></td>
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<td>3</td>
<td>2</td>
<td>5</td>
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<td>58</td>
<td>(893)</td>
<td>(471)</td>
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Central & Other Items (Geographic)

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<td></td>
</tr>
</tbody>
</table>
On track to deliver >$1billion of efficiencies in 2016; underlying costs down 13% year-on-year (excluding regulatory costs)

**Annual cost efficiencies ($bn)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Underlying</th>
<th>Business exits and disposals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>0.4</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>&gt;0.6</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>&gt;1.0</td>
<td></td>
</tr>
</tbody>
</table>

Remain committed to 2018 costs < 2015 excluding the UK bank levy

**Driving efficiencies and improving service**
- Created CIB specialist support teams to facilitate client onboarding and management
- Improved account opening and deal booking
- Retail Workbench now in 9 markets

**Savings creating investment capacity**
- Digital Retail platform in 8 African markets
- Introduced video banking in key markets
- Early adoption of new payment capabilities

**Planned source of cost savings in 2016**

- Staff exits 75%
- Other 18%
- Branches / Premises 7%

> $1bn

Investment spend to increase in the second half as planned
Market conditions remain challenging but no significant deterioration in the credit quality of the portfolio

**Group loan impairment ($m)**

- Retail Banking: Sequential quarterly improvement in loan impairment
- CIB and Commercial: Impairment remains elevated but at significantly reduced levels compared to 2015
- Private Banking: Non-repeat of the 2015 loan impairment

**Managing targeted exposures ($bn)**

No significant deterioration in portfolio credit quality despite ongoing challenging conditions

1) Impairments on exposures during 2015, but before they were placed into the liquidation portfolio
The balance sheet is strong and well placed to weather the more difficult external environment and outlook.

- **CET1**: 13.1% (Target range 12-13%)
- **Total capital**: 19.5%
- **Cover ratio**: 53%
- **Leverage ratio**: 5.5%
- **Minimum requirement for own funds and eligible liabilities**: ~25%
- **Advances to deposits ratio**: 71.5%
- **Liquidity coverage ratio**: > 100%
- **Corporate L&A to customers short tenor**: 72% < 1 Year

1) Cover ratio is on the Group basis including the liquidation portfolio, before collateral
2) Includes Corporate & Institutional Banking, Commercial Banking and Central & Other loans and advances
The Group remains strongly capitalised

**H1 2016 – CET1 %**

- CET 1 ratio slightly above 12-13% target range
- Lower credit, market and operational RWA
- Eventual outcome of consultations on banking industry capital requirements is uncertain

**H1 2016 – Risk-weighted Assets (RWA) ($bn)**

1) Dividends include preference share dividend, AT1 coupons and regulatory foreseeable dividends

- CET 1 ratio slightly above 12-13% target range
- Lower credit, market and operational RWA
- Eventual outcome of consultations on banking industry capital requirements is uncertain
Summary – actions underway, but at an early stage

- Making steady progress on strategic actions

- Encouraging signs from actions taken, but returns still weak
  - Income showing relative stability
  - Costs tightly managed and launched first phase of investment plans
  - Reduced portfolio sensitivity to external headwinds
  - Strong capital and liquidity positions

- Priority now to improve income trends with a disciplined focus on returns

- Economies have slowed during 2016 and the outlook is more cautious

- We expect 2016 performance to remain subdued
Bill Winters
Group Chief Executive
Making steady progress on strategic plan

1. Secure the foundations
   - Reduce / exit exposures to within the refreshed Group risk tolerance by 2017
   - Businesses and assets comprising approximately one third of Group RWA to be restructured
   - Deliver our conduct and financial crime risk programmes
   - Re-focus relentlessly on client satisfaction
   - Re-establish a culture of excellence in everything we do
   - Simplify the organisation structure to focus more on geographic execution

2. Get lean and focused
   - Cost discipline: execute $2.9bn gross cost reduction programme over 4 years from 2015 to 2018; 2018 total costs below 2015
   - Restructure Corporate and Institutional Banking for higher returns
   - Accelerate Retail Transformation; target cost income ratio of c.55% by 2020
   - Fundamentally overhaul Commercial Banking
   - Clear and deliverable strategy for our regions managed locally

3. Invest and innovate
   - Invest and innovate in Private Banking and Wealth Management to leverage advantages
   - Step-up cash investments by over $1bn. Invest in excess of $3bn (cash basis) over three years
   - Build on a strong foundation and invest to grow safely in Africa
   - Leverage opening of China; capture opportunities from renminbi internationalisation
   - Roll out enhanced Retail digital capabilities across our footprint
Making steady progress on strategic plan

1. Secure the foundations
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   - Roll out enhanced Retail digital capabilities across our footprint
Businesses and assets comprising approximately one third of Group RWA to be restructured

Taking restructuring actions…

- Progress on low returning RWAs offset by market conditions
- Korea broadly breakeven in the period – though more to do
- Exit of non-core Retail Banking in the Philippines, among others

... total costs to date of $2bn, around two thirds of original $3bn estimate

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exposures outside risk tolerance</td>
<td>~$20bn</td>
<td>Assertive actions taken with early progress</td>
</tr>
<tr>
<td>Low returning client relationships</td>
<td>~$50bn</td>
<td>Optimised $15bn so far Over half managed up</td>
</tr>
<tr>
<td>Focus countries:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Korea</td>
<td>~$10bn</td>
<td>Broadly breakeven Alliances – positive start</td>
</tr>
<tr>
<td>- Indonesia</td>
<td>~$20bn</td>
<td>Discussions ongoing</td>
</tr>
<tr>
<td>Exit peripheral businesses</td>
<td>~$5bn</td>
<td>7 divestments since Nov’15</td>
</tr>
</tbody>
</table>
1. Delivering our conduct and financial crime risk programmes

- **Embedding a positive conduct framework**
  - #knowtherules campaign
  - Approach conduct as a competitive differentiator
  - Highest standards with clients, regulators and each other
- **Financial Crime Risk Mitigation Programme**
  - Group-wide programme
  - Driving comprehensive improvements
  - Making sustainable changes
- **Engaging actively with all stakeholders**

---

1) FCRMP = Financial Crime Risk Mitigation Programme
Corporate & Institutional Banking
– Focusing on our clients

Enhancing coverage model
• Refined coverage structure so that the client is at the centre of everything we do
• Identify and improve share of business with under-served clients
• Optimised $13bn of low returning client RWAs to date
• Established new Credit Portfolio Management function

Building our product capabilities
• Favour network business (now 62% of client income)
• Focus on supply chain financing
• Enhance infrastructure to grow investor segment
• Sustain RMB leadership capabilities

Streamlining processes and being more efficient
• On track to deliver 2016 savings
• Improved client execution with specialised teams
• Critical systems and infrastructure enhancements
• Greater straight through processing
• Improve capital efficiency
Retail Banking
– Building momentum; transformation on track

Growing affluent clients
- Increased Priority income to 38% of Retail income
- Enhanced client value proposition in Priority Banking across key markets
- Successfully leveraging strategic alliances e.g. Asia Miles in Hong Kong
- Retail products refresh across 8 key markets and early adoption of Apple Pay, Samsung Pay and Android Pay in Singapore

End-to-End Digitisation
- Expanded Retail Workbench, now in 9 markets
- Launched mobile banking in 8 African markets
- Launched video banking in Singapore and Malaysia
- Cost income ratio increased but still targeting ~55%
- On track to deliver targeted cost efficiencies in 2016

Network optimisation
- Closed 26 branches, optimised 27 branches and opened 7 new branches
- Turnaround Korea: Good first steps, new branch formats with Shinsegae and Emart
- City focus in China: Optimising network focus
## Commercial Banking
– Good progress on plan but still loss making

<table>
<thead>
<tr>
<th>Fix the foundations</th>
<th>Get lean and focused</th>
<th>Invest and innovate</th>
</tr>
</thead>
</table>
| • Built additional scale from Local Corporates transfer  
  • Significant progress on de-risking and remediation  
  • Ongoing strengthening of operational and credit risk management  
  • Embedding new organisational model to benefit from local presence and international network | • On track to deliver cost efficiencies in 2016  
  • Aligned Transaction Banking and Financial Markets specialists to focus on FX, Cash and Trade  
  • Integrating infrastructure with CIB  
  • Launching multiple initiatives to improve client turnaround times | • Building proposition around our differentiated capabilities  
  • Banking clients’ supply chain across Commercial Banking and CIB  
  • Serving our clients’ international needs in our network  
  • Continuing to penetrate global products – Cash, Trade and FX  
  • Managing our corporate clients’ personal wealth |
Private Banking – Investing to capture future growth

Grow in key markets

- Income growth challenging in H1 16 due to difficult market conditions
- Focusing on net new money growth, particularly Greater China and targeted segments
- Continuing to streamline geographic presence

Improve the platform

- Technology programme kicked off and making progress
- Implementing process improvements to enhance ease of doing business for clients
- Continue to enhance controls and build robust governance framework across client selection, servicing and monitoring

Attract new talent and new clients

- Updated referral programme to attract client referrals from and to CIB and Commercial
- Bringing in new management talent at global and regional levels
- Adding Relationship Manager bench strength with focus on senior banker population
Commencing multi-year investment programme

System investments
- Standardised FX derivative platform
- Improved project management and workflow tools
- Enhanced client onboarding tools

Strategic investments
- Retail workbench now in 9 markets
- Mobile banking in 8 African markets
- Moving to a single Wealth Management platform, from over 20
- Investing in Trade – Banking the ecosystem, S2B\(^1\), blockchain pilot

System investment < $1.5bn
Strategic investment > $1bn
Regulatory investment > $0.5bn
Total investment > $3bn

Regulatory compliance investment
- BCBS, IFRS 9
- FCRMP\(^2\) screening and monitoring – 71 projects across 14 work streams

1) S2B = Straight 2 Bank – Standard Chartered Bank’s corporate online banking system
2) FCRMP = Financial Crime Risk Mitigation Programme
Summary

• We have a valuable, differentiated franchise with strong client relationships
• Strategy remains right for the Group and we have made good initial progress
• Economies have slowed during 2016 and the outlook is more uncertain
• It is therefore likely to take us longer to deliver the returns set out in November
• Opportunities are compelling and we are creating the platform to generate value for clients and shareholders
• All decisions being made with a view to build returns above our cost of capital
Fixed Income
Surplus over future requirements

Recent actions have further strengthened the Group’s capital position….

- CET1 of 13.1% and Total Capital of 19.5%
- CET1 slightly above target range of 12-13%
- Current surplus to known 2019 requirements:
  - CET1 minimum
  - Minimum Requirement for Own Funds and Eligible Liabilities (MREL)
  - Bank of England stress test systemic reference point
  - Leverage ratio

Group is well positioned….

- No UK ring fencing requirement
- Substantial Hold Co MREL stock

Capital surplus vs. known 2019 requirement

Estimates of future regulatory capital, leverage, loss absorption requirements are based on current rules which are subject to change
Balance sheet diversity

Balance Sheet Assets $661bn
- Loans to customers: 40%
- Investment securities: 11%
- Cash: 10%
- Loans to banks: 9%
- Derivatives: 11%
- Other assets: 10%

Customer Loans $266bn by region
- Hong Kong: 23%
- Korea: 11%
- China: 4%
- Singapore: 16%
- India: 6%
- UAE: 4%
- UK: 4%
- US: 5%
- Other: 20%

Balance Sheet Liabilities $612bn
- Customer accounts: 61%
- Debt securities: 7%
- Derivatives: 11%
- Deposits by banks: 10%
- Subordinated liabilities: 8%
- Other: 3%

Customer Deposits $372bn by region
- Hong Kong: 18%
- Korea: 26%
- China: 17%
- Singapore: 15%
- India: 5%
- UAE: 3%
- UK: 3%
- US: 3%
- Other: 11%
Resilient funding structure

- Focus on growth of Time Deposits has extended the maturity profile
- LCR has been maintained above 100%
- Continuing low levels of encumbrance
- Comprehensive liquidity stress testing regime & large portfolio of liquid assets

Composition of Deposits ($bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Time Deposits</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 13</td>
<td>435</td>
<td>200</td>
<td>9</td>
</tr>
<tr>
<td>FY 14</td>
<td>470</td>
<td>213</td>
<td>18</td>
</tr>
<tr>
<td>FY 15</td>
<td>397</td>
<td>149</td>
<td>24</td>
</tr>
<tr>
<td>HY 16</td>
<td>413</td>
<td>153</td>
<td>39</td>
</tr>
</tbody>
</table>

Segment split of Customer Accounts ($372bn)

- Corporate & Institutional Banking: 55%
- Retail Banking: 31%
- Private Banking: 6%
- Commercial Banking: 8%

1) Includes deposits by banks
2) CIB includes central items.
Funding profile

Maturity profile

Issuance activity

1) Capital refinancing has been modelled based on first call date at the Group level only. As at Jun 2016
2) Tier 2 maturities in 2017 and 2018 include regulatory amortisation which is not eligible for capital credit
Example application of UK resolution waterfall

- **Internal LAC is designed to recapitalise the OpCo, avoid OpCo failure, maintaining critical economic functions.**
- **Quantum of internal LAC will be set in conjunction with the Group’s resolution authority and the relevant local regulators.**
- **If losses transmitted from OpCo cannot be absorbed by the HoldCo, then the HoldCo would be placed into resolution.**
- **If the HoldCo is placed into resolution externally-issued liabilities will be written-down or converted to equity.**
- **At HY16 the Group estimates it has >$70bn of MREL eligible instruments of which ~$60bn is subordinated to PLC senior.**

Excluded liabilities

<table>
<thead>
<tr>
<th>Senior Unsecured*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal LAC</td>
</tr>
</tbody>
</table>

OpCo losses follow OpCo creditor hierarchy

OpCo losses are transferred to the HoldCo through the write-down or conversion of intercompany assets

Once investments in OpCo “A” are written down or converted to equity, losses are taken to HoldCo

<table>
<thead>
<tr>
<th>Senior Unsecured</th>
</tr>
</thead>
<tbody>
<tr>
<td>T2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AT1</th>
</tr>
</thead>
<tbody>
<tr>
<td>CET1</td>
</tr>
</tbody>
</table>

HoldCo assets down-streamed to OpCo “A”

HoldCo equity and liabilities

<table>
<thead>
<tr>
<th>HoldCo equity and liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>CET1</td>
</tr>
</tbody>
</table>

---

Example based on the Group’s current understanding of the Bank of England’s Approach to resolution. Subject to change as rules evolve.

There are currently instruments issued externally from the Group’s main operating company (Standard Chartered Bank) and certain other banking subsidiaries, these instruments would rank pari-passu with internally issued instruments.
MREL: Well positioned

- BoE implementing TLAC through MREL
- MREL likely calibrated using RWA but set as a % of balance sheet
- G-SII status requires MREL to be met by 2019
- Hold Co (PLC) issuance strategy results in substantial existing Hold Co stock
- Loss absorption amount comprises Pillar 1 minimum + Pillar 2A
- Current MREL estimate
  - ~25% of RWA
  - ~10% of leverage exposure
- Current estimate excludes:
  - non-UK subsidiary issuance e.g. SCB HK, Korea
  - PLC senior < 1 year remaining tenor

Notes:
- Chart for illustrative purposes only. MREL requirements and definitions are subject to significant change as rules evolve.
- Estimate based on The Bank of England’s approach to setting a minimum requirement for own funds and eligible liabilities consultation published in December 2015.
- Recapitalisation amount based on loss absorption amount.
- Combined Buffer comprises Capital Conservation Buffer, GSII Buffer and any Countercyclical Buffer.
- Non equity capital includes T2 and amortising T2.
Standard Chartered Group: simplified legal structure

Standard Chartered PLC
BBB+/A1/A+
(S&P/M/F)

Standard Chartered Holdings Limited

Standard Chartered Bank
A/Aa3/A+
(S&P/M/F)

Medium Term Senior Notes
Tier-2 Benchmark Issuances
Legacy Tier-1 Securities and AT1 Securities
Equity

Principal Subsidiaries

Principal Branches

Germany
India
Japan
Singapore (WS)
South Africa
UAE
UK
US

China A/-
Korea A/A1/A+
Kenya
Malaysia /A3/-
Nigeria
Pakistan
Singapore (Retail)1 /-Aa3/A+
Taiwan A/+/A+
Thailand-Baa1/A-
Hong Kong2 A+/Aa3/-

100%
100%
74.3%
100%
100%
98.99%
100%
100%
99%
100%
51%
49%

1) Singapore Retail subsidiary excluding Private Bank
2) HK Subsidiary (Standard Chartered Bank (Hong Kong) Ltd ) is 51% owned by Standard Chartered Bank and 49% owned by Standard Chartered Holdings Ltd an intermediate holding company

Note: Ratings where available S&P/Moody’s/Fitch

Standard Chartered Bank (single legal entity)
Distribution considerations

- A breach of the Combined Buffer\(^1\) restricts discretionary distributions
- Combined Buffer is phased-in from 2016 and will include any future Countercyclical Buffer ("CCyB")
- Discretionary distributions include dividends, variable compensation and AT1 coupons\(^2\)
- HY16 PLC distributable reserves of $15.2bn

### Phase-in of SCPLC Maximum Distributable Amount (MDA) threshold\(^3\)

<table>
<thead>
<tr>
<th>Year</th>
<th>CRD IV min CET1</th>
<th>Pillar 2A</th>
<th>Capital conservation buffer</th>
<th>CCyB</th>
<th>G-SIB</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2016</td>
<td>6.1%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>4.5%</td>
<td>4.5%</td>
</tr>
<tr>
<td>2016</td>
<td>3.9%</td>
<td>0.3%</td>
<td>0.6%</td>
<td>0.6%</td>
<td>0.6%</td>
</tr>
<tr>
<td>2017</td>
<td>6.5%</td>
<td>1.0%</td>
<td>1.3%</td>
<td>1.3%</td>
<td>1.3%</td>
</tr>
<tr>
<td>2018</td>
<td>7.4%</td>
<td>0.5%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.1%</td>
</tr>
<tr>
<td>2019</td>
<td>8.4%</td>
<td>0.8%</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.2%</td>
</tr>
<tr>
<td>2019 MDA threshold: 9.2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) CB is made up of a G-SIB Buffer of 1% and a Capital Conservation Buffer of 2.5%, CCyB 0.2%. The CB sits on top of the CRD IV min CET1 and Pillar 2A requirements.
2) The maximum permitted amount of discretionary payments is calculated by multiplying the profits made since the most recent distribution by a scaling factor. In the bottom quartile of the buffer the scaling factor is 0, in the second quartile the scaling factor is 0.2, in the third it is 0.4 and in the top quartile it is 0.6
3) The MDA threshold for 2016 assumes that the maximum 1.8% of the Pillar 1 and Pillar 2A requirement has been met with AT1. As of 30-Jun-2016, the Group had filled ~1.3% of the Tier 1 requirement that can be met with AT1 with the remaining ~0.6% met with CET1
4) Absolute buffers based on H1 2016 RWA of $293bn.
Appendix
## Group quarterly performance summary

<table>
<thead>
<tr>
<th>$m</th>
<th>Q1 2015</th>
<th>Q2 2015</th>
<th>Q3 2015</th>
<th>Q4 2015</th>
<th>Q1 2016</th>
<th>Q2 2016</th>
<th>Q2 16 vs Q1 16 %</th>
<th>Q2 16 vs Q2 15 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>4,421</td>
<td>4,075</td>
<td>3,682</td>
<td>3,262</td>
<td>3,345</td>
<td>3,465</td>
<td>4</td>
<td>(15)</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(2,280)</td>
<td>(2,310)</td>
<td>(2,235)</td>
<td>(2,207)</td>
<td>(2,007)</td>
<td>(1,981)</td>
<td>1</td>
<td>14</td>
</tr>
<tr>
<td>UK bank levy</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(440)</td>
<td>-</td>
<td>-</td>
<td>nm</td>
<td>nm</td>
</tr>
<tr>
<td>Pre-provision operating profit</td>
<td>1,919</td>
<td>1,535</td>
<td>1,210</td>
<td>299</td>
<td>1,095</td>
<td>1,181</td>
<td>8</td>
<td>(23)</td>
</tr>
<tr>
<td>Loan impairment</td>
<td>(476)</td>
<td>(1,176)</td>
<td>(1,230)</td>
<td>(1,126)</td>
<td>(471)</td>
<td>(625)</td>
<td>(33)</td>
<td>47</td>
</tr>
<tr>
<td>Other impairment</td>
<td>2</td>
<td>(88)</td>
<td>(161)</td>
<td>(63)</td>
<td>(124)</td>
<td>(89)</td>
<td>28</td>
<td>(2)</td>
</tr>
<tr>
<td>Profit from associates</td>
<td>48</td>
<td>61</td>
<td>70</td>
<td>12</td>
<td>37</td>
<td>(10)</td>
<td>(127)</td>
<td>(117)</td>
</tr>
<tr>
<td>Profit before tax (underlying)</td>
<td>1,492</td>
<td>333</td>
<td>(112)</td>
<td>(878)</td>
<td>538</td>
<td>456</td>
<td>(15)</td>
<td>37</td>
</tr>
<tr>
<td>Restructuring</td>
<td>-</td>
<td>-</td>
<td>(28)</td>
<td>(1,818)</td>
<td>(123)</td>
<td>7</td>
<td>nm</td>
<td>nm</td>
</tr>
<tr>
<td>Debt buyback</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>84</td>
<td>-</td>
<td>nm</td>
<td>nm</td>
</tr>
<tr>
<td>Own credit adjustment</td>
<td>(23)</td>
<td>78</td>
<td>570</td>
<td>(130)</td>
<td>89</td>
<td>(159)</td>
<td>nm</td>
<td>nm</td>
</tr>
<tr>
<td>Other exceptional items</td>
<td>(25)</td>
<td>244</td>
<td>(1)</td>
<td>(1,225)</td>
<td>-</td>
<td>-</td>
<td>nm</td>
<td>nm</td>
</tr>
<tr>
<td>Profit before tax (reported)</td>
<td>1,444</td>
<td>655</td>
<td>429</td>
<td>(4,051)</td>
<td>589</td>
<td>304</td>
<td>(48)</td>
<td>(54)</td>
</tr>
</tbody>
</table>
Key messages

- Asset momentum stabilising in Q2 2016
- Cash and Trade margins broadly stable on year end
- Trade balances now back to year end levels
- Cost efficiencies and RWA optimisation on track
- Loss making performance in Principal Finance

Income ($m)

<table>
<thead>
<tr>
<th></th>
<th>H1 15</th>
<th>H2 15</th>
<th>H1 16</th>
<th>H1 16 v H1 15%</th>
<th>H1 16 v H2 15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income ($m)</td>
<td>3,943</td>
<td>3,238</td>
<td>3,147</td>
<td>(20)</td>
<td>(3)</td>
</tr>
<tr>
<td>Expenses</td>
<td>(2,272)</td>
<td>(2,184)</td>
<td>(2,090)</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Working profit</td>
<td>1,671</td>
<td>1,054</td>
<td>1,057</td>
<td>(37)</td>
<td>0</td>
</tr>
<tr>
<td>Total impairment</td>
<td>(887)</td>
<td>(1,433)</td>
<td>(818)</td>
<td>8</td>
<td>43</td>
</tr>
<tr>
<td>Underlying profit / (loss) before tax</td>
<td>784</td>
<td>(379)</td>
<td>239</td>
<td>(70)</td>
<td>163</td>
</tr>
<tr>
<td>RWA ($bn)</td>
<td>184</td>
<td>168</td>
<td>161</td>
<td>(13)</td>
<td>(4)</td>
</tr>
<tr>
<td>RoRWA (%)</td>
<td>0.8%</td>
<td>(0.4%)</td>
<td>0.3%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Income ($m)

- Transaction Banking
- Financial Markets
- Corporate Finance
- Lending and Portfolio Management
- Principal Finance

RoRWA (%)
Commercial Banking
– Overhauling to build on differentiated strengths

Key messages
- Significant multi-year change programme underway
- De-risking now largely complete
- Added almost 2,000 new-to-bank clients
- Building globally consistent, enhanced platform
- On track to deliver cost efficiencies and RWA optimisation in 2016

<table>
<thead>
<tr>
<th>$m</th>
<th>H1 15</th>
<th>H2 15</th>
<th>H1 16</th>
<th>H1 16 v H1 15%</th>
<th>H1 16 v H2 15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>919</td>
<td>686</td>
<td>667</td>
<td>(27)</td>
<td>(3)</td>
</tr>
<tr>
<td>Expenses</td>
<td>(519)</td>
<td>(552)</td>
<td>(436)</td>
<td>16</td>
<td>21</td>
</tr>
<tr>
<td>Working profit</td>
<td>400</td>
<td>134</td>
<td>231</td>
<td>(42)</td>
<td>72</td>
</tr>
<tr>
<td>Total impairment</td>
<td>(380)</td>
<td>(797)</td>
<td>(243)</td>
<td>36</td>
<td>70</td>
</tr>
<tr>
<td>Underlying profit / (loss) before tax</td>
<td>20</td>
<td>(663)</td>
<td>(12)</td>
<td>nm</td>
<td>nm</td>
</tr>
<tr>
<td>RWA ($bn)</td>
<td>37</td>
<td>35</td>
<td>35</td>
<td>(7)</td>
<td>(0)</td>
</tr>
<tr>
<td>RoRWA (%)</td>
<td>0.1%</td>
<td>(1.6%)</td>
<td>(0.1%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Underlying profit / (loss) before tax ($m)

Greater China & North Asia
ASEAN & South Asia
Africa & Middle East

- 89
- (322)
- (30)
- (70)
- (147)
- (194)
- 34
- 1
- (16)
Key messages

- Income impacted by challenging equity markets
- Significant progress on building platform
  - Technology programme underway
  - New business leadership in place
  - Building relationship management team strength
- Material improvements to control environment made
- Added almost 500 new clients

<table>
<thead>
<tr>
<th></th>
<th>H1 15</th>
<th>H2 15</th>
<th>H1 16</th>
<th>H1 16 v H1 15%</th>
<th>H1 16 v H2 15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>290</td>
<td>244</td>
<td>261</td>
<td>(10)</td>
<td>7</td>
</tr>
<tr>
<td>Expenses</td>
<td>(195)</td>
<td>(146)</td>
<td>(209)</td>
<td>(7)</td>
<td>(43)</td>
</tr>
<tr>
<td>Working profit</td>
<td>95</td>
<td>98</td>
<td>52</td>
<td>(45)</td>
<td>(47)</td>
</tr>
<tr>
<td>Total impairment</td>
<td>(94)</td>
<td>-</td>
<td>(1)</td>
<td>nm</td>
<td>nm</td>
</tr>
<tr>
<td>Underlying profit / (loss) before tax</td>
<td>1</td>
<td>98</td>
<td>51</td>
<td>nm</td>
<td>(48)</td>
</tr>
<tr>
<td>RWA (bn)</td>
<td>8</td>
<td>7</td>
<td>6</td>
<td>(15)</td>
<td>(11)</td>
</tr>
<tr>
<td>RoRWA (%)</td>
<td>0.1%</td>
<td>2.7%</td>
<td>1.5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Income ($m)

<table>
<thead>
<tr>
<th></th>
<th>H1 15</th>
<th>H2 15</th>
<th>H1 16</th>
<th>H1 16 v H1 15%</th>
<th>H1 16 v H2 15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wealth Mgt</td>
<td>207</td>
<td>158</td>
<td>145</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits</td>
<td>57</td>
<td>63</td>
<td>71</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgages</td>
<td>23</td>
<td>22</td>
<td>20</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Key messages

- Challenging external market impacted income
- Priority share of income to 38% despite broadly flat income half-on-half
- Successfully leveraging strategic alliances
- Delivered targeted cost efficiencies, notably in Korea
- Digitisation coming to life, e.g. Retail Workbench now in 9 markets, mobile banking across 8 African markets

### Underlying profit / (loss) before tax ($m)

<table>
<thead>
<tr>
<th></th>
<th>H1 15</th>
<th>H2 15</th>
<th>H1 16</th>
<th>H1 16 v H1 15%</th>
<th>H1 16 v H2 15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>2,742</td>
<td>2,365</td>
<td>2,316</td>
<td>(16)</td>
<td>(2)</td>
</tr>
<tr>
<td>Expenses</td>
<td>(1,762)</td>
<td>(1,748)</td>
<td>(1,643)</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Working profit</td>
<td>980</td>
<td>617</td>
<td>673</td>
<td>(31)</td>
<td>9</td>
</tr>
<tr>
<td>Total impairment</td>
<td>(365)</td>
<td>(313)</td>
<td>(242)</td>
<td>34</td>
<td>23</td>
</tr>
<tr>
<td>Underlying profit / (loss) before tax</td>
<td>615</td>
<td>304</td>
<td>431</td>
<td>(30)</td>
<td>42</td>
</tr>
<tr>
<td>RWA ($bn)</td>
<td>50</td>
<td>48</td>
<td>44</td>
<td>(12)</td>
<td>(7)</td>
</tr>
<tr>
<td>RoRWA (%)</td>
<td>2.4%</td>
<td>1.2%</td>
<td>1.9%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Underlying profit / (loss) before tax ($m)

- **Greater China & North Asia**
  - H1 15: 366
  - H2 15: 282
  - H1 16: 127

- **ASEAN & South Asia**
  - H1 15: 117
  - H2 15: 82
  - H1 16: 80

- **Africa & Middle East**
  - H1 15: 62
  - H2 15: 62
  - H1 16: 62
Greater China & North Asia (GCNA)
– Impacted by China slowdown; progress in repositioning China and Korea

### Key messages

- Performance impacted by China slowdown
- Early signs of income stability
- Retail momentum including strategic alliances
- Korea broadly breakeven; more still to do
- Focusing Retail resources in target China cities
- Good progress on cost and risk

<table>
<thead>
<tr>
<th>$m</th>
<th>H1 15</th>
<th>H2 15</th>
<th>H1 16</th>
<th>H1 16 v H1 15%</th>
<th>H1 16 v H2 15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>3,388</td>
<td>2,689</td>
<td>2,551</td>
<td>(25)</td>
<td>(5)</td>
</tr>
<tr>
<td>Expenses</td>
<td>(1,906)</td>
<td>(1,857)</td>
<td>(1,654)</td>
<td>13</td>
<td>11</td>
</tr>
<tr>
<td>Working profit</td>
<td>1,482</td>
<td>832</td>
<td>897</td>
<td>(40)</td>
<td>8</td>
</tr>
<tr>
<td>Total impairment</td>
<td>(433)</td>
<td>(530)</td>
<td>(277)</td>
<td>36</td>
<td>48</td>
</tr>
<tr>
<td>Profit from associates</td>
<td>77</td>
<td>95</td>
<td>102</td>
<td>32</td>
<td>7</td>
</tr>
<tr>
<td>Underlying profit / (loss) before tax</td>
<td>1,126</td>
<td>397</td>
<td>722</td>
<td>(36)</td>
<td>82</td>
</tr>
<tr>
<td>RWA ($bn)</td>
<td>89</td>
<td>82</td>
<td>77</td>
<td>(13)</td>
<td>(6)</td>
</tr>
</tbody>
</table>

### Income by key markets ($m)

- **Hong Kong**
  - H1 15: 1,925
  - H2 15: 1,517
  - H1 16: 1,540

- **China**
  - H1 15: 467
  - H2 15: 422
  - H1 16: 339

- **Korea**
  - H1 15: 699
  - H2 15: 450
  - H1 16: 436

---

**Corporate & Institutional Banking**

**Commercial Banking**

**Private Banking**

**Retail Banking**

**Other**
ASEAN & South Asia (ASA) – Decisive actions taken; challenging macroeconomic conditions continue

**Key messages**
- Returned to underlying profit
- Challenging external conditions impacted volumes
- QoQ income showed signs of stabilisation
- Taken decisive action on where to invest and divest
- Income trend yet to reflect investments made
- Increased acquisition rate of target RB & CB clients
- Lower impairments reflect de-risking actions taken

<table>
<thead>
<tr>
<th>$m</th>
<th>H1 15</th>
<th>H2 15</th>
<th>H1 16</th>
<th>H1 16 v H1 15%</th>
<th>H1 16 v H2 15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>2,200</td>
<td>2,053</td>
<td>2,054</td>
<td>(7)</td>
<td>0</td>
</tr>
<tr>
<td>Expenses</td>
<td>(1,287)</td>
<td>(1,334)</td>
<td>(1,189)</td>
<td>8</td>
<td>11</td>
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<tr>
<td>Working profit</td>
<td>913</td>
<td>719</td>
<td>865</td>
<td>(5)</td>
<td>20</td>
</tr>
<tr>
<td>Total impairment</td>
<td>(830)</td>
<td>(1,175)</td>
<td>(408)</td>
<td>51</td>
<td>65</td>
</tr>
<tr>
<td>Profit from associates</td>
<td>29</td>
<td>(14)</td>
<td>(80)</td>
<td>nm</td>
<td>nm</td>
</tr>
<tr>
<td>Underlying profit / (loss) before tax</td>
<td>112</td>
<td>(470)</td>
<td>377</td>
<td>237</td>
<td>nm</td>
</tr>
<tr>
<td>RWA ($bn)</td>
<td>120</td>
<td>110</td>
<td>105</td>
<td>(12)</td>
<td>(4)</td>
</tr>
</tbody>
</table>

**Income by key markets ($m)**

- **Singapore**
  - H1 15: 835
  - H2 15: 745
  - H1 16: 771

- **India**
  - H1 15: 492
  - H2 15: 505
  - H1 16: 468
Africa & Middle East (AME) – Resilient performance in Africa, turning around Middle East

Key messages

- Returned to underlying profit after weak H2 15
- Resilient performance in Africa, where we are investing
- Middle East impacted by exits and de-risking
- Good progress repositioning the business
- External environment remains uncertain

<table>
<thead>
<tr>
<th>$m</th>
<th>H1 15</th>
<th>H2 15</th>
<th>H1 16</th>
<th>H1 16 v H1 15%</th>
<th>H1 16 v H2 15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>1,553</td>
<td>1,305</td>
<td>1,420</td>
<td>(9)</td>
<td>9</td>
</tr>
<tr>
<td>Expenses</td>
<td>(907)</td>
<td>(883)</td>
<td>(845)</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Working profit</td>
<td>646</td>
<td>422</td>
<td>575</td>
<td>(11)</td>
<td>36</td>
</tr>
<tr>
<td>Total impairment</td>
<td>(287)</td>
<td>(593)</td>
<td>(233)</td>
<td>19</td>
<td>61</td>
</tr>
<tr>
<td>Profit from associates</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Underlying profit / (loss) before tax</td>
<td>359</td>
<td>(171)</td>
<td>342</td>
<td>(5)</td>
<td>nm</td>
</tr>
<tr>
<td>RWA ($bn)</td>
<td>60</td>
<td>58</td>
<td>55</td>
<td>(9)</td>
<td>(4)</td>
</tr>
</tbody>
</table>

Income by key markets ($m)

<table>
<thead>
<tr>
<th>Income by key markets ($m)</th>
<th>H1 15</th>
<th>H2 15</th>
<th>H1 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate &amp; Institutional Banking</td>
<td>762</td>
<td>673</td>
<td>709</td>
</tr>
<tr>
<td>Commercial Banking</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private Banking</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail Banking</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income by key markets ($m)</th>
<th>H1 15</th>
<th>H2 15</th>
<th>H1 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate &amp; Institutional Banking</td>
<td>457</td>
<td>344</td>
<td>401</td>
</tr>
<tr>
<td>Commercial Banking</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private Banking</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail Banking</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Europe & Americas (EA) – Origination centre delivering the network to clients

Key messages

- EA generates one quarter of global CIB income
- ~$560m of network income generated in this region
- Income impacted by lower client activity and transfer of loans to Liquidation Portfolio
- Delivering on cost efficiencies and RWA optimisation
- Continued progress in regulatory remediation
- Winning multi-market cash management mandates

<table>
<thead>
<tr>
<th>$m</th>
<th>H1 15</th>
<th>H2 15</th>
<th>H1 16</th>
<th>H1 16 v H1 15%</th>
<th>H1 16 v H2 15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>986</td>
<td>891</td>
<td>817</td>
<td>(17)</td>
<td>(8)</td>
</tr>
<tr>
<td>Expenses</td>
<td>(688)</td>
<td>(699)</td>
<td>(669)</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Working profit</td>
<td>298</td>
<td>192</td>
<td>148</td>
<td>(51)</td>
<td>(23)</td>
</tr>
<tr>
<td>Total impairment</td>
<td>(129)</td>
<td>(45)</td>
<td>(124)</td>
<td>4</td>
<td>nm</td>
</tr>
<tr>
<td>Profit from associates</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Underlying profit / (loss) before tax</td>
<td>169</td>
<td>147</td>
<td>24</td>
<td>(86)</td>
<td>(84)</td>
</tr>
<tr>
<td>RWA ($bn)</td>
<td>59</td>
<td>57</td>
<td>55</td>
<td>(7)</td>
<td>(4)</td>
</tr>
</tbody>
</table>

Income by key markets ($m)

- United Kingdom:
  - H1 15: 492
  - H2 15: 393
  - H1 16: 360
- United States:
  - H1 15: 399
  - H2 15: 400
  - H1 16: 346
**Commodity portfolio overview**

- Actively managing, net exposure down 6% since H2 15
- Represents 7% of CIB and CB net exposures (8% at H2 15)
- Short tenor: 72% of portfolio with maturity <1 year
- Oil and gas producers: $8.5bn down 11% since H2 15:
  - 89% are low cost producers able to withstand an oil price of $30pb for 1 year or Oil majors or large State Owned Enterprises

**Commodities**

- Represents 7% of CIB and CB net exposures (8% at H2 15)
- Short tenor: 72% of portfolio with maturity <1 year
- Oil and gas producers: $8.5bn down 11% since H2 15:
  - 89% are low cost producers able to withstand an oil price of $30pb for 1 year or Oil majors or large State Owned Enterprises

**Emerging risks**

- Oil and gas offshore support services portfolio
- Certain more oil dependent African countries
  - Neither portfolio is material in context of Group
  - Expect challenging conditions to persist through 2016
  - Actively managing these portfolios

---

1) Corporate & Institutional Banking (CIB) and Commercial Banking (CB) exposures are presented on a Country of Credit Responsibility (“CCR”) and on a net exposure basis. Net exposures comprise of loans and advances to banks and customers, investment securities, derivative exposures after master netting agreements, other assets, contingent liabilities, documentary credits and cash and balances at central banks. pb = per barrel
Actively managing our China exposures

Portfolio Overview

- Total exposure $56.2bn, up 12% since H2 15
- 87% <1 year in tenor mainly trade or interbank (ALM)
- Continuing actions to reduce concentrations

Bank exposure $30bn

- Driver of increase in China exposure since H2 15
- 100% investment grade
- 84% to Top 5 Chinese banks
- 79% < 6 months in tenor

Corporate exposure $16bn

- 74% < 1 year in tenor

Sovereign exposure $10bn

---

1) Corporate & Institutional Banking (CIB) and Commercial Banking (CB) exposures are presented on a Country of Credit Responsibility (“CCR”) and on a net exposure basis. Net exposures comprise of loans and advances to banks and customers, investment securities, derivative exposures after master netting agreements, other assets, contingent liabilities, documentary credits and cash and balances at central banks.

2) Excluding loan impairment included in restructuring charge.
Growing selectively in India

Credit problems remain despite GDP growth

• Corporate stress remains elevated
• Low refinancing appetite from local banks

Portfolio overview

• Total exposure $32.5bn, up since H2 15
• Increase to select investment grade client groups
• 35% of exposure to investment grade clients
• Ongoing reviews to actively manage portfolio and reduce concentrations

1) Corporate & Institutional Banking (CIB) and Commercial Banking (CB) exposures are presented on a Country of Credit Responsibility (“CCR”) and on a net exposure basis. Net exposures comprise of loans and advances to banks and customers, investment securities, derivative exposures after master netting agreements, other assets, contingent liabilities, documentary credits and cash and balances at central banks; 2) Excluding loan impairment included in restructuring charge
Continue to take decisive action on exposures beyond tightened risk tolerance

<table>
<thead>
<tr>
<th>$m</th>
<th>H1 2016</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Liquidation portfolio</td>
<td>Ongoing business</td>
</tr>
<tr>
<td>Gross loans and advances</td>
<td>7,266</td>
<td>265,293</td>
</tr>
<tr>
<td>Net loans and advances</td>
<td>4,204</td>
<td>261,670</td>
</tr>
<tr>
<td>Gross non-performing loans</td>
<td>6,806</td>
<td>6,005</td>
</tr>
<tr>
<td>Individual impairment provisions</td>
<td>(3,062)</td>
<td>(3,045)</td>
</tr>
<tr>
<td>Net non-performing loans</td>
<td>3,744</td>
<td>2,960</td>
</tr>
<tr>
<td>Cover ratio(^1)</td>
<td>45%</td>
<td>62%</td>
</tr>
<tr>
<td>Cover ratio (after collateral)(^2)</td>
<td>61%</td>
<td>73%</td>
</tr>
<tr>
<td>Risk-weighted assets</td>
<td>19,566</td>
<td>273,660</td>
</tr>
</tbody>
</table>

1) Including portfolio impairment provision
2) Excluding portfolio impairment provision