Standard Chartered

Corporate & Institutional Banking

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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.

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Standard Chartered Bank – the Group

- c.90% of income from Asia, Africa and Middle East
- Presence in approximately 70 markets
- Around 1,100 branches
- Approximately 84,000 employees
- Listings in London, Hong Kong and Mumbai
- Credit ratings A / Aa3 / A+ (S&P / Moody's / Fitch respectively)[1]
- Lead regulated by UK Prudential Regulation Authority
- Market cap: US$27bn (September 2016)

Over 150 years in the world's most dynamic markets

1) Standard Chartered Bank ratings as at 22 September 2016

Group context

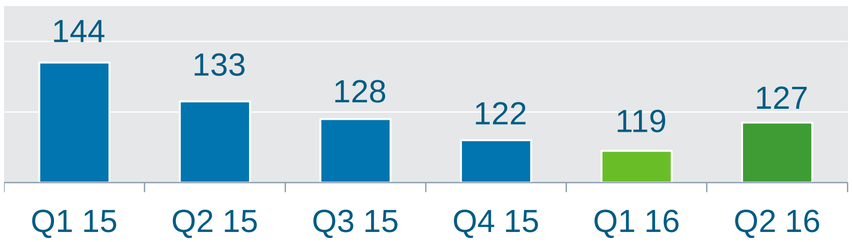
- We have a valuable, differentiated franchise with strong client relationships
- Strategy remains appropriate and we have made good initial progress
- Economies have slowed during 2016 and the outlook is more uncertain… therefore likely to take us longer to deliver the returns set out last November
- Opportunities are compelling and we are creating the platform to generate value for clients and shareholders
- All decisions are made with a view to build returns above our cost of capital

Near term pressures but opportunities remain

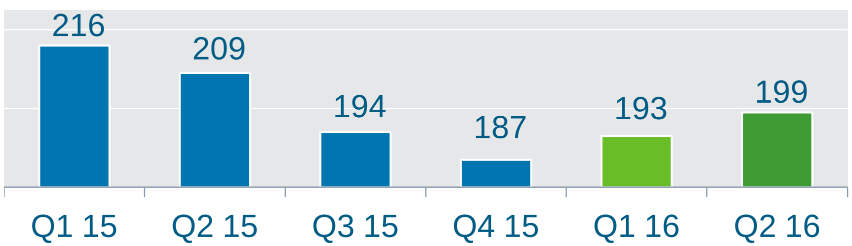
Headwinds	Opportunities
Economic uncertainty	Internationalisation of EM corporates
Geopolitical risks	Opening up of China
Weak trade demand	RMB internationalisation
Low commodity prices	Relative growth outperformance in our footprint
Increasing competition	Financial deepening
Regulatory costs	Digitisation

Broad stabilisation of balance sheet and focus on diversification

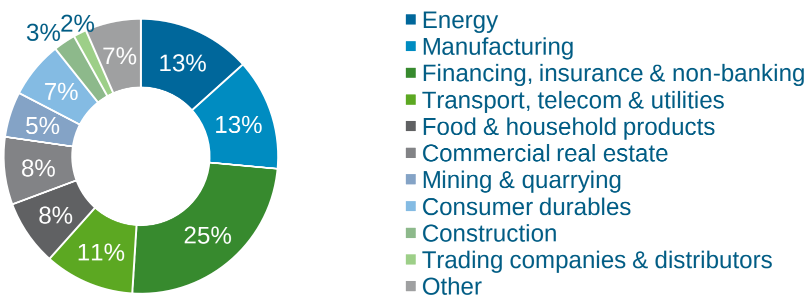
CIB customer loans and advances ($bn)



CIB customer deposits ($bn)



Customer loans and advances by industry[1] ($bn)



- CIB customer loans and advances and customer deposits up since year end:
  - Trade balances back up to year end levels
  - Focused on improving mix of deposits
- Reduced targeted exposures by industry – Energy now 13% of corporate exposures (FY13: 17%)
- Expanding into capital efficient industries that support real economies

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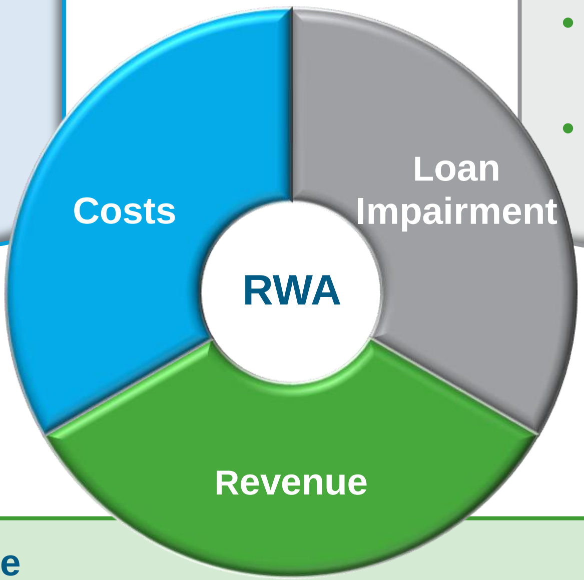
1) For CIB, Commercial Banking and Central and other

Focus is now on driving sustainable improvements in returns

Costs

- On track to deliver CIB's cost savings in 2016
- Working on further efficiencies for 2017
- Identifying more efficient ways of serving clients



Loan Impairments

- Remain elevated in H1 16, but significantly improved since 2015
- Liquidation Portfolio being worked through
- Risk tolerances tightened

Revenue

- Poor performance in recent years
- Key focus of CIB Management
- Team aligned to increase revenues with sustainably attractive returns

Early progress on CIB strategic plan but more to do

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
2	**Get lean and focused**	• Cost discipline: Group to execute $2.9bn gross cost reduction programme over 4 years from 2015 to 2018; 2018 total costs below 2015 • Restructure CIB for higher returns
3	**Invest and innovate**	• Build on a strong foundation and invest to grow safely in Africa • Leverage opening of China; capture opportunities from renminbi internationalisation

First Impressions - Strengths

External

- Deep client relationships
- Extensive footprint and network
- Competitive product suite
- Market leaders in RMB, trade and $ clearing

Strengths

Internal

- Progress on existing initiatives
- Tangible enthusiasm to fix issues
- Costs well controlled
- Motivated and talented staff

First Impressions - Areas we need to improve

Diversify client income

Leverage network better

Enhance deposit base

Distribute better

Areas we need to improve

Expand product capabilities

Improve processes

Invest in infrastructure

Improve gender diversity

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Priorities - To drive sustainable improvement in CIB returns

Improve Client Coverage

- Refine coverage model so RMs become more client-centric and are aligned to industry sectors
- Identify under-served clients and improve share of business with them
- Optimised $15bn of low returning client RWAs to date – deliver to target
- Established new Credit Portfolio Management function

Enhance Capabilities

- Banking the ecosystem – connecting CIB with CB, RB and PB clients
- Grow Domestic Capital Markets (LCY) and credit trading capabilities
- Sustain leadership in RMB capabilities
- Improve the quality of the deposit base

Fix Processes

- On track to deliver 2016 efficiency targets
- Improve client execution with specialised teams
- Critical systems and infrastructure enhancements
- Digitise and automate operations

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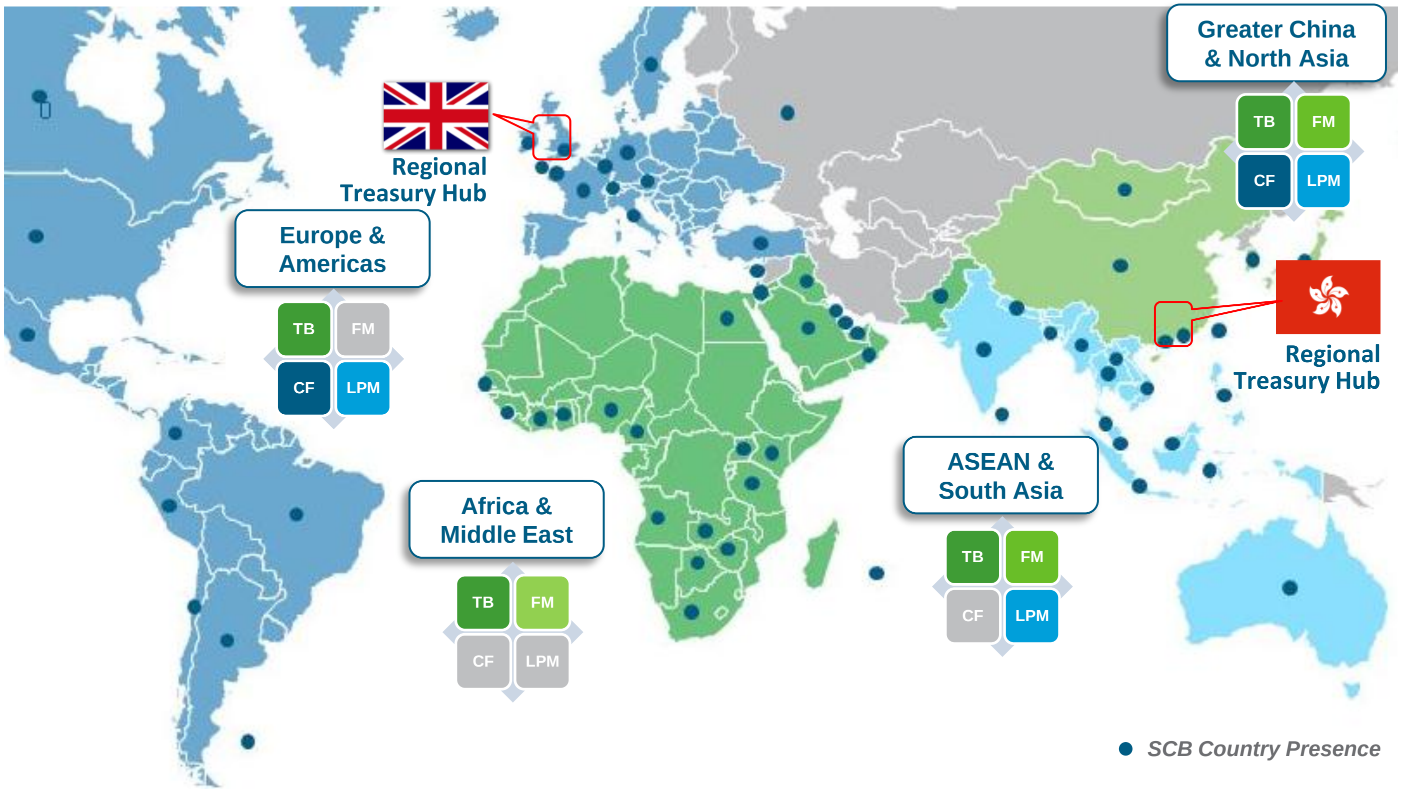
1) RMs: Relationship managers 2) CB: Commercial Banking; PB: Private Banking;RB: Retail Banking3) LCY: Local Currency

Network case study – Banking the ecosystem



Case study highlights

- Large tech client
- **Single client ecosystem:** Long standing relationship served in >25 countries with a full suite of products
- **Operating accounts:** In >20 countries
- **Multi market:** Major relationships in HK, SG, UK, Nigeria, Ghana and China

Transaction Banking (TB)	Financial Markets (FM)	Corporate Finance (CF)	Lending & Portfolio Mgt (LPM)
Trade Finance Cash Management Securities Services	Foreign Exchange Rates Commodities Credit and Capital Markets	Leverage Finance Mergers & Acquisitions Advisory Structured Trade Finance Project & Export Finance	Revolver Facilities Working Capital CLOs[1] and Loan Sales

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1) CLOs: Collateralised loan obligations

Summary

- Valuable, differentiated franchise serving clients for over 150 years
- Key Group income and profit contributor
- Strong network proposition and focused on leveraging further
- Attractive long-term prospects despite short-term headwinds
- Proactive action taken on costs and asset quality, now focus is on revenue generation at attractive returns
- Focused on execution to remove blockages and sustainably improve returns

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Q&A

Appendix

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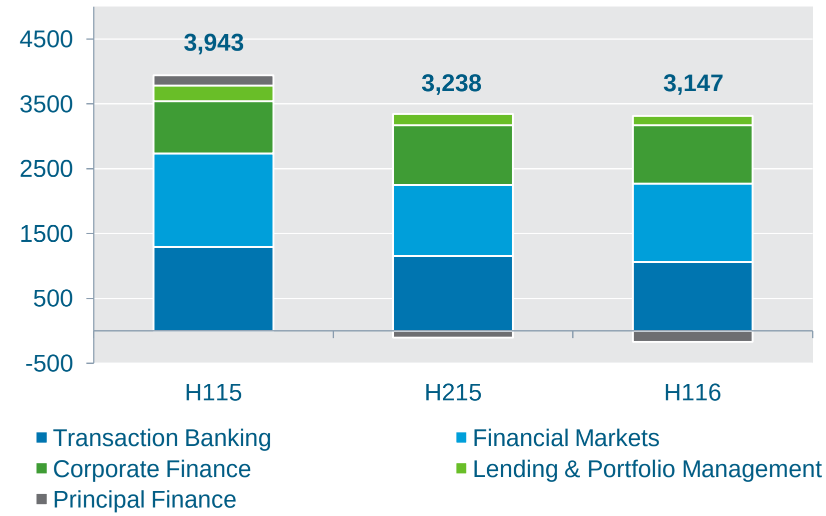
Financial overview – Reshaping for higher returns despite tough conditions

$m	H1 15	H2 15	H1 16	H1 16 v H1 15%	H1 16 v H2 15%
Income	**3,943**	**3,238**	**3,147**	**(20)**	**(3)**
Expenses	(2,272)	(2,184)	(2,090)	8	4
Working profit	**1,671**	**1,054**	**1,057**	**(37)**	**0**
Loan impairment	(824)	(1,252)	(606)	26	52
Other impairment	(63)	(181)	(212)	(17)	-
Underlying profit / (loss) before tax	**784**	**(379)**	**239**	**(70)**	**163**
RWA ($bn)	**184**	**168**	**161**	**(13)**	**(4)**
Customer L&A	**133**	**122**	**127**	**(5)**	**4**
Customer deposits	**209**	**187**	**199**	**(5)**	**6**
RoRWA (%)	**0.8%**	**(0.4%)**	**0.3%**		

H1 16 Income by product ($m)



Key facts

	Total
Markets	70
Staff	~6,000
International Corporate Clients	~1,500
Financial Institutional Clients	~1,300

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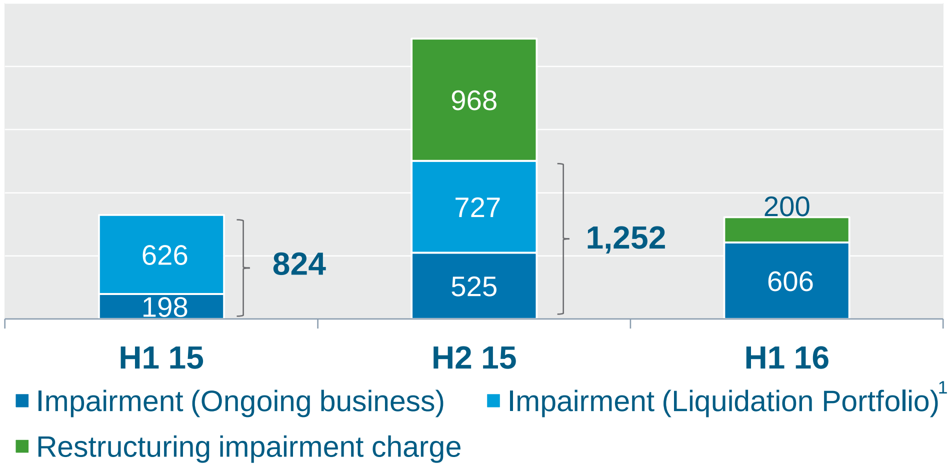
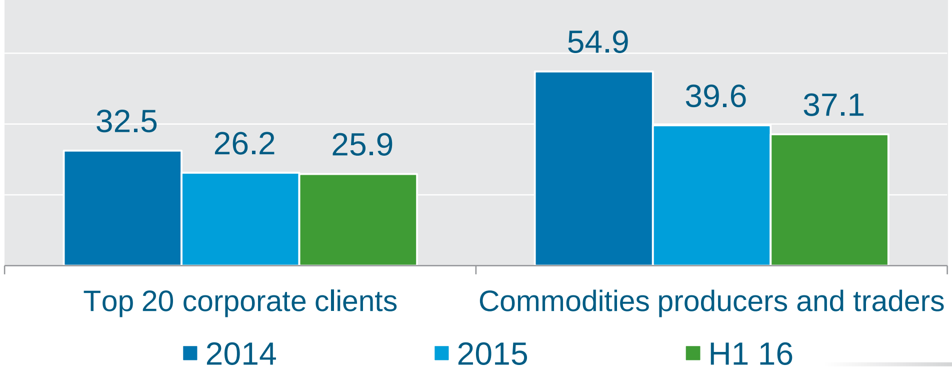
No significant deterioration in the credit quality of the portfolio but market conditions remain challenging

CIB loan impairment ($m)



Managing targeted exposures[2] ($bn)



- Loan impairment remains elevated but at significantly reduced levels compared to 2015
- Ring fenced exposures beyond tightened risk tolerance in a liquidation portfolio
- We have reduced targeted exposures to diversify the portfolio
- Expect challenging conditions to persist through 2016
- Continue to actively manage our portfolios

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1) Impairments on exposures during 2015, but before they were placed into the liquidation portfolio 2) CIB and 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