Leading the way in Asia, Africa and the Middle East
Forward looking statements

It is possible that this presentation could or may contain forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning. Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Group’s plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

Standard Chartered undertakes no obligation to revise or update any forward looking statement contained within this presentation, regardless of whether those statements are affected as a result of new information, future events or otherwise.
<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
<th>Speaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>09:00 – 10:00</td>
<td>Consumer Banking overview and strategy</td>
<td>Steve Bertamini</td>
</tr>
<tr>
<td>10:00 – 10:30</td>
<td>Consumer Banking financial performance</td>
<td>Andrew Bester</td>
</tr>
<tr>
<td>10:30 – 10:45</td>
<td>Tea &amp; coffee break</td>
<td></td>
</tr>
<tr>
<td>10:45 – 11:05</td>
<td>Consumer Banking Risk</td>
<td>Peter Knott</td>
</tr>
<tr>
<td>11:05 – 11:25</td>
<td>SME Banking</td>
<td>Murali Natrajan</td>
</tr>
<tr>
<td>11:25 – 11:45</td>
<td>Lending &amp; Consumer Transaction Banking</td>
<td>Janardhan Cadambi</td>
</tr>
<tr>
<td>11:45 – 12:05</td>
<td>Recap and Q&amp;As</td>
<td></td>
</tr>
<tr>
<td>12:05 – 12:20</td>
<td>Group photo shoot</td>
<td></td>
</tr>
<tr>
<td>12:20 – 13:00</td>
<td>Lunch with the Consumer Banking Management Team</td>
<td></td>
</tr>
</tbody>
</table>
An overview of CB’s journey

- CB re-organised to create strong product capabilities
- Pivot to Wealth Management (WM) & SME
- Korea First Bank
- Shifting to a customer-centric model

CB income US$ m

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>2,100</td>
<td>2,200</td>
<td>2,400</td>
<td>2,500</td>
<td>2,700</td>
<td>3,800</td>
<td>4,700</td>
<td>5,800</td>
</tr>
</tbody>
</table>

*UBP – Union Bank of Pakistan; HIB – Hsinchu International Bank*
Key messages

- Great franchise in attractive markets, with a strong book

- Accelerating shift to a customer centric model

- Standardising operating models to leverage global scale

- Driving execution using new performance management framework
Attractive markets with significant headroom for growth…

Bank assets per capita
US$

Nigeria
Vietnam
Philippines
India

GDP per capita
US$

Source: McKinsey
…with some of the fastest growing profit pools in the world…

**Profit pool size in 2012 (US$ bn)**

- Asia-Pacific: 435
- Middle East: 57
- Africa: 15
- Eastern Europe: 59
- Latin America: 77
- Rest of World: 627

**Profit pool CAGR 2007-2012**

- Asia-Pacific: 16.2%
- Middle East: 12.1%
- Africa: 8.3%
- Eastern Europe: 16.8%
- Latin America: 12.5%
- Rest of World: 7.1%

*Source: McKinsey Global Profit Pools (July 2008)*
...well positioned in 8 of the 9 fastest growing Private Banking markets in the world...

**HNWI population (‘000s)**

<table>
<thead>
<tr>
<th>Country</th>
<th>HNWI Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>123</td>
</tr>
<tr>
<td>Singapore</td>
<td>77</td>
</tr>
<tr>
<td>Korea</td>
<td>118</td>
</tr>
<tr>
<td>Indonesia</td>
<td>23</td>
</tr>
<tr>
<td>Russia</td>
<td>136</td>
</tr>
<tr>
<td>UAE</td>
<td>78</td>
</tr>
<tr>
<td>Brazil</td>
<td>143</td>
</tr>
<tr>
<td>HK*</td>
<td>87</td>
</tr>
<tr>
<td>China</td>
<td>415</td>
</tr>
</tbody>
</table>

**HNWI population growth CAGR 2005-2007**

<table>
<thead>
<tr>
<th>Country</th>
<th>CAGR 2005-2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>21.7%</td>
</tr>
<tr>
<td>Singapore</td>
<td>17.7%</td>
</tr>
<tr>
<td>Korea</td>
<td>17.1%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>15.6%</td>
</tr>
<tr>
<td>Russia</td>
<td>14.9%</td>
</tr>
<tr>
<td>UAE</td>
<td>14.7%</td>
</tr>
<tr>
<td>Brazil</td>
<td>14.5%</td>
</tr>
<tr>
<td>HK*</td>
<td>14.0%</td>
</tr>
<tr>
<td>China</td>
<td>13.9%</td>
</tr>
</tbody>
</table>

...with an increasingly diversified geography and product portfolio...

### Income mix by geography

**US$ m**

**H1 03**
- **Hong Kong / Singapore**: 52%
- **MESA / Africa**: 17%
- **Rest of World**: 31%

**H1 08**
- **Korea**: 19%
- **Rest of World**: 37%
- **MESA / Africa**: 17%

### Income mix by product

**US$ m**

**H1 03**
- **Credit Cards / Personal Loans**: 41%
- **Mortgage / Auto**: 9%
- **SME**: 26%
- **Wealth Management**: 30%
- **CTB ***: 30%

**H1 08**
- **Credit Cards / Personal Loans**: 19%
- **Mortgage / Auto**: 26%
- **SME**: 11%
- **Wealth Management**: 26%
- **CTB ***: 18%

* CTB – Consumer Transaction Banking
...and a strong book with proven risk management capabilities

<table>
<thead>
<tr>
<th></th>
<th>H1 07</th>
<th>H1 08</th>
<th>YOY %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual impairment provision</td>
<td>(398)</td>
<td>(407)</td>
<td>1</td>
</tr>
<tr>
<td>Portfolio impairment provision</td>
<td>26</td>
<td>6</td>
<td>(77)</td>
</tr>
<tr>
<td>Total loan impairment</td>
<td>(372)</td>
<td>(401)</td>
<td>6</td>
</tr>
</tbody>
</table>

- Loan impairment as a % of average Net Receivables maintained under 1%
- Strong credit performance from large markets
- Stabilisation in portfolios under stress including Taiwan and Thailand

* Above numbers are ex-AEB
Consumer Banking’s vision

Top-5 position in target markets / segments

- Customer-centric
- Standardised model
- Superior risk and analytical capability
- Performance culture
Accelerating business model transformation to drive customer-centricity and scale benefits

Customer-centric business model
- Market-leading customer experience
- Cross-product, lifecycle view of customers
- Align efforts to customer value and potential
- Acquisition focused on highest lifecycle value customers

Standardised models to leverage global scale
- Re-engineering
- Infrastructure
- Risk and analytics Centres of Excellence
- Performance management framework
Shifting Priority Banking to drive greater focus on the affluent segment opportunity…

Strengthening Priority Banking from a broadly defined concept…

<table>
<thead>
<tr>
<th>Income Contribution %</th>
<th>Country A</th>
<th>Country B</th>
<th>Country C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment &amp; Insurance</td>
<td>57%</td>
<td>17%</td>
<td>29%</td>
</tr>
<tr>
<td>Deposits</td>
<td>41%</td>
<td>79%</td>
<td>34%</td>
</tr>
<tr>
<td>Lending</td>
<td>2%</td>
<td>4%</td>
<td>37%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Core Ratios</th>
<th>Country D</th>
<th>Country E</th>
<th>Country F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client to RM(^1) ratio (index)</td>
<td>1X</td>
<td>2X</td>
<td>4.5X</td>
</tr>
<tr>
<td>New sales income to RM cost(^{1,2})</td>
<td>4-6X</td>
<td>3-5X</td>
<td>10-12X</td>
</tr>
</tbody>
</table>

Enhanced segmentation
New value propositions
RM / customer referral models
Standardised metrics and performance management

1. Year to Sep 08. Source – Management Results; 2. Source – Group Priority Banking Estimates
...While continuing to drive customer-centricity in Private Banking

<table>
<thead>
<tr>
<th>Number of offices</th>
<th>Number of RM s</th>
<th>AUM (US$bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 07 11</td>
<td>Dec 07 170</td>
<td>Dec 07 10+</td>
</tr>
<tr>
<td>Jun 08 30</td>
<td>Jun 08 250</td>
<td>Jun 08 35+</td>
</tr>
</tbody>
</table>

- Segment specific targeting & value proposition (e.g., Korea, Australia, NRI)
- Structured approach to RM / Priority client migration
- Broad product suite; high advisory capabilities
- Leverage Wholesale Banking across geographies and businesses
...and repositioning Wealth Management to address changing landscape

WM has grown significantly over the last few years...  ...However, the industry now faces multiple challenges

- Customer portfolios in the red
- Loss of customer confidence
- Regulatory / customer action
- 3rd party sales model in question

We are responding by going “back to the basics”
- Portfolio / asset allocation approach
- Refreshing segment propositions
- Traditional Time Deposits and simpler products
- In-house product manufacturing
- Strengthening sales processes and up-skilling frontline

* WM (including CTB); Source: Management results
Expanding distribution and transactional capabilities...

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>Sep 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outlets</td>
<td>450</td>
<td>&gt;1,500</td>
</tr>
<tr>
<td>ATMs</td>
<td>1,000</td>
<td>&gt;4,800</td>
</tr>
<tr>
<td>POS terminals</td>
<td>8,290</td>
<td>&gt;45,000</td>
</tr>
<tr>
<td>Internet banking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>registered users</td>
<td>290k</td>
<td>&gt;2,700k*</td>
</tr>
<tr>
<td>Number of customers</td>
<td>&gt;7,000k</td>
<td>&gt;14,000k</td>
</tr>
</tbody>
</table>

* As of H1 08
...And building an interconnected set of transaction points to complement branch & ATM network.
Accelerating business model transformation to drive customer-centricity and scale benefits

Customer-centric business model
- Market-leading customer experience
- Cross-product, lifecycle view of customers
- Align efforts to customer value and potential
- Acquisition focused on highest lifecycle value customers

Standardised models to leverage global scale
- Re-engineering
- Infrastructure
- Risk and analytics
- Centres of Excellence
- Performance management framework
Focusing on re-engineering initiatives to drive scale benefits from standardisation and simplification…

Four key programs in full steam…

- **Optimise and consolidate resources / infrastructure**
- **Build platforms to support future growth**

- **Enable multiple products in 1 simplified and standard acct opening / fulfilment process**
- **Drive cross-selling and product bundling**

- **Establish standard operating model, process, and infrastructure**
- **Capitalise on international footprint**

- **Maximise branch effectiveness and efficiency – locations, profitability, services…**
Integrating risk and marketing analytics capability to create centres of excellence

Strengthen analytics capabilities…

- Centralised analytics Centre of Excellence
- Leverage scorecard & risk models, business intelligence
- Create a dynamic multi-dimensional view of our business (products, segments and geographies)

… to drive competitive advantage

- Lifecycle view of customers
- Developing winning propositions
- Cross-sell & event triggers
- New to bank
- Reduce attrition
- Risk-based pricing
Standardising and upgrading systems

- Customer Centricity
- Business Growth
- Service Focus
- Efficiency & Productivity

Expanding online capabilities

Enhancing sales & service platform

Increasing transaction processing efficiency

Expanding distribution footprint

Standardising core metrics & MIS

- High impact projects
- Standardization
- Scalable

Management Approach
Driving execution using new performance management framework

- Country dashboard
- RISK appetite & DEFCON process
- 8 X 10 metrics
- Building leadership pipeline & enhanced training
- Revised investment approach
Key messages

- Great franchise in attractive markets, with a strong book
- Accelerating shift to a customer centric model
- Standardising operating models to leverage global scale
- Driving execution using new performance management framework
Consumer Banking

Andrew Bester
Chief Financial Officer

Standard Chartered
Following the fundamentals

- Adjusting to the changing market dynamics
- Increasing business scale, breadth and balance
- Disciplined investment and cost management
- Prudent liquidity and capital management
Financial priorities

- Income growth
- Cost discipline
- Investments
- Balance sheet growth

Risk management
Basel 2 capital management
Unutilised line reduction
Economic revenue
Driving higher Return on Capital

Liquidity providers
- Private Bank
- SME as deposit gatherer
- CTB* offerings

* CTB – Consumer Transaction Banking
## Consumer Banking performance

<table>
<thead>
<tr>
<th>US$m</th>
<th>H1 07</th>
<th>H1 08</th>
<th>YOY % Headline</th>
<th>YOY % Underlying*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>2,772</td>
<td>3,177</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>Expenses</td>
<td>(1,612)</td>
<td>(1,961)</td>
<td>22</td>
<td>12</td>
</tr>
<tr>
<td>Operating profit before provisions</td>
<td>1,160</td>
<td>1,216</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Loan impairment</td>
<td>(372)</td>
<td>(412)</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>Other impairment</td>
<td>0</td>
<td>(2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>788</td>
<td>802</td>
<td>2</td>
<td>7</td>
</tr>
</tbody>
</table>

* Underlying numbers are ex-AEB
Income nearly triples in 7 years

Income growth since H1 01

H1 01
H1 02 +13%
H1 03 +12%
H1 04 +24%
H1 05 +41% +60%
H1 06 +54% +104%
H1 07 +70% +157%
H1 08 +88% +195%

Excluding acquisitions
Acquisitions
## Income growth

<table>
<thead>
<tr>
<th>Region</th>
<th>H1 07</th>
<th>H1 08</th>
<th>YOY %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>545</td>
<td>628</td>
<td>15</td>
</tr>
<tr>
<td>Singapore</td>
<td>206</td>
<td>298</td>
<td>45</td>
</tr>
<tr>
<td>Malaysia</td>
<td>129</td>
<td>133</td>
<td>3</td>
</tr>
<tr>
<td>Korea</td>
<td>607</td>
<td>605</td>
<td>0</td>
</tr>
<tr>
<td>Other APR</td>
<td>564</td>
<td>611</td>
<td>8</td>
</tr>
<tr>
<td>India</td>
<td>184</td>
<td>249</td>
<td>35</td>
</tr>
<tr>
<td>MESA</td>
<td>352</td>
<td>355</td>
<td>1</td>
</tr>
<tr>
<td>Africa</td>
<td>140</td>
<td>172</td>
<td>23</td>
</tr>
<tr>
<td>Americas, UK &amp; Group</td>
<td>45</td>
<td>126</td>
<td>180</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,772</td>
<td>3,177</td>
<td>15</td>
</tr>
</tbody>
</table>

* Above numbers include AEB
What’s going well?

- Deposit momentum
- Good asset quality
- Sustained margins
- Well managed cost base
- Product innovation
Key focus areas

- Substituting Wealth Management
- Growth in big engines
- Asset momentum
- Cost / investment trade-off
Continued franchise investment

China Branches

India: Virtual Network

Private Banking

You want banking made easy
we provide the solution at your fingertips
Costs management

Re-engineering
- Standardisation
- Simplification
- Consolidation

Productivity

Structural efficiency
- Organisational alignment
- Talent upgrade
- Span of control
- RM productivity

Cost mix
- From back to front
- Focus on big engines
- Physical to virtual

We are aggressively creating capacity to invest in People, Analytics and Systems.
Prudent liquidity & capital management

Singapore: E$aver Kids

Korea: Do-Dream Account Campaign

Taiwan: Internet Banking

Your kids grow fast
we grow their savings faster

5.1%

물 같은 5.1%로 자유롭게 입출금!
두드림통장

您享受悠閒的生活
我們提供零時差的銀行服務
Balance sheet strong liquidity management

Net surplus = US$13 bn

2.5 times

Net surplus = US$32 bn

Note: Above numbers include AEB
Risk Weighted Assets

Capital Management using Basel II for capital efficiency

RoARC = Return on Allocated Risk Capital (annualised)

RoRWA = Return on Risk Weighted Assets (annualised)

Dec 2007

H2 2007 | H1 2008
---|---
CB RoARC* | 29% | 28%
CB RoRWA** | 3.3% | 2.9%

* RoARC % excludes AEB portion

** RoRWA = Return on Risk Weighted Assets (annualised)
Key messages

- Adjusting to changing market dynamics
- Increasing business scale, breadth and balance
- Disciplined investment and cost management
- Prudent liquidity, diverse funding base and Capital Management
Risk Management

Peter Knott
Chief Risk Officer, Consumer Banking
Key messages

- Balanced and well-diversified portfolio

- Strong asset quality and loan impairment performance

- Continuous improvement in risk management capabilities
Balanced asset growth through acquisitions and organic growth

- Portfolio is well diversified over products, segments and geographies
- Reliance on mortgage has been reduced with most growth in SME
Geographic asset distribution

- Other markets 17%
- India 4%
- Malaysia 5%
- Taiwan 10%
- Singapore 11%
- Korea 34%
- Hong Kong 19%

Loss rate* 1~2%
Loss rate* 2~3%
Loss rate* < 1%

Assets concentrated in the markets with the lowest loss rates

* Annualised for 2008.
Diversification has enabled a reduction in loss rates while maintaining risk adjusted returns.
Mortgage asset quality

Portfolio distribution:
- Korea 41%
- Hong Kong 24%
- Singapore 11%
- Malaysia 5%
- India 3%
- Others 16%

Loan to Value distribution:
- Only 6% of the portfolio in HK & Korea has Loan to value above 70%
- The overall loss rate on the mortgage book is 3 basis points
- The portfolio generates acceptable returns even under stress conditions

* June 08
Cards and Personal Loans asset quality

Portfolio distribution*

- Others 33%
- UAE 5%
- India 6%
- Taiwan 6%
- 12% Singapore
- 24% Korea
- 14% Hong Kong

Credit quality – improvements*

- H1 08 bookings
- H1 07 bookings

- Well-diversified book with overall loss rate of 4%
- Disciplined approach to improving new business quality through better targeting and implementation of risk-based pricing models
- Portfolio de-risking actively pursued through exposure management and origination policies

* June 08

Note: Credit quality improvements are shown for large portfolios
SME asset quality

- SME growth has been driven by geographical expansion
- Proactive de-risking measures have been taken
- Portfolios are performing within acceptable benchmarks
- Mortgage is the anchor product with a strong range of other asset products
- Portfolio quality improvements noted due to proactive measures taken in the last 12 months
- We continue to remain vigilant to changes in the external environment
Risk management disciplines

Risk Monitoring
- “Perfect Storm” framework
- Risk appetite / risk concentration management
- Stress testing
- Strong assurance function

Underwriting
- Prudent underwriting policies
- Scoring models
- Credit bureau expertise
- Risk concentration limits
- Risk-based pricing capability

Industry Leadership
- Leadership in industry credit initiatives: credit bureau, interbank debt restructuring
- Regular engagement with regulators on reforms consultation
- Active role in banking associations

Portfolio Management
- Advanced risk segmentation
- Behavioural scoring models & Adaptive Control Systems
- Risk intervention capabilities
- Securitisation capability
- World-class collections capabilities
Key messages

- Balanced and well diversified portfolio
- Strong asset quality and loan impairment performance
- Continuous improvement in risk management capabilities
SME Banking

Murali Natrajan
Global Head, SME Banking
Key messages…

¬ Significant contributor to Consumer Banking

¬ Continue to perform despite challenging environment
  ¬ Clear strategy and competitively advantaged business model
  ¬ Strong and vigilant risk management
  ¬ Diversified income streams (product / geography)

¬ Attractive opportunity, well positioned for future
Large market potential, opportunity to grow...

2008 Market size US$40 bn

Income pool growth rate

GDP growth rate

Source: Synovate research & internal analysis
SME business performance...

**Liabilities/Assets Ratio**

<table>
<thead>
<tr>
<th>Year</th>
<th>Liabilities</th>
<th>Assets</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>1.13</td>
<td>1x</td>
<td>1x</td>
</tr>
<tr>
<td>2006</td>
<td>1.18</td>
<td>1.3x</td>
<td>1.2x</td>
</tr>
<tr>
<td>2007*</td>
<td>1.33</td>
<td>1.6x</td>
<td>1.4x</td>
</tr>
<tr>
<td>2007</td>
<td>1.34</td>
<td>1.7x</td>
<td>1.5x</td>
</tr>
<tr>
<td>H1 08</td>
<td>1.52</td>
<td>1.9x</td>
<td>1.4x</td>
</tr>
</tbody>
</table>

*Excludes Union Bank and Hsinchu Bank*
Diversified geographies and products

H1 2008 income contribution

By geography

- Africa: 9%
- China: 5%
- Hong Kong: 15%
- India: 9%
- Korea: 23%
- Malaysia: 4%
- Other MESA: 4%
- Other SEA: 5%
- Singapore: 12%
- Taiwan: 6%
- Thailand: 3%
- UAE: 6%

Present in 27 countries and approx 550,000 customers and growing

By product

- Cash Management & Payments: 38%
- Trade & Working Capital: 25%
- Lending: 30%
- Foreign Exchange: 7%
Distinct business in Consumer Banking

Two distinct segments

Global common approach

Wholesale & Consumer Banking capabilities

Global Footprint

Competitively advantaged business model...

Small Business (turnover < US$10m) and Medium Enterprises (turnover > US$10 m < US$25 m)

Dedicated Business & Risk teams

Combined with local knowledge

Products, Systems, Risk and People

Competitive differentiator
Tailored product propositions...

<table>
<thead>
<tr>
<th>SME Banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan/Overdraft Against Property</td>
</tr>
</tbody>
</table>

You have specific SME business needs, we offer you tailored banking solutions.

您有特定的中小企业商业需求，我们为您量身订造财务解决方案。

You build your business, we provide the essentials.

Introducing customised chequing solutions for your daily business needs.

Call / 请致电 1300 888 111
www.standardchartered.com.my
Managing portfolio quality...

- Proactive steps taken to combat weakening environment
  - De-risked unsecured, increased secured lending
  - Raised eligibility criteria
  - Shifted new sales to better risk grades
  - Limited / exited exposure to stressed industries
  - Increased frequency of portfolio reviews
  - Focused on obtaining Operating Accounts
  - Improved risk-based pricing
  - Enhanced analytics capability

- Portfolio performing within acceptable benchmarks
Key priorities going forward...

- Increase sales capacity and branch contribution. Focus on productivity
- Industry specialisation
- Cross border
- Relationship / account planning approach
- Straight through processing
- Continue to invest behind risk management
Taking SMEs beyond borders...

You want more service and less complexity
we’ll take you straight there

Anda ingin mengembangkan perniagaan
kami menyediakan sokongan antarabangsa

You’d like to trade more
we’ll help lighten the load
In summary...

- Consistent business performance and attractive growth opportunities
- Clear strategy and competitively advantaged business model with strong risk management
- Well positioned for future
Lending & Consumer Transaction Banking (CTB)

Janardhan Cadambi
Global Product Head
Lending & Consumer Transaction Banking

Standard Chartered
What is Lending and Consumer Transaction Banking?

>50% of Consumer Banking income

CTB
- Current & Savings Accounts
- ATM/Debit cards
- Domestic & International Payments
- Non-branch channels**

H1 08
- SME*
- Wealth Management
- Credit Cards / Personal Loans
- Mortgage / Auto

*SME Income is in current Financial Disclosure is distributed across Wealth Management, CCPL and M&A
**E-channels refer to ATM, Point of Sale (PoS), Internet, Mobile
Key messages

- Well positioned to take advantage of the current situation

- Huge opportunity in existing customer base

- Investing in building core capabilities to drive future balance sheet growth
Deposits: Increased emphasis on transactional propositions going forward

Strong growth track record

- Over 12m CASA accounts
- 4.6m ATM / Debit Cards in issue
- 2.7m registered Internet users

CASA growth (PE Liabilities)*

CAGR: 20%

2005 H1 08

100 157

Led by savings product innovation

Drive new transactional propositions to capture greater share of customer CASA wallet

* Indexed to PE 2005
Lending: Healthy portfolio growth and focus on product and capability innovation

**Lending growth & mix** (PE Assets)

- **CAGR: 6%**
- **Cards**
  - 100
  - 8%
  - 10%
  - 115
  - 4%
  - 16%
  - Personal Loans
  - 82%
  - 80%

**New growth areas**

- **Continue to reposition towards Premium card segments**
- **Needs-based loans**
- **Premium mortgage products, i.e. Portable mortgages, X-border mortgages etc.**

**Core lending capabilities**

- Score-based lending
- Behaviour-based collections
- Instant / pre-approval

* Index to PE 2005
Huge opportunity in existing customer base

Customers without Lending product (Millions)

- Korea: 2.1
- Taiwan: 1.4
- India: 1.0
- Hong Kong: 0.4
- Total*: 5.8

Customers without CASA product (Millions)

- Korea: 0.6
- Taiwan: 0.3
- India: 1.1
- Hong Kong: 0.6
- Total*: 4.0

* For Key 11 countries
4 key capability building blocks to be main bank to our customers

- One form, one process, one relationship
- Card as basis of relationship
- Banking anytime, anywhere
- Reward for entire relationship
Anytime anywhere banking

Significantly expanded banking footprint in 2008 … … will continue to make substantial investments in non-branch channels

- Focus on remote banking
- Key in superior execution & activation of customer base
- We have had early successes:
  - 27% growth in global active internet banking user base
  - Market-leading mobile banking services in India: Peer-to-Peer mobile payments with card less withdrawal
  - 400% growth in transaction volumes through PoS channel in Indonesia

<table>
<thead>
<tr>
<th>(# of)</th>
<th>2007</th>
<th>Sep 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATMs</td>
<td>4,260</td>
<td>&gt;4,800</td>
</tr>
<tr>
<td>PoS</td>
<td>35,000</td>
<td>&gt;45,000</td>
</tr>
<tr>
<td>I-banking (countries)</td>
<td>16</td>
<td>30</td>
</tr>
<tr>
<td>Mobile banking (countries)</td>
<td>6</td>
<td>24</td>
</tr>
</tbody>
</table>

Grew 3rd party distribution channels through partnerships
Reward for entire relationship

- Pan-bank rewards platform
- Earn rewards for both product balance & transaction relationship
- Rewards as an open “currency” to different redemption partners
- Redemption activated across all channels
- Flexibility to customise rewards according to multiple parameters
Exploit through life-stage propositions

1. Graduates
2. Young Professionals
3. Wealth Builder
4. International

(Early) Examples

- **Hong Kong**
  - “Click a count”

- **Indonesia**
  - “Bebas” account

- **Brokerage accounts**
  - (1)

- **International account**
  - (2)

- **Taiwan**
  - India

- **UAE - India**
  - HK - China - Taiwan

- **New customer growth**

- **Pipeline for future premium customers**

- **Complements our existing premium segments**

---

(1) Early version, not definitive yet
(2) In development
In summary…

- We are well positioned to leverage our customer base for future balance sheet growth

- We continue to invest in building core capabilities to be a main bank to our customers

- In 2009, we will continue to focus on growing deposits significantly while we manage asset growth in the customer segments we understand
Q & A
Wholesale Banking

Mike Rees
CEO, Wholesale Banking
<table>
<thead>
<tr>
<th>Time</th>
<th>Session Description</th>
<th>Speaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>13:00 – 14:00</td>
<td>Wholesale Banking overview &amp; strategy</td>
<td>Mike Rees</td>
</tr>
<tr>
<td>14:00 – 15:00</td>
<td>Wholesale Banking financial performance</td>
<td>Vivek Ahuja</td>
</tr>
<tr>
<td>15:00 – 15:25</td>
<td>Tea &amp; coffee break</td>
<td>Vis Shanker</td>
</tr>
<tr>
<td>15:25 – 15:40</td>
<td>Local Corporates</td>
<td>Vis Shanker</td>
</tr>
<tr>
<td>15:40 – 16:00</td>
<td>Financial Markets</td>
<td>Lenny Feder</td>
</tr>
<tr>
<td>16:00 – 16:20</td>
<td>Corporate Finance</td>
<td>Sean Wallace</td>
</tr>
<tr>
<td>16:20 – 16:40</td>
<td>JSL Limited, Wholesale Banking client of SCB</td>
<td>Ratan Jindal</td>
</tr>
<tr>
<td>16:40 – 17:00</td>
<td>Recap and Q&amp;As</td>
<td></td>
</tr>
<tr>
<td>17:00 – 18:15</td>
<td>Drinks and canapés with the Wholesale Banking Management Team</td>
<td></td>
</tr>
</tbody>
</table>
Key messages

- Consistent strategy
- Increasing “metabolic rate” of the business
- Lessons from turmoil: discipline and focus
- Strength of our values and culture
Operating profit

Wholesale Banking operating profit

US$ m

6-yr CAGR: 26%

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Profit (US$ m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>591</td>
</tr>
<tr>
<td>2002</td>
<td>795</td>
</tr>
<tr>
<td>2003</td>
<td>933</td>
</tr>
<tr>
<td>2004</td>
<td>1,175</td>
</tr>
<tr>
<td>2005</td>
<td>1,444</td>
</tr>
<tr>
<td>2006</td>
<td>1,849</td>
</tr>
<tr>
<td>2007</td>
<td>2,347</td>
</tr>
<tr>
<td>H1 08</td>
<td>1,648</td>
</tr>
</tbody>
</table>
Key messages

- Consistent strategy
- Increasing “metabolic rate” of the business
- Lessons from turmoil: discipline and focus
- Strength of our values and culture
Our strategy

- Deep ‘core bank’ client relationships
- Local scale and cross-border capabilities
- Origination and distribution
### Market share

<table>
<thead>
<tr>
<th>Country</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>7.5</td>
<td>7.9</td>
<td>9.6</td>
</tr>
<tr>
<td>Malaysia</td>
<td>6.4</td>
<td>6.5</td>
<td>7.0</td>
</tr>
<tr>
<td>UAE</td>
<td>6.6</td>
<td>6.6</td>
<td>6.5</td>
</tr>
<tr>
<td>Singapore</td>
<td>5.3</td>
<td>5.7</td>
<td>6.1</td>
</tr>
<tr>
<td>India</td>
<td>3.7</td>
<td>4.4</td>
<td>6.0</td>
</tr>
<tr>
<td>Pakistan</td>
<td>3.7</td>
<td>4.2</td>
<td>5.1</td>
</tr>
<tr>
<td>Indonesia</td>
<td>4.8</td>
<td>3.5</td>
<td>4.0</td>
</tr>
<tr>
<td>Korea</td>
<td>1.9</td>
<td>2.3</td>
<td>2.4</td>
</tr>
<tr>
<td>Taiwan</td>
<td>0.8</td>
<td>1.0</td>
<td>1.3</td>
</tr>
<tr>
<td>China</td>
<td>0.3</td>
<td>0.5</td>
<td>0.6</td>
</tr>
</tbody>
</table>

Source: Standard Chartered Bank estimates
**Market penetration – Primary and Secondary Transaction Banker**

<table>
<thead>
<tr>
<th></th>
<th>Secondary</th>
<th>Primary</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCB</td>
<td>90</td>
<td>173</td>
</tr>
<tr>
<td>Bank A</td>
<td>111</td>
<td>139</td>
</tr>
<tr>
<td>Bank B</td>
<td>65</td>
<td>175</td>
</tr>
<tr>
<td>Bank C</td>
<td>70</td>
<td>59</td>
</tr>
<tr>
<td>Bank D</td>
<td>38</td>
<td>83</td>
</tr>
<tr>
<td>Bank E</td>
<td>64</td>
<td>51</td>
</tr>
<tr>
<td>Bank F</td>
<td>42</td>
<td>70</td>
</tr>
<tr>
<td>Bank G</td>
<td>43</td>
<td>85</td>
</tr>
<tr>
<td>Bank H</td>
<td>18</td>
<td>71</td>
</tr>
<tr>
<td>Bank I</td>
<td>24</td>
<td>65</td>
</tr>
<tr>
<td>Bank J</td>
<td>14</td>
<td>26</td>
</tr>
</tbody>
</table>

**Source:** East & Partners – November 2007

**Users:** 923 Corporates in Asia - China, Hong Kong, India, Indonesia, Malaysia, Philippines, Singapore, Korea, Taiwan, Thailand
Our strategy

- Deep ‘core bank’ client relationships
- Local scale and cross-border capabilities
- Origination and distribution
### Top bookrunners of all Asian local currency bonds
*(inc-certificates of deposits)*

<table>
<thead>
<tr>
<th>Name</th>
<th>Issues</th>
<th>Amount (US$m)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>CITIC</td>
<td>19</td>
<td>10,222.50</td>
<td>8.4</td>
</tr>
<tr>
<td>HSBC</td>
<td>211</td>
<td>8,638.80</td>
<td>7.1</td>
</tr>
<tr>
<td>Standard Chartered</td>
<td>203</td>
<td><strong>8,277.90</strong></td>
<td><strong>6.8</strong></td>
</tr>
<tr>
<td>CICC</td>
<td>10</td>
<td>6,881.60</td>
<td>5.7</td>
</tr>
<tr>
<td>Citi</td>
<td>78</td>
<td>3,893.60</td>
<td>3.2</td>
</tr>
<tr>
<td>OCBC</td>
<td>33</td>
<td>3,765.90</td>
<td>3.1</td>
</tr>
<tr>
<td>Axis Bank</td>
<td>86</td>
<td>3,756.30</td>
<td>3.1</td>
</tr>
<tr>
<td>DBS</td>
<td>32</td>
<td>3,020.40</td>
<td>2.5</td>
</tr>
<tr>
<td>Woori Invest &amp; Sec Co</td>
<td>29</td>
<td>3,017.40</td>
<td>2.5</td>
</tr>
<tr>
<td>CIMB</td>
<td>48</td>
<td>2,866.40</td>
<td>2.4</td>
</tr>
</tbody>
</table>

### Top bookrunners of Asia-Pacific syndicated loans
*(ex-Japan and Australia)*

<table>
<thead>
<tr>
<th>Name</th>
<th>Deals</th>
<th>Amount (US$m)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of China</td>
<td>12</td>
<td>11,291.20</td>
<td>9.4</td>
</tr>
<tr>
<td>State Bank of India</td>
<td>28</td>
<td>11,244.80</td>
<td>9.4</td>
</tr>
<tr>
<td>Standard Chartered</td>
<td>54</td>
<td><strong>7,352.20</strong></td>
<td><strong>6.1</strong></td>
</tr>
<tr>
<td>DBS</td>
<td>37</td>
<td>5,461.20</td>
<td>4.5</td>
</tr>
<tr>
<td>OCBC</td>
<td>24</td>
<td>4,448.70</td>
<td>3.7</td>
</tr>
<tr>
<td>RBS</td>
<td>34</td>
<td>4,300.70</td>
<td>3.6</td>
</tr>
<tr>
<td>ICICI</td>
<td>15</td>
<td>4,293.10</td>
<td>3.6</td>
</tr>
<tr>
<td>HSBC</td>
<td>37</td>
<td>3,852.30</td>
<td>3.2</td>
</tr>
<tr>
<td>BNP Paribas</td>
<td>34</td>
<td>3,557.20</td>
<td>3.0</td>
</tr>
<tr>
<td>Fubon Financial</td>
<td>50</td>
<td>3,273.70</td>
<td>2.7</td>
</tr>
</tbody>
</table>

| YTD 2008 | 1,186 | 121,300.30 |
| YTD 2007 | 1,344 | 94,266.60 |

% Change 2008 over 2007: +28.7

Source: Thomson Financial league tables
Key messages

- Consistent strategy
- Increasing “metabolic rate” of the business
- Lessons from turmoil: discipline and focus
- Strength of our values and culture
<table>
<thead>
<tr>
<th>Strategic intent</th>
<th>The world’s best international bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>brand promise</td>
<td>Leading By Example to be The Right Partner</td>
</tr>
<tr>
<td>Values</td>
<td>Responsive • Trustworthy • Creative • International • Courageous</td>
</tr>
</tbody>
</table>
Key messages

- Consistent strategy
- Increasing “metabolic rate” of the business
- Lessons from turmoil: discipline and focus
- Strength of our values and culture
Wholesale Banking

Mike Rees
CEO, Wholesale Banking
## GDP forecasts

<table>
<thead>
<tr>
<th>GDP 2009a</th>
<th>Was*</th>
<th>Now</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>8.2</td>
<td>7.9</td>
</tr>
<tr>
<td>India**</td>
<td>8.5</td>
<td>7.0</td>
</tr>
<tr>
<td>Indonesia</td>
<td>6.2</td>
<td>5.8</td>
</tr>
<tr>
<td>UAE</td>
<td>6.0</td>
<td>2.7</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>5.0</td>
<td>2.3</td>
</tr>
<tr>
<td>Singapore</td>
<td>4.9</td>
<td>2.0</td>
</tr>
<tr>
<td>Korea</td>
<td>5.0</td>
<td>1.4</td>
</tr>
<tr>
<td>Eurozone</td>
<td>1.4</td>
<td>-0.5</td>
</tr>
<tr>
<td>Japan</td>
<td>1.5</td>
<td>-0.7</td>
</tr>
<tr>
<td>UK</td>
<td>0.8</td>
<td>-2.0</td>
</tr>
<tr>
<td>US</td>
<td>0.9</td>
<td>-2.0</td>
</tr>
</tbody>
</table>

* GDP forecasts as at June 2008

** Fiscal year ending March 2009

Source: Standard Chartered Bank
Strong top line growth has been key to the transformation

Wholesale Banking
Operating income
US$ m

<table>
<thead>
<tr>
<th>Year</th>
<th>US$ m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>2,252</td>
</tr>
<tr>
<td>2004</td>
<td>2,574</td>
</tr>
<tr>
<td>2005</td>
<td>3,059</td>
</tr>
<tr>
<td>2006</td>
<td>3,923</td>
</tr>
<tr>
<td>2007</td>
<td>5,243</td>
</tr>
</tbody>
</table>

4-year CAGR: 24%
Key messages

- Focused execution of our strategy has translated into strong financial performance

- Accelerated growth has been driven by a number of key interrelated factors
  - Increased depth of client relationships
  - Broadened capabilities to address clients’ diversified needs
  - External market factors have played to our advantage

- Tight capital, liquidity and risk management were key enablers of growth and a differentiating competitive factor
Significant growth in H1 08

**Wholesale Banking**
Operating income
US$ m

<table>
<thead>
<tr>
<th></th>
<th>H1 07</th>
<th>H2 07</th>
<th>H1 08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>2,487</td>
<td>2,756</td>
<td>3,664</td>
</tr>
</tbody>
</table>

+47%

**Operating profit**

<table>
<thead>
<tr>
<th></th>
<th>H1 07</th>
<th>H2 07</th>
<th>H1 08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td>1,197</td>
<td>1,150</td>
<td>1,648</td>
</tr>
</tbody>
</table>

+38%
### Wholesale Banking

**P&L and assets**

**US$ m**

<table>
<thead>
<tr>
<th></th>
<th>H1 07</th>
<th>H1 08</th>
<th>%growth</th>
<th>%growth (underlying)¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income</td>
<td>2,487</td>
<td>3,664</td>
<td>47%</td>
<td>42%</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>(1,298)</td>
<td>(1,939)</td>
<td>49%</td>
<td>42%</td>
</tr>
<tr>
<td>Loan Impairment</td>
<td>11</td>
<td>(53)</td>
<td>nm</td>
<td>nm</td>
</tr>
<tr>
<td>Other Impairment</td>
<td>(3)</td>
<td>(24)</td>
<td>nm</td>
<td>nm</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>1,197</td>
<td>1,648</td>
<td>38%</td>
<td>35%</td>
</tr>
<tr>
<td>Loans &amp; Advances to</td>
<td>74</td>
<td>93</td>
<td>27%</td>
<td>27%</td>
</tr>
<tr>
<td>customers (US$bn)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RWA (US$bn)</td>
<td>132²</td>
<td>148</td>
<td>12%</td>
<td>8%</td>
</tr>
</tbody>
</table>

¹ excludes acquisitions in 2008 figures
² RWA as of year end Dec07, comparable figure not available for Jun07 which was under Basel I

nm = not meaningful
### Revenue uplift from core and strategic businesses

#### Total product revenues
US$ m

<table>
<thead>
<tr>
<th></th>
<th>H1 07</th>
<th>H1 08</th>
<th>% growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lending &amp; Portfolio Mgt</td>
<td>211</td>
<td>246</td>
<td>17%</td>
</tr>
<tr>
<td>Transaction Banking</td>
<td>930</td>
<td>1,249</td>
<td>34%</td>
</tr>
<tr>
<td>Trade</td>
<td>321</td>
<td>470</td>
<td>46%</td>
</tr>
<tr>
<td>Cash Mgt &amp; Custody</td>
<td>609</td>
<td>779</td>
<td>28%</td>
</tr>
<tr>
<td><strong>Global Markets</strong></td>
<td>1,346</td>
<td>2,169</td>
<td>61%</td>
</tr>
<tr>
<td>Financial Markets</td>
<td>784</td>
<td>1,213</td>
<td>55%</td>
</tr>
<tr>
<td>Corporate Finance</td>
<td>191</td>
<td>364</td>
<td>91%</td>
</tr>
<tr>
<td>Principal Finance</td>
<td>170</td>
<td>78</td>
<td>(54%)</td>
</tr>
<tr>
<td>Balance Sheet Mgt</td>
<td>201</td>
<td>514</td>
<td>156%</td>
</tr>
<tr>
<td><strong>Total Wholesale Banking</strong></td>
<td>2,487</td>
<td>3,664</td>
<td>47%</td>
</tr>
</tbody>
</table>

Client income as % of total income: 80% (H1 07), 76% (H1 08)
Financial Markets benefited from broader product capabilities

### Financial Markets

**Product breakdown**

<table>
<thead>
<tr>
<th>US$ m</th>
<th>H1 07</th>
<th>H1 08</th>
<th>% growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>FX</td>
<td>486</td>
<td>716</td>
<td>47%</td>
</tr>
<tr>
<td>Rates</td>
<td>84</td>
<td>334</td>
<td>298%</td>
</tr>
<tr>
<td>Commodities &amp; Equities</td>
<td>20</td>
<td>48</td>
<td>146%</td>
</tr>
<tr>
<td>Capital Markets</td>
<td>106</td>
<td>118</td>
<td>11%</td>
</tr>
<tr>
<td>Credit &amp; Other</td>
<td>88</td>
<td>(3)</td>
<td>(102%)</td>
</tr>
<tr>
<td><strong>Total Financial Markets</strong></td>
<td><strong>784</strong></td>
<td><strong>1,213</strong></td>
<td><strong>55%</strong></td>
</tr>
</tbody>
</table>

Client income as % of total income:

- **H1 07**: 84%
- **H1 08**: 82%
Capital optimised through improved efficiency and distribution

Assets/RWA/income growth
(Dec07 – Jun08)

24% 20%
Client Assets Credit RWA Client income

Portfolio management ¹
Notional distribution volumes
US$ bn

9.0 21.7
H1 07 H1 08

¹ only Basel II efficient deals have been included for like-for-like comparisons
...with allocation to higher return businesses

<table>
<thead>
<tr>
<th>Business</th>
<th>Return on Avg RWA(^1) (Jun08)</th>
<th>Change in Return on Avg RWA(^1) (Dec07-Jun08)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lending (net)</td>
<td>1.05%</td>
<td>+16bps</td>
</tr>
<tr>
<td>Transaction Banking (net)</td>
<td>5.68%</td>
<td>+89bps</td>
</tr>
<tr>
<td>Financial Markets</td>
<td>7.68%</td>
<td>+188bps</td>
</tr>
<tr>
<td>Corporate Finance</td>
<td>5.77%</td>
<td>+127bps</td>
</tr>
<tr>
<td>WB average</td>
<td>5.09%</td>
<td>+89bps</td>
</tr>
</tbody>
</table>

\(^1\) Return on average RWA is annualised revenues divided by the average RWA over the period
Strong network franchise effectively leveraged

Geographic split
US$m

Offshore income: +52%
Onshore income: +37%

<table>
<thead>
<tr>
<th>Region</th>
<th>H1 07</th>
<th>H1 08</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>383</td>
<td>591</td>
<td>+54%</td>
</tr>
<tr>
<td>India</td>
<td>379</td>
<td>580</td>
<td>+53%</td>
</tr>
<tr>
<td>Singapore</td>
<td>194</td>
<td>348</td>
<td>+79%</td>
</tr>
<tr>
<td>Korea</td>
<td>190</td>
<td>262</td>
<td>+38%</td>
</tr>
<tr>
<td>Malaysia</td>
<td>80</td>
<td>145</td>
<td>+81%</td>
</tr>
<tr>
<td>Other APR</td>
<td>464</td>
<td>644</td>
<td>+39%</td>
</tr>
<tr>
<td>MESA</td>
<td>323</td>
<td>533</td>
<td>+65%</td>
</tr>
<tr>
<td>Africa</td>
<td>201</td>
<td>262</td>
<td>+30%</td>
</tr>
<tr>
<td>America / UK - Eur</td>
<td>273</td>
<td>299</td>
<td>+10%</td>
</tr>
</tbody>
</table>
Client income remains the cornerstone of growth

Wholesale Banking client income (sales)

- CAGR (FY02-04): 17%
- CAGR (FY04-06): 27%
- Growth (FY06-07): 37%
Shifting business mix reflects the uptiering of our clients...

US$ m

(% of total client income)

2004
- 30%

2005
- 31%

2006
- 35%

2007
- 43%

H1 08
- 48%

Lending (net)  Transactional  Value-added  Strategic
...Resulting in increased share of mind with our top customers

Income of top clients
H1 08 vs H1 07

Top 10 clients

+ 52 %

Top 50 clients

+ 57 %

<table>
<thead>
<tr>
<th></th>
<th>FY 07</th>
<th>H1 08</th>
<th>% growth</th>
</tr>
</thead>
<tbody>
<tr>
<td># clients with income &gt;US$10m</td>
<td>25</td>
<td>53</td>
<td>112%</td>
</tr>
<tr>
<td># clients with income &gt;US$5m</td>
<td>89</td>
<td>162</td>
<td>82%</td>
</tr>
<tr>
<td># clients with income &gt;US$1m</td>
<td>679</td>
<td>948</td>
<td>40%</td>
</tr>
</tbody>
</table>

*Note: on an annualised basis (YTD June 2008 actuals extrapolated on a straight-line basis) and includes AEB
Driven by a focused client-led strategy

Client income and growth by segment (%)

<table>
<thead>
<tr>
<th>Segment</th>
<th>H1 08 income</th>
<th>H1 08 growth rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Corporates</td>
<td></td>
<td>+44%</td>
</tr>
<tr>
<td>Global Corporates</td>
<td></td>
<td>+31%</td>
</tr>
<tr>
<td>Commodity Traders</td>
<td></td>
<td>+51%</td>
</tr>
<tr>
<td>Financial Institutions</td>
<td></td>
<td>+50%</td>
</tr>
</tbody>
</table>
Building local scale in key markets

Local Corporates as % of total client income

Local Corporates as % of total client income in key markets

- China: 32%, 37%, 34%
- India: 50%

- 2005: 29% Local Corporates, 71% Other
- 2006: 29% Local Corporates, 71% Other
- 2007: 30% Local Corporates, 70% Other
- H1 08: 33% Local Corporates, 67% Other

- H107: 32% Local Corporates, 68% Other
- H108: 37% Local Corporates, 63% Other

- H107: 34% Local Corporates, 66% Other
- H108: 50% Local Corporates, 50% Other
Costs driven by investments in people with increasing flexibility

Wholesale Banking
Operating expenses
US$ m

Expenses breakdown (H1 08)
- Staff: 64%
- Premises: 5%
- General admin: 27%
- Depr & amortis: 3%
- Other: 1%*

Total costs
- 2006: 26%
- 2007: 30%
- H1 08: 32%
- 2006: 74%
- 2007: 70%
- H1 08: 68%

Staff costs
- 2006: 35%
- 2007: 41%
- H1 08: 46%
- 2006: 65%
- 2007: 59%
- H1 08: 54%

NOTE: expenses breakdown based on management accounts
* AEB integration costs of US$25m in H1 08
Investments focused on building scale and capabilities in strategic markets and businesses

H1 08 investment spend

- **Key markets**: 59%
  - Greater China & India: 41%
  - Core markets: 27%
- **Product development**: 52%
  - Transaction Banking: 17%
  - Financial Markets: 6%
  - CF & PF: 10%
  - OCC: 19%
  - Support / infrastructure: 6%

**Key markets**
- Greater China & India
- Core markets
- Other markets

**Product development**
- Transaction Banking
- Financial Markets
- CF & PF
- OCC
- Support / infrastructure
Portfolio is well-diversified with limited concentration risk

WB nominal as of 30 June 2008
Portfolio mix by geography

- 10% Korea
- 7% HK
- 7% India
- 7% Singapore
- 6% China
- 16% UK/Europe
- 8% Middle East
- 4% Africa
- 14% Other APR
- Other 14%

NOTE: WB nominal is all outstanding assets & contingents for both Cat 1 & 2; geography is based on the country of incorporation of the client rather than the booked location.
WB portfolio risk profile remains sound with LGD actually improved

- WA LGD improved through increased amounts and application of collateral
- WA PD increase largely due to changes in portfolio composition mix and credit downgrades on existing clients

Source: WB portfolio risk

110

1 credit ratings above based on an internal grading system using a PD measure. Our WA CG of 6B is comparable to a portfolio of assets with a WA S&P rating of BB+/BB
Problem credit is historically low and remains well managed.

The percentage of problem credits net nominal\(^1\) in relationship to WB nominal has been broadly steady since June06 at about 0.2%.

\(^1\) GSAM book nominal less provisions and write-offs
Leading to relatively low impairment charges

### Loan Impairment
US$ m

<table>
<thead>
<tr>
<th></th>
<th>H1 07</th>
<th>H1 08</th>
<th>YOY %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific impairment provisions</td>
<td>(38)</td>
<td>(63)</td>
<td>66%</td>
</tr>
<tr>
<td>Recoveries</td>
<td>55</td>
<td>32</td>
<td>(42%)</td>
</tr>
<tr>
<td>Portfolio impairment provisions</td>
<td>(6)</td>
<td>(22)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total net release / (charge)</strong></td>
<td>11</td>
<td>(53)</td>
<td>-</td>
</tr>
</tbody>
</table>
Summary

- Growth momentum sustained in H1 2008 with strong performance across client segments, products and geographies
- Relentless focus on the client-led strategy
- Flow businesses continue to be a core part of the revenue base and are therefore, more sustainable
- A well diversified and more sophisticated product suite and scale in major growth markets present further business opportunities in a changing risk and competitive environment
- Continued focus on capital, liquidity and risk management will remain the key enablers of growth whilst optimising returns
Q & A