Asia

Investor trip 2010

Jaspal Bindra
Group Executive Director &
CEO Asia

Leading the way
in Asia, Africa and the Middle East
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<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Speaker</th>
</tr>
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<tbody>
<tr>
<td>08:00 – 08:15</td>
<td>Opening</td>
<td>Jaspal Bindra</td>
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<tr>
<td>08:15 – 08:45</td>
<td>Asia economy</td>
<td>Tai Hui</td>
</tr>
<tr>
<td>08:45 – 09:15</td>
<td>Asia strategy</td>
<td>Jaspal Bindra</td>
</tr>
<tr>
<td>09:15 – 09:35</td>
<td>Singapore overview &amp; strategy</td>
<td>Ray Ferguson</td>
</tr>
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<td>09:35 – 09:50</td>
<td>Tea &amp; Coffee Break</td>
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<td>09:50 – 10:10</td>
<td>Singapore Consumer Banking</td>
<td>Ajay Kanwal</td>
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<td>10:10 – 10:30</td>
<td>Singapore Wholesale Banking</td>
<td>Philippe Touati</td>
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<td>10:30 – 11:00</td>
<td>Singapore Q&amp;A</td>
<td>Ray Ferguson</td>
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<td>11:00 – 12:30</td>
<td>Indonesia</td>
<td>Tom Aaker</td>
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<tr>
<td>12:30 – 13:30</td>
<td>Lunch with economic presentation</td>
<td>Cheung Tai Hui</td>
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<tr>
<td>13:30 – 15:00</td>
<td>Taiwan</td>
<td>Sunil Kaushal</td>
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<td>15:00 – 15:45</td>
<td>Asia recap with Q&amp;A</td>
<td>Jaspal Bindra</td>
</tr>
<tr>
<td>15:45</td>
<td>Leave for Changi Airport</td>
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Asia economy

Tai Hui
Regional Head Economic Research,
South East Asia

Leading the way
in Asia, Africa and the Middle East
Asia - diversified but not decoupled

- In 2008, we said Asia was not decoupled from the west, but better insulated
- Today, Asia is still not decoupled, but better diversified
- Robust recovery led by domestic demand and intra-regional trade
- Meanwhile, risk of general and asset inflation is on the rise
  - Policy response (rate hikes, FX appreciation, capital flow management)
- Long term prospects for Asia is still positive
  - 7% Club
  - The CNH market
  - Developing EM to EM trade corridors
Scale and size

- **Population in 2009 (m)**
  - China: 1,335
  - Japan: 128
  - India: 1,199
  - S Asia ex-India: 1,236
  - NE Asia ex-China: 298
  - ASEAN: 1,494

- **GDP in 2009 (US$bn)**
  - China: 4,985
  - Japan: 5,068
  - S Asia ex-India: 346
  - NE Asia ex-China: 591
  - ASEAN: 591

Sources: IMF, Standard Chartered Research
GDP in 2009 vs 2015

East Asia + South Asia
(30% of global GDP in 2015)

<table>
<thead>
<tr>
<th>Region</th>
<th>2009</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>4,985</td>
<td>9,982</td>
</tr>
<tr>
<td>China</td>
<td>30,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Japan</td>
<td>5,068</td>
<td>6,517</td>
</tr>
<tr>
<td>China</td>
<td>1,236</td>
<td>2,421</td>
</tr>
<tr>
<td>India</td>
<td>1,421</td>
<td>2,321</td>
</tr>
<tr>
<td>India</td>
<td>298</td>
<td>477</td>
</tr>
<tr>
<td>NE Asia ex-China</td>
<td>2015</td>
<td>2009</td>
</tr>
<tr>
<td>S Asia ex-India</td>
<td>2009</td>
<td>2015</td>
</tr>
<tr>
<td>ASEAN</td>
<td>1,494</td>
<td>2,650</td>
</tr>
</tbody>
</table>
| Source: IMF, Standard Chartered Research
Asia: GDP recovery by country

This shows the level of economic activities, in real GDP terms, before the crisis (Q2 08), during the crisis (Q2 09) and after the crisis (Q2 10).

Sources: CEIC, Standard Chartered Research
Total trade of goods and services as percentage of GDP

<table>
<thead>
<tr>
<th>Country</th>
<th>Total Trade (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>377.5</td>
</tr>
<tr>
<td>Taiwan</td>
<td>116.2</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>380.5</td>
</tr>
<tr>
<td>Thailand</td>
<td>126.3</td>
</tr>
<tr>
<td>Malaysia</td>
<td>171.3</td>
</tr>
<tr>
<td>Korea</td>
<td>95.9</td>
</tr>
<tr>
<td>Philippines</td>
<td>62.5</td>
</tr>
<tr>
<td>Indonesia</td>
<td>45.5</td>
</tr>
<tr>
<td>Vietnam</td>
<td>147.0</td>
</tr>
<tr>
<td>China</td>
<td>49.8</td>
</tr>
</tbody>
</table>

Bar length reflects the maximum and minimum of year-on-year growth between Q1 2001 and Q2 2010.

Sources: Bloomberg, ADB, Standard Chartered Research
Domestic demand as the key driver

Contribution to headline GDP growth (H1 2010) from domestic demand and net exports

Sources: CEIC, Standard Chartered Research
Intra-regional trade has played a critical role to Asian export rebound in H1 2010

Source: CEIC, Standard Chartered Research
### Economic growth forecast

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>US</td>
<td>-2.6</td>
<td>2.5</td>
<td>1.0</td>
<td>2.1</td>
</tr>
<tr>
<td>China</td>
<td>9.1</td>
<td>10.0</td>
<td>8.5</td>
<td>10.7</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>-2.7</td>
<td>6.0</td>
<td>5.0</td>
<td>4.5</td>
</tr>
<tr>
<td>India*</td>
<td>7.4</td>
<td>8.1</td>
<td>8.5</td>
<td>7.3</td>
</tr>
<tr>
<td>Indonesia</td>
<td>4.5</td>
<td>6.2</td>
<td>6.5</td>
<td>5.2</td>
</tr>
<tr>
<td>Malaysia</td>
<td>-1.7</td>
<td>6.2</td>
<td>4.5</td>
<td>5.1</td>
</tr>
<tr>
<td>Pakistan</td>
<td>1.2</td>
<td>4.1</td>
<td>2.5</td>
<td>4.8</td>
</tr>
<tr>
<td>Philippines</td>
<td>0.9</td>
<td>6.8</td>
<td>5.0</td>
<td>4.8</td>
</tr>
<tr>
<td>Singapore</td>
<td>-1.3</td>
<td>12.3</td>
<td>4.0</td>
<td>5.3</td>
</tr>
<tr>
<td>S Korea</td>
<td>0.2</td>
<td>6.1</td>
<td>3.8</td>
<td>4.4</td>
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<tr>
<td>Taiwan</td>
<td>-1.9</td>
<td>8.8</td>
<td>4.1</td>
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<tr>
<td>Thailand</td>
<td>-2.3</td>
<td>6.3</td>
<td>4.0</td>
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<tr>
<td>Vietnam</td>
<td>5.3</td>
<td>6.7</td>
<td>7.2</td>
<td>7.6</td>
</tr>
</tbody>
</table>

Sources: IMF, Standard Chartered Research  * India fiscal year ends March
Inflation: much depends on food and fuel

Weighting of food and transport costs in Asian CPI baskets

Higher inflation volatility may prompt central banks to start tightening earlier

Average YoY inflation 2005-09 and +/- one standard deviation

Source: Standard Chartered Research
Capital inflows and controls warrant attention

Net foreign equity purchase in selected Asian markets (YTD figures)

Benchmark equity index year-to-date performance (in US$ term)

Year-to-date FX performance against US$

Foreign ownership of government bonds

Sources: Bloomberg, Standard Chartered Research
Data as of 25 October, 2010
Capital flow and macro-prudential measures

- China, Hong Kong & Singapore
  - Measures to cool residential real estate
    (loan-to-value, tightening mortgage lending)

- Brazil
  - Tax on capital inflows

- Thailand
  - Re-introduced withholding and capital gain tax
    (for foreign purchases on bonds)

- South Korea
  - Looking at measures to slow capital inflows into bond market

- BUT… not everyone is looking at more controls
  - Malaysia is exploring the possibility of MYR internationalisation

- Development of the offshore CNY (CNH) market
Singapore - productivity drive

Population

Singapore as a transport hub

Industry as a percentage of GDP

FX turnover (April average, US$bn)

Sources: CEIC, BIS, Standard Chartered Research
Indonesia - stars are aligned

**FX and CDS spread**

- Investor appetite on the rise
  - Yudhoyono re-elected
  - Reform credibility
  - Fiscal discipline
  - Prospect of returning to investment grade by 2010

- Positive factors going forward

- Domestic consumption
  - 250mn people with 10% in middle class
  - 3rd highest number of Facebook users (after the US and UK)
  - Most Twitter user in Asia

- Infrastructure
  - Government looking to streamline approval process

- Commodities
  - Palm oil, LNG

**Government debt to GDP ratio**

Sources: Bloomberg, Standard Chartered Research
The 7% club

7% Club from 1960-2008

- How countries obtain >7% growth for an extended period?
  - Commodity booms
  - Recovery bounces
  - Overheating booms
  - Exports oriented industrialisation

- Who are promising members in 2010s?
  - China
  - India
  - Indonesia
  - Bangladesh
  - Nigeria
  - Vietnam
  - Vietnam
  - Ethiopia
  - Tanzania
  - Uganda
  - Mozambique

Sources: World Bank, Standard Chartered Research
Trade within and between Asia, Africa, ME and Latam made up 20% of global trade in 2009, from 12.6% in 2000.

We note that commodity trade does increase the volatility of trade value over the economic cycle.

Between 2000 - 2009, global trade grew 7.7% per annum on average, intra-regional trade and south-south trade corridors have consistently outperformed global trade growth.

Sources: UNCOMTRADE, Standard Chartered Research

Summary

- Asia has made strong recovery from the crisis, due to domestic demand and intra-regional trade.
- Asian economies expected to outperform despite uncertainties in the west.
- Consumer and asset inflation to be the key challenge to policy makers in 2011.
- Interest rates in Asia to rise, with Asian currencies appreciating.
- Short-term, targeted capital management measures could be introduced.
- Geopolitical tension over economic resources could rise.
- EMs continue to be at the cutting edge of world trade growth.
Asia strategy

Jaspal Bindra
Group Executive Director &
CEO Asia

Leading the way
in Asia, Africa and the Middle East
Standard Chartered in Asia

Contribution from Asia*
- Present in 20 markets
- 69% of Group assets
- 67% of Group income
- 73% of Group profits
- 77% of Group employees

Select credentials
- 8th most valuable brand in Asia (The Banker 2010)
- Best bank in Asia (Euromoney 2010)
- Best Trade Finance Provider Africa, Asia and Singapore (Global Finance 2010)
- Best Retail Bank in Singapore (Asia Banking and Finance Award 2009)
- Outstanding SME Banking Award in Hong Kong (The Banker)

Priority Markets
- Greater China, Singapore, Korea, India, Indonesia and Malaysia

Source: Company accounts; * As at 30 June 2010
Asia - balance sheet trends

Loans

<table>
<thead>
<tr>
<th>Country</th>
<th>H1 10 YOY</th>
<th>Customer growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>HK</td>
<td>24</td>
<td>18</td>
</tr>
<tr>
<td>Singapore</td>
<td>33</td>
<td>9</td>
</tr>
<tr>
<td>Korea</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>India</td>
<td>24</td>
<td>3</td>
</tr>
</tbody>
</table>

Deposits

<table>
<thead>
<tr>
<th>Country</th>
<th>H1 10 YOY</th>
<th>Customer growth %</th>
</tr>
</thead>
<tbody>
<tr>
<td>HK</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Singapore</td>
<td>32</td>
<td>1</td>
</tr>
<tr>
<td>Korea</td>
<td>18</td>
<td>9</td>
</tr>
<tr>
<td>India</td>
<td>33</td>
<td>14</td>
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</table>

Source: Company accounts; * As at 30 June 2010
Asia landscape - positioned for growth

Source: Company accounts; * As at 30 June 2010
### Asia - 7 year performance

<table>
<thead>
<tr>
<th>Financial</th>
<th>Footings</th>
<th>Infrastructure</th>
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<tbody>
<tr>
<td>10,217</td>
<td>3,101</td>
<td>3,928</td>
</tr>
<tr>
<td>CAGR 19%</td>
<td>CAGR 22%</td>
<td>CAGR 21%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Loans &amp; advances to customers</th>
<th>CAGR 20%</th>
<th>3,928</th>
<th>3,928</th>
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<tbody>
<tr>
<td>Total assets employed</td>
<td>CAGR 21%</td>
<td>311</td>
<td>311</td>
</tr>
<tr>
<td>Outlets</td>
<td>CAGR 21%</td>
<td>1,200</td>
<td>1,200</td>
</tr>
</tbody>
</table>

Source: SCB data

26
Sizing up the opportunity

Emerging themes in Asia

- Growing share of global growth
- Growing affluence & consumption
- Growing net investment flows
- Growing corporate sophistication
- Growing trade corridors

Source: * IMF, WEO database    † CEIC Data Company Ltd.; Haver Analytics and Bloomberg LP
# Challenges & approach

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Macro risks</strong></td>
<td>- Uncertainty over sustainability of stimulus-led recovery</td>
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<tr>
<td><strong>Asset price inflation</strong></td>
<td>- Surplus liquidity causing concerns on asset bubbles in Asia</td>
</tr>
<tr>
<td><strong>Regulation</strong></td>
<td>- More stringent and uncertain regulatory environment</td>
</tr>
<tr>
<td><strong>Competition</strong></td>
<td>- Increased intensity from local and international competition</td>
</tr>
<tr>
<td><strong>Talent</strong></td>
<td>- Fierce competition for local talent</td>
</tr>
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</table>
Our competitive edge

Unique network
- Clear geographic focus on Asia, Africa and Middle East

Combination of global and local capabilities
- More international than local banks;
- More local than international players

Deep connections and relationships
- Focused on long-term, deep relationships with customers, clients, people, communities, investors and regulators

Operate as ‘One Bank’ with two strong businesses actively reinforcing each other

“One Bank” synergies

Firm foundations
- Clear and consistent strategy;
- Distinctive values & culture

Conservative and disciplined on risk, capital and liquidity

Sustainability

29
ABC - a strategic partnership is born
RMB - the bright spot

Pace of RMB internationalization has accelerated since the financial crisis

2007 - 2008
- HKMA announced the beginning of CNY business in 2003

2009
- Launched pilot RMB Cross Border Trade Settlement in Hong Kong

2010
- RMB trade settlement scheme further extended covering 95% of China’s exports
- RMB account restrictions lifted for corporate accounts
- RMB denominated Investment and Insurance Products now permitted
- Participation in Mainland China inter bank bond market

Opportunities
- China’s global bilateral trade is about US$2.2 trillion; Expectation that much of this could be redenominated in RMB in the future presenting a sizable opportunity
- Solidifies Hong Kong role as offshore financial centre for RMB
- Banks with local and international RMB capabilities are uniquely positioned to capture lion share of the emerging opportunities
- Market is growing and developing at pace; response has been strong
RMB - leading the pack

Leader in RMB internationalisation
- RMB capabilities in 23 countries
- No.1 in clearing among foreign banks in Shanghai and Shenzhen
- Leader in trading RMB spot and forward contracts in the new FX interbank market in Hong Kong
- Completed first French RMB cross border trade settlement transaction
- Launched first-ever RMB corporate bond with McDonald’s Corp.

Industry: RMB deposits in HK up >138% YTD

Source: HKMA
Summary

- Well positioned in the fastest growing economies; opportunities remain hugely attractive

- Clear and consistent strategy to deliver sustainable revenue growth; foundations are sound

- Investing for long term growth

- Vigilant of the near term challenges
Leading the way in Asia, Africa and the Middle East
Key messages

- Asia’s leading business hub supported by sound economic fundamentals and progressive policies

- Premier global financial centre with increasing depth and sophistication

- Thriving, well-entrenched and unique franchise providing a strong foundation for sustained growth

- Clear and consistent strategy to capture the market opportunities
Sound economic fundamentals

Average GDP growth of 6% between 2002-2010

Increasing foreign currency reserves and low unemployment rate

Breakdown of real GDP by industry (2009)

- Manufacturing 23%
- Wholesale & retail 16%
- Financial services 12%
- Business services 12%
- Transport & storage 9%
- Info & communications 4%
- Construction 4%
- Hotels & restaurants 2%
- Other 18%

Source: CEIC, Standard Chartered Research
World’s easiest place to do business*

- Well-developed, reliable infrastructure
- Stable political and sound regulatory environment
- Progressive policies
- Efficient tax structure

* ranked by World Bank
Growing business and financial hub

Assets Under Management (AUM) in Singapore

Ranking of FX Trading Centres (% share of FX market turnover)

Source: CEIC, Monetary Authority of Singapore, Standard Chartered Research

Source: Bank of International Settlement April 2010
Integral to the fabric of Singapore’s financial and social landscape

- Over 150 years in Singapore
- Recognised and respected brand
- A major bank
- Talent developer
- Strong community links
Delivering record income consistently

CAGR (2002 - 2009)
Income: 19%
Profit before tax: 17%

Source: SCB Annual Reports
Not without challenges and opportunities

Challenges

- Increasing competition from both local and foreign banks
- Mounting efforts in talent retention and acquisition
- Intensifying regulatory scrutiny

Opportunities

- Continuing to grow cross-border transactions across our global network
- Expanding Private Banking driven by increasing wealth in the region
- Building scale in new products and businesses
My priorities as CEO Singapore

- Sustain and grow this flourishing franchise

- Reinforce the Standard Chartered brand and our “Here for good” DNA

- Own the employer of choice position and continue to attract and retain good talent

- Strengthen one bank culture and initiatives
Summary of key messages

- Singapore is a great place for Standard Chartered

- We have been successful at leveraging our unique position and advantage in the Group and in Singapore

- We consistently deliver strong growth with clear and unwavering strategy

- We are in a great position to capture immense opportunities
Leading the way in Asia, Africa and the Middle East
Key messages

- Strong and sustained performance
- Continue to grow and invest
- Customer focus through innovation and discipline
- CB transformation delivering strong early results
About us

- Consumer Banking in Singapore
- Universal market
- 19 branches / 30 ATMs / 22 cash deposit machine / 7 Priority Banking centres*

- Customers: 665K, 22% Singapore banking population share**

- No of employees: 2,083

* One new Priority Centre will be open in December, 2010
** Population share is based on 2009 SCB customer number vs Singapore population aged 18 yrs old and above. Data source: Singapore Department of Statistic, 2009
Double digit growth

CAGR (2002 - 2009)
Income: 10.6%
Profit before tax: 8.5%

Source: SCB accounts
Strong footings growth

Footings growth (US$bn)

CAGR 21%

Source: SCB accounts
Robust portfolio quality

- Strong portfolio actions leading to healthy crisis exit
- Strong risk infrastructure

Source: SCB accounts
Outperforming competition

Residential mortgage

- SCB YOY growth
- Industry YOY growth

Card spend

Retail deposit LCY

Source: MAS, July 2010
Strategy

Participation model
- Integrated GE factoring business into SME
- Launch SME segment value proposition
- Expand distribution, i.e. online focus, new branch and ATM upgrade

Customer focus
- Preferred Banking launch
- Service guarantee across key products and services
- Transaction bundling, e.g. Pay Any Card
- Need-based bundles - 360° suite

Back to basics
- Re-engineering and expand CoE to SEA
- Offshoring fully optimised
- Risk appetite
- Simulation based training
Segment initiatives

Private Bank

SME Banking

Priority Banking

Preferred Banking

Footings and AUM growth: 39%

Footings and AUM growth: 25%

Footings and AUM growth: 2%

Footings and AUM growth: 19%

Source: SCB data
Redefining customer experience

Delivering superior service

Customer Charter
- Mortgage service guarantee
- 8-min branch service pledge
- T+1 card service guarantee

Remote Banking
- Pay Any Card
- Breeze
- Access to the highest number of billing organisations online
Customers are always right

Branding

<table>
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<th></th>
<th>Dec'07</th>
<th>Jan'09</th>
<th>Jun'10</th>
</tr>
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<tbody>
<tr>
<td>Values</td>
<td>23%</td>
<td>36%</td>
<td>57%</td>
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Net Promoter Score

<table>
<thead>
<tr>
<th></th>
<th>Q1'10</th>
<th>Q2'10</th>
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<tbody>
<tr>
<td>Values</td>
<td>+13</td>
<td>+32</td>
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Source:
Branding: Customised / proprietary brand tracking research for SCB run by Acorn Research
Net Promoter Score: Customised / proprietary customer satisfaction/net promoter research for SCB run by Market Probe Research
NOTE: The marks “Net Promoter”, “NPS”, and “Net Promoter Score” are trademarks of Satmetrix Systems, Inc., Bain & Company, and Fred Reichheld
Wholesale Banking
Singapore

Philippe Touati
Head, OCC, Wholesale Banking, Singapore

Leading the way
in Asia, Africa and the Middle East
Key messages

- Strong and sustained performance
- Delivering on client-led strategy
- Leveraging the power of Standard Chartered network
- Continuing to invest for sustainable growth
Accelerated performance

CAGR (2002 - 2009)
Operating income: 28%
Operating profit: 31%

CAGR (2006 - 2009)
Operating income: 55%
Operating profit: 60%

Wholesale Banking income and operating profit
US$m

<table>
<thead>
<tr>
<th>Year</th>
<th>Income</th>
<th>Profit before tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>172</td>
<td>63</td>
</tr>
<tr>
<td>2003</td>
<td>158</td>
<td>65</td>
</tr>
<tr>
<td>2004</td>
<td>183</td>
<td>73</td>
</tr>
<tr>
<td>2005</td>
<td>190</td>
<td>57</td>
</tr>
<tr>
<td>2006</td>
<td>255</td>
<td>100</td>
</tr>
<tr>
<td>2007</td>
<td>421</td>
<td>181</td>
</tr>
<tr>
<td>2008</td>
<td>699</td>
<td>299</td>
</tr>
<tr>
<td>2009</td>
<td>957</td>
<td>410</td>
</tr>
<tr>
<td>H1 2010</td>
<td>580</td>
<td>273</td>
</tr>
</tbody>
</table>
Consistent strategy

Our strategy

- Deep ‘core bank’ client relationships
- Local scale and cross-border capabilities
- Balance sheet management

Key enablers

- Infrastructure
- Values and culture
Margin compression more than compensated by volume growth

Cash client liabilities revenue (period end US$)

H1 2009: +3%
H1 2010: +98%

Cash liabilities volume (period end US$)

H1 2009: +98%
H1 2010: +98%

Trade assets & contingents revenue (period end US$)

H1 2009: +34%
H1 2010: +34%

Trade assets & contingents volume (period end US$)

H1 2009: +60%
H1 2010: +60%

Source: SCB data
Delivering a client-led strategy

- Basic lending
- Transactional
- Value added
- Strategic
Executing landmark Singapore strategic deals

- Monetary Authority of Singapore
- SGD200 million
- Tiger Airways Holdings Limited
- Joint lead arranger
- Pre-delivery payment facility for six A320-200s
- Sole debt arranger
- Certificate issuance programme and leaseback of five B777s
- Financing for Singapore Airlines
Deepening client relationships

Client income

No. of clients with revenue more than US$1m per annum

Source: SCB data
Leveraging the power of SCB network

Source: SCB data

2006 2009

Domestic revenue
Catch revenue
Continuing to invest for sustainable growth

- CNH (RMB offshore)
  - Transaction Banking - cash & L/Cs
  - Value Added - options & bonds

- Bonds - CB, G3 & RMB

- Aircraft / ship financing

- Commodity derivatives

- Equity derivatives

- Cash equity / ECM
Achieving results for clients - Equities

- Cache Logistics Trust
  - SGD 200m Overnight placement
  - Joint Bookrunner and Underwriter

- Mapletree SGD 939m IPO
  - Joint Bookrunner, Issue Manager and Underwriter

- AIMS AMP Capital Industrial REIT
  - SGD 337m Marketed placement

- Enterprise SGD 80m Rights Issue
  - Sole Financial Adviser, Joint Bookrunner and Underwriter
Key messages

- Strong and sustained performance
- Delivering on client-led strategy
- Leveraging the power of Standard Chartered network
- Continuing to invest for sustainable growth
Tom Aaker
Chief Executive Officer, Indonesia

David Fletcher
President, Director - Permata Bank

Leading the way
in Asia, Africa and the Middle East
Key messages

- Indonesia is on the rise
- Indonesia presents an outstanding opportunity for us
- Risks exist, but many are diminishing
- We have big aspirations
Our franchise in Indonesia

Standard Chartered Bank
- 1,700 employees
- 19 branches in 6 cities
- Income: 67% WB / 33% CB*
- US$5bn of assets

Permata Bank
- 5,400 employees
- 277 branches in 55 cities
- Income: 39% WB / 61% CB*
- US$7bn of assets

* June 2010 company accounts
Indonesia - key facts

- Democracy, with open elections since 2004
- Population of 235m, world’s fourth largest
- >85% Muslim, but not Islamic state
- South East Asia’s largest economy - G20 member since 2009
- 2010 forecast GDP US$695bn (US$2,963 per capita)

Source: IMF WEO October 2010
Outstanding economic backdrop

- 18th largest GDP in the world, with 6.2% growth in 2010
- Strong and stable currency
- Foreign direct investment is booming
- Modest inflation at 5.1% in 2010
- Prudent monetary and fiscal policy
- Likely to be upgraded to investment-grade by 2012
## Composition of the banking sector

The Big Four

<table>
<thead>
<tr>
<th>Bank</th>
<th>Total Assets (bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank A</td>
<td>41bn</td>
</tr>
<tr>
<td>Bank B</td>
<td>41bn</td>
</tr>
<tr>
<td>Bank C</td>
<td>34bn</td>
</tr>
<tr>
<td>Bank D</td>
<td>24bn</td>
</tr>
</tbody>
</table>

Total: 142bn, 47%

Large local banks

<table>
<thead>
<tr>
<th>Bank</th>
<th>Total Assets (bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank A</td>
<td>10bn</td>
</tr>
<tr>
<td>Permata</td>
<td>7bn</td>
</tr>
<tr>
<td>Bank C</td>
<td>7bn</td>
</tr>
<tr>
<td>Bank D</td>
<td>5bn</td>
</tr>
</tbody>
</table>

Total: 22bn, 10%

SEA regional's

<table>
<thead>
<tr>
<th>Bank</th>
<th>Total Assets (bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank A</td>
<td>14bn</td>
</tr>
<tr>
<td>Bank B</td>
<td>11bn</td>
</tr>
<tr>
<td>Bank C</td>
<td>5bn</td>
</tr>
<tr>
<td>Bank D</td>
<td>5bn</td>
</tr>
</tbody>
</table>

Total: 35bn, 12%

International banks

<table>
<thead>
<tr>
<th>Bank</th>
<th>Total Assets (bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank A</td>
<td>6bn</td>
</tr>
<tr>
<td>Bank B</td>
<td>5bn</td>
</tr>
<tr>
<td>SCBI</td>
<td>5bn</td>
</tr>
<tr>
<td>Bank D</td>
<td>8bn</td>
</tr>
</tbody>
</table>

Total: 18bn, 8%

Indonesia total assets: US$298bn as of August 2010

Source: SCB analysis
Large and growing banking wallet

Indonesia revenue pool (2004-14)
US$bn (constant FX rates)

- **Consumer Banking**
  - 2004: 11
  - 2009: 14
- **Wholesale Banking**
  - 2004: 7
  - 2009: 6

- **Growth Rates**
  - Consumer Banking: 13% CAGR
  - Wholesale Banking: 12% CAGR

Source: Bank Indonesia; McKinsey forecast; SCB data
The opportunity is balanced

Risks exist …
- Bureaucracy and corruption
- Infrastructure
- Nationalism

… but the mitigants and returns are real
- Strong regulation and oversight
- High returns
- International attention
International network provides a strong competitive advantage

Focus on high value products for customers with large wallets

Talent is a key differentiator
Performance highlights

CAGR (2004 - 2009)

- Income: 18%
- Operating profit: 19%
- Profit before tax: 15%

Key balance sheet data:
- Loans: US$2.2bn
- Deposits: US$2.4bn
- Capital: US$447m
- CAR: 15.9%
- A/D Ratio: 91.0%

As at 30 June 2010

Source: SCB Accounts
<table>
<thead>
<tr>
<th>Aspiration by 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Grow income by at least 20% per annum</td>
</tr>
<tr>
<td>- Achieve 2-3% market share of banking revenues in Indonesia</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Wholesale Banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Increase wallet share of existing LCs and MNC client base</td>
</tr>
<tr>
<td>- Acquire new customers in Local Corporates and the middle market</td>
</tr>
<tr>
<td>- Achieve 5-6% share of overall WB market revenues</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Consumer Banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Build new engines for growth - New to Bank customers in High Value Segments in Tier 1 cities</td>
</tr>
<tr>
<td>- Establish a real presence in the SME space</td>
</tr>
<tr>
<td>- Achieve 1.5-2% share of overall CB market revenue</td>
</tr>
</tbody>
</table>
Wholesale Banking wallet growing fast

Standard Chartered
Bank Indonesia

Corporate Finance
Financial Markets
Transactional
Basic lending (or surplus deposit taking)

Total WB wallet - Indonesia
Wholesale Bank - strategic themes

- Expand the customer base
- Introduce new and higher value products
- Cross-sell to existing customers
- Leverage the Offshore Booking Unit
- Expand distribution channels
Indonesia’s trade is growing fast within our footprint

<table>
<thead>
<tr>
<th>Index</th>
<th>Indonesian exports to …</th>
<th>CAGR (%) 2000-2009</th>
<th>Indonesian imports from …</th>
<th>CAGR (%) 2000-2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>23.0</td>
<td></td>
<td>China</td>
<td>24.0</td>
</tr>
<tr>
<td>China</td>
<td>17.1</td>
<td></td>
<td>Vietnam</td>
<td>16.8</td>
</tr>
<tr>
<td>Vietnam</td>
<td>16.8</td>
<td></td>
<td>Malaysia</td>
<td>14.8</td>
</tr>
<tr>
<td>Malaysia</td>
<td>14.8</td>
<td></td>
<td>Philippines</td>
<td>12.7</td>
</tr>
<tr>
<td>Philippines</td>
<td>12.7</td>
<td></td>
<td>India</td>
<td>17.3</td>
</tr>
<tr>
<td>India</td>
<td>17.3</td>
<td></td>
<td>Thailand</td>
<td>17.2</td>
</tr>
<tr>
<td>Thailand</td>
<td>17.2</td>
<td></td>
<td>Singapore</td>
<td>17.0</td>
</tr>
<tr>
<td>Singapore</td>
<td>17.0</td>
<td></td>
<td>South Korea</td>
<td>9.6</td>
</tr>
<tr>
<td>South Korea</td>
<td>9.6</td>
<td></td>
<td>United Arab Emirates</td>
<td>6.0</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>6.0</td>
<td></td>
<td>Germany</td>
<td>5.5</td>
</tr>
<tr>
<td>Germany</td>
<td>5.5</td>
<td></td>
<td>South Korea</td>
<td>7.4</td>
</tr>
<tr>
<td>South Korea</td>
<td>7.4</td>
<td></td>
<td>Japan</td>
<td>6.9</td>
</tr>
<tr>
<td>Japan</td>
<td>6.9</td>
<td></td>
<td>United Arab Emirates</td>
<td>4.5</td>
</tr>
</tbody>
</table>

Source: United Nations Statistics (Comtrade)
<table>
<thead>
<tr>
<th>Wholesale Banking success stories in 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Matahari</strong></td>
</tr>
<tr>
<td>- First IDR acquisition financing</td>
</tr>
<tr>
<td><strong>Star energy / Wayang Windu</strong></td>
</tr>
<tr>
<td>- Project Finance loan for geothermal</td>
</tr>
<tr>
<td><strong>Garuda</strong></td>
</tr>
<tr>
<td>- To purchase 4 brand new type of Boeing 737 next generation aircrafts</td>
</tr>
<tr>
<td><strong>Republic of Indonesia</strong></td>
</tr>
<tr>
<td>- Debut US$ sukuk issuance</td>
</tr>
<tr>
<td>- Overwhelming global response from investors</td>
</tr>
</tbody>
</table>
# Consumer Banking - strategic themes

| Customer Charter Implementation | - Embed customer charter and deliver supporting initiatives |
| Build leadership in high value segments | - Elite Priority Banking  
- Premium Banking (Priority and Preferred)  
- SMEs |
| Maintain profitable segments of Personal Banking | - Capitalise CCPL business  
- Maximise liabilities via alternative channels  
- Explore payroll opportunities with WB |
| Optimise geographic distribution | - Double the number of branches and RM hubs  
- Build DSA hubs and Personal Loan centres  
- Expand SME footprint  
- Co-locate with WB wherever possible |
Seeing is Believing
History of Permata Bank

Permata Bank formed from 5 legacy banks

Current ownership

Consortium 89%
PT Bank Bali Tbk
PT Bank Prima Express
PT Bank Patriot
PT Bank Universal Tbk
PT Bank Artamedia

Public shareholding
Govt of Indonesia
87%
Permata overview

Extensive branch network
- 277 branches (including 10 Sharia)
- Branch coverage in 55 cities
- Optimising & expanding network

Business
Consumer and commercial segment with a wide range of products including Sharia banking

Comprehensive delivery channels
- Proprietary ATMs
- Access to over 20,000 joint ATMs
- Extensive internet & mobile banking
- Award winning call centre

Key facts
- 9th largest bank in Indonesia
- Total assets of US$7bn
- 5400 permanent staff
Performance highlights

**US$m (IFRS)**

- **2009**
  - Loans: 4,362
  - Deposits: 124
  - CIR: 66%
  - NPL (net): 1.5%

- **H1 2010**
  - Loans: 4,829
  - Deposits: 83
  - CIR: 56%
  - NPL (net): 0.9%

**Key Balance Sheet information**

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2009</th>
<th>30 Jun 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Loans (US$m)</strong></td>
<td>4,362</td>
<td>4,829</td>
</tr>
<tr>
<td><strong>Deposits (US$m)</strong></td>
<td>4,847</td>
<td>5,513</td>
</tr>
<tr>
<td><strong>Capital Adequacy Ratio (%)</strong></td>
<td>12.2%</td>
<td>13.9%</td>
</tr>
<tr>
<td><strong>AD Ratio</strong></td>
<td>91%</td>
<td>88%</td>
</tr>
</tbody>
</table>

Source: Company accounts
Working with the shareholders

Local knowledge

International banking expertise

PermataBank
Permata business overview

Aspiration by 2014
- Grow income by at least 20% per annum
- Achieve 3-4% market share of banking revenues in Indonesia

Consumer Banking
- Remain focused on upper mass and preferred segments
- Double SME market share to 5%
- Grow Sharia offering

Wholesale Banking
- Remain focused on middle market and select local corporates
- Expand geographic coverage
Consumer Banking key strategic themes

1. Optimize geographic footprint
2. Enhance Sharia business coverage
3. Deepen share of SME Wallet through cross sell
4. Expand customer base
5. Leverage shareholder synergies
6. Operational excellence
Consumer Banking key strategic themes - SME key facts

- Total Assets US$1.2bn
- Total Liabilities US$0.9bn
- 2.4% market share
- Wide range of products
- More than 22,000 customers

Permata portfolio
SME industry sectors

Source: Company data
Wholesale Banking key strategic themes

Expand geographic coverage

2. Drive transaction banking & trade products

3. Deepen share of wallet through cross sell

4. Continuously expand client base

5. Leverage shareholder synergies

6. Operational excellence
Summary

Indonesia presents an outstanding opportunity for Standard Chartered and for Permata Bank
Investor trip 2010
Taiwan

Sunil Kaushal
President and Chief Executive Officer

Leading the way
in Asia, Africa and the Middle East
Taiwan key messages

- Three integrations completed delivering good results
- Cost base reshaped, portfolio repositioned
- Greater Taipei distribution gaps largely closed
- WB improving “network connectivity”, moving up the value chain

Solid platform for high-quality earnings growth
Taiwan economic and banking overview

Update on acquisitions

Financial performance

Consumer Banking

Wholesale Banking

ECFA, cross-straits relations, and opportunities
## Taiwan - an attractive economy

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Asian Tigers</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Korea</td>
<td>1,362</td>
<td>6.1%</td>
<td>27.9</td>
</tr>
<tr>
<td><strong>Taiwan</strong></td>
<td>735</td>
<td><strong>8.8%</strong></td>
<td><strong>31.8</strong></td>
</tr>
<tr>
<td>Hong Kong</td>
<td>301</td>
<td>6.1%</td>
<td>42.7</td>
</tr>
<tr>
<td>Singapore</td>
<td>251</td>
<td>12.3%</td>
<td>50.2</td>
</tr>
<tr>
<td><strong>Other Export-Oriented Countries</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>9,047</td>
<td>10.0%</td>
<td>6.8</td>
</tr>
<tr>
<td>Japan</td>
<td>4,152</td>
<td>2.5%</td>
<td>32.6</td>
</tr>
<tr>
<td>Thailand</td>
<td>539</td>
<td>6.3%</td>
<td>8.1</td>
</tr>
<tr>
<td>Malaysia</td>
<td>383</td>
<td>6.2%</td>
<td>13.8</td>
</tr>
</tbody>
</table>

Source: International Monetary Fund, SCB Research
Taiwan - globally competitive

Major role in the global supply chain for electronics products

<table>
<thead>
<tr>
<th>Product</th>
<th>Global market share</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notebook PCs</td>
<td>95%</td>
<td>No. 1</td>
</tr>
<tr>
<td>LCD monitors</td>
<td>72%</td>
<td>No. 1</td>
</tr>
<tr>
<td>Desktop PCs</td>
<td>39%</td>
<td>No. 2</td>
</tr>
<tr>
<td>Digital still cameras</td>
<td>43%</td>
<td>No. 2</td>
</tr>
</tbody>
</table>

Source: March 2010 Market Intelligence and Consulting Institute

Preeminent position in other sectors

- Green energy (i.e. solar energy batteries) (Top 3)
- Textiles (Top 5)
- Safety and security devices (Top 3)
Taiwan - banking market overview

- Banking wallet US$bn
  - Taiwan 31.0
  - Hong Kong 30.8
  - Singapore 17.7 + Malaysia 14.4

- Market is over-banked with low returns **BUT** better run banks can earn higher margin and returns

<table>
<thead>
<tr>
<th>H1 2010</th>
<th>Operating margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign Bank A</td>
<td>47%</td>
</tr>
<tr>
<td>Foreign Bank B</td>
<td>41%</td>
</tr>
<tr>
<td>Local Bank B</td>
<td>39%</td>
</tr>
</tbody>
</table>
Agenda

- Taiwan economic and banking overview
- Update on acquisitions
- Financial performance
- Consumer Banking
- Wholesale Banking
- ECFA, cross-straits relations, and opportunities
Some context: HIB acquisition in 2006

- **SCB Taiwan branch**
  - Established 1985
  - 60% CB, 40% WB
  - < 900 staff
  - Niche WB franchise
  - CB mainly WM and unsecured

- **Hsinchu International Bank ("HIB")**
  - Established 1948
  - 93% CB, 7% WB
  - > 3,300 staff
  - Market leader in "TCM" but small in Greater Taipei
  - CB mainly mortgage, personal loans, WM
The challenge on hand

Strong headwinds

- Poor macroeconomic outlook
- Pressure on Wealth Management business
- NIM compression - likely revenue impact US$100m
- Structured Notes suspension - impact of US$40m

Source: SCB accounts
Strategic response

Key priorities

1. Reshaping the cost base
2. High quality portfolio
3. Taipei and key cities presence
4. Growing WB
5. Customer analytics
6. Targeting preferred segments

Financial aspirations

- Over US$1.0bn
- US$0.6bn

2008 - 2014
Reshaping the cost base and de-risking

<table>
<thead>
<tr>
<th>US$m</th>
<th>2007</th>
<th>2008</th>
<th>2009*</th>
<th>H1 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs</td>
<td>361</td>
<td>402</td>
<td>358</td>
<td>181</td>
</tr>
</tbody>
</table>

Costs maintained at 2007 levels

<table>
<thead>
<tr>
<th>US$m</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>H1 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>LI</td>
<td>(159)</td>
<td>(158)</td>
<td>(68)</td>
<td>9</td>
</tr>
</tbody>
</table>

Net recoveries

Centralisation & consolidation

- Consolidated call centres
- Centralised credit initiation
- Re-sizing functions
- Facilities and vendor management

De-risking & portfolio management

- Debt sales
- De-risking actions
- Enhanced collections
- Industry focus

NOTE: * Excludes for US$170m charge for the buy back of structured notes issued by the PEM Group and US$52m reduction in retirement obligations
### 3 acquisitions in 3 years

<table>
<thead>
<tr>
<th>Acquisitions</th>
<th># branches</th>
<th>Taipei presence</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCB branch Dec 2006</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>HIB Feb 2008</td>
<td>83</td>
<td>9</td>
</tr>
<tr>
<td>AEB Dec 2008</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Asia Trust Dec 2008</td>
<td>10</td>
<td>10 *</td>
</tr>
<tr>
<td><strong>SCB today</strong></td>
<td><strong>89</strong></td>
<td><strong>18</strong></td>
</tr>
</tbody>
</table>

* Post relocation
** Post relocation and branch consolidations
Greater Taipei presence - today

18 branches today, target 19 branches (21%)
Branch distribution journey

Pre-acquisition

Today

- ATMs from 4 to 400
- Initiated Innovative distribution
Strategic response summary

What we did

- Centralisation
- Staff rationalisation
- Branch consolidation
- Efficiency projects

Reinvested in

FY09:
  - +400 new sales staff
FY10:
  - +400 sales recruitment goal

- HVS branches
- Marketing
- Onshore retail securities
- Onshore private banking
- Infrastructure

>1,000 staff exited

US$44m

US$90m

Costs reduced

LI reduced
Agenda

- Taiwan economic and banking overview
- Update on acquisitions
- Financial performance
  - Consumer Banking
  - Wholesale Banking
- ECFA, cross-strait relations, and opportunities
### Taiwan financial performance

<table>
<thead>
<tr>
<th>US$m</th>
<th>H1 09</th>
<th>H2 09</th>
<th>H1 10</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>270</td>
<td>263</td>
<td>283</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(289)</td>
<td>(187)</td>
<td>(171)</td>
</tr>
<tr>
<td>One-off adjustments</td>
<td>(171)</td>
<td>(187)</td>
<td>(181)</td>
</tr>
<tr>
<td>One-off adjustments*</td>
<td>(118)</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td><strong>Operating profit before impairment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(19)</td>
<td>76</td>
<td>112</td>
<td></td>
</tr>
<tr>
<td><strong>Loan &amp; other impairment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(41)</td>
<td>(27)</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(60)</td>
<td>49</td>
<td>121</td>
<td></td>
</tr>
</tbody>
</table>

**Strong H1 2010 results, No. 2 amongst all foreign banks**

Source: SCB accounts

Note: *relates to US$170m charge for the buy back of structured notes issued by the PEM Group and US$52m reduction in retirement obligations
Asset portfolio is largely secured

Income mix – H1 2010

- CB: 79%
- WB: 21%

Customer assets - H1 2010

- CB secured: 65%
- CB unsecured: 17%
- WB lending: 9%
- WB trade: 9%

Source: SCB accounts
Capital and liquidity

Well capitalised

Conservative liquidity

**CAR ratio (%)**

<table>
<thead>
<tr>
<th></th>
<th>H1 2009</th>
<th>H2 2009</th>
<th>H1 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>4.87</td>
<td>6.89</td>
<td>7.43</td>
</tr>
<tr>
<td>Tier 2</td>
<td>4.35</td>
<td>4.25</td>
<td>5.10</td>
</tr>
</tbody>
</table>

**A/D ratio (%)**

<table>
<thead>
<tr>
<th></th>
<th>H1 2009</th>
<th>H2 2009</th>
<th>H1 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>70</td>
<td>77</td>
<td>72</td>
</tr>
</tbody>
</table>

Note: CAR is presented for SCBTL under Taiwan GAAP. 2009 is presented on a pro-forma basis, excluding the lower Tier 2 capital redeemed in January 2010.
Portfolio quality

NPL ratio improving

Good bad debt coverage

Note: Presented on a SCBTL Taiwan GAAP basis
Taiwan economic and banking overview
Update on acquisitions
Financial performance

Consumer Banking

Wholesale Banking

ECFA, cross-straits relations, and opportunities
The leading international bank in Taiwan, with the:

- Largest branch network
- Largest Mortgage portfolio
- Largest personal loans portfolio
- Largest SME loan balance
- Largest team of Wealth Management advisors
Market vs. SCB growth

H1 2010 vs H1 2009

Market growth

- Mortgages: 3%
- CCPL: 4%
- SME Lending: 10%
- MF AUM: 19%

SCB growth

- Mortgages: 15%
- CCPL: 1%
- SME Lending: 50%
- MF AUM: 32%

Source: FSC information, SCB Data
Consumer Banking – performance

H1 2010 vs H1 2009

Portfolio growth:
- Mortgages: 15%
- CCPL: 1%
- MF AUM: 32%

Revenue growth:
- Mortgages: 20%
- CCPL: 5%
- Wealth Management: 56%

Source: SCB data
WM revenues diversified

SCB WM revenues (US$m)

- Structured notes
- MF, PCI, Insurance, Securities

Source: SCB data
Consumer Banking - summary

- Distribution gaps largely closed
- Building scale in growth segments
- Robust portfolio quality with headroom to grow
- Wealth management momentum restored
Agenda

- Taiwan economic and banking overview
- Update on acquisitions
- Financial performance
- Consumer Banking

- Wholesale Banking

- ECFA, cross-strait relations, and opportunities
Wholesale Banking - journey in Taiwan

Niche Player

2005 to 2007
- Global Corporates & Custody focus
  - Small yet profitable
  - Low brand visibility

WB Transformation

2007 to 2009
- Local Corporates client base acquired from HIB
- Integration & migration
- Invested through the cycle

Accelerated Growth

2010 & beyond
- Key to Greater China strategy
- Core Bank to top tier Taiwanese corporates
- Top 3 foreign bank in Taiwan & the region
Building offshore connectivity

China
- 4 cities with Taiwan desks
- Expansion to 7 cities by 2011
- Revenue, client base up 3X since 2007

Vietnam
- Top foreign investor
- 3,000+ Taiwanese corporates
- Taiwan desk since Aug 2009

UAE
- IT company distribution hub
- Dedicated RM in place
- Leveraging “Mandarin” Branch

Hong Kong
- Focus on global markets products
- Taiwan desk with dedicated FM sales
- FM revenue up 100% since 2007

India
- New market and synergies
- SCB-led delegations
- Staff exchanges / secondment
Expanding capabilities

Banner deal

- Joint-bookrunner
- Largest ECB deal in Taiwan, No.2 in Asia in 2010
- No.2 in ECB league table for Asia ex-Japan

Industry awards

Best sub-custodian bank award in Asia - Global Finance 2010

Market position today

No.1 Sub-custodian bank

Rising star trade finance bank in Taiwan 2010 - The Asset Triple A

No.6 Trade advances (Import & export)

from No.17
Wholesale Banking – performance

H1 2010 vs H1 2009

**Portfolio growth**

- Trade Assets: 31%
- Custody AUA: 146%
- Cash: 48%
- Lending Assets: -14%

**Revenue growth**

- Trade: 61%
- Custody: 30%
- Cash: -58%
- Lending: -15%
- GM Sales: 21%

Source: SCB data
Improving client revenue mix

Source: SCB data
Improving network connectivity

Strong Transaction Banking business

Moving up value chain

Breaking into the “big league”
Agenda

- Taiwan economic and banking overview
- Update on acquisitions
- Financial performance
- Consumer Banking
- Wholesale Banking
- ECFA, cross-strait relations, and opportunities
ECFA – A milestone in X-Straits relations

Economic Cooperation Framework Agreement (ECFA) signed on 29 June 2010

Implications

- Tariff harmonisation versus ASEAN
- Financial services access
- Enhanced investment and trade
- Participate in China’s domestic market
- Potential for similar FTAs
ECFA’s importance for SCB Taiwan

**Challenges**
- Mortgages and WM
- Taiwanese corporates
- Talent

**Opportunities**
- Mainland investments
- Capital raising
- Pan-regional CB propositions
Taiwan – key messages

In approximately 150 weeks:

- Three integrations completed delivering good results
- Cost base reshaped, portfolio repositioned
- Greater Taipei distribution gaps largely closed
- WB improving “network connectivity”, moving up the value chain

Solid platform for high-quality earnings growth
Q & A