Analyst trip 2011
Wholesale Banking and Consumer Banking

Leading the way
in Asia, Africa and the Middle East
Analyst trip 2011
Wholesale Banking

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

Vivek Ahuja
Deputy Group Finance Director and Chief
Financial Officer, Wholesale Banking
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.
Agenda

- Key messages and strategy recap
- H1 2011 performance highlights
- Q3 2011 update
- Outlook and opportunities
Key messages

- We are strongly positioned to continue to deliver sustainable client income growth
- We have a clear and consistent strategy to support mid-to-high teens client income growth through the cycle
- We continue to expand our product capabilities through organic development and key acquisitions
- We have deepened our client relationships and delivered market leading transactions
- Expense discipline has been tightly managed whilst we continue to invest in key strategic priorities
- We maintain disciplined balance sheet growth with strong credit quality and a liquid and well funded balance sheet
We have a consistent strategy underpinned by our Commercial Banking business

Our strategy

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

Key enablers

- Infrastructure
- Values and culture

Client income breakdown

<table>
<thead>
<tr>
<th>Component</th>
<th>H1 11 vs H1 09 CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic</td>
<td>21% Strategic</td>
</tr>
<tr>
<td>Value Added</td>
<td>25% Value Added</td>
</tr>
<tr>
<td>FX Flow</td>
<td>9% FX Flow</td>
</tr>
<tr>
<td>Transactional</td>
<td>34% Transactional</td>
</tr>
<tr>
<td>Basic lending</td>
<td>11% Lending</td>
</tr>
</tbody>
</table>

+18%

+9%
### H1 11 financial performance recap

<table>
<thead>
<tr>
<th>US$m</th>
<th>H1 10</th>
<th>H2 10</th>
<th>H1 11</th>
<th>H1 11 vs H1 10 %</th>
<th>H1 11 vs H2 10 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>5,012</td>
<td>4,967</td>
<td>5,427</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Client income</td>
<td>4,063</td>
<td>3,970</td>
<td>4,436</td>
<td>9</td>
<td>12</td>
</tr>
<tr>
<td>Expenses</td>
<td>(2,357)</td>
<td>(2,483)</td>
<td>(2,568)</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>Operating profit before impairment</td>
<td>2,655</td>
<td>2,484</td>
<td>2,859</td>
<td>8</td>
<td>15</td>
</tr>
<tr>
<td>Loan impairment</td>
<td>(138)</td>
<td>(167)</td>
<td>(201)</td>
<td>46</td>
<td>20</td>
</tr>
<tr>
<td>Other impairment</td>
<td>(46)</td>
<td>(18)</td>
<td>(68)</td>
<td>48</td>
<td>nm</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td><strong>2,471</strong></td>
<td><strong>2,299</strong></td>
<td><strong>2,590</strong></td>
<td><strong>5</strong></td>
<td><strong>13</strong></td>
</tr>
<tr>
<td>Risk weighted assets (US$bn)</td>
<td>174.6</td>
<td>177.5</td>
<td>189.0</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>A/D ratio</td>
<td>74.5%</td>
<td>75.1%</td>
<td>74.1%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Market overview

- Eurozone impact on investor sentiment
- M&A and debt and equity issuance markets particularly affected
- Increased volatility and sharp declines in equity markets driven by flight to safety
- US$ rally versus Asian and emerging markets currencies
- Lack of correlation between rates and equities markets
Delivered a resilient performance driven by continued growth in Commercial Banking

**Cash Management**
- Average balances
  - Q3 10: 
  - Q3 11: +25%

**Trade A&C***
- Average balances
  - Q3 10: 
  - Q3 11: +24%

**FX**
- Notional volumes
  - Q3 10: 
  - Q3 11: +33%

**Highlights**
- Balances boosted by flight to quality
- Increased RMB contribution
- Stable/rising NIMs

**Strong growth in open account trade and supply chain finance**
- QoQ NIM improvement with further re-pricing opportunities

**US$ volatility**
- Increased volumes in Asian crosses
- Wider spreads, particularly September

---

*Trade A&C = Trade assets and contingents*
Strong performance in FX, Rates and Commodities but challenging markets affected CF, CM and PF

Financial Markets
- Double digit YoY growth in FX, Rates and Commodities driven by increased volumes
- QoQ growth from all trading-related product lines
- Capital Markets pipeline execution impacted by market conditions

Corporate Finance
- Good flow of small/mid sized deals with deal volumes up strongly YoY
- Robust deal pipeline and continued build out of franchise
- Large deal pipeline execution impacted by market conditions

ALM
- Performance up on the first half run rate

Principal Finance
- Falling market valuations impacted existing investments but created new investment opportunities
We are strongly positioned for opportunities in a changing external environment

<table>
<thead>
<tr>
<th>Market and regulatory environment</th>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact of Eurozone on confidence</td>
<td>Core footprint is in the heart of GDP and trade growth</td>
</tr>
<tr>
<td>Emerging market inflation</td>
<td>Market share gain opportunities</td>
</tr>
<tr>
<td>Lack of directional trends</td>
<td>Global banks refocus on core domestic markets</td>
</tr>
<tr>
<td>Sustained growth in trade flows but risk of cyclical lag</td>
<td>Investor flight to quality</td>
</tr>
<tr>
<td>Further tightening of global liquidity</td>
<td>Commercial Banking strength</td>
</tr>
<tr>
<td>Basel 3 changes</td>
<td>Short asset tenor enables swift ability to re-price</td>
</tr>
<tr>
<td>Regulatory impact on cost of liquidity</td>
<td>Ability to provide liquidity is enabler to benefit from re-pricing opportunities</td>
</tr>
<tr>
<td>Delayed risk-transfer of distribution transactions</td>
<td>Longevity and depth of client relationships</td>
</tr>
</tbody>
</table>
We have clear opportunities to generate continued and sustainable income growth

- Deepen relationships with existing client base
- Continue to build product capability
- Client segments focus with industry specialisation
- Developing presence in next generation markets
Maximising the potential of our existing client base

**Increase cross sell**

- Top 10 clients: 18%
- Top 50 clients: 17%
- Top 100 clients: 9%
- Cross sell: Increase

**Manage sub-optimal returns**

- Return optimisation - 300 target clients
- RWAs reinvested into higher RoRWA opportunities
- Increased income from target client group

- Focus on sub-optimal return clients

Client income (US$m)

- Next 500 clients: 12%
We continue to expand our product capabilities.

Examples of expected growth products:

- **Transaction Banking**
  - RMB: trade settlement, clearing and account services
  - Integrated Cash and Trade product offerings
  - Open account trade products

- **Financial Markets**
  - Commodities: financing, derivatives and advisory
  - Equities: sales, trading and research platform
  - RMB: derivatives, offshore NDFs, Dim Sum bonds

- **Corporate Finance**
  - Metals and mining advisory
  - Equity Capital Markets advisory
We have deepened relationships and grown our income across all client segments.

### Client income (US$m)

<table>
<thead>
<tr>
<th>Sector</th>
<th>H1 09</th>
<th>H1 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Corporates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1 09-CAGR</td>
<td></td>
<td>+9%</td>
</tr>
<tr>
<td>Local Corporates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1 09-CAGR</td>
<td></td>
<td>+18%</td>
</tr>
<tr>
<td>Financial Institutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1 09-CAGR</td>
<td></td>
<td>+7%</td>
</tr>
</tbody>
</table>

### Key areas of focus

- **Strategic client coverage group**
  - Further roll-out of successful strategy

- **Global Corporates**
  - Continued focus on deepening relationships
  - Increase focus on asset growth, distribution and returns

- **Local Corporates**
  - Building strong local franchise, e.g. China, Indonesia
  - Up-tiering client relationships

- **Financial Institutions**
  - Investors and intermediaries

---

1 Commercial Banking = OCC Lending + Transaction Banking + Cash FX; Value Added = Financial Markets – Cash FX; Strategic = Corporate Finance + Principal Finance
We are leveraging our deep client relationships and network to drive offshore income growth.

Originated income - domestic (H1 11) and offshore (H1 11, H1 15F)

<table>
<thead>
<tr>
<th>H1 09 - H1 11 CAGR (%)</th>
<th>Offshore H1 11</th>
<th>Incremental offshore H1 15F</th>
<th>Domestic H1 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offshore</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>87</td>
<td>49</td>
<td></td>
<td></td>
</tr>
<tr>
<td>83</td>
<td>-8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>-6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>38</td>
<td>14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>305</td>
<td>36</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Key origination hubs:
- UK / Europe
- Americas
- China
- India
- Korea
- Singapore
- UAE
- Hong Kong
- Indonesia
**Our next generation markets such as China are key to achieving sustainable income growth**

### WB China - highlights

<table>
<thead>
<tr>
<th>H1 09 - H1 11 CAGR (%)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Client income</td>
<td>40</td>
</tr>
<tr>
<td>Offshore income</td>
<td>87</td>
</tr>
<tr>
<td>Customer assets</td>
<td>15</td>
</tr>
<tr>
<td>GDP growth forecast¹</td>
<td>9.2</td>
</tr>
</tbody>
</table>

### Key opportunities

- Chinese trade flows within our network
- Deepen local franchise
- Development of domestic capital markets
- International expansion of local corporates

### H1 11 total income split

- TB
- Net Lending
- ALM
- FM ex. ALM
- CF
- PF

### H1 11 YoY origination income growth

- Inbound +153%
- HK offshore income +37%
- China offshore income +132%
- Inbound +16%

¹ GDP growth represents 2011 forecast GDP growth
Summary

- We will sustain consistent growth in client income through relentless execution of a client focused strategy and diversification of income.

- We continue to expand our product capabilities through organic development and key acquisitions.

- We operate in attractive markets and continue to gain market share in next generation markets.

- Expense discipline will be maintained and we continue to invest.

- We maintain disciplined balance sheet growth with strong credit quality, a liquid and well funded balance sheet and continued focus on capital optimisation.
Leading the way
in Asia, Africa and the Middle East

Karen Fawcett
Group Head, Transaction Banking
Key messages

- **Transaction Banking** is critical to Wholesale Banking strategy and pivotal to our client relationships
  - Our cash business provides liquidity feedstock for the bank
  - Our trade business anchors relationships and provides real insight into our clients

- We have strong capabilities to serve all client segments and are actively deepening relationships

- We are well positioned and well invested for future growth
Providing fundamental daily services to clients

Securities Services
- Custody and clearing
- Regional custody
- Broker clearing
- Fund services
- Alternative investment fund services

Cash Management
- Global liquidity management
- Receivables management
- Domestic and cross-border payments

Trade Finance
- Documentary credit and collection
- Trade financing solutions
- Supply chain financing
- Receivables services
- Document checking

Clearing Services
- G3 clearing services
- Local currency clearing services
- Third party payments services for corporates

Global custodians
Brokers
Investors
- Global
- Local
- Commodity

Banks
Corporates
Transaction Banking is key to the Wholesale Banking strategy

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

Key enablers
- Infrastructure
- Values and culture

Commercial Banking = Lending + Transaction Banking + Cash FX; Value Added = Financial Markets – Cash FX; Strategic = Corporate Finance + Principal Finance
Consistent financial performance

Transaction Banking revenue (US$m)

- Security services
- Trade
- Cash

2002 - 2010 CAGR: 18%

H1 11 vs H1 10 21%
Strong business growth despite volatile margins

Average Trade assets and contingents and Trade margin*

- Average Trade assets and contingents (LHS)
- Trade margin (RHS)

Average Cash and Security Services liabilities and Cash NIM

- Average Security Services liabilities (LHS)
- Average Cash liabilities (LHS)
- Cash NIM (RHS)

* Trade margin includes Trade NIM and fees
Global recognition and scale

Primary and secondary transaction banker
Top 10 banks (number of customers)

# 1 in Trade
# 8 globally (across cash, payments, Trade and treasury)

Source: SWIFT

Source: East & Partners Asian Institutional Transaction Banking Markets Program May 2011
Users: 933 Institutions in Asia - China, Hong Kong, India, Indonesia, Malaysia, Philippines, Singapore, Korea, Taiwan, Thailand
Trade as anchor

Top 300 clients H1 11

Average revenues
Excluding Trade revenues

- +27%

Clients without Trade  Clients with Trade

Number of products
Excluding Trade products

- +66%

Clients without Trade  Clients with Trade

Source: WB Finance
Liquidity engine of the Bank

- Client deposit growth > 20%
- "Sticky" operational deposits - (> 12 months behavioural tenor)
- Funding before lending - > 40% liabilities for the rest of the Bank
- Strong and improving US$ proportion - 51%
Areas of differentiation

**Capital management**
- Distribute 25% of Transaction Banking risk weighted assets
- Diversified structures (collateralised loan obligations (CLOs), funded distribution, insurance)

**Technology**
- Global platforms
- Hubbing
- Trade port
- Straight to Bank
- Building Securities platform and planning for Cash

**Network**
- 1,700 offices and 5,800 ATMs in 70 markets

**RMB**
- Third largest RMB clearing bank behind Bank of China and ICBC
- RMB trade services 30 countries
- Approximately 8% - 15% market share across key products
One Bank

Consumer Banking
- Employee banking
- Commercial branches
- SME Trade and Cash capabilities
- Private Banking

Wholesale Banking
- Transactional to transactional (TBFX)
- Strategic to transactional
With considerable upside for growth

- Standard Chartered
- Global income
- Income

- US$bn
- 250
- 252bn
- ~0.5% Market share
- ~0.4% Market share
- 39bn
- 47bn
- ~5%

Source: Oliver Wyman analysis - July 2011 (based on 2010 annual data)
Located in the right places and beating the competition

**Inter-regional trade forecast (CAGR 2010 - 2030)**

- MENA: 17%
- China: 18%
- Africa: 14%

All inter-regional trade CAGR 10%

Source: Standard Chartered Research; CIJ = China, India and Japan

**SCB trade asset growth vs. global import / export values**

- SCB trade A&C
- Market trade A&C

Sources: SCB Trade Assets and Contingents (A&C); WB Finance; Trade data: Reuters
Key messages

- Transaction Banking is critical to Wholesale Banking strategy and pivotal to our client relationships
  - Our cash business provides liquidity feedstock for the bank
  - Our trade business anchors relationships and provides real insight into our clients

- We have strong capabilities to serve all client segments and are actively deepening relationships

- We are well positioned and well invested for future growth
Analyst trip 2011
Consumer Banking

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

Andrew Bester
Chief Operating Officer, Consumer Banking
Consumer Banking

- Presence in 44 countries
- Over 13 million customers
- Over 1,500 branches
- Nearly 6,000 ATMs
- 6.5 million cards in circulation
- 29 online banking countries
Key messages

- CB transformation on track and delivering

- Well positioned to weather current challenges - competition, margins

- Continuing to pace investment for long term growth
Consumer Banking strategy remains unchanged

The world’s best international Consumer Bank in each of our chosen markets and segments

Participation model
- Focus on High Value Segments*
- Three standard models
- Prioritised investment
- Hub and spoke, shared utilities

Customer focus
- Distinctive Customer Value Propositions (CVP) and world class RM
- Main bank relationship & payroll driven
- Needs based bundling

‘Back to basics
- Re-engineering and centres of excellence
- Liquidity and secured lending
- Strong risk and cost discipline
- Performance management

* High Value Segments (HVS) - SME, Private, Priority
Entering “Tune” phase of transformation

“Install”
Jan 2009 - Apr 2011
- Participation models
- CVPs for HVS
- Customer charter
- “The SC Way”
- B/S* momentum
- Performance management

“Tune”
May 2011 - Dec 2012
- Personal and Islamic CVP
- Embed charter & SC Way
- “Trusted Advisor”
- Strengthen brand
- Drive B/S* momentum
- Alternative distribution

“Outperform”
Jan 2013+
- Multi-channel experience
- Brand/NPS** leadership
- Competitive RORWA
- World class technology
- Optimised analytics
- Employer of choice

* B/S = balance sheet, **NPS = Net Promoter Score
Customer segments

Program criteria

- HNW with AUM ≥ US$1m
- SME with turnover ≤ US$25m
- Affluent with AUM ≥ US$100k
- Emerging affluent and mass market with AUM < US$100k

Program criteria are indicative and vary by countries based on local market environment.
Private Banking

Recognition from the industry

- Robust 31% AUM growth YoY as at H1 11
- Well positioned for higher growth
  - Strong wealth creation in our focus markets in Asia, Africa and Middle East where wealth is being generated at double the rate of developed economies
  - One bank as a competitive advantage
- People are key to our success: 470+ RM as at H1 11
- Deposits led business with double digit income and footings growth
- Good progress on delivering strengthened Customer Value Propositions
- Rolled out service guarantees to support our SME proposition
- SME Banking operates in 29 countries
Double digit growth in income, AUM and balance sheet

Growth propelled by deepening share of clients’ wealth wallet

Capturing the fast growing international banking clientele

Leveraging network of 31 markets across Asia, Africa and Middle East
Personal Banking

- Largest customer segment in Consumer Banking
- Strong pipeline for High Value Segments
- Key to employee banking proposition
- Product bundles successful in meeting customer needs
Redefining customer experience

iPhone Breeze

Internet banking

New branch design
Differentiated service and solutions

Fast and accurate service

- 8 Minutes Service Pledge
- Introducing 1-hour home loan approval guarantee
- Next-day delivery guaranteed

Innovative solutions

Segment-led propositions

- 360° rewards

Strategic alliances

Campaigns and new products

- Howzaaati!! Debit Card Account
- Live your passion every moment with the Standard chartered Howzaaati!! Debit Card Account

Customer metrics show strong progress

**Net Promoter Score**
- 2008: 12
- 2009: 25
- 2010: 39
- Jun 11: 47

**Products per customer**
- 2008: 100
- 2009: 107
- 2010: 114
- Jun 11: 125

**SC Way**
- # Conversations / week: +72%
- # Sales/ week: +63%
- # Solutions sold/ week: +84%

**Active internet users (m)**
- Dec 08: 1.10
- Dec 09: 1.45
- Dec 10: 1.88
- Jun 11: 2.00

**Complaints / ‘000 accounts**
- 2008: 1.44
- 2009: 0.83
- 2010: 0.53
- H1 11: 0.45

**Q12 ® scores distribution**
- 2008: 3.91
- 2009: 4.08
- 2010: 4.27

*SC Way: Standard Chartered Way, data as at September 2011  **Products per customer (PPC) index
Bringing it all together

To be the world’s best international Consumer Bank in each of our chosen markets and segments across Asia, Africa and the Middle East

Participation model

Customer focus

‘Back to basics’

Our customer charter

Our team is here to give you...

- Friendly, fast and accurate service
- Solutions to financial needs
- Recognition & reward overall banking relationship

Our goal is to be the Bank you recommend to friends, family and colleagues

SC Way

Culture

Brand

Deliver sustainable operating performance
Leading the way
in Asia, Africa and the Middle East

Kevin Hoffman-Smith
Chief Financial Officer, Consumer Banking
## H1 11 financial performance

<table>
<thead>
<tr>
<th>US$m</th>
<th>H1 10</th>
<th>H1 11</th>
<th>H1 11 vs H1 10</th>
<th>H1 11 vs H1 10 % (constant currency)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>2,912</td>
<td>3,337</td>
<td>425</td>
<td>15</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>(1,966)</td>
<td>(2,109)</td>
<td>143</td>
<td>7</td>
</tr>
<tr>
<td><strong>Operating profit before impairment</strong></td>
<td>946</td>
<td>1,228</td>
<td>282</td>
<td>30</td>
</tr>
<tr>
<td><strong>Loan impairment</strong></td>
<td>(299)</td>
<td>(211)</td>
<td>(88)</td>
<td>(29)</td>
</tr>
<tr>
<td><strong>Other impairment</strong></td>
<td>(4)</td>
<td>(4)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>643</td>
<td>1,013</td>
<td>370</td>
<td>58</td>
</tr>
</tbody>
</table>
Income by segment

Program criteria

- HNW with AUM ≥ US$1m
- SME with turnover ≤ US$25m
- Affluent with AUM ≥ US$100k
- Emerging affluent and Mass market with AUM < US$100k

Program criteria are indicative and vary by countries based on local market environment

% of H1 11 income

- Private Banking
- SME Banking
- Priority Banking
- Personal Banking

H1 11 vs H1 10 income growth

- High Value Segments 46%
- Not to Scale 19%
- Not to Scale 10%

Program criteria are indicative and vary by countries based on local market environment
## Income by geographies

<table>
<thead>
<tr>
<th>US$m</th>
<th>H1 10</th>
<th>H1 11</th>
<th>H1 11 vs H1 10</th>
<th>H1 11 vs H1 10 %</th>
<th>H1 11 % of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>523</td>
<td>642</td>
<td>119</td>
<td>23</td>
<td>19</td>
</tr>
<tr>
<td>Singapore</td>
<td>333</td>
<td>445</td>
<td>112</td>
<td>34</td>
<td>13</td>
</tr>
<tr>
<td>Korea</td>
<td>510</td>
<td>583</td>
<td>73</td>
<td>14</td>
<td>18</td>
</tr>
<tr>
<td>Other Asia Pacific</td>
<td>704</td>
<td>797</td>
<td>93</td>
<td>13</td>
<td>24</td>
</tr>
<tr>
<td>India</td>
<td>251</td>
<td>238</td>
<td>(13)</td>
<td>(5)</td>
<td>7</td>
</tr>
<tr>
<td>MESA*</td>
<td>344</td>
<td>359</td>
<td>15</td>
<td>4</td>
<td>11</td>
</tr>
<tr>
<td>Africa</td>
<td>183</td>
<td>202</td>
<td>19</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>Americas, UK &amp; Europe</td>
<td>64</td>
<td>71</td>
<td>7</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,912</strong></td>
<td><strong>3,337</strong></td>
<td><strong>425</strong></td>
<td><strong>15</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*NOTE: * MESA refers to Middle East and Other South Asia
## Income by product

<table>
<thead>
<tr>
<th>US$m</th>
<th>H1 10</th>
<th>H1 11</th>
<th>H1 11 vs H1 10</th>
<th>H1 11 vs H1 10 %</th>
<th>H1 11 % of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cards, Personal Loans &amp; Unsecured Lending</td>
<td>988</td>
<td>1,149</td>
<td>161</td>
<td>16</td>
<td>34</td>
</tr>
<tr>
<td>Mortgages and Auto Finance</td>
<td>733</td>
<td>751</td>
<td>18</td>
<td>2</td>
<td>22</td>
</tr>
<tr>
<td>Deposits</td>
<td>571</td>
<td>691</td>
<td>120</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>Wealth Management</td>
<td>535</td>
<td>657</td>
<td>122</td>
<td>23</td>
<td>20</td>
</tr>
<tr>
<td>Others</td>
<td>85</td>
<td>89</td>
<td>4</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>2,912</td>
<td>3,337</td>
<td>425</td>
<td>15</td>
<td>100</td>
</tr>
</tbody>
</table>
Loan growth and composition

**Loans by product (US$bn)**

- **YoY +US$23bn (+22%)**

<table>
<thead>
<tr>
<th>Product</th>
<th>H1 10</th>
<th>H1 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>SME</td>
<td>14</td>
<td>20</td>
</tr>
<tr>
<td>Others</td>
<td>28</td>
<td>33</td>
</tr>
<tr>
<td>Mortgages</td>
<td>61</td>
<td>73</td>
</tr>
</tbody>
</table>

**Loans by geography (US$bn)**

- **YoY +US$23bn (+22%)**

<table>
<thead>
<tr>
<th>Geography</th>
<th>H1 10</th>
<th>H1 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>103</td>
<td>126</td>
</tr>
<tr>
<td>Others</td>
<td>22</td>
<td>26</td>
</tr>
<tr>
<td>Singapore</td>
<td>21</td>
<td>24</td>
</tr>
<tr>
<td>Korea</td>
<td>29</td>
<td>35</td>
</tr>
<tr>
<td>Other Asia Pacific</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>Rest of the world</td>
<td>22</td>
<td>27</td>
</tr>
</tbody>
</table>

**Note:** Other includes personal loans and credit cards
Deposits and AUM growth

Customer deposits (US$bn)

<table>
<thead>
<tr>
<th></th>
<th>H1 10</th>
<th>H1 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASA</td>
<td>74</td>
<td>84</td>
</tr>
<tr>
<td>TD</td>
<td>48</td>
<td>58</td>
</tr>
<tr>
<td>Others</td>
<td>130</td>
<td>150</td>
</tr>
</tbody>
</table>

YoY +US$20bn (+16%)

AUM* (US$bn)

<table>
<thead>
<tr>
<th></th>
<th>H1 10</th>
<th>H1 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 10</td>
<td>36</td>
<td>49</td>
</tr>
</tbody>
</table>

YoY +US$13bn (+38%)

* AUM excludes deposits
## Loan impairment and delinquency trend by product

<table>
<thead>
<tr>
<th></th>
<th>H1 10</th>
<th>H1 11</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mortgages</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LI/ANR</td>
<td>0.05%</td>
<td>0.04%</td>
</tr>
<tr>
<td>30dpd/ENR</td>
<td>0.70%</td>
<td>0.60%</td>
</tr>
<tr>
<td>Loan book (US$bn)</td>
<td>61</td>
<td>73</td>
</tr>
<tr>
<td>LI (US$m)</td>
<td>17</td>
<td>13</td>
</tr>
<tr>
<td><strong>SME</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LI/ANR</td>
<td>0.60%</td>
<td>0.40%</td>
</tr>
<tr>
<td>90dpd/ENR</td>
<td>1.10%</td>
<td>0.58%</td>
</tr>
<tr>
<td>Loan book (US$bn)</td>
<td>14</td>
<td>20</td>
</tr>
<tr>
<td>LI (US$m)</td>
<td>44</td>
<td>38</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LI/ANR</td>
<td>1.93%</td>
<td>1.03%</td>
</tr>
<tr>
<td>Including</td>
<td></td>
<td></td>
</tr>
<tr>
<td>personal loans &amp; credit cards</td>
<td>2.58%</td>
<td>2.09%</td>
</tr>
<tr>
<td>Loan book (US$bn)</td>
<td>28</td>
<td>33</td>
</tr>
<tr>
<td>LI (US$m)</td>
<td>238</td>
<td>160</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LI/ANR</td>
<td>0.58%</td>
<td>0.35%</td>
</tr>
<tr>
<td>30dpd/ENR</td>
<td>1.20%</td>
<td>0.95%</td>
</tr>
<tr>
<td>Loan book (US$bn)</td>
<td>103</td>
<td>126</td>
</tr>
<tr>
<td>LI (US$m)</td>
<td>299</td>
<td>211</td>
</tr>
</tbody>
</table>

**NOTE:** LI - Loan impairment, ANR - Average net receivables, ENR - End period net receivables
<table>
<thead>
<tr>
<th>Headwinds</th>
<th>Key Messages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographies under pressure – Korea and India</td>
<td>Strong and balanced income and growth across segments, geographies and products</td>
</tr>
<tr>
<td>Increasing competition for liquidity</td>
<td>Expenses tightly managed and investments strategically prioritised</td>
</tr>
<tr>
<td>Weaker investor sentiment</td>
<td>Stable impairment and delinquency trends</td>
</tr>
</tbody>
</table>
Leading the way
in Asia, Africa and the Middle East

Judy Hsu
Global Head, Wealth Management
Asia is the fastest growing Wealth Management market

Market growth rate

CAGR 2010-2015 (%)

- Asia ex-Japan: 11%
- South America: 9%
- Middle East / Africa: 8%
- North America: 5%
- Europe: 4%

AUM by country in our footprint

- Middle East / Africa: $6.7tn CAGR 8%
- Rest of Asia*: $6.1tn CAGR 8%
- Singapore: $1.3tn CAGR 6%
- Hong Kong: $3.4tn CAGR 13%
- Korea: $2.8tn CAGR 8%
- Taiwan: $2.6tn CAGR 3%
- India: $5.4tn CAGR 18%
- China: $15.7tn CAGR 14%

* Rest of Asia includes: Indonesia, Thailand, Malaysia, New Zealand, Philippines, Pakistan, Australia

Source: BCG 2011 wealth report

Source: Standard Chartered analysis
Growth of SME presents Wealth Management opportunity

SME deposit growth in Asia

Indicative SME deposit market volumes (US$bn)

- 

2008: ~630

2013: ~970

CAGR (08-13): 9%

Needs of business owners

- Cash-rich small businesses (SBs) look for short term, yield enhancement products to park their excess cash.

- Medium enterprises (MEs) with international trading require FX and hedging solutions.

- Both SBs and MEs also require protection solutions:
  - key man insurance
  - employee banking insurance

Source: Standard Chartered estimates
Bancassurance opportunity

- Total insurance premiums in Asia excluding Japan grew from US$147bn in 2000 to US$603bn in 2010, a CAGR of 15%

2000 - 2010 CAGR

<table>
<thead>
<tr>
<th>Region</th>
<th>2000 (US$tn)</th>
<th>2010 (US$tn)</th>
<th>2000-2010 CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia (ex Japan)</td>
<td>0.60</td>
<td>1.28</td>
<td>15%</td>
</tr>
<tr>
<td>Africa</td>
<td>0.07</td>
<td>0.07</td>
<td>9%</td>
</tr>
<tr>
<td>Europe</td>
<td>1.62</td>
<td>1.62</td>
<td>7%</td>
</tr>
<tr>
<td>North America</td>
<td>3.49</td>
<td>3.49</td>
<td>3%</td>
</tr>
</tbody>
</table>

Life insurance premiums distributed through banks as % of total premiums

- Customers increasingly value the convenience and expertise of banks

<table>
<thead>
<tr>
<th>Country</th>
<th>2001</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>3</td>
<td>49</td>
</tr>
<tr>
<td>Indonesia</td>
<td>0</td>
<td>26</td>
</tr>
<tr>
<td>Korea</td>
<td>0</td>
<td>46</td>
</tr>
<tr>
<td>Taiwan</td>
<td>4</td>
<td>65</td>
</tr>
<tr>
<td>India</td>
<td>0</td>
<td>33</td>
</tr>
</tbody>
</table>

Source: McKinsey, Note: Indonesia and China are based on gross written premium while the rest are based on new business premium

1 2009 2 Private sector ex Life Insurance Corporation of India

Source: SwissRe Sigma 2010 report
Well positioned to capture the opportunities

One of the largest foreign banks in Asia, Africa & Middle East

North Asia
600+ branches

Korea, China, Hong Kong, Taiwan, Japan

South Asia, Africa, Middle East*

Pakistan, Oman, Qatar, Bangladesh, Lebanon, Ghana, Nigeria, Botswana, Cameroon, Sierra Leone

UAE, India
500+ branches

UAE, India

South East Asia
350+ branches

Singapore

Malaysia, Indonesia, Brunei, Thailand, Philippines, Vietnam

Primary focus: top 7 markets

* Includes all other countries not included in North Asia and South East region
Wealth Management in Standard Chartered

Wealth Management Customer segments Customer solutions

Product

Investment strategy & advisory

Infrastructure

Private Banking

SME Banking

Priority Banking

Personal Banking

Investment services

Yield enhancement

Active advisory

Forex & hedging

Portfolio advisory

Insurance & wealth protection

Discretionary portfolio

Credit & lending

Serving 13 million Consumer Banking customers, including 1.9 million Wealth Management customers

Not to Scale
Differentiated Wealth Management model

1. Leverage ‘One Bank’ strengths and expertise
   - Global research
   - Markets products
   - Risk management
   - GTO
   - Third party providers

2. Build scale and efficiency through a common infrastructure
   - Research and advisory
   - Products
   - Platforms
   - Processes and governance
   - Scale
   - Speed to market
   - Efficiency

3. Stay customer focused
   - Private Banking
   - Priority Banking
   - SME
   - Personal Banking
Delivered double digit growth over last four years

Income has weathered the volatility fairly well, but is not decoupled from market

Focus to continue building a diversified and broad based business
Diversified income stream - products

Income mix by product

H1 07
Total US$423m

H1 11
Total US$657m

- Insurance
- Structured products
- Securities
- FX and dual currency deposits
- Funds

55% revenue growth between H1 07 and H1 11
Diversified income stream - segment

Income mix by segment

H1 07
Total US$423m

H1 11
Total US$657m

Graph showing the income mix by segment for H1 07 and H1 11.
Strategic priorities - affluent / HNW segment

**Move to an advice-led proposition**
- Access to comprehensive insight, research and products, leveraging our footprint expertise

**Build world-class technology**
- Multi-channel execution and servicing capabilities that empower customers and our frontline staff

Right hand side image: Copyright © Finantix 2001-2010 All rights reserved
Standard Chartered online - securities

It’s good to trade online with no minimum commission.

Zero custody fees. Transfer your shares to our custody. Plus, from now till 31 December 2011, successful transfers will receive up to $100 worth of shopping vouchers.

S$100 worth of shopping vouchers

Trade for free. Apply for Online Trading and enjoy 2 free trades worth up to S$250.

10 global markets within reach
1 million opportunities await

1 way to trade for free

Terms and Conditions apply and are available at our branches or standardchartered.com.sg. *To qualify for the Share Transfer Promotion, customers must have a securities online trading account and have successfully transferred-in shares into a securities online trading account, valued in the aggregate of at least S$150,000, from 20 October 2011 to 31 December 2011 (both dates inclusive). The “Promotion Period”. Based on the trading price of such security at the time of the transfer into the new account. For every S$100,000 worth of shares transferred into Standard Chartered Bank (“SCB”) during the Promotion Period, customers will be entitled to S$10 worth of Shopping Vouchers, up to a limit of S$100. **To qualify for the Sign-up Promotion, customers must open a securities online trading account and trade with SCB from 5 October 2011 to 31 December 2011 (both dates inclusive). The “Promotion Period”). This is not an offer recommendation or solicitation to anyone to enter into any transaction or adopt any hedging, trading or investment strategy. You are fully responsible for your investment decision, including whether the Online Trading Service is suitable for you. The products/services involved are not principal-protected and you may lose all or part of your original investment amount.

To know more, call 1800 242 5333 or visit standardchartered.com.sg
Capturing the SME opportunity

Relationship deepening

- Increase penetration of FX and FX hedging needs via increased treasury specialists and disciplined account planning

- Target SMEs with yield enhancement and deposit replacement products

Build world-class technology

- Multi-channel execution and servicing capabilities that empower SMEs and our frontline staff

Right hand side image: Copyright © Finantix 2001-2010 All rights reserved
Capturing the bancassurance opportunity

**Enhance the value proposition**
- Embed protection as a core part of the advisory process
- Introduce a more comprehensive range of products & solution

**Build-out distribution**
- Expand channels to market including tele-marketing, direct marketing, online and mobile
- Build-out the number of insurance specialists

- **Our Investment Advisory Process**
  1. Identify needs, goals & objectives
  2. Check investment plans
  3. Propose solutions
  4. Review transactions
  5. Report on investment performance & inform
  6. Offer investment returns

- **Product Categories**
  - General Insurance
  - Accident & Health
  - Life Insurance
Key messages

- We are in the fastest growing Wealth Management markets in the world

- Our business is performing strongly - income is diversified across region, products and segments

- We are well positioned to capture the growth opportunity and will continue to invest for long term growth