Forward looking statement

This presentation contains or incorporates by reference ‘forward-looking statements’ regarding the belief or current expectations of Standard Chartered, the Directors and other members of its senior management about the Group’s businesses and the transactions described in this presentation. Generally, words such as “may”, “could”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue” or similar expressions identify forward-looking statements.

These forward-looking statements are not guarantees of future performance. Rather, they are based on current views and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company and/or its Group and are difficult to predict, that may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements. Such risks and uncertainties changes in the credit quality and the recoverability of loans and amounts due from counterparties; changes in the Group’s financial models incorporating assumptions, judgments and estimates which may change over time; risks relating to capital, capital management and liquidity; risks arising out of legal and regulatory matters, investigations and proceedings; operational risks inherent in the Group’s business; risks arising out of the Group’s holding company structure; risks associated with the recruitment, retention and development of senior management and other skilled personnel; risks associated with business expansion and engaging in acquisitions; global macroeconomic risks; risks arising out of the dispersion of the Group’s operations, the locations of its businesses and the legal, political and economic environment in such jurisdictions; competition; risks associated with the UK Banking Act 2009 and other similar legislation or regulations; changes in the credit ratings or outlook for the Group; market, interest rate, commodity prices, equity price and other market risk; foreign exchange risk; financial market volatility; systemic risk in the banking industry and amongst other financial institutions or corporate borrowers; cross-border country risk; risks arising from operating in markets with less developed judicial and dispute resolution systems; risks arising out of regional hostilities, terrorist attacks, social unrest or natural disasters and failure to generate sufficient level of profits and cash flows to pay future dividends.

Any forward-looking statement contained in this presentation based on past or current trends and/or activities of Standard Chartered should not be taken as a representation that such trends or activities will continue in the future. No statement in this presentation is intended to be a profit forecast or to imply that the earnings of the Company for the current year or future years will necessarily match or exceed the historical or published earnings of the Company. Each forward-looking statement speaks only as of the date of the particular statement. Standard Chartered expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Standard Chartered’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.
Sir John Peace
Chairman
### Our Ambition
The world’s best international bank

### Our Strategy
We bank the people and companies driving investment, trade and the creation of wealth across Asia, Africa and the Middle East

### Our Brand Promise
Here for good

<table>
<thead>
<tr>
<th>Our Aspirations</th>
<th>Relationships</th>
<th>Investment</th>
<th>Trade</th>
<th>Wealth</th>
<th>Relevant Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Build trusted relationships with the people, companies and institutions shaping our markets’ future</td>
<td>Play a leading role in facilitating investment and deepening financial markets</td>
<td>Become the undisputed leader in commercial payments and financing for and in Asia, Africa and the Middle East</td>
<td>Be recognised as a leader in growing and protecting our clients’ wealth</td>
<td>Establish sufficient scale, balance sheet and franchise strength to be relevant and influential in our key markets</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Our Values</th>
<th>Courageous</th>
<th>Responsive</th>
<th>International</th>
<th>Creative</th>
<th>Trustworthy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>We take measured risks and stand up for what is right</td>
<td>We deliver relevant, timely solutions for clients and customers</td>
<td>We value diversity and collaborate across the network</td>
<td>We innovate and adapt, continuously improving the way we work</td>
<td>We are reliable, open and honest</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Our Commitments</th>
<th>Colleagues</th>
<th>Society</th>
<th>Investors</th>
<th>Regulators</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A great place to work, enabling individuals to grow and teams to win</td>
<td>A force for good, promoting sustainable economic and social development</td>
<td>A distinctive investment, delivering consistently superior performance via disciplined growth</td>
<td>A responsible partner with exemplary governance and ethics</td>
</tr>
</tbody>
</table>
Stakeholder interests

Allocation of the Group’s earnings (%)

- 2010:
  - Dividends paid: 18.5%
  - Earnings retained: 40.3%
  - Corporate taxation + UK Bank levy: 22.8%
  - Cost of variable compensation: 18.5%

- 2011:
  - Dividends paid: 15.6%
  - Earnings retained: 39.6%
  - Corporate taxation + UK Bank levy: 24.4%
  - Cost of variable compensation: 15.6%

- 2012:
  - Dividends paid: 14.5%
  - Earnings retained: 37.7%
  - Corporate taxation + UK Bank levy: 25.0%
  - Cost of variable compensation: 14.5%

- 2013:
  - Dividends paid: 14.1%
  - Earnings retained: 30.1%
  - Corporate taxation + UK Bank levy: 27.8%
  - Cost of variable compensation: 14.1%
Driving value for our shareholders

Our Ambition
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We bank the people and companies driving investment, trade and the creation of wealth across Asia, Africa and the Middle East

Our Brand Promise
Here for good
Richard Meddings
Group Finance Director
Performance highlights

- Challenging year both for us and for the industry
  - Korea remains a challenge
  - Margin and spread compression
  - Volatile Financial Markets

- Responded to challenges
  - Managing costs and risk tightly
  - Consistently supporting customers’ growth
  - Sharpened strategic focus and flexed financial framework
<table>
<thead>
<tr>
<th></th>
<th>FY 12</th>
<th>FY 13</th>
<th>YoY%²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>18,783</td>
<td>18,671</td>
<td>(1)</td>
</tr>
<tr>
<td>Net interest income</td>
<td>10,781</td>
<td>11,156</td>
<td>3</td>
</tr>
<tr>
<td>Non interest income</td>
<td>8,002</td>
<td>7,515</td>
<td>(6)</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>(10,055)</td>
<td>(10,193)</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Operating profit before impairment</strong></td>
<td>8,728</td>
<td>8,478</td>
<td>(3)</td>
</tr>
<tr>
<td>Loan impairment</td>
<td>(1,196)</td>
<td>(1,617)</td>
<td>(35)</td>
</tr>
<tr>
<td>Other impairment</td>
<td>(196)</td>
<td>(129)</td>
<td>34</td>
</tr>
<tr>
<td>Profit from associates</td>
<td>182</td>
<td>226</td>
<td>24</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>7,518</td>
<td>6,958</td>
<td>(7)</td>
</tr>
<tr>
<td>Normalised profit¹</td>
<td>5,398</td>
<td>4,950</td>
<td>(8)</td>
</tr>
<tr>
<td>Statutory profit before tax</td>
<td>6,851</td>
<td>6,064</td>
<td>(11)</td>
</tr>
</tbody>
</table>

Note: Income excludes US$106m of Own Credit Adjustments (OCA); Expenses exclude US$667m settlement with US authorities in 2012; Other impairment excludes US$1bn of Korea goodwill
1) Normalised as per details on page 112 of the full year 2013 press release; 2) Better/(Worse)
## Consumer Banking performance

<table>
<thead>
<tr>
<th></th>
<th>FY 12</th>
<th>FY 13</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>7,021</td>
<td>7,179</td>
<td>2</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>(4,596)</td>
<td>(4,632)</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Operating profit before impairment</strong></td>
<td>2,425</td>
<td>2,547</td>
<td>5</td>
</tr>
<tr>
<td><strong>Loan impairment</strong></td>
<td>(674)</td>
<td>(1,034)</td>
<td>(53)</td>
</tr>
<tr>
<td><strong>Other impairment</strong></td>
<td>(45)</td>
<td>(7)</td>
<td>84</td>
</tr>
<tr>
<td><strong>Profit from associates</strong></td>
<td>43</td>
<td>44</td>
<td>2</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>1,749</td>
<td>1,550</td>
<td>(11)</td>
</tr>
<tr>
<td><strong>Operating profit ex-Korea</strong></td>
<td>1,585</td>
<td>1,712</td>
<td>8</td>
</tr>
</tbody>
</table>
## Consumer Banking income

<table>
<thead>
<tr>
<th></th>
<th>YoY</th>
<th>H2 13 vs H1 13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mortgages</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4)%</td>
<td>10%</td>
<td>(4)% (1)%</td>
</tr>
<tr>
<td>(12)bps</td>
<td>14bps</td>
<td>0bps</td>
</tr>
<tr>
<td><strong>Deposits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(7)%</td>
<td>1%</td>
<td>(2)% 3%</td>
</tr>
<tr>
<td>(12)bps</td>
<td>1%</td>
<td>(3)bps 3%</td>
</tr>
<tr>
<td><strong>Wealth Management</strong></td>
<td></td>
<td>8%</td>
</tr>
<tr>
<td>(11)%</td>
<td>2%</td>
<td>8%</td>
</tr>
<tr>
<td><strong>CCPL(^1)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(26)bps</td>
<td>5%</td>
<td>(4)% 4%</td>
</tr>
<tr>
<td>(6)%</td>
<td>12%</td>
<td>(15)bps 4%</td>
</tr>
<tr>
<td><strong>SME(^2,3)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2)%</td>
<td>3%</td>
<td>(0)% 2%</td>
</tr>
<tr>
<td>(2)bps</td>
<td>2%</td>
<td>(2)bps 2%</td>
</tr>
</tbody>
</table>

---

1) **CCPL**: Credit Cards and Personal Loans; 2) **SME**: Small and Medium Enterprises; 3) Change in margins – corridor net interest margins (both assets and liabilities)

**Note**: For Mortgages, footings are loans to customers - For Wealth Management, investment AUM. For CCPL loans to customers and for SME loans to customers and deposits combined.
## Consumer Banking – Impairment trend

<table>
<thead>
<tr>
<th></th>
<th>FY 12</th>
<th>HY 13</th>
<th>FY 13</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mortgages</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LI/ANR¹</td>
<td>(0.00%)</td>
<td>0.02%</td>
<td>0.01%</td>
</tr>
<tr>
<td>30dpd/ENR²</td>
<td>0.68%</td>
<td>0.54%</td>
<td>0.59%</td>
</tr>
<tr>
<td>Loan book (US$bn)</td>
<td>73</td>
<td>70</td>
<td>70</td>
</tr>
<tr>
<td>LI (US$m)³</td>
<td>(1)</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td><strong>SME</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LI/ANR</td>
<td>0.56%</td>
<td>0.45%</td>
<td>0.56%</td>
</tr>
<tr>
<td>90dpd/ENR</td>
<td>0.68%</td>
<td>0.77%</td>
<td>0.82%</td>
</tr>
<tr>
<td>Loan book (US$bn)</td>
<td>20</td>
<td>20</td>
<td>21</td>
</tr>
<tr>
<td>LI (US$m)</td>
<td>110</td>
<td>46</td>
<td>114</td>
</tr>
<tr>
<td><strong>CCPL</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LI/ANR</td>
<td>2.71%</td>
<td>4.05%</td>
<td>4.20%</td>
</tr>
<tr>
<td>30dpd/ENR</td>
<td>2.30%</td>
<td>2.45%</td>
<td>2.54%</td>
</tr>
<tr>
<td>Loan book (US$bn)</td>
<td>22</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td>LI (US$m)</td>
<td>560</td>
<td>444</td>
<td>906</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LI/ANR</td>
<td>0.53%</td>
<td>0.78%</td>
<td>0.79%</td>
</tr>
<tr>
<td>30dpd/ENR</td>
<td>1.10%</td>
<td>1.06%</td>
<td>1.15%</td>
</tr>
<tr>
<td>Loan book (US$bn)</td>
<td>130</td>
<td>128</td>
<td>130</td>
</tr>
<tr>
<td>LI (US$m)</td>
<td>674</td>
<td>506</td>
<td>1,034</td>
</tr>
</tbody>
</table>

1) Loan Impairment/Average Net Receivables; 2) Days past due/End period net receivables; 3) ( ) indicates net recovery
<table>
<thead>
<tr>
<th>(US$m)</th>
<th>FY 12</th>
<th>FY 13</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>11,672</td>
<td>11,492</td>
<td>(2)</td>
</tr>
<tr>
<td>Expenses</td>
<td>(5,285)</td>
<td>(5,326)</td>
<td>(1)</td>
</tr>
<tr>
<td>Profit before impairment</td>
<td>6,387</td>
<td>6,166</td>
<td>(3)</td>
</tr>
<tr>
<td>Loan impairment</td>
<td>(522)</td>
<td>(583)</td>
<td>(12)</td>
</tr>
<tr>
<td>Other impairment</td>
<td>(151)</td>
<td>(122)</td>
<td>19</td>
</tr>
<tr>
<td>Profit from associates</td>
<td>139</td>
<td>182</td>
<td>31</td>
</tr>
<tr>
<td>Operating profit</td>
<td>5,853</td>
<td>5,643</td>
<td>(4)</td>
</tr>
</tbody>
</table>

1) Excludes Own Credit Adjustment in 2013 and US$667m settlement with US authorities in 2012
Wholesale Banking – Diversified income streams

(US$m)

<table>
<thead>
<tr>
<th>Segment</th>
<th>FY 12</th>
<th>FY 13</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lending and Portfolio Management</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transaction Banking</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade</td>
<td>1,915</td>
<td>1,845</td>
<td>(4)</td>
</tr>
<tr>
<td>Cash Management and Custody</td>
<td>1,721</td>
<td>1,629</td>
<td>(5)</td>
</tr>
<tr>
<td><strong>Transaction Banking</strong></td>
<td>3,636</td>
<td>3,474</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Global Markets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Markets</td>
<td>3,657</td>
<td>3,650</td>
<td>(0)</td>
</tr>
<tr>
<td>Asset and Liability Management</td>
<td>837</td>
<td>754</td>
<td>(10)</td>
</tr>
<tr>
<td>Corporate Finance</td>
<td>2,222</td>
<td>2,519</td>
<td>13</td>
</tr>
<tr>
<td>Principal Finance</td>
<td>483</td>
<td>277</td>
<td>(43)</td>
</tr>
<tr>
<td><strong>Global Markets</strong></td>
<td>7,199</td>
<td>7,200</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Wholesale Banking</strong></td>
<td>11,672</td>
<td>11,492</td>
<td>(2)</td>
</tr>
<tr>
<td><strong>Client income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of total</td>
<td>81</td>
<td>86</td>
<td></td>
</tr>
<tr>
<td><strong>Fair value gains on Own Credit Adjustment</strong></td>
<td>-</td>
<td>106</td>
<td></td>
</tr>
</tbody>
</table>

1) Excludes Own Credit Adjustment; 2) Not meaningful
## Wholesale Banking – Financial Markets income

<table>
<thead>
<tr>
<th></th>
<th>FY 12</th>
<th>FY 13</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Foreign Exchange</strong></td>
<td>1,277</td>
<td>1,413</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Rates</strong></td>
<td>965</td>
<td>917</td>
<td>-5%</td>
</tr>
<tr>
<td><strong>Commodities and Equities</strong></td>
<td>521</td>
<td>507</td>
<td>-3%</td>
</tr>
<tr>
<td><strong>Capital Markets</strong></td>
<td>591</td>
<td>558</td>
<td>-6%</td>
</tr>
<tr>
<td><strong>Credit and other</strong></td>
<td>303</td>
<td>255</td>
<td>-16%</td>
</tr>
<tr>
<td><strong>Total Financial Markets</strong></td>
<td>3,657</td>
<td>3,650</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Of which client income</strong></td>
<td>2,821</td>
<td>3,022</td>
<td>7%</td>
</tr>
<tr>
<td><strong>% of total</strong></td>
<td>77</td>
<td>83</td>
<td></td>
</tr>
</tbody>
</table>

1) Excludes Own Credit Adjustment
Wholesale Banking – Impairment

<table>
<thead>
<tr>
<th></th>
<th>FY 12</th>
<th>FY 13</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan impairment</td>
<td>(522)</td>
<td>(583)</td>
<td>(12)</td>
</tr>
<tr>
<td>Other impairment</td>
<td>(151)</td>
<td>(122)</td>
<td>19</td>
</tr>
<tr>
<td><strong>Total impairment</strong></td>
<td>(673)</td>
<td>(705)</td>
<td>(5)</td>
</tr>
</tbody>
</table>

Loans and advances to customers (US$bn)

1) Gross of portfolio impairment provision

<table>
<thead>
<tr>
<th></th>
<th>FY 12</th>
<th>FY 13</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross non-performing loans</td>
<td>4,272</td>
<td>5,205</td>
<td>22</td>
</tr>
<tr>
<td>Cover ratio (%)</td>
<td>51</td>
<td>48</td>
<td></td>
</tr>
</tbody>
</table>

Wholesale Banking non-performing loans

- Increase in non-performing loans due to small number of accounts
- 60% cover ratio after including collateral at a conservative forced sale value
- Net at risk is well within observed recovery rates
Risk management

- Consumer Banking – 82% fully or partially secured with average Mortgage LTV of 48%
- Wholesale Banking – 64% less than 1 year maturity
- Stick positions down by 26% to $1.5bn, less than 1% of Wholesale Banking Loans and advances to customers
- CRE portfolio of $13.6bn – average LTV of 37%
- Primary distribution up 9% year on year

Wholesale Banking – Loan impairment trend

### Wholesale Banking – Loans and advances to customers

- Americas, UK and Europe: 30%
- Singapore: 20%
- Hong Kong: 15%
- Africa: 4%
- MESA: 9%
- India: 4%
- Other APR: 14%

1) Loan to value; 2) Commercial Real Estate
Group balance sheet – Liabilities

- Customer deposit funded franchise – with 52% of deposits in CASA\(^1\)

- Liquid asset ratio of 30% with US$201bn in cash or near cash

- Low refinancing requirements

- US$5.5bn of Tier 2 and US$4bn of senior unsecured issuances in 2013

- Basel III NSFR\(^2\) and LCR\(^3\) requirements already met

---

1) Current Account and Savings Accounts; 2) Net Stable Funding Ratio; 3) Liquidity Coverage Ratio; 4) Advances to Deposit ratio
Well diversified by product, industry and geography

Energy, our largest Wholesale Banking industry concentration, is around 20% of our Corporate exposures

No direct sovereign exposure to Greece, Ireland, Italy, Portugal or Spain

Low exposures to Leveraged loans, Level 3 assets and Asset Backed Securitisation; each less than 1% of total assets

### Wholesale Banking – Industry diversification

- Transport, storage & communication: 9%
- Commercial real estate: 8%
- Manufacturing: 25%
- Mining and quarrying: 10%
- Financing, insurance and business services: 13%
- Electricity, gas and water: 3%
- Commerce: 26%
- Others: 6%

### Risk weighted assets (RWA) (US$m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Credit risk</th>
<th>Market risk</th>
<th>Operational risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 10</td>
<td>245</td>
<td>202</td>
<td>16</td>
</tr>
<tr>
<td>FY 11</td>
<td>302</td>
<td>271</td>
<td>21</td>
</tr>
<tr>
<td>FY 12</td>
<td>322</td>
<td>302</td>
<td>31</td>
</tr>
</tbody>
</table>

### Group – Customer loans and advances

- Americas, UK & Europe: 18%
- Africa: 3%
- MESA: 7%
- India: 4%
- Other Asia Pacific: 17%
- Korea: 10%
- Singapore: 21%
- Hong Kong: 20%

- Other Regions: 17%

<table>
<thead>
<tr>
<th>Region</th>
<th>Credit risk (US$m)</th>
<th>Market risk (US$m)</th>
<th>Operational risk (US$m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>23</td>
<td>24</td>
<td>23</td>
</tr>
<tr>
<td>Singapore</td>
<td>21</td>
<td>22</td>
<td>21</td>
</tr>
<tr>
<td>Korea</td>
<td>33</td>
<td>30</td>
<td>33</td>
</tr>
<tr>
<td>Americas, UK &amp; Europe</td>
<td>27</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>Africa</td>
<td>16</td>
<td>17</td>
<td>16</td>
</tr>
<tr>
<td>MESA</td>
<td>27</td>
<td>28</td>
<td>27</td>
</tr>
<tr>
<td>India</td>
<td>24</td>
<td>25</td>
<td>24</td>
</tr>
<tr>
<td>Other Asia Pacific</td>
<td>31</td>
<td>32</td>
<td>31</td>
</tr>
</tbody>
</table>

US$241bn 75%
US$81bn 25%
Self funded balance sheet growth and continued payment of a growing dividend

Core Tier 1 of 11.8% – the same as in 2010

From 2010 to 2013
  - Generated organic equity – Core Tier 1 accretion of US$9bn
  - Total capital increased by US$13bn
  - Grown RWA by US$77bn at a 10% CAGR

Declared over US$5.5bn in dividends since 2010
## Capital – Basel III Standard Chartered “Above the stack”

<table>
<thead>
<tr>
<th></th>
<th>Standard Chartered CET1 today</th>
<th>Standard Chartered CET1 “capital stack”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Chartered 1 Jan 2014</td>
<td>10.9</td>
<td>0.3</td>
</tr>
<tr>
<td>CRDIV phasing and RWA mitigation</td>
<td>11.2</td>
<td>2.5</td>
</tr>
<tr>
<td>Standard Chartered end point 2019</td>
<td></td>
<td>4.5</td>
</tr>
<tr>
<td>Minimum common to all banks</td>
<td>2.5</td>
<td>8.4</td>
</tr>
<tr>
<td>Minimum CET1</td>
<td>4.5</td>
<td>250bps – 280 bps above the “capital stack”</td>
</tr>
<tr>
<td>Capital conservation buffer</td>
<td>1.0</td>
<td>0.4</td>
</tr>
<tr>
<td>Standard Chartered GSIB requirement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard Chartered Pillar 2A guidance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard Chartered known minimum requirement</td>
<td>0.4</td>
<td></td>
</tr>
<tr>
<td>Above the known minimum requirement</td>
<td></td>
<td>2.5</td>
</tr>
</tbody>
</table>

- Standard Chartered CET1 today
- CRDIV phasing and RWA mitigation
- Standard Chartered end point 2019
- Minimum common to all banks
- Minimum CET1
- Capital conservation buffer
- Standard Chartered GSIB requirement
- Standard Chartered Pillar 2A guidance
- Standard Chartered known minimum requirement
- Above the known minimum requirement
Capital – requirements vary by bank

Estimated UK banks CET1 “capital stack” requirements

- Minimum common to all banks: 7.0
- Capital conservation buffer: 2.5
- Minimum CET1: 4.5
- GSIB/DSIB/Vickers Capital requirements: 0 – 2.5
- Pillar 2A guidance: > 1.0
- Potential range of known minimum requirements: c. 10 – 11% ??

1) Before counter cyclical and other potential add ons

Standard Chartered
Other UK banks
Capital summary

- Self funded balance sheet growth and payment of a growing dividend
- Flexed financial framework to drive capital accretive profitable growth
- Assertive RWA tail management in Wholesale Banking
- Divesting non-core businesses – c.10-15 basis points
- Basel II and III capital position strong – 250 to 280 bps above the “capital stack”
- Seeking regulatory and shareholder approval to issue AT1 instruments in the future
Outlook

- Outlook for the year is for modest growth
- Market and trading conditions are more volatile and difficult than first half of 2013
- Current performance momentum ahead of second half of 2013
- Performance will remain challenged in this first half at both an income and profit level

Foundations in excellent shape
- Well capitalised
- Highly liquid
- Diverse
## 2013 performance

<table>
<thead>
<tr>
<th>(US$m)</th>
<th>Income FY12</th>
<th>Income FY13</th>
<th>YoY%</th>
<th>Profit FY12</th>
<th>Profit FY13</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hong Kong</td>
<td>3,348</td>
<td>3,725</td>
<td>11%</td>
<td>1,660</td>
<td>1,920</td>
<td>16%</td>
</tr>
<tr>
<td>Singapore</td>
<td>2,203</td>
<td>2,103</td>
<td>(5)%</td>
<td>966</td>
<td>896</td>
<td>(7)%</td>
</tr>
<tr>
<td>Korea</td>
<td>1,852</td>
<td>1,563</td>
<td>(16)%</td>
<td>514</td>
<td>(13)</td>
<td>(103)%</td>
</tr>
<tr>
<td>Other APR</td>
<td>3,672</td>
<td>3,457</td>
<td>(6)%</td>
<td>1,217</td>
<td>1,145</td>
<td>(6)%</td>
</tr>
<tr>
<td>India</td>
<td>1,585</td>
<td>1,696</td>
<td>7%</td>
<td>676</td>
<td>697</td>
<td>3%</td>
</tr>
<tr>
<td>MESA</td>
<td>2,234</td>
<td>2,209</td>
<td>(1)%</td>
<td>786</td>
<td>1,058</td>
<td>35%</td>
</tr>
<tr>
<td>Africa</td>
<td>1,593</td>
<td>1,751</td>
<td>10%</td>
<td>771</td>
<td>619</td>
<td>(20)%</td>
</tr>
<tr>
<td>Americas, UK &amp; Europe</td>
<td>2,296</td>
<td>2,167</td>
<td>(6)%</td>
<td>928</td>
<td>636</td>
<td>(31)%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18,783</strong></td>
<td><strong>18,671</strong></td>
<td>(1)%</td>
<td><strong>7,518</strong></td>
<td><strong>6,958</strong></td>
<td>(7)%</td>
</tr>
</tbody>
</table>

Note: Income excludes US$106m of Own Credit Adjustments (OCA); Expenses exclude US$667m settlement with US authorities in 2012; Other impairment excludes US$1bn of Korea goodwill
Our markets

2012–2018 forecast GDP and trade growth (CAGR%)

- **UAE**: GDP 3.6%, Trade 9.2%
- **Europe**: GDP 1.2%
- **US**: GDP 1.0%
- **Nigeria**: GDP 6.8%, Trade 4.3%
- **Hong Kong**: GDP 4.2%, Trade 7.9%
- **China**: GDP 7.2%, Trade 6.9%
- **Taiwan**: GDP 4.1%, Trade 4.9%
- **Singapore**: GDP 3.8%, Trade 6.0%
- **Indonesia**: GDP 6.0%, Trade 7.2%
- **Malaysia**: GDP 5.1%, Trade 5.4%

Source: International Monetary Fund, Euromonitor
Prudential regulation
Raising the bar on conduct

“We’ve told the world that we’re Here for good... we need to prove it in every interaction we have and every decision we make.”

דענו להגן על עולמנו. "Here for good" - נopensource הנ”א לזרע עולם אחד. ה维权的な סיבה היא因为她バックית מהсход בין התחום למצב העולמי. כדי להראות את ההבטחה זו, אנו חייבים alliancesינו וفى כל קורא נتحد.
Technology driven innovation

World of Trade

Banking is heading towards its Spotify moment

By Peter Sands

Margins will fall unless banks reinvent what they offer and how they work, writes Peter Sands

Banks are changing dramatically amid an avalanche of regulatory change and widespread debt reduction. They will be safer and, sadly for users of bank services, costlier as a result. Yet, all of this may soon seem somewhat irrelevant, because technology could transform the way banking works far more profoundly.

Banking is very “digitisable”. Cash is the only part of the industry that is inherently physical and that is a tiny part of what a bank does. The rest is really about transferring and modifying property rights and information of various sorts, all of which can be digitised. Of course banks have invested huge sums in technology – automating processes and enabling customers to bank online – but we have not yet seen the fundamental transformation of business models that have taken place in other sectors, such as music.

It will happen and when it does, it will have a huge impact. Some of the consequences are clear from other industries. Intermediaries disappear or get marginalised unless they discover new ways of adding value. Look at what has happened to recorded music companies or book shops. Banks are the primary intermediaries of the financial world, so their margins will fall unless they reinvent what they offer their customers and how they work.
The core of our strategy

“We bank the people and companies driving investment, trade and the creation of wealth across Asia, Africa and the Middle East.”
“We bank the people and companies driving investment, trade and the creation of wealth across Asia, Africa and the Middle East.”
Our aspirations

**Relationships**
- Build trusted relationships with the people, companies and institutions shaping our markets’ future

**Investment**
- Play a leading role in facilitating investment and deepening financial markets in our economies

**Trade**
- Become the undisputed leader in commercial payment and financing for and in Asia, Africa and the Middle East

**Wealth**
- Be recognised as a leader in growing and protecting our clients’ wealth

**Relevant scale**
- Establish sufficient scale, balance sheet and franchise strength to be relevant and influential in our key markets
Corporate and Institutional client relationships

**Improving client returns**

RoRWA uplift from product depth

<table>
<thead>
<tr>
<th>Number of products per client</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;3</td>
<td>4.9%</td>
<td></td>
</tr>
<tr>
<td>3-5</td>
<td>6.5%</td>
<td></td>
</tr>
<tr>
<td>&gt;5</td>
<td>6.9%</td>
<td></td>
</tr>
</tbody>
</table>

RoRWA uplift from geographic breadth

<table>
<thead>
<tr>
<th>Number of markets per client</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;3</td>
<td>5.2%</td>
<td></td>
</tr>
<tr>
<td>3-5</td>
<td>5.6%</td>
<td></td>
</tr>
<tr>
<td>&gt;5</td>
<td>6.5%</td>
<td></td>
</tr>
</tbody>
</table>

**Next 500 clients**

Continued income growth

- Deeper relationships by product and geography
- Growth driven by value added and strategic product groups

Note: Figures based on clients with credit relationship. RoRWA figures for geographical cross sell based on average for Global Corporate clients.
Changing the way we work: Commercial & Private Banking Clients

Peter Sands
Group Chief Executive

Mike Rees
Deputy Group Chief Executive

Richard Meddings
Group Finance Director

Anna Marrs
Group Head
Commercial & Private Banking Clients

Commercial Banking

Private Banking

TS Anil
Group Head
Retail Products

Customers

Products

Delivery

40%

Sean Wallace
Group Head
Corporate & Institutional Clients

Mark Dowie
Group Head
Corporate Finance

Doris Honold
Business Chief
Operating Officer

Pam Walkden
Group Business Head
Geographies

Vishu Ramachandran
Group Head, Strategic
Business Integration

Commercial & Private Banking Clients

Priority & International

Personal & Preferred

Small Business

New business structure

1) Richard Meddings has announced that he will leave the Group by 30 June 2014

2) Reports to the Group Head, Retail Customers
Commercial Banking opportunity

SMEs contribution to GDP and exports in SCB priority markets 2012

<table>
<thead>
<tr>
<th>Country</th>
<th>% of GDP</th>
<th>% of Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>60%</td>
<td>62%</td>
</tr>
<tr>
<td>Indonesia</td>
<td>59%</td>
<td>16%</td>
</tr>
<tr>
<td>Singapore</td>
<td>50%</td>
<td>20%</td>
</tr>
<tr>
<td>Korea</td>
<td>49%</td>
<td>32%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>48%</td>
<td>94%</td>
</tr>
<tr>
<td>Nigeria</td>
<td>46%</td>
<td>4%</td>
</tr>
<tr>
<td>UAE</td>
<td>40%</td>
<td>20%</td>
</tr>
<tr>
<td>India</td>
<td>20%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Asia, Africa and the Middle East (ex-Japan) revenue pool

2017F
AAME (ex-Japan)
~US$600bn¹

2012
AAME (ex Japan)
~US$300bn

Standard Chartered
US$1.2bn*  

1) Assuming a 15% average annual growth  
* 2013 Income  
Source: High level estimate based on McKinsey revenues pools, Internal research
Private Banking opportunity

Asia, Africa and the Middle East (ex-Japan) high net worth financial wealth

Drivers of growth

- Significant opportunity with existing Commercial Banking clients
- Extensive revenue pools
- Unrivalled network
- Strong product capabilities
- Experienced relationship managers

2017F AAME (ex-Japan)
US$21tn

2012 AAME (ex Japan)
US$10tn

2013 Standard Chartered
US$58bn

Source: Capgemini Global Wealth Report 2013; McKinsey Global Banking Pool
Changing the way we work: Wealth Management

Peter Sands
Group Chief Executive

Mike Rees
Deputy Group Chief Executive

Jaspal Bindra
Greater China, ASEAN, MENAP, Africa, Europe, The Americas

V. Shankar
MENAP, Africa, Europe, The Americas

Richard Meddings
Group Finance Director

Richard Meddings
Group Finance Director

Judy Hsu
Group Head Wealth Management

Customers

- Sean Wallace
  Group Head
  Corporate & Institutional Clients
  - Global Corporates
  - Local Corporates
  - Financial Institutions

- Anna Marrs
  Group Head
  Commercial & Private Banking Clients
  - Commercial Banking
  - Private Banking

- Karen Fawcett
  Group Head
  Retail Customers
  - Priority & International
  - Personal & Preferred
  - Small Business

Products

- Mark Dowie
  Group Head
  Corporate Finance

- Lenny Feder
  Group Head
  Financial Markets

- Alex Manson
  Group Head
  Transaction Banking

- Vishu Ramachandran
  Group Head, Strategic Business Integration

Delivery

- Doris Honold
  Business Chief Operating Officer

- Pam Walkden
  Group Business Head Geographies

Functions

- Tracy Clarke
  Director, Compliance, People & Communication

- Richard Goulding
  Group Chief Risk Officer

- Jan Verplancke
  Group Head, Independent Governance & Workplace

- Annemarie Durbin
  Group Head, Independent Governance & Workplace

- David Fein
  Group General Counsel

- TBA
  Group Head of Strategy & Corporate Development

Geographies

- CEO Greater China
- CEO MENAP
- CEO ASEAN
- CEO Africa
- CEO North East Asia
- CEO Europe
- CEO South Asia
- CEO The Americas

New business structure

Equivalent percentage of 2012 Group operating income

1) Richard Meddings has announced that he will leave the Group by 30 June 2014

2) Reports to the Group Head, Retail Customers
Wealth Management opportunity

% of global middle class living in Asia\(^1\)

Our aspiration is to > double AUM by 2020

\(^1\) World Bank
Trade growth volume 2013 (%)

- Global: 3%
- Emerging Asia: 6%
- Standard Chartered: 21%

Our global market position and share (%)

- Trade: 6%
- US$ Clearing: 9%
- Offshore RMB: 10%

1) Growth in average trade assets in 2013
Source: Market research, CHIPS data
Internationalisation of the RMB

China’s % of RMB trade to double by 2020 (US$bn)

Our trade settled in RMB (US$bn)

Standard Chartered RMB Globalisation Index (RGI)

Market leading offshore RMB position

- #2 underwriter of offshore yuan bonds (Dimsum)
- >10% market share in offshore RMB bond issuance
- >20% market share in offshore cross border third party RMB clearing
- >10% share of offshore traded RMB FX and rates turnover

1) Singapore and London became eligible markets and were added to the RGI in August 2011; 2) Taiwan was included in July 2013
Source: Standard Chartered Research
Reinforcing the core – Five tests

Here for good
- Is the business consistent with Here for good?

Clients
- Does this business bank the people, companies and institutions that shape our markets’ future?

Activities
- Does this business drive investment, trade and creation of wealth?

Geographies
- Does the business strengthen our position in Asia, Africa and the Middle East?

Economics
- Does the business contribute to our earnings growth, returns and capital accretion trajectory? Is the business model sustainable?

Actions include
- Korea: Sale of Consumer Finance business
- Korea: Sale of Savings Bank
- Switzerland: Sale of Private Bank
- Lebanon: Sale of Consumer Banking business
- Hong Kong: Exploring sale of Consumer Finance Business
### Korea

#### Actions taken in 2013

- RWA reduced by 7%
- Staff numbers down by ~400
- 24 fewer branches
- Focusing RWA deployment
- De-risking unsecured Consumer Banking book

<table>
<thead>
<tr>
<th>(US$m)</th>
<th>FY 12</th>
<th>FY 13</th>
<th>YoY%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>1,852</td>
<td>1,563</td>
<td>(16)</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>(1,081)</td>
<td>(1,120)</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Profit before impairment</strong></td>
<td>771</td>
<td>443</td>
<td>(43)</td>
</tr>
<tr>
<td><strong>Loan impairment</strong></td>
<td>(249)</td>
<td>(427)</td>
<td>(71)</td>
</tr>
<tr>
<td><strong>Other impairment(^1)</strong></td>
<td>(8)</td>
<td>(29)</td>
<td>nm</td>
</tr>
<tr>
<td><strong>Profit from associates</strong></td>
<td>-</td>
<td>-</td>
<td>nm</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>514</td>
<td>(13)</td>
<td>(103)</td>
</tr>
</tbody>
</table>

\(^1\) 2013 number excludes US$1bn of goodwill
Financial framework - next couple of years

- **High single**
  - Double digit income growth
- **Positive**
  - Neutral cost – income jaws (with positive bias)
- Double digit Earnings per Share (EPS) growth
- Mid-teens Return on Equity (ROE) over the medium term

- Earnings growth ahead of Risk Weighted Asset (RWA) growth
2014 Priorities

**Performance**
Deliver profitable and capital accretive growth

**Aspirations**
Make tangible progress on our five strategic aspirations (relationships, investment, trade, wealth, relevant scale)

**Delivery**
Innovate, digitise and simplify as one bank to improve productivity and effectiveness

**Culture**
Raise the bar on conduct, demonstrating we are Here for good

**People**
Accelerate our next generation of leaders