

Standard Chartered PLC Investor Update

London, 26 February 2019. Standard Chartered PLC (the Group) is today announcing refreshed strategic priorities that build on the significant progress made over the last three years. The refreshed priorities and related actions are expected to deliver a return on tangible equity (RoTE) of at least 10 per cent by 2021 and generate significant surplus capital that is intended to be distributed to shareholders if not deployed to fund additional growth.

The refreshed priorities focus on investing to accelerate growth in the Group's differentiated network and affluent client businesses, optimising performance in lower-returning markets, driving productivity, and building on existing digital credentials to innovate. These actions will position Standard Chartered as the leading bank for clients based or doing business in Asia, Africa and the Middle East.

Bill Winters, Group Chief Executive of Standard Chartered PLC, said:

"Over the last three years we have fundamentally overhauled the bank. It is now a solid platform off which we can grow profitably and sustainably to deliver a double-digit return on tangible equity by 2021. We will achieve this through relentlessly focusing on where we have a distinct competitive advantage, attacking the residual causes of lower returns and ramping-up innovation and productivity. We view the profound technology-driven changes in banking as an opportunity: we are big enough to be relevant to our most complex clients and partners, yet nimble enough to be a profitable disrupter."

Refreshed actions and priorities for 2019-2021:

- Invest to accelerate growth in our differentiated international network and affluent client businesses
- Eliminate residual drags on returns from low-returning markets, including India, Korea, the UAE and Indonesia
- Streamline operations to enhance client satisfaction and drive productivity
- Embrace digitisation and partnerships to reinforce competitive advantage and profitably disrupt
- Embed a performance-orientated and innovative culture emphasising conduct and sustainability

A financial framework for 2019-2021 that is expected to deliver significantly and sustainably higher returns:

- RoTE of at least 10 per cent by 2021
- Income growth target of 5-7 per cent, underpinned by a continued focus on controlling risk
- Cost growth expected to remain below the rate of inflation
 - Gross aggregate cost reduction of \$700m, creating capacity for investment
 - Resulting operating leverage will improve profitability significantly
- Target CET1 ratio range of between 13-14 per cent (FY2018: 14.2 per cent)
- Earnings growth, RWA efficiencies and divestments expected to generate additional surplus capital
 - The ordinary dividend per share has the potential to double by 2021
 - Intend to distribute to shareholders surplus capital that is not deployed to fund additional growth

Capitalising now on profound longer-term technology and societal changes in our markets:

- Utilise existing digital capabilities and develop new models to reshape retail banking offerings, including collaborating with partners:
 - Digitise to improve customer experience and economics
 - Attack with partners in markets with high potential where we do not currently have scale
 - Develop standalone challenger capabilities even where we do have scale, to enhance our attractiveness to younger affluent segments
- Consolidate our position as a digital innovator delivering enhanced corporate and institutional banking services
- Use data and analytics to transform customer experience
- Rapidly expand sustainable financing to drive a positive social, environmental and economic impact

Further information, including a full set of materials can be found here:
<https://www.sc.com/en/investors>.

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Note to Editors

Standard Chartered

We are a leading international banking group, with a presence in 60 of the world's most dynamic markets, and serving clients in a further 85. Our purpose is to drive commerce and prosperity through our unique diversity, and our heritage and values are expressed in our brand promise, Here for good.

Standard Chartered PLC is listed on the London and Hong Kong Stock Exchanges as well as the Bombay and National Stock Exchanges in India.

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This announcement contains or incorporates by reference “forward-looking statements” regarding the belief or current expectations of Standard Chartered PLC (the “Company”), the board of the Company (the “Directors”) and other members of its senior management about the strategy, businesses and performance of the Company and its subsidiaries (the “Group”) and the other matters described in this announcement. Generally, words such as “may”, “could”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue” or similar expressions are intended to identify forward-looking statements.

Forward-looking statements involve inherent risks and uncertainties. They are not guarantees of future performance and actual results could differ materially from those contained in the forward-looking statements. Recipients should not place reliance on, and are cautioned about relying on, any forward-looking statements. Forward-looking statements are based on current views, estimates and assumptions and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Group and are difficult to predict. Such risks, factors and uncertainties may cause actual results to differ materially from any future results or developments expressed or implied from the forward-looking statements. Such risks, factors and uncertainties include but are not limited to: changes in the credit quality and the recoverability of loans and amounts due from counterparties; changes in the Group's financial models incorporating assumptions, judgments and estimates which may change over time; risks relating to capital, capital management and liquidity; risks associated with implementation of Basel III and uncertainty over the timing and scope of regulatory changes in various jurisdictions in which the Group operates; risks arising out of legal and regulatory matters, investigations and proceedings; operational risks inherent in the Group's business; risks arising out of the Group's holding company structure; risks associated with the recruitment, retention and development of senior management and other skilled personnel; risks associated with business expansion and engaging in acquisitions; reputational, compliance, conduct, information and cyber security and financial crime risks; global macroeconomic and geopolitical risks; risks arising out of the dispersion of the Group's operations, the locations of its businesses and the legal, political and economic environment in such jurisdictions; competition; risks associated with the UK Banking Act 2009 and other similar legislation or regulations; changes in the credit ratings or outlook for the Group; market, interest rate, commodity prices,

equity price and other market risk; foreign exchange risk; financial market volatility; systemic risk in the banking industry and among other financial institutions or corporate borrowers; 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; climate related transition and physical risks; business model disruption risks; the implications of a post-Brexit and the disruption that may result in the United Kingdom and globally from the withdrawal of the United Kingdom from the European Union; and failure to generate sufficient level of profits and cash flows to pay future dividends.

Any forward-looking statement contained in this announcement is based on past or current trends and/or activities of the Company and should not be taken as a representation that such trends or activities will continue in the future. No statement in this announcement is intended to be a profit forecast or to imply that the earnings of the Company and/or the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Company and/or the Group. Each forward-looking statement speaks only as of the date of the particular statement. Except as required by any applicable law or regulations, the Company expressly disclaims any obligation or undertaking to release publicly or make any updates or revisions to any forward-looking statement contained herein whether as a result of new information, future events or otherwise.

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